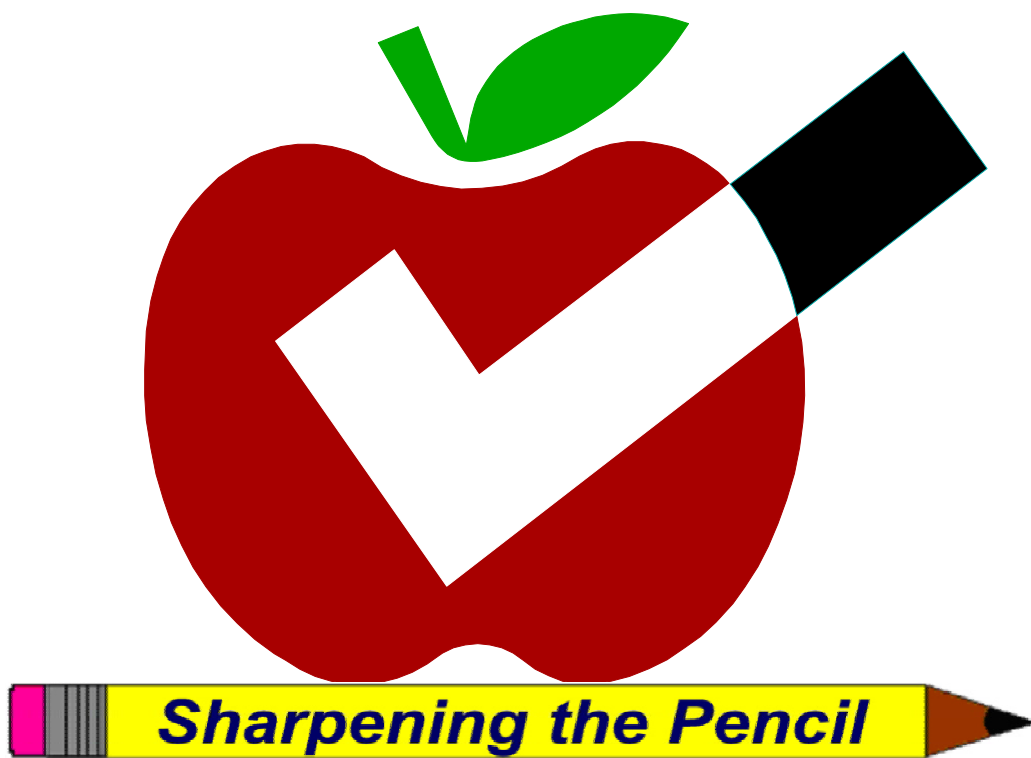


Sharpening the Pencil

Best Financial Management Practices Review

Hillsborough County School District



Oppaga

Office of Program Policy Analysis
and Government Accountability

an office of the Florida Legislature

Report 02-39

GIBSON
CONSULTING GROUP



The Florida Legislature



OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY

John W. Turcotte, Director

July 2002

The President of the Senate
The Speaker of the House of Representatives
The Joint Legislative Auditing Committee
The Superintendent of the Hillsborough County School District
The School Board Members of the Hillsborough County School District

I have directed that a Best Financial Management Practices Review be conducted of the Hillsborough County School District. The 2001 Legislature directed that the Office of Program Policy Analysis and Government Accountability (OPPAGA) contract for a best practices review of the district, and the results of this review are presented in this report. This review was made pursuant to the Sharpening the Pencil Act (HB 269) passed by the 2001 Legislature to improve school district management and use of resources and to identify cost savings.

OPPAGA is issuing the *Digest of Best Financial Management Practices Review, Hillsborough County School District* to comply with the law that directs OPPAGA to issue a report to the district regarding its use of the best practices and cost savings recommendations.

This review was conducted by Gibson Consulting Group, Inc. of Austin, TX; OPPAGA; and the Auditor General. Gibson Consulting Group, Inc. was primarily responsible for fieldwork and developing report findings and recommendations. OPPAGA and the Auditor General attended site visits to monitor fieldwork, conducted meetings with district staff to receive input on the draft, and reviewed and edited the report. OPPAGA made the final determination on the district's use of Best Financial Management Practices, based on information in the final report and in consultation with Gibson Consulting Group, Inc.

Curtis Baynes was the contract manager for this review. Other OPPAGA staff included Frank Alvarez, Debbie Gilreath, Steve Harkreader, Sabrina Hartley, Chuck Hefren, Dave Tranchand, Ron Patrick, Gary VanLandingham, and Jenny Wilhelm under the coordination of Jane Fletcher. Auditor General staff included Denis Jessen and Jim Kiedinger under the supervision of David Martin.

We wish to express our appreciation to the staff of the Hillsborough County School District for their assistance.

Sincerely,

Handwritten signature of John W. Turcotte.

John W. Turcotte
Director

JWT/mc

cc: The Honorable Jeb Bush, Governor
The Honorable Charlie Crist, Commissioner of Education
Mr. Jim Horne, Secretary, Florida Board of Education

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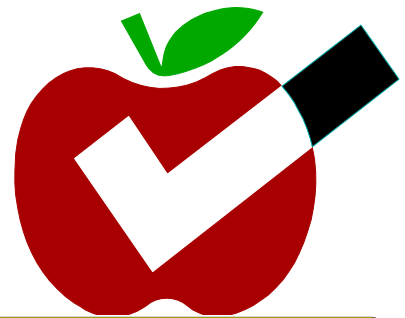
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Digest of the Best Financial Management Practices Review

Hillsborough County School District



Sharpening the Pencil

Report No. 02-39A

July 2002

Results in Brief

The 2001 Legislature passed the Sharpening the Pencil Act, HB 269, to improve school district management and use of resources and to identify cost savings. The act directs the Commissioner of Education to adopt the best practices as standards for the Best Financial Management Practices Review and establishes meeting the best practices as the goal for all Florida school districts. The best practices are designed to encourage districts to

- use performance and cost-efficiency measures to evaluate programs;
- assess their operations and performance using benchmarks based on comparable school district, government agency, and industry standards;
- identify potential cost savings through privatization and alternative service delivery; and
- link financial planning and budgeting to district priorities, including student performance.

In accordance with the Sharpening the Pencil Act, Hillsborough County School District underwent a best practices review during Fiscal Year 2001-02.¹ Based on the recommendations contained in the report, the district could improve operations, save money, and demonstrate good stewardship of public resources. Currently, the district is using 81% (173 of 214) of the best practices adopted by the Commissioner and at this time is not eligible for a Seal of Best Financial Management. (See Exhibit 1.) A detailed listing of all the best practices that identifies the district's status in relation to each is on page 7 of this digest report.

As shown in Exhibit 2, implementing report recommendations will have a positive fiscal impact of \$27,952,411 over a five-year period.

Exhibit 1

The District Is Using 81% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?		
	Yes	No	N/A
Management Structures (12)	9	3	
Performance Accountability System (5)	0	5	
Educational Service Delivery (16)	15	1	
Administrative and Instructional Technology (20)	17	3	
Personnel Systems and Benefits (15)	12	3	
Use of Lottery Proceeds (5)	5	0	
Use of State and District Construction Funds (4)	2	2	
Facilities Construction (32)	27	5	
Facilities Maintenance (26)	25	1	
Student Transportation (20)	15	5	
Food Service Operations (17)	13	4	
Cost Control Systems (31)	24	7	
Community Involvement (11)	9	2	
All Areas (214)	173	41	

¹ This review was conducted by Gibson Consulting Group, Inc., of Austin, Texas under contract to the Office of Program Policy Analysis and Government Accountability (OPPAGA).

Exhibit 2

The District Could Experience a Positive Fiscal Impact of \$27,952,411 Over the Next Five Years by Implementing Recommendations

Recommendation(s) by Review Area	Projected Five-Year Net Fiscal Impact
<u>Management Structures</u>	
<ul style="list-style-type: none"> Distribute board packets via email to all parties who receive packets other than board members and the superintendent (Action Plan 3-2). 	\$19,000
<ul style="list-style-type: none"> Phase out two senior management positions (Action Plan 3-5). 	\$1,779,830
<ul style="list-style-type: none"> Enhance board training on expenditure management (Action Plan 3-7). 	(\$25,000)
<u>Educational Service Delivery</u>	
<ul style="list-style-type: none"> Increase timeliness of assessments for ESE students and reduce non-qualifying referrals (Action Plan 5-2). 	\$965,800
<ul style="list-style-type: none"> Eliminate one supervisor of media specialists and create two new positions for experienced media specialists or administrative resource teachers—one for elementary schools and one for secondary schools. Assign one supervisor of media specialists to oversee the entire K-12 Media Program when the secondary supervisor of media specialists retires (Action Plan 5-6). 	\$60,090
<u>Personnel Systems and Benefits</u>	
<ul style="list-style-type: none"> Downgrade the general director of Employee Relations position to director level with the title of chief negotiator. Eliminate the supervisor position and add a personnel analyst position (Action Plan 7-11). 	\$279,230
<u>Facilities Construction</u>	
<ul style="list-style-type: none"> Install wireless wide area network in 22 schools that lie within the proximity of the district administrative offices (Action Plan 10-2). 	\$1,675,000
<u>Student Transportation</u>	
<ul style="list-style-type: none"> Reduce the number hazardous riders receiving transportation (Action Plan 12-1). 	\$4,270,070
<ul style="list-style-type: none"> Discontinue courtesy rider bus service (Action Plan 12-1). 	\$9,500,000
<ul style="list-style-type: none"> Pursue additional Medicaid reimbursement (Action Plan 12-3). 	\$1,500,000
<ul style="list-style-type: none"> Reduce the repair parts inventory (Action Plan 12-7). 	\$136,800
<u>Food Service Operations</u>	
<ul style="list-style-type: none"> Raise all lunch prices throughout the district by five cents (Action Plan 13-6). 	\$2,228,242
<u>Cost Control Systems</u>	
<ul style="list-style-type: none"> Hire an additional FTE field auditor (Action Plan 14-1). 	\$(179,950)
<ul style="list-style-type: none"> Eliminate the secretary III position in Internal Auditing (Action Plan 14-1). 	\$128,410
<ul style="list-style-type: none"> Create an anonymous hot-line telephone number for stakeholders to report suspicions of wrongdoing (Action Plan 14-1). 	(\$5,065)
<ul style="list-style-type: none"> Purchase a scanning system and reduce staff by two Property Control clerks (Action Plan 14-3). 	\$260,064
<ul style="list-style-type: none"> Reduce seven FTEs in addition to the nine currently vacant positions with the implementation of the Rapid Response Delivery System (Action Plan 14-5). 	\$941,090
<ul style="list-style-type: none"> Expand the Integrated Health Program (Action Plan 14-6). 	\$991,421
<ul style="list-style-type: none"> Create a mechanism to track safety programs (Action Plan 14-6). 	(\$76,784)
<ul style="list-style-type: none"> Consider eliminating the Early Retirement Plan (Action Plan 14-6). 	\$5,366,626

Recommendation(s) by Review Area	Projected Five-Year Net Fiscal Impact
<ul style="list-style-type: none"> Offer severance packages providing incentives to certain long-term employees on the high-end of the salary schedule on a case-by-case basis (Action Plan 14-6). 	(\$724,500)
<ul style="list-style-type: none"> Make budget training for department supervisors mandatory (Action Plan 14-8). 	(\$179,950)
<ul style="list-style-type: none"> Consolidate the textbook, direct purchasing, and procurement card purchasing functions to the Purchasing Department (Action Plan 14-12). 	(\$105,670)
<ul style="list-style-type: none"> Implement a manual review process to ensure that amounts paid do not exceed authorized amounts (Action Plan 14-13). 	(\$134,735)
<ul style="list-style-type: none"> Move the responsibility to obtain written quotes for all purchases between \$5,000 and \$24,999 to the Purchasing Department instead of the schools and individual departments, and hire two associate purchasing agents (Action Plan 14-14). 	(\$326,830)
<ul style="list-style-type: none"> Implement a manual system of tracking threshold limits to ensure that written quotes and bids are prepared for all purchases meeting this requirement until the process can be automated in the new ERP system. Hire a temporary employee to perform this task until the ERP system is implemented (Action Plan 14-14). 	(\$21,110)
<ul style="list-style-type: none"> Lift the temporary freeze on the vacant purchasing agent and control clerk positions to ensure that the Purchasing Department is performing work that is currently not getting done due to lack of staffing (Action Plan 14-14). 	(\$333,155)
<ul style="list-style-type: none"> Lift the freeze on the two vacant accounts payable positions and hire temporary employees until the ERP system is fully implemented. (Action Plan 14-17). 	(\$36,513)
TOTALS	\$27,952,411

Purpose _____

The purpose of Best Financial Management Practices Reviews is to improve Florida school district management and use of resources and to identify cost savings. Florida law directs the Office of Program Policy Analysis and Government Accountability and the Office of the Auditor General to develop a system for reviewing the financial management practices of school districts. Florida law also provides that the best financial management practices, at a minimum, must instill public confidence by

1. addressing the school district's use of resources;
2. identifying ways that the district could save funds; and
3. improving the school district performance accountability systems, including public accountability.

Background _____

The 2001 Legislature passed the Sharpening the Pencil Act, HB 269, to improve school district management and use of resources and to identify cost savings. Two of the most important provisions of the act are that it specifies those districts scheduled to undergo a Best Financial Management Practices Review each year of a five-year-cycle and requires public input during the review process and after the distribution of the final report.

The act also directs that the Commissioner of Education adopt the best practices to be used as standards for these reviews and establishes meeting the best practices as the goal for all Florida school districts. The best practices are designed to encourage districts to

- use performance and cost-efficiency measures to evaluate programs;
- assess their operations and performance using benchmarks based on comparable school district, government agency, and industry standards;
- identify potential cost savings through privatization and alternative service delivery; and
- link financial planning and budgeting to district priorities, including student performance.

In the 2001 General Appropriations Act, the Florida Legislature directed that OPPAGA contract for a Best Financial Management Practices Review of the Hillsborough County School District.

According to the Department of Education, the School District of Hillsborough County had 169,682 students

in 2000-2001. The district has over 200 schools, including 23 high schools, 36 middle schools, 111 elementary schools, nine exceptional student education centers and three technical schools. The district employs over 20,826 permanent employees and 7,215 temporary and substitute employees.

In accordance with Florida law, OPPAGA contracted with Gibson Consulting Group, Inc., of Austin, Texas, a private consulting firm, to conduct this review. Gibson Consulting Group, Inc., was primarily responsible for fieldwork and developing report findings and recommendations. OPPAGA and the Auditor General staff monitored the firm throughout the review process to ensure that the best practices and indicators were applied in the district consistent with reviews by consultants and OPPAGA in other districts. OPPAGA and the Auditor General staff attended two site visits and one public forum and provided assistance to the consultant during the course of the review, which included report drafting.

The consultant's report contains findings related to each best practice and detailed action plans to implement each report recommendation. These action plans were developed with input from the school district and detail the specific steps the district should take if it decides to implement the recommendation within two years. Pursuant to s. 230.23025, *Florida Statutes*, OPPAGA made the final determination on whether the school district is using best practices adopted by the Commissioner of Education based on information in the final report and the independent assessment of the district's use of each best practice.

OPPAGA expresses its appreciation to members of the Hillsborough County School Board and district employees who provided information and assistance during the review.

General Overview and District Obligations _____

Currently, the Hillsborough County School District is using 81% of the best practices adopted by the Commissioner, and, at this time, is not eligible for a Seal of Best Financial Management. Appendix A of this report contains an action plan detailing how the district could meet the best practices within two years.

Within 90 days after receipt of the final report, the school board must

- decide by a majority plus one vote, whether or not to implement the action plan and pursue a Seal of Best Financial Management and
- notify OPPAGA and the Commissioner of Education in writing of the date and outcome of the school board vote on whether to adopt the action plan. If the school board fails to vote on whether to adopt the action plan, the superintendent must notify OPPAGA and the Commissioner of Education.

After receipt of the final report and before the school board votes whether to adopt the action plan, the school district must hold an advertised public forum to accept public input and review the findings and recommendations of the report. The district must advertise and promote this forum to inform school and district advisory councils, parents, school district employees, the business community, and other district residents of the opportunity to attend this meeting. OPPAGA and the consultant will attend this forum.

If the school board votes to implement the action plan, the district must submit two annual status reports, the first report no later than one year after receipt of the final report and the second report one year later.

After receipt of each status report, OPPAGA will assess the district's implementation of the action plan and progress toward implementing the best financial management practices in areas covered by the plan and issue a report indicating whether the district has successfully implemented the best financial management practices.

If the school district successfully implements the best financial management practices within two years, it will be eligible to receive a Seal of Best Financial Management from the State Board of Education, a designation that is effective for five years. During the designation period, the school board must annually notify OPPAGA, the Auditor General, the Commissioner of Education, and the State Board of Education of any changes that would not conform to the state's best financial management practices. If no such changes have occurred and the school board determines that the school district continues to conform to the best financial management practices, the school board must annually report that information to the State Board of Education, with copies to OPPAGA, the Auditor General, and the Commissioner of Education.

Conclusions by Best Practice Area

A summary of report conclusions and recommendations by best practice area is presented below.

Management Structures

The district meets 9 of 12 best practices established for management structures. The School District of Hillsborough County (SDHC) has an effective governance and management structure, but the district could improve its organizational efficiency, site-based decision making, and the scope of its strategic plan.

Performance Accountability System

Currently, the district meets none of the five performance accountability best practices. The School District of Hillsborough County has a well-communicated performance accountability system for instructional programs, but lacks a good system for measuring performance and cost-efficiency of its operational programs.

Educational Service Delivery

The district is using 15 of the 16 best practices for education service delivery. The School District of Hillsborough County has developed and maintained a comprehensive and effective educational service delivery system. A relatively small number of adjustments will improve the already high level of quality achieved.

Administrative and Instructional Technology

The Hillsborough County School District is using 17 of the 20 best practices related to administrative and instructional technology functions. The School District of Hillsborough County has effective, well-received and detailed technology systems for instructional programs; with few additional systems and adjustments administrative programs can be improved to instructional program levels.

Personnel Systems and Benefits

Overall, the district is using 12 of the 15 best practices in this area. The School District of Hillsborough County has developed and maintained effective personnel and benefits systems. With some improvements in technology, implementation of accountability measures, and an increased focus on non-instructional personnel, the district can achieve an

Digest: Best Financial Management Practices Review

efficient, well-rounded and effective Human Resources program.

Use of Lottery Proceeds

The district uses all five best practices pertaining to the use of lottery proceeds. The School District of Hillsborough County has appropriately managed lottery proceeds; however, the program evaluation process should be enhanced.

Use of State and District Construction Funds

Overall, the district uses two of the four best practices pertaining to the use of state and district construction funds. The School District of Hillsborough County has developed and maintained a substantial facilities funding approach to support anticipated facility needs. Improvements in the consideration of alternatives and the formal incorporation of maintenance factors can improve the future use of construction funds.

Facilities Construction

The district is using 27 of the 32 best practices related to facilities construction functions. The School District of Hillsborough County (SDHC) has an efficient school planning and construction operation. Serious problems with overcrowding are effectively addressed, schools are generally delivered on time and within budget, and sites are acquired in a timely fashion.

Facilities Maintenance

The Hillsborough County School District is using 25 of the 26 best practices for facilities maintenance. SDHC has established and successfully implements effective maintenance and operations procedures. These are in compliance with appropriate standards, applicable state laws, and are consistent with the five-year facilities work plan.

Student Transportation

The district is using 15 of the 20 best practices established for student transportation. Overall, the School District of Hillsborough County (SDHC) has effective and efficient student transportation services. Current best practice initiatives in the district include automating routing and scheduling of transportation services, improving driver recruitment/retention and improving maintenance support operations.

Food Service Operations

The district is using 13 of the 17 best practices in food service operations. The School District of Hillsborough County has a fiscally sound food service operation that is well managed, provides nutritious

meals, and is developing more effective accountability mechanisms to ensure continued fiscal success.

Cost Control Systems

The district is using 24 of the 31 best practices established for cost control systems. The Hillsborough County School District has developed and implemented detailed procedures for all segments of its cost control systems. Internal controls are emphasized throughout the district. The district has recognized the areas where improvements are needed and are working to address these areas.

Community Involvement

The district is using 9 of the 11 best practices related to community involvement. The School District of Hillsborough County has developed an extensive, well-received community involvement program. With further program definition and consolidation of initiatives into an integrated plan, the district can focus efforts to maintain an efficient and cost-effective program.

Hillsborough County School District Best Financial Management Practices

Currently, the Hillsborough County School District is using 81% (173 of 214) of the best practices adopted by the Commissioner of Education, and at this time is not eligible for a Seal of Best Financial Management. This appendix provides a detailed listing of all the best practices and identifies the district's current status in relation to each.

<i>Best Practices</i>	<i>Is the District Using Best Practices?</i>		
<u>MANAGEMENT STRUCTURES</u>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
1. The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have procedures to ensure that they have effective working relationships.	✓		3-4
2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	✓		3-8
3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	✓		3-14
4. The district routinely obtains legal services to advise it about policy and reduce the risk of lawsuits. It also takes steps to ensure that its legal costs are reasonable.	✓		3-16
5. The district's organizational structure has clearly defined units and lines of authority.		✓	3-20
6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.		✓	3-24
7. The superintendent and school board exercise effective oversight of the district's financial resources.	✓		3-26
8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to district-wide policies and procedures.		✓	3-32
9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	✓		3-34
10. The district has a system to accurately project enrollment.	✓		3-38
11. The district links its financial plans and budgets to its priority goals and objectives, and district resources are focused towards achieving those goals and objectives.	✓		3-41
12. When necessary, the district considers options to increase revenue.	✓		3-43

Digest: Best Financial Management Practices Review

Best Practices	Is the District Using Best Practices?
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<u>PERFORMANCE ACCOUNTABILITY SYSTEM</u>	YES	NO	PAGE
1. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. These major programs are: <ul style="list-style-type: none"> • <u>Educational Programs</u>: Basic Education (K-3, 4-8, 9-12), Exceptional Student Education, Vocational/Technical Education, and English for Speakers of Other Languages. • <u>Operational</u>: Facilities Construction, Facilities Maintenance, Personnel, Asset and Risk Management, Financial Management, Purchasing, Transportation, Food Services, and Safety and Security. 		✓	4-7
2. The district uses appropriate performance and cost-efficiency measures and interpretive benchmarks to evaluate its major educational and operational programs and uses these in management decision making.		✓	4-15
3. The district regularly assesses the performance and cost of its major educational and operational programs using performance measures and benchmark data and analyzes potential cost savings and/or cost avoidance of alternatives, such as outside contracting and privatization.		✓	4-28
4. The district formally evaluates the performance and cost of its major educational and operational programs and uses evaluation results to improve program performance and cost-efficiency.		✓	4-31
5. The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.		✓	4-37

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
1. District administrators use both academic and nonacademic data to improve K-12 education programs.	✓		5-6
2. District administrators facilitate sharing effective instructional practices to improve student performance.	✓		5-13
3. The district provides effective and cost-efficient Exceptional Student Education (ESE) programs.		✓	5-20
4. The district provides effective and cost-efficient instruction as part of its English for Speakers of Other Languages (ESOL) Program.	✓		5-31
5. The district provides effective and cost-efficient secondary vocational and adult/technical education programs.	✓		5-40
6. The district's curricular framework is linked to Florida's accountability standards and to the Sunshine State Standards.	✓		5-47
7. The district has adopted a plan for the progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards.	✓		5-51
8. The district ensures that school improvement plans effectively translate identified needs into activities with measurable objectives and that school advisory councils meet statutory membership requirements.	✓		5-55
9. The district's process for selecting instructional materials ensures that instructional materials meet the needs of teachers and students.	✓		5-60

Best Practices	Is the District Using Best Practices?		
-----------------------	--	--	--

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
10. Each student has current and appropriate instructional materials in core courses that are aligned with the Sunshine State Standards and the district's pupil progression plan.	✓		5-64
11. The district's procedures for acquiring, maintaining, and disposing of instructional materials are cost-effective.	✓		5-65
12. The district has implemented accountability mechanisms to ensure the overall performance, efficiency, and effectiveness of its major educational programs. ²	✓		5-67
13. The district regularly reviews its organizational structure and the staffing of the central office and schools to minimize administrative layers and processes.	✓		5-74
14. The district clearly reports on the performance and cost-efficiency of its major educational programs to ensure accountability to parents and other taxpayers.	✓		5-78
15. The district has sufficient school library or media centers to support instruction.	✓		5-79
16. The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet the needs of its students in a cost-efficient manner.	✓		5-84

<u>ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY</u>	YES	NO	PAGE
1. The district has solicited and used broad stakeholder input in developing an integrated learning system and in setting priorities for administrative and instructional technology decisions.	✓		6-6
2. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.	✓		6-8
3. The district provides formal and informal support to assist educators in incorporating technology into the curriculum.	✓		6-10
4. The district provides technical support for educational and administrative systems in the district.	✓		6-11
5. The district provides technical support for hardware, software, and infrastructure in a timely and cost-effective manner.		✓	6-12
6. The district has a professional development plan that reflects the district's vision of integrating technology to enhance and enrich the learning environment, as well as improve administrative support.		✓	6-16
7. The district provides professional development for the instructional technologies.	✓		6-17
8. The district bases technology acquisitions on instructional needs and makes technology acquisitions based on those needs. ³	✓		6-18
9. The district bases technology acquisitions on the results of research, planning, and evaluations of previous technology decisions to ensure technology decisions are cost-effective.	✓		6-19

² See performance accountability best practices and indicators for more information on each indicator for this best practice.

³ Instructional needs include incorporating technology into the curriculum and needs of students learning how to use technology.

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<i>Best Practices</i>	<i>Is the District Using Best Practices?</i>		
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<u>ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY</u>	YES	NO	PAGE
10. The district has established standards for acquiring new programs and digital content that promote the integration of technology into everyday curricular needs.	✓		6-21
11. The district has a stable and efficient infrastructure. ⁴	✓		6-22
12. The district has established and communicated a policy stating appropriate uses of all types of technology resources, including computers, video equipment, software, and the Internet.	✓		6-24
13. The district supports compliance with the established policy on safe and legal use of technology resources.	✓		6-25
14. Segregation of Duties: The district segregates duties to reduce the risk that unauthorized transactions will be entered and not discovered quickly.	✓		6-27
15. User Controls: The district's user controls ensure authorization prior to processing transactions and ensure all output represents authorized and valid transactions.	✓		6-28
16. Application Controls: The district's applications are designed to provide users with reliable data.	✓		6-29
17. General Controls: The district has established general controls in the areas of access, systems development and maintenance, documentation, operations, and physical security to promote the proper functioning of the information systems department.	✓		6-29
18. The district's management information systems provide data needed by administrative and instructional personnel in a reliable and timely manner.	✓		6-31
19. The district has taken steps to minimize the number of databases that are independent of its centralized computer systems.		✓	6-32
20. Other Controls: The district has established appropriate controls related to electronic data exchange transactions, other transactions processed through electronic media, and image processing systems.	✓		6-34

<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
1. The district has efficient and effective processes for recruiting and hiring qualified personnel.	✓		7-6
2. The district maintains a reasonably stable work force through competitive salary and benefit packages and through district-wide efforts to address and remedy factors that contribute to increased turnover.		✓	7-12
3. The district provides a comprehensive staff development program to achieve and maintain high levels of productivity and employee performance among non-instructional employees.		✓	7-20
4. The district provides a comprehensive staff development program for instructional employees to attain and maintain high quality instruction and to achieve high levels of student performance.	✓		7-23

⁴ Examples of this include a Wide Area Network (WAN) and a Local Area Network (LAN).

Best Practices	Is the District Using Best Practices?		
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<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
5. The district provides a comprehensive staff development program for school-based administrators.	✓		7-27
6. The district’s system for formally evaluating employees is designed to improve and reward excellent performance and productivity, and to identify and address performance that does not meet the district’s expectations for the employee.	✓		7-28
7. The district ensures that employees who repeatedly fail to meet the district’s performance expectations, or whose behavior or job performance is potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate those persons’ employment.	✓		7-31
8. The district maintains clear and effective channels of communication with employees.	✓		7-33
9. The district has efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel.	✓		7-35
10. The district maintains personnel records in a highly efficient and accessible manner.		✓	7-37
11. The district uses cost-containment practices for its Workers’ Compensation Program.	✓		7-38
12. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the human resource program.	✓		7-41
13. The district periodically reviews the organizational structure and staffing levels of the office of human resources to minimize administrative layers and processes.	✓		7-44
14. The district periodically evaluates its personnel practices and adjusts these practices as needed to reduce costs and/or improve efficiency and effectiveness.	✓		7-46
15. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	✓		7-47

<u>USE OF LOTTERY PROCEEDS</u>	YES	NO	PAGE
1. The district has defined “enhancement” in a way that the public clearly understands.	✓		8-3
2. The district uses lottery money consistent with its definition of enhancement.	✓		8-4
3. The district allocates lottery funds to school advisory councils as required by law.	✓		8-5
4. The district accounts for the use of lottery money in an acceptable manner.	✓		8-6
5. The district annually evaluates and reports the extent to which lottery fund expenditures have enhanced student education.	✓		8-7

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<u>USE OF STATE AND DISTRICT CONSTRUCTION FUNDS</u>	YES	NO	PAGE
1. The district approves use of construction funds only after determining that the project(s) are cost-efficient and in compliance with the lawfully designated purpose of the funds and the district's five-year facilities work plan.		✓	9-3
2. The district uses capital outlay and operational funds appropriately, lawfully, and in accordance with its adopted five-year facilities work plan.	✓		9-5
3. The district minimizes construction costs by using appropriate measures from the SMART (Soundly Made, Accountable, Reasonable and Thrifty) Schools Clearinghouse Frugal Construction Standards. ⁵	✓		9-6
4. When designing and constructing new educational facilities, the district incorporates factors to minimize the maintenance and operations requirements of the new facility.		✓	9-12

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
1. The district has established a facilities planning committee that includes a broad base of school district personnel, parents, construction professionals, and other community stakeholders.		✓	10-5
2. The district has established authority and assigned responsibilities for facilities planning.		✓	10-8
3. The five-year facilities work plan provides budgetary plans and priorities based on the master plan and input from the facilities planning committee.	✓		10-9
4. The five-year facilities work plan is based on a thorough demographic study and enrollment projections.	✓		10-12
5. The five-year facilities work plan is based on an evaluation of the physical condition and the ability of facilities to meet educational needs.	✓		10-13
6. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	✓		10-14
7. District planning prioritizes construction needs.	✓		10-15
8. The district can demonstrate that the construction program complies with the current <i>Laws of Florida</i> .	✓		10-16
9. For all projects with dates of construction contracted after July 1, 2001, the district can demonstrate that the construction program complies with the Florida Building Code.	✓		10-17
10. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	✓		10-20
11. The district develops descriptions and educational specifications for each project.		✓	10-20

⁵ The web page is: <http://smartschools.state.fl.us>.

<i>Best Practices</i>	<i>Is the District Using Best Practices?</i>		
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<i>FACILITIES CONSTRUCTION</i>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
12. Educational specifications for new construction, remodeling, and renovations include a description of activity areas.	✓		10-24
13. The architectural design fulfills the building specification needs as determined by the district.	✓		10-26
14. New construction, remodeling, and renovations incorporate effective safety features.	✓		10-28
15. The district begins school site selection well in advance of future need based on expected growth patterns.	✓		10-28
16. The board considers the most economical and practical locations for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.	✓		10-30
17. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	✓		10-31
18. The district has considered, and where possible implemented, the general requirements recommended in the SMART Schools Clearinghouse Frugal Construction Standards.	✓		10-32
19. The district minimizes construction costs through the use of prototype school designs and frugal construction practices.	✓		10-33
20. The district secures appropriate professional services to assist in facility planning, design, and construction.	✓		10-34
21. The district can demonstrate that funds collected for school projects were raised appropriately.	✓		10-35
22. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	✓		10-36
23. For each project or group of projects, the architect and district facilities planner develop a conceptual site plan and building specifications.	✓		10-37
24. The district follows generally accepted and legal contracting practices to control costs.	✓		10-37
25. The district has assigned one person with the authority and responsibility to keep facilities construction projects within budget and on schedule.	✓		10-38
26. The board minimizes changes to facilities plans after final working drawings are initiated in order to minimize project costs.	✓		10-38
27. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	✓		10-39
28. The district requires appropriate inspection of all school construction projects.	✓		10-39
29. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.	✓		10-40
30. The district conducts comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance.		✓	10-42

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<u>FACILITIES CONSTRUCTION</u>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
31. The district analyzes building evaluations to determine whether facilities are fully used, operating costs are minimized, and changes in the district’s construction planning process are needed.		✓	10-43
32. The district analyzes maintenance and operations costs to identify improvements to the district’s construction planning process.	✓		10-44

<u>FACILITIES MAINTENANCE</u>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
1. The district’s maintenance and operations department mission, organizational structure, and operating procedures are established in writing.	✓		11-5
2. The district has established maintenance standards in its short- and long-term plans for providing appropriately and equitably maintained facilities within budget and in accordance with the district’s five-year facilities work plan and annual budget.		✓	11-9
3. The district clearly identifies and communicates performance standards and expected outcomes to maintenance and operations staff.	✓		11-12
4. The district ensures that maintenance and custodial standards are regularly updated to implement new technology and procedures.	✓		11-13
5. The district obtains and uses customer feedback to identify and implement program improvements.	✓		11-13
6. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	✓		11-15
7. The district accurately projects cost estimates of major maintenance projects.	✓		11-17
8. The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.	✓		11-19
9. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	✓		11-20
10. The maintenance and operations department regularly evaluates maintenance and operations activities to determine the most cost-effective method of providing needed services.	✓		11-20
11. The district minimizes equipment costs through purchasing practices and maintenance.	✓		11-22
12. The district uses proactive maintenance practices to reduce maintenance costs.	✓		11-25
13. The maintenance and operations department regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and processes.	✓		11-26
14. The maintenance and operations department regularly reviews the staffing levels of the maintenance and operations program to maximize the efficient use of personnel.	✓		11-26
15. The maintenance and operations department ensures qualified staff by using appropriate hiring practices.	✓		11-27
16. The maintenance and operations departments has a written job description for each position within the department.	✓		11-27

Best Practices	Is the District Using Best Practices?		
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<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
17. The district provides appropriate supervision of maintenance and operations staff.	✓		11-28
18. The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.	✓		11-29
19. The district provides maintenance and operations department staff the tools and equipment required to accomplish its assigned tasks.	✓		11-29
20. A computerized control and tracking system is used to accurately track work orders and inventory.	✓		11-30
21. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	✓		11-31
22. District policies and procedures clearly address the health and safety conditions of facilities.	✓		11-31
23. The maintenance and operations department identifies and implements strategies to contain energy costs.	✓		11-32
24. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	✓		11-32
25. The school district complies with federal and state regulatory mandates regarding facility health, safety, and energy efficiency conditions.	✓		11-33
26. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	✓		11-33

<u>STUDENT TRANSPORTATION</u>	YES	NO	PAGE
1. The student transportation office plans, reviews, and establishes bus routes and stops to provide efficient student transportation services for all students who qualify for transportation.		✓	12-5
2. The district ensures that all regular school bus routes and activity trips operate in accord with established routines, and any unexpected contingencies affecting those operations are handled safely and promptly.		✓	12-12
3. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	✓		12-16
4. The district trains, supervises, and assists bus drivers to enable them to meet bus driving standards and maintain acceptable student discipline on the bus.	✓		12-18
5. The district provides student transportation services for exceptional students in a coordinated fashion that minimizes hardships to students and accurately reports exceptional students transported to receive state funding.		✓	12-21
6. The district ensures that staff acts promptly and appropriately in response to any accidents that occur.	✓		12-24
7. The district ensures that appropriate student behavior is maintained on the bus at all times.	✓		12-28
8. The school district has a process to ensure that a sufficient school bus fleet is acquired economically and will be available to meet the district's future student transportation needs.	✓		12-29

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<i>Best Practices</i>	<i>Is the District Using Best Practices?</i>		
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<u>STUDENT TRANSPORTATION</u>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	✓		12-33
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		12-36
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other student transportation functions.	✓		12-37
12. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop their skills.	✓		12-38
13. The district maintains an inventory of parts, supplies, and equipment needed to support student transportation functions that balances the concerns of immediate need and inventory costs.		✓	12-39
14. The district provides appropriate technological and computer support for student transportation functions and operations.	✓		12-42
15. The district has established an accountability system for student transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.	✓		12-42
16. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	✓		12-44
17. The district monitors the fiscal condition of student transportation functions by regularly analyzing expenditures and reviewing them against the budget.	✓		12-45
18. The district provides regular, accurate, and timely counts to the Florida Department of Education of the number of students transported as part of the Florida Education Finance Program.	✓		12-46
19. The district has reviewed the prospect for privatizing student transportation functions, as a whole or in part.	✓		12-46
20. The district periodically reviews the organizational structure and staffing levels of the student transportation program to minimize administrative layers and processes.		✓	12-47

<u>FOOD SERVICE OPERATIONS</u>	<i>YES</i>	<i>NO</i>	<i>PAGE</i>
1. The food service program is clearly defined with a mission statement, operating policies and procedures, and performance expectations.		✓	13-7
2. The district regularly reviews the organizational structure and staffing levels of the food service program to enhance the efficiency of program operation.	✓		13-12
3. The district uses a comprehensive food service training program to increase productivity, improve employee performance, and enhance the food service program.	✓		13-17
4. The district identifies barriers to student participation in the school meals program and implements strategies to eliminate the barriers.	✓		13-20

Best Practices	Is the District Using Best Practices?		
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<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
5. The district has established cost-efficiency benchmarks based on comparable private and public sector food service programs and other applicable industry standards.		✓	13-22
6. The district regularly evaluates the school food service program based on established benchmarks and implements improvements to increase revenue and reduce costs.		✓	13-24
7. The district regularly assesses the benefits of service and service delivery alternatives, such as contracting and privatization, and implements changes to improve efficiency and effectiveness.	✓		13-25
8. The program budget is based on department goals, revenues, and expenditure projections.		✓	13-30
9. The district's financial control process includes an ongoing review of the program's financial and management practices.	✓		13-33
10. The district accounts for and reports meals served by category.	✓		13-40
11. The district regularly evaluates purchasing practices to decrease costs and increase efficiency.	✓		13-40
12. The district has developed an effective inventory control system that is appropriate to the size of the school food service program.	✓		13-42
13. The district has a system for receiving, storing, and disposing of food, supplies, and equipment.	✓		13-44
14. The district has a plan for the repair and replacement of equipment that includes preventive maintenance practices.	✓		13-46
15. The district provides school meals designed to meet the nutritional needs of students.	✓		13-48
16. The district's food production and transportation system ensures the service of high quality food with minimal waste.	✓		13-49
17. The district follows safety and environmental health practices and regulations.	✓		13-50

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
1. The district has established an internal audit function with its primary mission to (1) provide assurance that the internal control processes in the organization are adequately designed and functioning effectively, and (2) where appropriate offer recommendations and counsel to management that will improve performance.		✓	14-14
2. The district obtains an external audit in accordance with government auditing standards.	✓		14-26
3. The district provides for timely follow-up of findings identified in the external audit.	✓		14-26
4. The district obtains and reviews required financial information relating to school internal accounts, direct service organizations (DSOs), and charter schools.	✓		14-30
5. Segregation of Duties: The district segregates responsibilities for custody of assets from record keeping responsibilities for those assets.	✓		14-33
6. Authorization Controls: The district has established controls that provide for proper authorization of asset acquisitions and disposals.	✓		14-34

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<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
7. Project Accounting: The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors.	✓		14-35
8. Asset Accountability: The district provides recorded accountability for capitalized assets.	✓		14-36
9. Asset Safeguards: Assets are safeguarded from unauthorized use, theft, and physical damage.		✓	14-38
10. Segregation of Duties over Inventory: The district segregates responsibilities for custody of inventories from record keeping responsibilities for those assets.	✓		14-46
11. Inventory Requisitioning Controls: The district has established and implemented controls that provide for proper inventory requisitioning.	✓		14-46
12. Inventory Accountability and Custody: The district has established controls that provide for inventory accountability and appropriate safeguards exist for inventory custody.	✓		14-47
13. Inventory Management: The district periodically evaluates the inventory function to determine its cost-effectiveness.	✓		14-48
14. General: The district has a process to set objectives for risk management activities, identify and evaluate risks, and design a comprehensive program to protect itself at a reasonable cost.		✓	14-52
15. Providing for Coverage Against Risk Exposure: The district has comprehensive policies and procedures relating to acquiring and reviewing coverage for risks of loss.	✓		14-66
16. Management Control Methods: District management communicates its commitment and support of strong internal controls.	✓		14-69
17. Financial Accounting System: The district records and reports financial transactions in accordance with prescribed standards.	✓		14-70
18. Financial Reporting Procedures: The district prepares and distributes its financial reports timely.	✓		14-77
19. Budget Practices: The district has a financial plan serving as an estimate of and control over operations and expenditures.	✓		14-78
20. Cash Management: The district has effective controls to provide recorded accountability for cash resources.	✓		14-84
21. Investment Practices: The district has an investment plan that includes investment objectives and performance criteria designed to maximize return consistent with the risks associated with each investment, and specifies the types of financial products approved for investment.	✓		14-87
22. Receivables: The district has established effective controls for recording, collecting, adjusting, and reporting receivables.	✓		14-87
23. Salary and Benefits Costs: The district has effective controls that provide accountability for the payment of salaries and benefits.	✓		14-89
24. Debt Financing: The district analyzes, evaluates, monitors, and reports debt-financing alternatives.	✓		14-95
25. Grant and Entitlement Monitoring: The district effectively monitors and reports grants activities.	✓		14-96

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<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
26. Segregation of Duties: The district segregates purchasing responsibilities from the requisitioning, authorizing, and receiving functions.	✓		14-101
27. Requisitioning: The district has established controls for authorizing purchase requisitions.		✓	14-103
28. Purchasing: The district has established authorization controls over purchasing.		✓	14-110
29. Receiving: The district has established controls to ensure that goods are received and meet quality standards.		✓	14-116
30. Disbursements: The district has established controls to ensure disbursements are properly authorized, documented, and recorded.	✓		14-119
31. Invoice Processing: The district has established controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports.		✓	14-121

<u>COMMUNITY INVOLVEMENT</u>	YES	NO	PAGE
1. The district has developed a meaningful community involvement mission statement and maintains ongoing community involvement activities in its strategic plan directed toward performing that mission.	✓		15-4
2. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the Community Involvement Program.		✓	15-8
3. The district solicits and incorporates parent and community involvement and support.	✓		15-11
4. The district uses a variety of methods of communicating with parents.	✓		15-15
5. The district periodically reviews the organizational structure and staffing levels of the Community Involvement Program to minimize administrative layers and processes.		✓	15-18
6. The district has active Parent Teacher Associations /Parent Faculty Organizations (PTA/PFO) and other effective methods to involve and encourage parent leadership and participation.	✓		15-20
7. The district provides activities that encourage families to be involved in the schools.	✓		15-22
8. The district uses community resources to strengthen schools, families, and student learning and consistently offers school resources to strengthen communities.	✓		15-25
9. The district has developed school-business partnerships.	✓		15-27
10. District schools maintain active and effective programs to involve volunteers in the education process.	✓		15-30
11. District schools solicit economic support through school foundations.	✓		15-36

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



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- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance. Check out the ratings of the accountability systems of 13 state programs.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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1

Introduction

Overview

In 1997, the Florida Legislature directed the Office of Program Policy Analysis and Government Accountability (OPPAGA) and Florida's Auditor General to develop a system for reviewing the financial management practices of the school districts. OPPAGA and the Auditor General developed Best Financial Management Practices for Florida school districts, which were adopted by the state's Commissioner of Education.

In 2001, the Florida legislature expanded the program by passing the *Sharpening the Pencil Act*, [Chp. 2001-86, Laws of Florida](#), to improve school district management and use of resources and to identify cost savings. One of the most important provisions of the act is that it requires each school district to undergo a Best Financial Management Practices Review once every five years. The act identifies those districts scheduled to undergo review each year of the five-year-cycle. It also establishes meeting the best practices as the goal for all Florida school districts.

This review was conducted by Gibson Consulting Group, Inc. of Austin, Texas, OPPAGA, and the Auditor General. Gibson Consulting Group, Inc. was primarily responsible for fieldwork and developing report findings and recommendations. OPPAGA and the Auditor General attended site visits to monitor fieldwork, conducted meetings with district staff to receive input on the draft, and reviewed and edited the report.

To conduct these reviews, OPPAGA uses a formal request for proposal process to select private consulting firms and seeks input for each school district to develop the review scope. Gibson Consulting Group, Inc. of Austin, Texas was selected to conduct this review.

Best Financial Management Practice Reviews

Best Financial Management Practice Reviews are designed to help school districts meet the challenge of educating their students in a cost-effective manner. In these reviews, a district's management and operational activities are compared to 'best practices' for school districts. These best practices represent the state of the art in managing school districts and are based upon published research and work in many states. Because a district's operations are compared to the state of the art, there may be many areas in which a district is not using the best practices. In such areas the review provides the district with a plan of action that, if implemented, will allow it to meet the best practices and improve the efficiency and effectiveness of district operations.

The School Board requested a review to provide the district with an external assessment of how its existing practices could be improved to achieve a higher level of efficiency and effectiveness. School Board members and administrative staff of the School District of Hillsborough County (SDHC) have

Introduction

indicated that their goal is to use the Best Financial Management Practices in managing and operating all aspects of their school district and to achieve the “Seal of Best Financial Management” awarded by the Department of Education.

The reasons the Florida Legislature created Best Financial Management Practice Reviews in 1997 were to increase public confidence and support for districts that demonstrate good stewardship of public resources; to encourage cost-savings; and to improve school district management and use of funds. OPPAGA and the Auditor General in consultation with stakeholders developed best practices for Florida school districts, which the Commissioner of Education adopted on September 4, 1997. To assess whether districts are using the best practices, OPPAGA and the Auditor General developed an extensive set of indicators. The best practices and indicators are designed to encourage districts to:

- use performance and cost-efficiency measures to evaluate programs;
- use appropriate benchmarks based on comparable school districts, government agencies, and industry standards to assess their operations and performance;
- identify potential cost-savings through privatization and alternative service delivery; and
- link financial planning and budgeting to district priorities, including student performance.

A framework for conducting a Best Financial Management Practice Review is prescribed in Florida law. The law establishes a five-year schedule of reviews. OPPAGA and the Auditor General jointly examine a district’s operations to determine whether the district is using these best practices. The law also provides OPPAGA the authority to contract with a consultant for part of the review. The reviews must be completed within a six-month period. OPPAGA must then publish a report within 60 days that indicates whether the district is using the best practices and that identifies potential cost savings. Districts found to be using the Best Financial Management Practices will be awarded a “Seal of Best Financial Management” by the State Board of Education. Districts that are not using Best Financial Management Practices are provided a detailed two-year action plan to provide assistance in meeting the best practices. The district school board must vote on whether to implement this action plan or not.

Scope

Florida law states that the best financial management practices are designed to enhance public confidence in school districts by addressing the following areas at a minimum:

- efficient use of resources, use of lottery proceeds, student transportation and food services operations, management structures, and personnel systems and benefits;
- compliance with generally accepted accounting principles and state and federal laws relating to financial management;
- use of performance accountability systems, including performance measurement reports to the public, internal auditing, financial auditing and information made available to support decision-making; and
- use of cost control systems, including asset, risk, and financial management; purchasing; and information system controls.

Exhibit 1-1 details the managerial and operational areas that are included in the Combined Best Financial Management Practice and Performance Review of the School District of Hillsborough County.

Exhibit 1-1**Managerial and Operational Areas Included in the Combined Best Financial Management Practice and Performance Review**

-
- Management Structures
 - Performance Accountability Systems
 - Educational Service Delivery
 - Administrative and Instructional Technology
 - Personnel Systems and Benefits
 - Use of Lottery Funds
 - Use of State and District Construction Funds
 - Facilities Construction
 - Facilities Maintenance
 - Transportation
 - Food Service Operations
 - Cost Control Systems
 - Community Involvement
-

Source: Sharpening the Pencil Act.

Methodology

In conducting this review, a wide variety of methods were used to collect information about the district's use of the Best Financial Management Practices. The staff of Gibson Consulting Group, Inc. conducted numerous interviews with district administrators and staff, facilitated discussion groups with district staff, and conducted site visits to schools. OPPAGA staff and Auditor General staff collected information through a district self-assessment instrument, attended site visits and participated in interviews. Staff also gathered and reviewed many program documents, district financial data, data on program activities, and data on student performance. In an effort to put the School District of Hillsborough County's (SDHC) programs and activities in context with other Florida school districts, staff gathered information from five peer districts around the state that are similar to SDHC. Refer to Exhibit 1-2 for a timeline of major project activities.

Exhibit 1-2**The School District of Hillsborough County
Best Financial Management Practice Review Timeline**

Activity	Date
Self-Assessment Site Visit OPPAGA and Auditor General staff provided technical assistance to district staff on how to complete the self-assessment.	July 20, 2001
District Self-Assessment Received by OPPAGA and Auditor General	October 3, 2001
Gibson Consulting Group, Inc., OPPAGA, and Auditor General Conducted First Site Visit Team members reviewed the district's self-assessment with district staff, conducted numerous interviews, collected additional data, and identified issues and potential cost savings.	October 22-26, 2001
Gibson Consulting Group, Inc., Completed the Preliminary Written Assessment	November 9, 2001
Gibson Consulting Group, Inc., OPPAGA, and Auditor General Conducted Second Site Visit Team members shared their preliminary assessment with district staff, conducted additional fieldwork, and collected information needed to prepare the first working draft of the consultant's report.	November 26-30, 2001

Activity	Date
Gibson Consulting Group, Inc., Completed the First Draft of the Report	December 21, 2001
Gibson Consulting Group, Inc., OPPAGA, and Auditor General Conducted Third Site Visit Team members shared the first draft of the report with district staff for feedback and to collaboratively develop an action plan in instances where the district was not using a best practice.	January 7-8, 2002
Gibson Consulting Group, Inc., Completed the Second Draft of the Report	January 23, 2002
Gibson Consulting Group, Inc., OPPAGA, and Auditor General Conducted Fourth and Final Site Visit Team members provided school board members and district staff an opportunity to review the draft report before it was published.	February 4-6, 2002
Presentation of Final Report to Hillsborough County School Board	To Be Determined

Source: Gibson Consulting Group, Inc.

Interviews and Focus Group Discussions

To understand The School District of Hillsborough County’s practices and programs, the review team conducted numerous interviews. The team conducted more than 100 on-site interviews with district personnel representing all levels of staff. Interview participants included school board members, the superintendent, assistant superintendents, various program directors and supervisors, and principals and support staff. The team conducted 15 on-site focus groups with teachers, principals, and business leaders to identify issues and gather feedback.

On-Site Observations

Team members conducted on-site observations of district operations. These observations included central office operations, purchasing and warehousing operations, administrative and instructional technology operations, transportation, and food service operations including the operations of the district’s new Central Processing Center for food service data collection and verification. Team members also observed several district meetings and presentations including a joint school board/county commissioners’ meeting and a student awards ceremony.

Peer School Districts

OPPAGA identified five peer districts to use in comparing SDHC’s activities to those of similar school districts. Peer district staff provided information for district comparisons and provided confirmation or changes to state collected data.

OPPAGA identified Broward, Pinellas, Orange, Duval, and Palm Beach County School Districts as peer districts for the School District of Hillsborough County. Gibson Consulting Group, Inc., compared data from these districts to that of SDHC to better understand demographic characteristics, resources, expenditures, and performance. In identifying these peer school districts, OPPAGA obtained input from SDHC administrators and considered the factors listed below:

- County population
- Geographic location
- Total number of students
- Racial and ethnic composition of students
- Number and percentage of students in specialized educational programs (such as exceptional student education and dropout prevention)

- Percentage of students eligible for free and reduced lunch.

Other Sources of Information

As part of the review, team members contacted additional entities to obtain a variety of information such as statewide practices, federal and state requirements, the availability of statewide data, and technical assistance available to the school districts. Team members contacted state agency personnel in the Department of Education and staff in other Florida school districts.

School Visits

Review staff visited 44 of the 178 district schools. During these visits, team members spoke to school staff such as teachers, transportation and food service staff, and other support staff, to obtain a better understanding of issues confronting the district and to identify ways the district could improve. Exhibit 1-3 identifies the schools the review team visited during on-site visits to the School District of Hillsborough County.

Exhibit 1-3

School Visits The School District of Hillsborough County

Elementary Schools	
• Ballast Point Elementary	• Kenly Elementary
• Bevis Elementary	• Lanier Elementary
• Bryan Elementary	• Lowry Elementary
• Claywell Elementary	• Pizzo Elementary
• Cleveland Elementary	• Seminole Elementary
• Cypress Creek Elementary	• Shore Elementary
• Eastside Multicultural Elementary	• Temple Terrace Elementary
• Folsom Elementary	• Wimauma Elementary
• Gorrie Elementary	
Middle Schools	
• Coleman Middle School	• Randall Middle School
• Davidsen Middle School	• Sligh Magnet Middle School
• Dowdell Magnet Middle School	• Stewart Magnet Middle School
• Greco Middle School	• Van Buren Middle School
• Orange Grove Magnet Middle School	• Webb Middle School
	• Wilson Middle School
High Schools	
• Alonso High School	• King High School
• Blake High School	• Plant City High School
• Durant High School	• Plant High School
• Hillsborough High School	• Riverview High School
• Jefferson High School	• Tampa Bay Tech High School
Other	
• Caminiti Special Education Center	• Tampa Bay Academy
• Pepin Academy	• Village of Excellence
• Central City Elementary	• Central City Elementary

Source: Gibson Consulting Group, Inc.

2

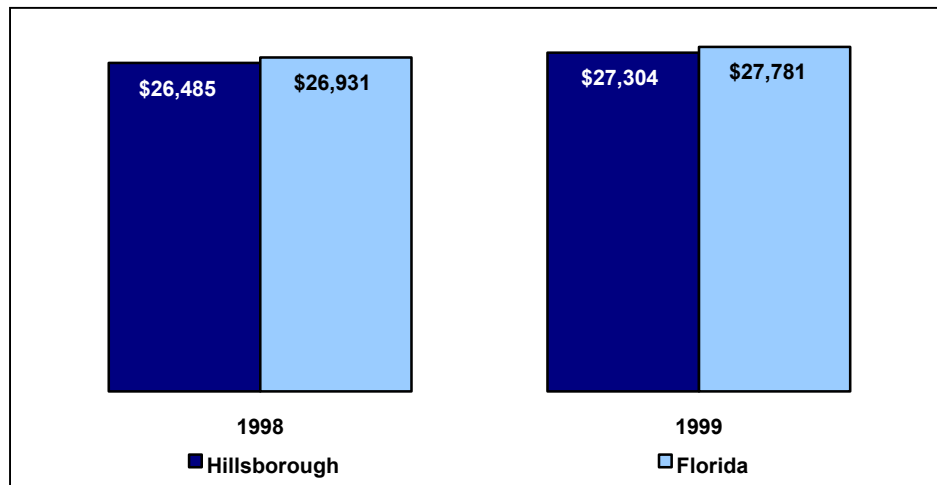
Statistical Profile of The School District of Hillsborough County

County Profile

Hillsborough County is located in southwest Florida on the coast of the Gulf of Mexico between Pasco, Manatee and Pinellas, and includes the City of Tampa. The county's primary sources of employment are local government and major private sector employers. The Hillsborough County School Board, Hillsborough County government, the University of South Florida, MacDill Air Force Base, Verizon Communications, St. Joseph's Hospital, and Publix Super Markets are the largest employers in the county. The county also operates the largest tonnage port in Florida and the tenth largest tonnage port in the United States. The county is a tourist destination and boasts Busch Gardens, Florida Aquarium, New York Yankees spring training facility, and a National Football League Team, the Tampa Bay Buccaneers. The per capita income of residents in Hillsborough County was \$26,485 in 1998 and \$27,304 in 1999, slightly below the state's per capita income of \$26,931 and \$27,781, respectively (Exhibit 2-1).

Exhibit 2-1

Per Capita Income of Hillsborough County is Slightly Lower than the State's Per Capita Income



Source: Florida Department of Education.

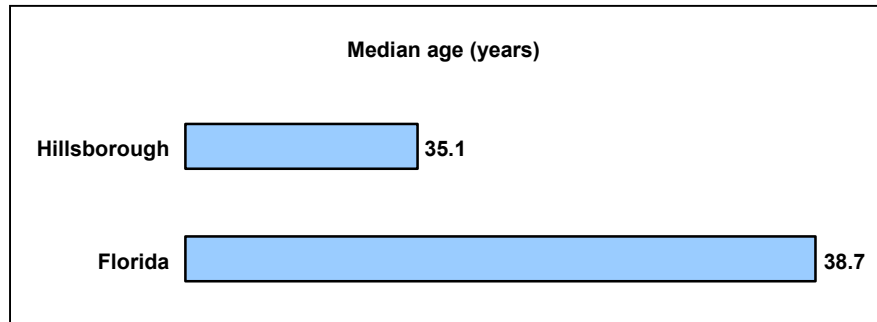
Hillsborough County has one major city and two smaller municipalities. Tampa is the largest incorporated municipality and the county seat. Other incorporated municipalities are Plant City and Temple Terrace. The school district offices are located in Tampa.

Statistical Profile

In 2000, the county population was 998,948. The population of Hillsborough County has a large number of young residents. As shown in Exhibit 2-2, the median age of its population is 35.1 years; the state average is 38.7 years.

Exhibit 2-2

The 2000 Median Age in Hillsborough County Is Lower than in the State

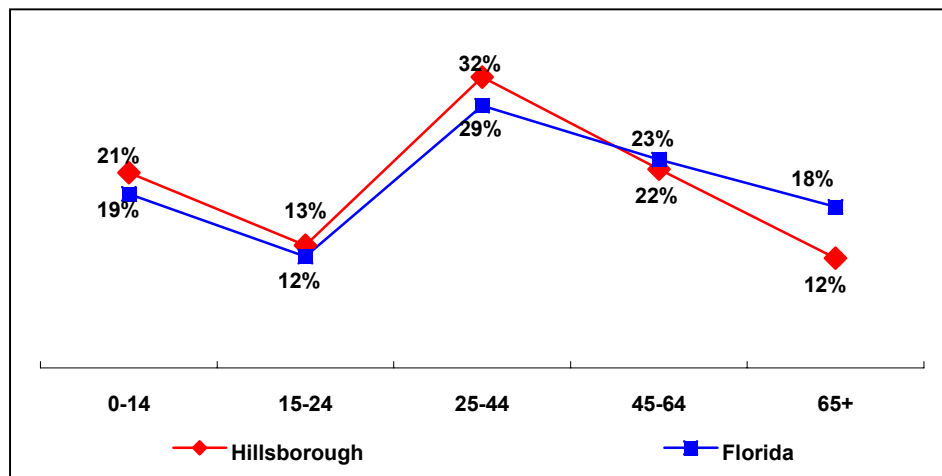


Source: US Census Bureau, 2000.

Exhibit 2-3 compares the age groups of the county’s residents. In 2000, the largest difference between Hillsborough County’s residents and the state’s was in the over 65 group. The size of this group in Hillsborough County was 6% lower than the state average.

Exhibit 2-3

Based on 2000 Population Data; the Largest Difference in Age Groups Was in those Over 65



Source: US Census Bureau, 2000.

District Profile

The following section provides a profile of the School District of Hillsborough County (SDHC) in comparison with its peer districts: Broward, Duval, Orange, Palm Beach and Pinellas County School Districts. The peer districts were selected based on their similarities with the School District of

Hillsborough County across a number of categories including the size of the student population and geographical location. Information in this section is presented across four main areas:

- District Information,
- Student Characteristics,
- Student Performance, and
- Staff Characteristics.

District Information

The School District of Hillsborough County has over 200 schools, including 23 high schools, 36 middle schools, 111 elementary schools, nine exceptional student education centers and three technical schools. The Department of Education reports a student membership of 169,682 students for the School District of Hillsborough County in 2000-2001. Exhibit 2-4 provides a comparison of student membership of SDHC with its peer districts.

Exhibit 2-4

The School District of Hillsborough County's Student Membership's Increase Is Comparable To Its Peers, 1999-2001

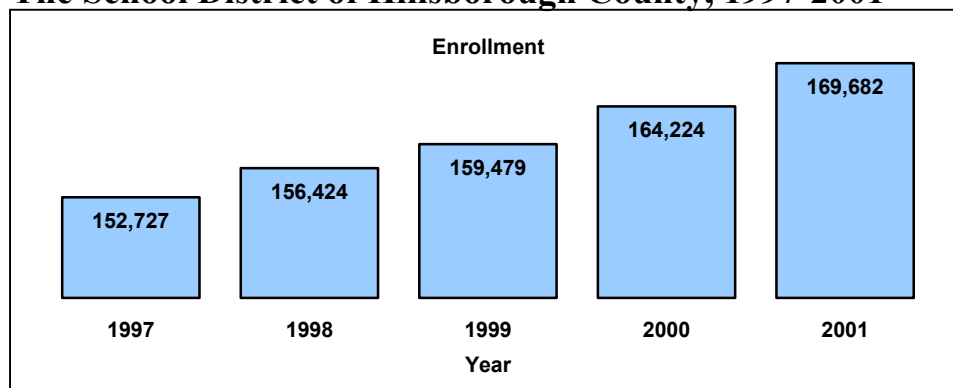
School District	Student Membership			Percentage Increase
	1999	2000	2001	
Broward	241,036	251,080	262,027	8%
Orange	144,057	150,538	156,905	8%
Hillsborough	159,479	164,224	169,682	6%
Palm Beach	149,664	153,853	159,862	6%
Pinellas	111,786	113,007	114,251	2%
Duval	126,354	125,832	126,919	0%
Peer Average (without Hillsborough)	154,579	158,862	163,993	6%

Source: Florida Department of Education.

The student membership of the School District of Hillsborough County increased by an average annual rate of 2.6% over the last four years, from 152,727 in 1997 to 169,682 in 2001. (Exhibit 2-5).

Exhibit 2-5

Student Membership has Increased Steadily in The School District of Hillsborough County, 1997-2001



Source: Florida Department of Education.

The school district receives revenue from federal, state, and local sources. Fifty-six percent of revenue for 1998-1999 was from state sources. The district also received 33% of its revenue from local sources (Exhibit 2-6).

Exhibit 2-6

State Revenues Account for over Half of 1998-1999 Resources

Source	Amount	Percentage
Federal	\$ 117,485,465	10.40%
State	638,421,268	56.49%
Local	374,247,594	33.11%
Total Revenue Sources	\$1,130,154,327	100.00%

Source: Florida Department of Education, Profiles of Florida School Districts, Hillsborough County 1998-1999.

Student Characteristics

Student Characteristics provides an overview of the student population in the School District of Hillsborough County as well as information about the five peer districts. Knowledge of the size and demographics of a district’s student membership facilitates an understanding of the challenges the district faces. Exhibit 2-7 outlines the growth in student membership from 1997 to 2001 in the School District of Hillsborough County and its peer districts.

Exhibit 2-7

Similar to its Peers, Hillsborough County’s Student Membership Grew Consistently from 1997 to 2001

School District	Fall 1997	Fall 1998	Fall 1999	Fall 2000	Fall 2001
Broward	224,383	230,862	241,036	251,080	262,027
Hillsborough	152,727	156,424	159,479	164,224	169,682
Palm Beach	142,621	146,534	149,664	153,853	159,862

School District	Fall 1997	Fall 1998	Fall 1999	Fall 2000	Fall 2001
Orange	133,653	138,637	144,057	150,538	156,905
Duval	126,969	127,405	126,354	125,832	126,919
Pinellas	109,303	110,583	111,786	113,007	114,251
Peer Average (without Hillsborough)	147,386	150,804	154,579	158,862	163,993
State	2,290,726	2,331,958	2,376,128	2,430,128	2,495,426

Source: Florida Department of Education.

Student membership has grown consistently over the last five years for the School District Hillsborough County. This is consistent with the statewide trend and its peer districts.

Exhibit 2-8 provides information on the racial/ethnic composition of the student membership of SDHC and its peers. The largest ethnic group of SDHC’s students is White Non-Hispanic, which comprises 49% of the student population. This percentage is lower than the state average of 51%, and is equal to the peer average without Hillsborough. The School District of Hillsborough County has a relatively low percentage of Black students and a higher percentage of Hispanic students when compared with its peer districts.

Exhibit 2-8

The Largest Ethnic Category of Hillsborough’s Student Membership Is White, Non-Hispanic, Fall 2001

School District	White	Black	Hispanic	Asian/ Pacific Islander	Am. Indian/ Alaskan Native	Multi- racial	Total
Pinellas	70%	19%	6%	3%	<1%	2%	100%
Hillsborough	49%	23%	22%	2%	<1%	3%	100%
Duval	48%	42%	4%	3%	<1%	2%	100%
Palm Beach	47%	30%	19%	2%	1%	3%	100%
Orange	42%	29%	24%	4%	<1%	1%	100%
Broward	38%	36%	21%	3%	<1%	2%	100%
Peer Average (without Hillsborough)	49%	31%	15%	3%	<1%	2%	100%
State	51%	25%	20%	2%	<1%	2%	100%

Note: Due to rounding percentages may not equal 100%.

Source: Florida Department of Education.

Approximately 47% of the students in the School District of Hillsborough County qualify for free- or reduced-price lunches. As indicated in Exhibit 2-9, Hillsborough has one of the higher percentage of its students receiving free or reduced lunches when compared to its peers.

Exhibit 2-9

Almost Half of Hillsborough County’s Students Receive Free or Reduced Price Lunches, 1999-2000

School District	Student Enrollment	Number of Students Receiving Free or Reduced Price Lunch	Percentage of Students Receiving Free or Reduced Price Lunch
Hillsborough	159,358	74,371	47%
Orange	144,308	67,854	47%
Duval	126,353	58,413	46%
Palm Beach	149,889	59,264	40%
Broward	241,128	87,716	36%
Pinellas	111,822	38,574	34%
Peer Average (without Hillsborough)	773,500	311,821	40%
State	2,379,348	1,046,520	44%

Source: Florida Department of Education.

As shown in Exhibit 2 -10, 10% percent of Hillsborough County's student population have limited English proficiency. This is a larger proportion than peer districts but is similar to the state average.

Exhibit 2-10

Hillsborough County has the Second Highest Percentage of Students that Have Limited English Proficiency, 1999-2000

School District	Student Enrollment	Number of Students with Limited English Proficiency	Percentage of Students with Limited English Proficiency
Palm Beach	149,889	18,150	12%
Hillsborough	159,358	16,213	10%
Broward	241,128	22,789	9%
Orange	144,308	12,226	9%
Duval	126,353	1,898	2%
Pinellas	111,822	2,252	2%
Peer Average (without Hillsborough)	154,700	11,463	7%
State	2,379,348	168,854	7%

Source: Florida Department of Education

Student Performance

One of the most important aspects of a school district’s mission is to provide a high quality education that is cost effective and that sets high standards for all students, including those in special populations, to enable each to achieve his or her potential. Indicators of how well the district is accomplishing this include test scores, graduation rates, and dropout rates. This section compares these indicators for the School District of Hillsborough County and its peer districts.

Test Scores

Florida Writes! is an examination administered throughout each of the state's 67 school districts. The test is designed to measure student achievement in writing in grades 4, 8, and 10. Exhibit 2-11 provides results from the Spring 2000 for the School District of Hillsborough County and its peer districts. The Florida Writes! scores for all grades tested are higher for Hillsborough than the state average and most of its peers.

Exhibit 2-11

Hillsborough County Florida Writes! Scores Are Better than the State Average and Better than Most of Its Peers, Spring 2000

School District	Grade 4	Grade 8	Grade 10
Hillsborough	3.6	4.1	4.0
Pinellas	3.5	3.9	4.1
Broward	3.5	3.6	3.8
Palm Beach	3.5	3.6	3.8
Duval	3.4	3.6	3.8
Orange	3.2	3.5	3.7
State	3.4	3.7	3.8

Source: Florida Department of Education.

Another indicator of performance is measured through the Florida Comprehensive Assessment Test (FCAT), which measures student performance on selected benchmarks in reading and mathematics that are defined by the Sunshine State Standards. The standards articulate challenging content that Florida students are expected to know and be able to do. The standards were developed in seven content areas and were adopted by the State Board of Education in May 1996. All public schools are expected to teach students the content found in the Sunshine State Standards. Students' proficiency in reading and mathematics in grades 4, 8, and 10 is measured by the FCAT and is scored on levels 1 through 5.

Exhibit 2-12 illustrates the Spring 2000 FCAT scores for students in SDHC and peer districts. Hillsborough County Students consistently scored higher on FCAT tests than both the state and its peers.

Exhibit 2-12

Hillsborough FCAT Sunshine State Standards Test Scores are Higher Than the State and its Peers in Most Cases, Spring 2001

School District	Reading Grade			Mathematics Grade		
	4	8	10	4	8	10
Hillsborough	302	288	311	293	321	322
Broward	301	285	304	295	323	325
Pinellas	300	286	315	289	308	330
Palm Beach	298	283	301	289	319	322
State	298	282	304	286	314	323
Duval	297	282	303	278	306	319
Orange	287	268	302	277	302	322

Source: Florida Department of Education.

Hillsborough continues the trend of high performance on the FCAT Norm-referenced scores. These are reported as Scale Scores so that scores reported from one year to the next can be compared. As Exhibit 2-

13 illustrates, the district scores higher in the norm-referenced reading and mathematics than the state and its peers in most cases.

Exhibit 2-13

Hillsborough FCAT Norm-Referenced Scores are Higher than the State and its Peers in Most Cases, Spring 2001

School District	Reading Grade			Mathematics Grade		
	4	8	10	4	8	10
Hillsborough	655	699	704	654	692	717
Broward	654	697	700	657	687	712
Pinellas	654	698	706	648	687	718
Palm Beach	653	696	619	655	687	714
State	652	696	700	651	684	711
Duval	652	694	700	648	677	708
Orange	643	690	698	643	682	710

Source: Florida Department of Education.

Dropout and Graduation Rates

The district also fares well compared to its peers and the state on nonacademic indicators. Exhibit 2-14 illustrates that Hillsborough’s graduation rate is the highest of its peers and the state, and its dropout rate is lower than the state and all but two of its peers.

Exhibit 2-14

Hillsborough Graduation Rate is Higher and Dropout Rate is Lower than the State and its Peers in Most Cases, 2000-2001

School District	Graduation Rate	Dropout Rate
Hillsborough	74.4%	2.7%
Palm Beach	64.9%	2.5%
Pinellas	64.4%	4.2%
State	63.8%	3.8%
Broward	62.3%	1.6%
Orange	59.8%	4.9%
Duval	55.9%	8.3%

Source: Florida Department of Education.

Staff Characteristics

Staff Characteristics provides an overview of the personnel employed by the School District of Hillsborough County and its five peer districts. Exhibit 2-15 compares the number and percentage of full-time staff in three categories—Administrators, Instruction, and Support—at SDHC and the five peer districts. The School District of Hillsborough County has a similar percentage of instructional staff when compared to its peer districts.

Exhibit 2-15**The School District of Hillsborough County Full Time Staff Percentages Is Comparable With Its Peers and the State, 2000**

School District	Full-Time Staff						
	Administrators		Instruction		Support		Total
	N	%	N	%	N	%	N
Duval	520	5%	7,130	62%	3,887	34%	11,537
Broward	650	3%	12,701	57%	9,040	40%	22,391
Orange	475	3%	9,242	56%	6,822	41%	16,539
Palm Beach	497	3%	9,451	56%	6,797	41%	16,745
Pinellas	483	4%	7,586	55%	5,682	41%	13,751
Hillsborough	647	3%	10,748	55%	8,069	41%	19,464
Peer Average (without Hillsborough)	525	3%	9,222	57%	6,446	40%	16,193

Source: Florida Department of Education.

Exhibit 2-16 provides information regarding the race and gender of full-time staff at SDHC and its peer districts. The staff at Hillsborough is relatively diverse compared to the average of its peer districts. Hillsborough's staff is 68% white, 16% black, and 15% Hispanic.

Exhibit 2-16**The Percent of Black Teachers is Lower Than Most Peers and the Percent of Hispanic Teachers is Higher Than Its Peers**

School District	Ethnicity								Gender				Total N
	White		Black		Hispanic		Other		Male		Female		
	N	%	N	%	N	%	N	%	N	%	N	%	
Duval	7,513	65%	3,713	32%	149	1%	162	1%	2,560	22%	8,977	78%	11,537
Broward	13,445	60%	6,973	31%	1,672	7%	301	1%	5,750	26%	16,641	74%	22,391
Palm Beach	10,935	65%	3,938	24%	1,699	10%	173	1%	4,202	25%	12,543	75%	16,745
Orange	10,789	65%	3,402	21%	2,109	13%	239	1%	3,931	24%	12,608	76%	16,539
Hillsborough	13,143	68%	3,200	16%	2,941	15%	180	1%	4,093	21%	15,371	79%	19,464
Pinellas	11,530	84%	1,902	14%	218	2%	101	1%	3,679	27%	10,072	73%	13,751
Peer Average (without Hillsborough)	10,842	67%	3,986	25%	1,169	7%	195	1%	4,024	25%	12,168	75%	16,193

Source: Florida Department of Education.

Exhibit 2-17 details the number of teachers by degree level for Hillsborough and its peer districts. The educational attainment of Hillsborough's teachers is similar to statewide and peer averages.

Exhibit 2-17

**The Education Level of Teachers in Hillsborough County
Is Comparable With Its Peers and the State, 2000**

School District	Type of Degree (Number and Percent of District Total)							
	Bachelor's		Master's		Specialist		Doctorate	
Broward	7,790	59%	4,987	38%	285	2%	157	1%
Pinellas	4,781	62%	2,779	36%	119	2%	70	1%
Hillsborough	6,934	62%	3,947	35%	142	1%	108	1%
Orange	6,430	64%	3,451	34%	97	1%	79	1%
Palm Beach	5,910	63%	3,221	34%	117	1%	103	1%
Duval	4,630	66%	2,289	33%	52	1%	43	1%
Peer Average (without Hillsborough)	5908.2	62%	3345.4	35%	134	1%	90.4	1%
State	89,520	60%	53,621	36%	4,019	3%	1,664	1%

Source: Florida Department of Education.

3

Management Structures

The School District of Hillsborough County (SDHC) has an effective governance and management structure, but the district could improve its organizational efficiency, site-based decision making, and the scope of its strategic plan.

Conclusion

The School District of Hillsborough County has an effective governance structure driven by a board that is certified as a master board. Board members work very well together, as well as with the superintendent, to guide and oversee district operations and decisions.

The organization structure is reviewed and modified annually by district management. Most of the changes relate to realignment of positions, but there is no evidence that span of control is considered in the analysis. Span of control, or the ratio of direct reports to a supervisor, is low at senior management levels.

The district has a five-year strategic plan that contains specific goals, and performance is measured against these goals at least annually. The plan appropriately focuses on district priorities, but the lack of district level strategies for non-instructional areas has precluded performance measurement for many of these areas.

The School District of Hillsborough County implemented site-based decision making before Florida law required it, and has effective accountability and planning reports at the school level to support site-based decisions. Schools have flexibility to re-allocate staffing levels, but are not provided with sufficient budgeting authority. Board members and district staff are studying site-based budgeting efforts of other major school systems around the country, and have initiated steps to implement this program in Hillsborough County.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the management structures, some of which are included in Exhibit 3-1 below.

Exhibit 3-1

The District Has Had a Number of Notable Accomplishments in Management Structures in the Last Three Years

- The board is certified as a master board, and works well as a group.
 - The district effectively uses an outside attorney approach to manage legal risks in a cost-efficient manner.
 - The district continues to maintain the highest bond rating, even as fund balances have fallen below target levels.
 - The district is accurate at the district level in its annual enrollment projection.
 - The district has specific performance measures in its five-year Strategic Plan, and develops annual assessments to report on the progress of the plan.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings ---

Gibson Consulting Group, Inc. reviewed the district's management structures using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, Gibson Consulting Group, Inc. conducted on-site interviews with district level managers and gathered information on the district's management structures, activities, policies, and procedures. To receive additional input, Gibson Consulting Group, Inc. met with district-level staff, principals, and representatives of school advisory committees.

An overview of chapter findings is presented below.

Responsible Management of District

1. The roles of the board and superintendent are clearly delineated, and they have an effective working relationship with one another. (Page 3-4)
2. Board meetings are efficient and effective. (Page 3-8)
3. District policies and procedures are routinely updated, relevant, and complete. (Page 3-14)
4. The district effectively uses legal services to minimize risk at a reasonable cost. (Page 3-16)

Effective and Responsible Operation

5. The organization structure has clearly defined units and lines of authority, but does not have adequate spans of control at the senior management levels. (Page 3-20)
6. The district regularly analyzes departmental and district organization, but does not sufficiently track or report the success of reorganization initiatives. (Page 3-24)
7. The superintendent and board exercise effective oversight of the district's financial resources, but the budget materials need to be more understandable. (Page 3-26)
8. The district has not assigned principals all the authority they need to effectively manage their schools, but is working toward that goal. (Page 3-32)

Allocation of Resources

9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, but needs to expand the scope of the strategies for non-instructional areas. (Page 3-34)
10. The district has a system to accurately project enrollment at the district level, but needs to document the projection process. (Page 3-38)
11. The district needs to better link its financial plans, budgets, and resources to its priority goals and objectives. (Page 3-41)
12. The district considers options to increase revenue. (Page 3-43)

Fiscal Impact of Recommendations ---

Three of this chapter's recommendations have a direct fiscal impact: the recommendation to phase out two senior management positions; the recommendation to distribute board packets via email; and the recommendation to enhance board training on expenditure management. The five-year fiscal impact of implementing these three recommendations is \$1,773,830. Exhibit 3-2 shows these recommendations.

Exhibit 3-2

**Three Management Structures Action Plan
Recommendations Have Fiscal Impacts**

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> We recommend that the district phase out two senior management positions. 	<ul style="list-style-type: none"> This recommendation will save the district the salaries of two senior management positions. The average salary of the deputy and assistant superintendents is \$109,431, plus benefits of 27.65%, for a total of \$139,688 per year per position, so \$279,376 for two positions. The district would also save the salaries of their secretaries, approximately \$30,000 each, plus benefits of 27.65%, for an annual savings of \$76,590 each year. Upon full implementation, the total annual savings will be \$355,966. Depending on the timing of when the two management positions can be eliminated, over five years the district could save a total of \$1,779,830. Other expenses relating to travel, training and supplies have been excluded for conservatism.
<ul style="list-style-type: none"> We recommend that the district distribute board packets via email to all parties who receive packets other than board members and the superintendent. These parties can print a hard copy if desired, and printing and distribution costs will be reduced. 	<ul style="list-style-type: none"> This recommendation will save the district \$3,800 each year in copying and distribution costs for a five year savings total of \$19,000.
<ul style="list-style-type: none"> We recommend that the district enhance board training on expenditure management. 	<ul style="list-style-type: none"> This recommendation will cost the district \$5,000 in training fees annually for a five year cost of \$25,000.

Source: Gibson Consulting Group, Inc.

Background

An appointed superintendent and a seven-member school board lead the School District of Hillsborough County (SDHC). Two board members are elected at-large, and the other five are elected from each of the five district residence areas. These eight individuals are responsible for ensuring that the district’s \$1.8 billion annual budget and 20,376 employees are successful in providing a high-quality education to the district’s 164,294 students.

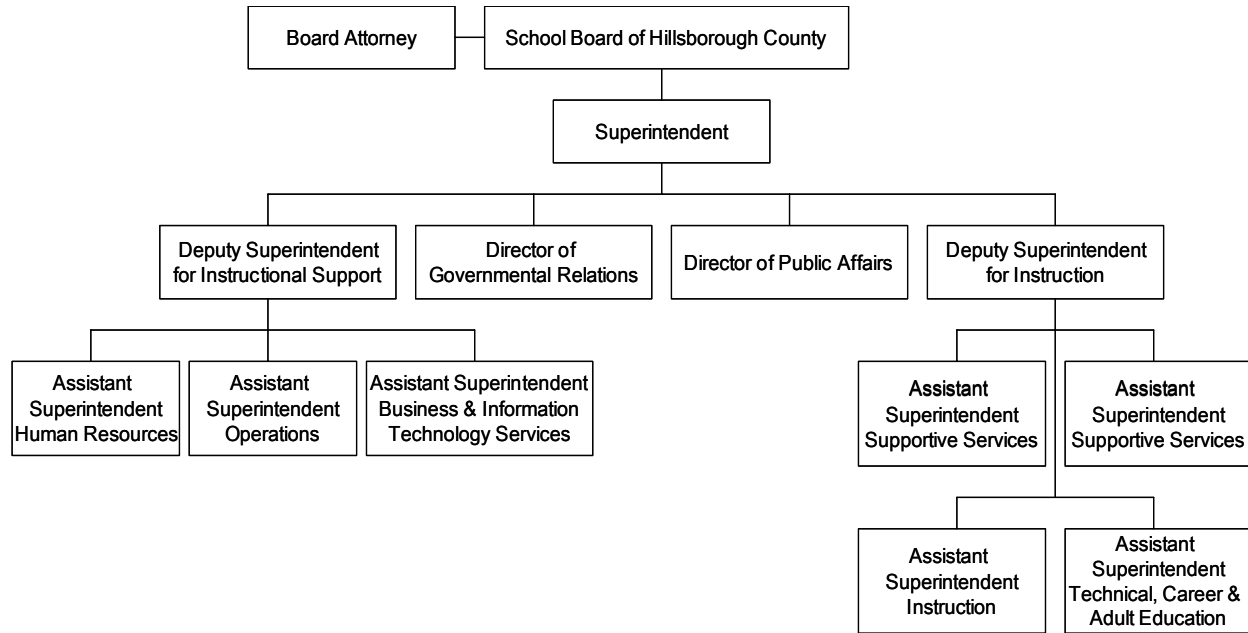
The superintendent is responsible for the daily operations of the district. The district has an in-house attorney who reports to the board. There are two deputy superintendents and two directors in the district who each report directly to the superintendent. The deputy superintendent for Instruction oversees four assistant superintendents: one for Instruction; one for Technical, Career, and Adult Education; one for Supportive Services; and one for Administration. The deputy superintendent for Instructional Support oversees three assistant superintendents: one for Human Resources; one for Operations; and one for Business Information and Technology Services. The director of Governmental Relations has an executive secretary, and the director of Public Affairs supervises a coordinator of Public Affairs.

The board is responsible for guiding the district’s budgeting, planning, and policymaking. To accomplish this, the board meets the first and third Tuesday of each month. The board also holds a workshop approximately once a month. These board meetings are publicized and open to the public.

Exhibit 3-3 presents the district’s current organization structure.

Exhibit 3-3

District Organization Chart



Source: The School District of Hillsborough County.

Responsible Management of District

1 The roles of the board and superintendent are clearly delineated, and they have an effective working relationship with one another.

Both board members and superintendent stay within their roles.

Board members consistently stated that the superintendent keeps them informed and avoids surprises. The board and superintendent advise each other and appropriately discuss and resolve controversial topics before a regular board meeting. The board uses workshops to discuss conflicts and to gather and analyze more information on a matter. Each member of the board has a close working relationship and open communication with the superintendent. Board members notify the superintendent in advance of controversial issues, either by phone, visit, or email. Controversial items are pulled, or isolated, in the consent agenda for discussion and then either passed as part of the consent agenda or sent to a workshop for further analysis if enough board members express concern about it. The success of this process is

evidenced by the short duration of board meetings and the district's aggressive, but reasonable, use of the consent agenda.

The board's policies and procedures, however, do not provide information on how the relationship between the board and superintendent can be effective. Policy 2.01, "Responsibilities and Authority of the Board," states "The [school board](#) is responsible for the organization and control of the public schools of the district and is empowered to determine the policies necessary for the effective operation and the general improvement of the school system." The remainder of the policy discusses limits on the power of a single board member.

The corresponding Procedure 2.01 states:

"Charged with the duty of organizing, operating, controlling, supervising and administering all free public schools within the School District of Hillsborough County, the school board shall conform to the following standards:

- minimum standards prescribed by the state;
- desirable and practicable opportunities authorized by law beyond those required by the state."

While the district's Summary of Procedures does not include specific procedures to ensure that the superintendent and board have a good working relationship, the superintendent and board have developed informal procedures to do so and have been trained on the topic. Board training is discussed in further detail below.

The quality of the working relationship is evident in the fact that the district has long-tenured superintendents. The current superintendent, Dr. Earl J. Leonard, was appointed in July of 1996. Immediately prior to Dr. Leonard, Dr. Walter L. Sickles served as superintendent for seven years, from 1989 to 1996. Dr. Raymond O. Shelton served as superintendent for 22 years, from 1967 to 1989. The quality of the working relationship is in part due to the fact that most members of the board have served together for several years so that they have become accustomed to working together. In contrast, many large school districts across the country have difficulty retaining board members over time because members become so frustrated with the challenges of working as a board that they choose not to run for re-election. The length of service of each SDHC board member is presented below.

- Glenn Barrington (District 1) was elected Nov. 1988.
- Candy Olson (District 2) was elected Nov. 1994.
- Jack Lamb (District 3) was elected Nov. 2000.
- Joe Newsome (District 4) was elected Nov. 1978.
- Doris Ross Reddick (District 5) was elected Nov. 1992.
- Carolyn Bricklemeyer (District 6) was elected Nov. 1994.
- Carol Kurdell (District 7) was elected Nov. 1992.

The board is qualified as a master board and members receive ongoing training.

All board members interviewed are very pleased with the training they receive, and the board is currently qualified as a master board. The district originally received its master board certificate in 1993, and they have been recertified each time a new board member has been elected, going through the reinstatement training provided by the Florida School Boards Association in 1995, 1997 and 2001. Becoming qualified as a master board is a huge commitment. Once the board completes the initial 40-hour certification program, whenever the board composition changes a majority of the board members are required to complete a 20-hour reinstatement program in order for the board to be reinstated. The majority of the board members has participated in the initial certification and each reinstatement and has therefore 100

hours of training. All board members stated that qualifying, as a master board is one of the keys to their success. They learned about each other and how to work with each other through this program.

Training for the board has been primarily done by the Florida School Boards Association, but other sessions have been conducted by the National School Boards Association, the Southern Association of Colleges and Schools, the Council of the Great City Schools, the Council of Urban Boards of Education, The College Board--Equity 2000, Education Leaders Council, and America's Promise/Hillsborough's Promise. New board members also receive orientation training when they first come on the board. Part of this training covers the roles and responsibilities of the board and superintendent. The amount of training received by each board member as reported by the board secretary from 1999-2000 to 2001-2002 is set forth in Exhibit 3-4 below. This report is not a complete record of board member training, however, as individual board members attend training sessions for which the board secretary does not receive documentation.

Exhibit 3-4

Board Member Training Hours 1999-2000 to 2001-2002

Board Member	1999-2000	2000-2001	2001-2002
Barrington	0	16	4
Bricklemeyer	78	69	34
Kurdell	17	28	25
Lamb	N/A	63	32
Newsome	0	5	4
Olson	70	87	28
Reddick	0	0	4

Source: SDHC Office of the Board Secretary.

While the board does not hold an annual retreat, it holds retreats on occasion. The last one was held February 26, 2001, at the Marriott Waterside Hotel in Tampa. School Board members, the superintendent, and senior staff members attended. It began at 8 a.m. and ended at 3 p.m. The agenda included discussing the budget for 2001-2002; district priority support; information from OPPAGA best practices; and site-based decision making. In addition, the board holds workshops on a regular basis where they assess, among other things, their roles and responsibilities, the district's performance on its goals and objectives, and their future plans for improving district performance. These workshops are discussed in further detail below.

The district has no formal policy or procedures addressing how board members or staff are to respond to constituent complaints.

There is no official protocol in the district's policy or procedures for how board members are to access district staff or how board members and district staff are to respond to constituent inquiries. An interoffice communication was sent to all of the superintendent's staff on September 24, 2001, setting forth a procedure to be used for letters, emails, and telephone calls sent to all board members. This communication notes that the same procedure is to be used for communications sent to individual, but not all, board members if the board member requests that a staff member reply. In practice, board members respond differently. Some call area directors or assistant superintendents immediately while others make sure that the parent or community member has gone through the proper channels first. Some area directors spend significant time handling complaints that should be routed back through the normal channels.

There are no formal or informal procedures for board self-evaluation, but the board does evaluate the superintendent annually.

The board periodically discusses its role and how well it stays within these bounds, but this does not constitute a performance evaluation.

The superintendent is formally evaluated annually as required by his employment contract. The board completed its most recent evaluation on July 20, 2001, and the average rating of the evaluations equaled 93.82%. The evaluation measures the superintendent’s performance in five categories: his relationships with the board, the community, senior staff, and employees; his instructional leadership; systems operations and management; professional/personal attributes; and district priorities/goals. The last category, district priorities/goals, includes the following criteria: promotes continuous improvement of reading scores; promotes continuous improvement of district’s overall GPA, once scoring system is determined; promotes continuous improvement of student attendance; encourages and directs that the technology needs of the district be addressed; strives to assure that the district’s staff retention rate remains appropriate; promotes continuous improvement of the academic achievement of each student subgroup; strives to assure that students’ needs are met by caring, concerned employees; encourages and directs that internal communication continues and improves; encourages and directs that external communication continues and improves; and promotes timely development and support of board’s legislative priorities. These criteria relate to the specific district goals and priorities identified in the strategic plan, but they do not include specific performance measures.

Recommendations

- *We recommend the board conduct a self-evaluation. This evaluation should provide for rankings for each of the major responsibilities of the board, including (1) staying with its prescribed role of policy making and oversight; (2) adopting fiscally responsible budgets that meet educational needs and priorities; (3) providing clear and measurable direction for the superintendent; and (4) establishing and revising board policies.*
- *We recommend that the board develop a policy specifically outlining steps for board members to take when contacted by a community member or parent with a complaint. This will help ensure that all board members are responding to community requests in a consistent manner.*
- *We recommend that the board evaluate the superintendent on specific performance measures related to the district’s goals and priorities identified in the strategic plan. Each target should be compared to actual performance, providing an objective evaluation of the superintendent’s performance. This information should supplement the existing evaluation criteria.*

Action Plan 3-1 provides the steps needed to implement these recommendations.

Action Plan 3-1

Conduct a Board Self-Evaluation	
Strategy	The board conducts a self-evaluation.
Action Needed	Step 1: The board forms a committee to research board self-evaluations in other districts.
	Step 2: The committee reports to the board and proposes a model to be used.

	Step 3: The board members adopt a self-evaluation instrument.
	Step 4: The board members conduct the evaluation.
Who Is Responsible	Board members
Time Frame	June 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Develop a Policy for Board Members to Respond to Complaints

Strategy	The board develops a policy specifically outlining steps for board members to take when contacted by a community member or parent with a complaint.
Action Needed	Step 1: The superintendent develops an agenda item for the board to discuss how they would like to handle complaints. Step 2: The superintendent directs a staff member to draft a policy incorporating the board member’s comments. Step 3: The superintendent brings the policy to the board for approval. Step 4: The board adopts the policy.
Who Is Responsible	Superintendent
Time Frame	September 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Evaluate the Superintendent on Performance Measures in Strategic Plan

Strategy	The board evaluates the superintendent on specific performance measures related to the district’s goals and priorities identified in the strategic plan.
Action Needed	Step 1: The board forms a committee to revise the superintendent’s evaluation based on the performance measures related to the district’s goals and priorities identified in the strategic plan. Step 2: The full board approves the revised evaluation instrument. Step 3: The revised evaluation instrument is used in the next superintendent evaluation.
Who Is Responsible	Board members
Time Frame	January 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 Board meetings are efficient and effective.

The superintendent structures board meetings to make effective use of staff and the public’s time.

The district holds two board meetings each month at the central office in downtown Tampa, generally the first and third Tuesday of the month. The board meeting the first Tuesday of the month starts at 6:00 p.m., and the meeting on the third Tuesday starts at 3:00 p.m. Meetings are scheduled on the second, fourth and fifth Tuesday of the month as the need arises. Although a 3:00 meeting may not be convenient for all community members, school board meetings are aired on local television on Tuesdays at 6:00 p.m. and 9:00 p.m. and again on Sundays at 9:00 a.m.

The effectiveness of the board and superintendent's working relationship is evident in the district's board meetings. The board meetings are very short and efficient, relative to most large school districts. General public input occurs at the end of the meeting, but the meetings rarely last more than two hours. Public input relating to an agenda item is discussed at the time the item is brought up. While the members of the board are very different from one another, they do not spend excessive regular board meetings discussing controversial issues. Instead, they use board workshops to constructively work through issues and build a consensus.

The board operates through a consent agenda during its meetings. Essentially, if a board member knows he or she is on the losing end of a vote, instead of voting "no" via separate vote, he or she voices concerns during discussion of the consent agenda, but then goes ahead and votes. This procedure allows board members to comment to let the public know where they stand, and provides an opportunity for the public to provide input. If there is disagreement about an agenda item that has yet to be resolved, the item will be withdrawn from the agenda.

Board member and public comment is allowed on any issue in the consent agenda before the vote. Disagreements over strategy are discussed in board workshops so that by the time the board acts, any inconsistencies or disagreements have been resolved. Board members have the opportunity to voice their different opinion when a consent agenda item is withdrawn.

The board uses the term "pull" from the agenda to separately discuss a consent agenda item, including board and/or community input. The item is withdrawn from the consent agenda and addressed at a later meeting. Controversial issues are sent to workshops to work through before they appear on the consent agenda or after they have been withdrawn.

The district's board minutes do not adequately discuss the nature of discussion, particularly in board workshops where major issues are evaluated and discussed. Current board minutes, by design, disclose a topic of discussion and how members vote, but do not include issues brought up by various board members or staff. This limits the ability to fully understand how board decisions are made. Section 230.23 of the Florida Education Code requires the superintendent, as secretary, to keep such minutes and records as are necessary to clearly set forth all actions and proceedings of the school board.

Although the public can access board meetings when they are broadcast on local television, the minutes themselves are the official record of the meeting and should provide a full and accurate account of what transpired. A reader needs to be able to understand what happened at the meeting, so the minutes need to include more than a list of actions taken or topics discussed. Excerpts from the SDHC November 6, 2001 meeting provide an example, "On recommendation of Superintendent Lennard, on motion of Member Bricklemeyer, seconded by Member Lamb, the Board unanimously approved bids received on various dates." Another excerpt from the same meeting reported, "Chairman Newsome reviewed the format of the School Board Meetings and the procedures to be used when individuals from the audience wish to address the Board." The minutes do not go on to include what the format and procedures are. The "Off Agenda Items" section at the end of the meeting include much more detailed discussion of what was said by members of the public and how the superintendent and board members responded.

The use of a consent agenda by the board also limits the usefulness of the board meeting minutes. The following excerpt from the minutes is not necessarily incomplete but instead reflects the limits of information made public due to the board's use of a consent agenda: "On recommendation of Superintendent Lennard, on motion of Member Bricklemeyer, seconded by Member Olson, the Board unanimously approved the following 1.00 items:

- 1.01-Project Application for the Assistive Technology Educational Network Regional Center
- 1.02-Benchmark Changes for Middle and Senior High Schools
- 1.03-Second Chance Schools Application for Waiver

Management Structures

- 1.04-Instructional Materials for District Magnet Curriculum Program”

The minutes repeat this statement and presentation for each of the items on the agenda, with the exception of a few items that were withdrawn. There is no record of discussion of any of the items in the board meeting minutes. Minutes of board workshops are discussed below.

The logistics of board meetings are handled effectively but could be improved.

The board receives agenda materials in sufficient time to review them before the board meeting. The district maintains a tracking log of information sent to the board which shows that board members are sent meeting packets of material at least seven days in advance of the board meeting. Hard copies are distributed to 38 people, costing the district a significant amount of money and staff time to print and distribute. Those who receive packets are:

- 7 board members
- 1 superintendent
- 2 deputy superintendents
- 1 microfilmed folder
- 7 assistant superintendents
- 7 general area directors
- 1 board attorney
- 1 director of governmental relations
- 2 public affairs offices
- 2 budget offices
- 3 employee organizations
- 4 media

This distribution requires the district to incur significant costs of staff time, copying and delivery expenses. These logistics could be improved by the district distributing board packets by email to all parties other than the board members and the superintendent.

Modifications can be made to the board agenda by adding “off-agenda items” and additional materials may be distributed before the end of the week, but these are usually minor additions.

The district maintains a calendar for each of the board members and a master calendar that consolidates information for the board as a whole. The master calendar includes all meetings and workshops, as well as other key district events and board decisions. The calendar is maintained in automated form, and can be sorted by board member, event, or date. This calendar is effective in reminding board members of planned activities and decisions, and also provides a tool to ensure adequate board representation at school district events.

All board members receive training about sunshine laws.

The board’s new member received this training within two months after he took office. Florida’s Government-in-the-Sunshine Law was enacted in 1967 and today can be found in Chp. 286, *Florida Statutes*. According to the Florida Attorney General’s office, sunshine laws establish a basic right of access to most meetings of boards, commissions and other governing bodies of state and local governmental agencies or authorities. The board attorney monitors compliance with sunshine laws and periodically advises board members on appropriate actions.

The uses of workshops, which occur approximately once a month, help streamline the regular board meetings.

The workshops referred to above provide a forum for the board to work through issues they may have rather than doing so in a regular meeting. Controversial issues are studied more intensively at workshops or in one-on-one meetings between a board member and the superintendent. District staff is often called upon to perform additional analysis of issues for presentation at workshops. Until the issue is resolved among the majority of board members, it is not placed on the consent agenda at a regular board meeting. The real issues are discussed and debated in the workshops. The board holds workshops as often as it feels necessary.

The board also discusses, develops, and evaluates district policies, goals, programs, and strategies for improving student achievement primarily at workshops, which are public meetings of the board. Regular board meetings are not used this way. The attorney only attends board workshops if invited.

Board workshops require the same public notice as regular board meetings and are open to the public. They are not generally televised, although the board has made rare exceptions, but the general public can attend. According to the board secretary, workshops are usually held in the staff conference room on the second floor of the district's administrative building because the members prefer a more informal atmosphere with tables set up in a square. If a large number of members of the public attend, the workshop is held in the board auditorium. Workshops generally begin at 11:00 a.m., and the average workshop lasts two hours.

Minutes of board workshops include a more detailed report of what was said than the regular board meeting minutes, but they are still limited. Workshops are public meetings, and the minutes are the official record of those meetings. The public has limited opportunities to learn about what went on in a workshop other than the minutes, as an 11:00 a.m. meeting may not be convenient for community members and the workshops are not televised. Particularly in light of the board's use of a consent agenda during regular meetings, the minutes would become a more helpful and accurate record if each speaker were routinely identified.

The minutes present summaries of presentations by staff members, identifying each staff person, but comments are often not attributed to individual board members. Instead, the minutes group board comments together in the statement, "the board said," or "the board expressed the following suggestions or concerns." While a board member is occasionally identified with a comment, it is difficult for the reader to discern the position of individual members, hindering board member accountability. In another instance, the minutes state, "The Board asked the difference in the role of the construction manager and general contractor, and asked for a short glossary of construction terms. The Board also requested an update at Board meetings every couple of weeks of new projects, status, completion date, etc. "

Since the board discusses issues in workshops, and the workshops are public meetings, the minutes of those meetings should include positions taken by the elected officials involved in the meeting.

The district has a form for each agenda item, completed by staff as a cover sheet to any relevant material, and it is distributed as part of the board packets.

The district has a form that serves as a summary cover sheet for each agenda item. It includes an executive summary of the item, provides recommendations to the board for action, identifies to which district priority/goal it pertains, and lists any financial impact (although it is not always clear if fiscal impact is one-time or recurring).

The form is an effective tool to communicate relevant points to the board, but the form does not include specific pieces of information required for major agenda items: the reason for recommended action on the item; how the action will be accomplished; what the desired results are; what alternatives have been considered; who will be affected and whether they have been advised of, and given opportunity for, input

on the proposed action; how the proposed action will affect students and parents; what policy or law may apply to the item; whether the item complies with, duplicates, modifies, or affects existing policies or procedures; whether a new policy is needed to implement the proposed action; what the time frame is for implementing and completing the proposed action; and who will evaluate the proposed action and how it will be evaluated. This information is sometimes included in the executive summary or attached documentation, but may not be for major agenda items since the form does not require the information.

Exhibit 3-5

District Agenda Item Cover Sheet

HILLSBOROUGH COUNTY PUBLIC SCHOOLS
Division of Business & Information Technology Services

<p>DATE: July 31, 2001</p> <p>TO: School Board Members</p> <p>FROM: Earl J. Lennard, Superintendent</p>	<p>Agenda Item</p> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> <p>BOARD ACTION</p> <p>JUL 31 2001</p> <p>AS RECOMMENDED</p> </div>	<table border="0" style="width: 100%;"> <tr> <td style="width: 20px;"><input type="checkbox"/></td> <td>Information</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Requires Board Approval</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Policy Change Required</td> </tr> <tr> <td><input type="checkbox"/></td> <td>General Fund +/-</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Entitlement Funds +/-</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Grant Funds +/-</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Capital Outlay</td> </tr> </table> <hr/> <p>Florida Statute Federal Statute School Board Policy</p>	<input type="checkbox"/>	Information	<input checked="" type="checkbox"/>	Requires Board Approval	<input type="checkbox"/>	Policy Change Required	<input type="checkbox"/>	General Fund +/-	<input type="checkbox"/>	Entitlement Funds +/-	<input type="checkbox"/>	Grant Funds +/-	<input type="checkbox"/>	Capital Outlay
<input type="checkbox"/>	Information															
<input checked="" type="checkbox"/>	Requires Board Approval															
<input type="checkbox"/>	Policy Change Required															
<input type="checkbox"/>	General Fund +/-															
<input type="checkbox"/>	Entitlement Funds +/-															
<input type="checkbox"/>	Grant Funds +/-															
<input type="checkbox"/>	Capital Outlay															

7.01, 7.07, 7.22

SUBJECT: New and Revised Policies & Procedures

EXECUTIVE SUMMARY:
 In an effort to meet OPPAGA requirements, policies and procedures relating to the budget and cash management were developed or expanded:

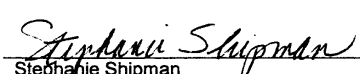
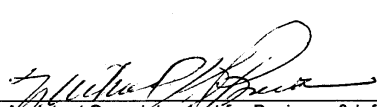
7.01	Formulation of the District Budget	(expanded)
7.07	Financial Records	(section moved from 7.01 to 7.07)
7.22	Investment of Funds	(expanded)
new	Receivables	

RECOMMENDATIONS:
 Approve the new/revised policies and procedures for immediate implementation.

DISTRICT PRIORITY/GOAL:
 Goal 6 – The Hillsborough County School District will achieve the “Seal of Best Financial Management” awarded by the Department of Education at the end of the OPPAGA review scheduled for the 2001-2002 school year.

FINANCIAL IMPACT: This item has no financial impact. **Budgeted:** Yes No

SUBMITTED BY:

 _____ Stephanie Shipman Director of Budget & Cash Management	 _____ Assistant Superintendent for Business & Information Technology Services Michael K. Bookman
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Item No. 5.04

Source: The School District of Hillsborough County.

Recommendations

- *We recommend that the district distribute board packets via email to all parties who receive packets other than board members and the superintendent. These parties can print a hard copy, if desired, and printing and distribution costs will be reduced.*
- *We recommend that the district expand the narrative of the minutes of board meetings and workshops to better disclose the nature of discussion.*

Action Plan 3-2 provides the steps needed to implement this recommendation.

Action Plan 3-2

Distribute Board Packets Via Email to All Parties Other than Board and Superintendent

Strategy	The district distributes board packets via email to all parties who receive packets other than board members and the superintendent. These parties can print a hard copy, if desired, and printing and distribution costs will be reduced.
Action Needed	<p>Step 1: The board secretary reviews procedures for preparing board materials and revises the procedures to send the materials electronically, including scanning documents when necessary.</p> <p>Step 2: The board secretary and relevant staff receive any in-house training they may need to prepare documents for electronic distribution.</p> <p>Step 3: The board secretary obtains email addresses for all parties who receive board packets.</p> <p>Step 4: The board secretary informs relevant parties that they will receive materials for board meetings electronically.</p> <p>Step 5: The board secretary sends materials electronically.</p>
Who is Responsible	Board secretary
Time Frame	September 2002 and ongoing
Fiscal Impact	This recommendation will save the district \$3,800 per year, or \$19,000 over five years.

Expand Narrative of Board Meetings and Workshops

Strategy	The district expands the narrative of the minutes of board meetings and workshops.
Action Needed	<p>Step 1: The board and superintendent announce in a board meeting that the minutes will be recorded more fully in both meetings and workshops.</p> <p>Step 2: The board secretary advises the superintendent's secretary, who records minutes of meetings, of the change.</p> <p>Step 3: The superintendent and the board secretary review initial drafts of minutes.</p> <p>Step 4: Board minutes are reviewed by members and approved in board meetings on a regular basis.</p>
Who is Responsible	Board Secretary and Superintendent
Time Frame	August 2002 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

3 District policies and procedures are routinely updated, relevant, and complete.

Board policies are high level matters that address policy issues only, and are regularly updated by the board.

The board has a policy manual and formally adopts policy changes recommended by the superintendent. The policy manual is accessible through the district's website. In 1997, the board formed a committee to review and update its policies. This committee reviewed the entire policy manual and made recommendations for change, the first time such a review had been performed in at least ten years. The board adopted those changes in 1998 and has often updated the policies since then on an as-needed basis.

District management spoke of plans to perform a similar process during the next year or two, but the procedures to update policies indicate that updating policies is an ongoing process. Board policy does not require a periodic, comprehensive review; and the board has not directed any action on it at this time.

Currently, the full board reviews and adopts all policies that are legally required or otherwise presented to the board. Changes in law are communicated to the district from the Florida Department of Education, and other changes are adopted on an as-needed basis throughout the year. The district has a policy development process in place in which the appropriate assistant superintendent initiates a proposed policy change based on legal requirements, direction of board, or other internal initiative. The proposed policy change is presented to the board for first reading. The board attorney reviews them since they are part of the board packet he receives. There is, however, no documentation showing compliance verification.

All proposed policies then go through legally required steps, managed by the assistant superintendent of Administration. The district holds a public hearing on the proposed policy change, the change is advertised, and then presented to the board for its approval. The staff in the assistant superintendent of Administration's office then updates the policy manual.

The district publishes administrative procedures under the title "Summary of Procedures," separate from operating procedures.

The district publishes district-wide procedures, and the procedures manual is on-line as part of the policy manual. These are not operating procedures but rather administrative regulations referred to as "district procedures." District procedures provide additional direction and parameters that guide district decision-making. Changes to district procedures follow a similar pattern as policy changes, but only require superintendent approval. District procedure updates are included in the board packet, and listed as an information item on the board meeting agenda. A review of board agendas and board meeting minutes indicates that procedures are updated frequently.

Operating procedures, distinguished from district procedures or administrative regulations, provide direction on how to perform certain tasks. Operating procedures exist for most instructional and operational programs. However, there is no central unit that monitors the development or maintenance of operating procedures manuals throughout the district to ensure that they are completed and are consistent with one another.

Because board policies and district procedures are accessible on-line, they are very accessible and easy to use. Index screens assist in conducting searches of policies with key words. Interviews with senior management and area directors indicate that they reference policies and district procedures much more often now than when they were in written form.

Recommendations

- *We recommend that the district monitor the development or maintenance of operating procedures manuals throughout the district to ensure that they are completed and are consistent with one another.*
- *We recommend that the district adopt a policy requiring a comprehensive review of board policies by a committee every five years.*

Action Plan 3-3 provides the steps needed to implement this recommendation.

Action Plan 3-3

Monitor Operating Procedures Manuals Throughout the District

Strategy	Monitor the development or maintenance of operating procedures manuals throughout the district to ensure that they are completed and are consistent with one another.
Action Needed	<p>Step 1: The superintendent assigns a staff person to review each department or division's operating procedures manuals.</p> <p>Step 2: The assigned staff person logs each manual and evaluates which need to be modified for consistency or thoroughness.</p> <p>Step 3: The appropriate department or division staff revises the manual.</p> <p>Step 4: The assigned staff person logs the revisions and monitors the procedures manuals annually.</p>
Who is Responsible	Superintendent
Time Frame	January 2003 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Adopt a Policy Requiring Review of Board Policies Every Five Years

Strategy	The district adopts a policy requiring a comprehensive review of board policies by a committee every five years.
Action Needed	<p>Step 1: The superintendent drafts a policy and places it on a board meeting agenda for the board to review.</p> <p>Step 2: The board adopts the policy.</p> <p>Step 3: The board forms a committee to review the policies.</p> <p>Step 4: The committee reviews board policies immediately and every five years thereafter.</p>
Who is Responsible	Superintendent and board members.
Time Frame	June 2003 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

4 The district effectively uses legal services to minimize risk at a reasonable cost.

The school board has an outside attorney with the primary responsibility of advising the school board, reviewing policy, and coordinating legal services for the district.

The district has had the same outside counsel representing it since 1965. The attorney's engagement letter defines the scope of his work for the district. Under that agreement, his responsibilities include attending all regular board meetings and other meetings as required by the board; giving legal advice to the board on all legal matters involving the board, its members, and the superintendent; coordinating all other legal services provided to the board, and keeping the board informed of the progress of those services; providing advice in buying goods and services and review contracts; providing advice relating to changes in the law regarding the rights of employees or students; providing advice regarding the need for legislation affecting the district; and giving telephone help to board members, the superintendent, administrative staff, principals and teachers regarding the legal implications of operation of the school system.

The attorney's retainer fee covers the above services. The retainer agreement also obligates him to provide the following services for the fee of \$103 per hour: representing the board and superintendent in all federal, state, and administrative proceedings; representing the board in all hearings involving Chp. 120, *Florida Statutes*; handling the purchase and sale of real estate for the board; negotiating contracts with third parties outside the school system; preparing administrative rules for adoption by the board; attending meetings involving the settlement claims committee; and other services as may be requested by the board.

The attorney meets with the superintendent and board chairman on a weekly basis. He receives the board agenda and packet at least 7 days prior to the meeting at the same time as board members, and he is responsible for advising the board on the legal implications of agenda items.

The district does not have documented procedures regarding legal services, use of outside counsel, or communication with the board attorney.

The district does not have documented policies or procedures governing access to the attorney, other than the contract between the board and the attorney. This document is not specific on the ground rules for conferring with him. Based on interviews with board members and the attorney, inappropriate contacts are highly infrequent, and, if they are, the attorney notifies the board president. There are few calls to the attorney by district administration that are unrelated to a particular grievance or lawsuit.

There are no formal criteria established in policy or procedure for determining under what circumstances it should retain outside counsel (counsel other than the board attorney), but the informal process is effective and efficient. The board attorney determines when it makes sense to bring in other outside counsel.

District legal expenditures are significantly lower than peer districts.

District legal fees per student are significantly lower than peer districts, and the number of major lawsuits and settlement amounts are low. These factors indicate that the district's approach of using an outside attorney is effective and efficient. The attorney is on retainer for \$55,000 per year and charges \$103 per hour for additional services related to specific cases.

The district's legal fees were \$819,160 in 2000-01, which are the lowest among its peer districts, and its legal costs per student in 2000-01 were \$4.99. In addition to being lower than peer districts in Florida, SDHC's 2000-01 legal fees per student are significantly lower than other major school systems in the country. For instance, Dallas ISD's Office of Legal Services Budget in 2000-01 was \$22.40 per student.

Exhibit 3-6

Legal Fees Per Student are Significantly Lower than Peers

District	Total Legal Fees 2000-2001	Total Number of Students	Legal Fees Per Student
Duval	\$1,176,051	125,727	\$9.35
Palm Beach	\$1,157,908	153,800	\$7.53
Pinellas	\$1,250,265	113,013	\$11.06
Orange County	Not available	150,984	Not available
Broward	\$1,285,350	251,116	\$5.12
Hillsborough	\$819,160	164,294	\$4.98

Source: School District of Hillsborough County.

The board's attorney oversees all legal services provided to the district. In specialty areas, additional law firms with specific expertise are hired to handle transactions and litigation in those areas. Additional law firms used by the district for specific types of cases or legal matters charge between \$90 and \$110 per hour. The firms primarily used by the district, and directed by the board attorney, are: Thompson Sizemore for personnel and special education issues; Hill Ward & Henderson for property and real estate issues; and Barr Murman and Tonkli for insurance cases, negligence, and tort cases. The rates of the board attorney and the other law firms are approximately 33 percent below market rates of comparable firms in the Tampa area.

The district's 2000-01 legal costs increased slightly from the previous year. Within the legal area, fees associated with contract and financial issues have increased, while fees for risk management and student hearing issues have decreased.

Exhibit 3-7

The School District of Hillsborough County Legal Fees 1997-2001

Firm	Legal Area	Fiscal Year					Totals
		00-01	99-00	98-99	97-98	96-97	
Crosby Few	Board Attorney Retainer	\$51,266	\$51,266	\$51,266	\$51,266	\$51,266	\$256,329
Few & Ayala	Services Beyond Scope of Retainer	\$248,900	\$220,367	\$237,129	\$224,035	\$211,474	\$1,141,905
Thompson Sizemore & Gonzalez	Labor Relations	\$198,493	\$175,077	\$243,924	\$197,927	\$270,318	\$1,085,740
Barr, Murman, Tonelli	Risk/Worker's Compensation	\$139,129	\$229,787	\$250,875	\$272,030	\$187,077	\$1,078,898
Hill Ward & Henderson	Contract issues	\$113,972	\$34,668	\$3,972	\$0	\$458,582	\$611,194
Carlton Fields	Financial	\$51,625	\$19,647	\$0	\$0	\$0	\$71,272
Stewart Jordan	Student Hearings/ Personal Injury	\$8,048	\$47,531	\$12,989	\$34,906	\$69,835	\$173,309
Nabors Giblin	Bond Counsel	\$5,000	\$0	\$3,500	\$14,147	\$6,552	\$29,199

Firm	Legal Area	Fiscal Year					Totals
		00-01	99-00	98-99	97-98	96-97	
Annis Mitchell	Environmental	\$403	\$515	\$195	\$4,131	\$5,045	\$10,289
Foley & Lardner	Financial	\$2,324	\$675	\$6,016	\$0	\$0	\$9,015
Totals		\$819,160	\$779,533	\$809,866	\$798,442	\$1,260,149	\$4,467,150

Source: The School District of Hillsborough County.

District management regularly reviews legal costs, but has not done a feasibility study to determine whether an in-house approach would be less expensive. A 1997 consultant study recommended that the district outsource its legal services. Based on the performance and cost of the current approach, it is unlikely that a more effective or cost-efficient arrangement could be obtained.

District legal services have been effective in reducing risk and financial exposure.

The attorney stated that the district has not lost a major case in thirty years. The district has a settlement claims committee that varies based on the type and size of the case involved. The district is required to disclose all settlements greater than \$100,000 to the external auditor. The board attorney assembles this list, but does not maintain a comprehensive list of all case costs by case. The district, therefore, cannot evaluate the cost or the value of its legal services in each individual case.

The district’s attorney does not maintain a list of judgments and settlements for the school district. The board’s attorney stated that in the past two years the district has had one judgment against it in the amount of \$40,000. He explained that the district has been self-insured against negligence claims since 1987, limiting its liability to a total of \$200,000 per case. He noted that the district has approximately 60 or 70 cases pending against it in any given year. The district maintains a settlement committee that determines settlement amounts, which then must be approved by the board.

There is no formal process to evaluate the board attorney or other legal services.

There is no formal process for evaluating legal services at the district. The board provides informal feedback periodically. Board members and district management stated that they are very pleased with the legal services provided by the board attorney.

Recommendations

- *We recommend that the district formalize and document procedures relating to legal services. These should include policies and procedures regarding communication with its attorney, a formal annual evaluation of its attorney, and criteria for using other outside counsel.*
- *We recommend that the district designate a staff person to maintain a comprehensive list of all case costs by case. This list will provide a snapshot of all cases and related costs that can be used by the board and superintendent to monitor the status of all active cases.*

Action Plan 3-4 provides the steps needed to implement these recommendations.

Action Plan 3-4

Formalize and Document Procedures Relating to Legal Services	
Strategy	The district formalizes and documents procedures relating to legal services. These should include policies and procedures regarding communication with its attorney, a formal annual evaluation of its attorney, and criteria for using other outside counsel.
Action Needed	<p>Step 1: The superintendent assigns a staff person to draft a policy and procedures relating to legal services.</p> <p>Step 2: The assigned staff person drafts the policy and procedures in consultation with the district's attorney.</p> <p>Step 3: The superintendent places the policy and procedures on a board meeting agenda for the board to adopt the policy and review the procedures.</p> <p>Step 4: The policy and procedures are approved.</p> <p>Step 5: The policy and procedures are disseminated to all district staff that may have contact with the district's attorney.</p>
Who is Responsible	Superintendent
Time Frame	January 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Maintain a Comprehensive List of All Case Costs by Case	
Strategy	The district designates a staff person to maintain a comprehensive list of all case costs by case.
Action Needed	<p>Step 1: The superintendent designates a staff person to maintain a comprehensive list of all case costs by case.</p> <p>Step 2: The superintendent informs the attorney of the designated staff person and his or her role.</p> <p>Step 3: The designated staff person works with the attorney and the accounts payable department to monitor all costs by case.</p> <p>Step 4: The designated staff person submits a report to the superintendent every six months of the case costs.</p>
Who is Responsible	Superintendent
Time Frame	January 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Effective and Responsible Operation

5 The organization structure has clearly defined units and lines of authority, but does not have adequate spans of control at the senior management levels.

The district has organizational charts that clearly and accurately depict the organizational structure.

Organizational charts exist at the highest level of the district and at each department level. The district organizational chart clearly depicts its organizational structure. Organizational charts for all departments and lower organizational levels are also maintained. The responsibilities of the organizational units are defined in the job descriptions of those in charge of those units. The public is informed through the website giving department head names.

There is one unusual element in the district's organizational structure, but it does not pose an obstacle to effective management of the district: Transportation reports under Instruction. While this is an unusual structure for a district, this district prefers it since the transportation function is so closely related to schools. Transportation previously reported under other deputy, and the district moved it under Instruction. The district consistently studies the alignment of functions in its organization.

Span of control at the top of the organization is low.

There are no major overlapping functions at the district level, but the spans of control at the top levels are low, averaging 4 direct reports or less excluding secretarial staff. Span of control reflects the number of positions directly reporting to the position above it, and is the key element of organizational analysis and planning.

Excluding secretarial staff, there are four direct reports to the superintendent, two of which are deputy superintendents. The director of Governmental Relations and the Director of Public Affairs also report to the superintendent. The deputy superintendent for Instructional Support has three direct reports. The deputy superintendent for Instruction has four direct reports. The average for the top two levels of management is less than four.

Low spans of control contribute to excessive layers of administration in an organization, creating a steep organization chart. Hillsborough's current management structure has three administrative levels between the principals and the superintendent: the area director, the assistant superintendent for Administration, and the deputy superintendent for Instruction.

Six to ten direct reports to senior management is a reasonable range for span of control. Evaluating the span of control at senior levels of the district's administration could provide an opportunity for significant cost savings.

Hillsborough's peer districts reflect a wide range of span of control at the superintendent level. The following summaries do not include office staff of the superintendent:

- In Orange County the superintendent has ten direct reports, and the school board attorney reports to both the board and superintendent.

- Palm Beach has a chief academic officer and chief operating officer who report to the superintendent, in addition to a chief negotiator and general counsel. The district auditor and chief counsel to the school board report to both the superintendent and the board.
- Duval has eleven positions reporting through a chief of staff, who is the only direct report to the superintendent.
- Broward has six direct reports to the superintendent, including one deputy superintendent.
- The Pinellas superintendent has four direct reports: a deputy superintendent, school operations, associate superintendent for curriculum and instruction, and a chief business officer. The staff attorney also reports to the superintendent.

The district routinely reviews and alters its organizational structure, but has not made changes as part of redesigning business practices to maximize efficiency.

The board approved changes to the district's organizational structure in 2001, 1999, and twice in 1997. There are future organizational streamlining opportunities anticipated upon implementation of the district's new computer system; however, these have yet to be specifically identified.

There are examples of the district streamlining operations and improving efficiency (facilities maintenance and computer maintenance). The district has not, however, made changes as part of redesigning business practices to ensure a logical alignment of functions or to maximize efficiency. The organizational changes have involved moving functions or cutting staff either to decrease expenditures or to implement specific recommendations of a performance audit. While cutting costs is a critical feature of a reorganization, it is important to take a broader look at the feasibility of redesigning practices to make the organization more logically aligned and more efficient overall. Organizational efficiencies should be driven by a consistent program of process analysis and not solely by demands inflicted by budget cuts.

Four years ago, the superintendent directed each of the district's divisions "to analyze their responsibilities and organize their resources in a way that will increase direct support to students, parents, teachers and principals while reducing the salary expenditures for district operations." The board approved the proposed reorganization of the divisions effective July 1, 1997.

The 1997 plan:

- transferred two General Directors to the Division of Administration to bring the total of General Area Directors to six;
- assigned personnel of other divisions so that identified individuals have responsibilities for schools in the specific geographical administrative area assigned to a General Area Director;
- consolidated Machine Repair, Audio Visual Repair, and Technology responsibilities in the Division of Operations; and
- reduced the number of district level positions and salary expenditures.

Two months after these changes became effective; the board approved, on September 5, 1997, the consolidation of the Facilities Compliance office, situated in the Maintenance Department of the Operations Division, and the District Safety Office, situated in the Risk Management Department of the Human Resources division.

The rationale was to:

- consolidate all safety functions under the Risk Management Department;
- eliminate potential duplication of efforts and the perception of duplication of efforts;

Management Structures

- assign a dedicated Safety Specialist to work with each of the six administrative areas, encouraging a closer working relationship between the specialist and work site; and
- respond to three of the recommendations made in the district's performance audit.

On April 20, 1999, the board approved a district level reorganization that was developed after staff "reviewed functions of each of their divisions to determine action to be taken which would enable the district: to meet district goals outlined in the Plan for Hillsborough County Schools, to reduce costs where possible, and to respond to the recommendations from the performance audit conducted during the 1996-97 school year."

The 1999 reorganization included the transfer of three departments:

- moving the Transportation Department from the Division of Business and Information Technology Services to the Division of Administration;
- moving the school Food Service Department from the Division of Administration to the Division of Business and Information Technology Services; and
- moving Custodial Operations and Furniture Refinishing from the Division of Administration to the Division of Operations.

In addition to the divisions named above, this 1999 reorganization also made changes to the Division of Instruction, to Supportive Services, to Human Resources, to Technical Career and Adult Education, and to the General Director areas.

On July 19, 2001, the board approved a district reorganization, and budget redirection and reduction to be implemented by September 2, 2001. The agenda item summary explains that the proposed reorganization was being made after "the superintendent directed the staff to reduce district costs by 5 percent, schools' costs by two percent, and to meet specific targets to reduce the effects of excessive growth in units... This reorganization is the district level part of that budget reduction process." The stated purpose of the plan was to "reorganize operations, reduce costs and manage the budget for 2002-01." The board approved the reorganization except it did not approve a freeze on technology specialists that had been proposed.

District management continued its analysis of the organization structure in 2002, identifying additional consolidations, position eliminations, realignments and changes in position titles and descriptions. This effort is presented in a three-phase documented plan that is active internal planning document for the district.

Recommendations

- *We recommend that the district phase out two senior management positions.*
- *We recommend that the district publish resulting staffing ratios or other information to demonstrate any cost savings that result once reorganization has been implemented.*
- *We recommend that the district incorporate analysis of span of control into the annual review of its organization structure, and formally present the results to the board.*

Action Plan 3-5 provides the steps needed to implement these recommendations.

Action Plan 3-5

Phase Out Two Senior Management Positions	
Strategy	The district phases out two senior management positions.
Action Needed	<p>Step 1: If a senior management position becomes vacant, the superintendent assigns responsibilities to other senior managers and eliminates the position.</p> <p>Step 2: As management positions are eliminated, the superintendent eliminates secretarial positions and reassigns staff to other vacancies.</p> <p>Step 3: The superintendent monitors the implementation of the organizational changes and evaluates annually.</p>
Who is Responsible	Superintendent
Time Frame	July 2002 through June 2004
Fiscal Impact	<p>This recommendation will save the district the salaries of two senior management positions. The average salary of the deputy and assistant superintendents is \$109,431 plus benefits of 27.65%, for a total of \$139,688 per year per position, so \$279,376 for two positions. The district would also save the salaries of their secretaries, approximately \$30,000 each, plus benefits of 27.65%, for an annual savings of \$76,590 each year. Upon full implementation, the total annual savings will be \$355,966. Depending on the timing of when the two management positions can be eliminated, over five years the district could save a total of \$1,779,830. Other expenses relating to travel, training and supplies have been excluded for conservatism.</p>

Publish information to demonstrate cost savings that result once a reorganization has been implemented	
Strategy	The district publishes resulting staffing ratios or other information to demonstrate any cost savings that result once a reorganization has been implemented
Action Needed	<p>Step 1: The superintendent directs staff to track staffing ratios and other information that will demonstrate cost savings as soon as the board approves a reorganization plan.</p> <p>Step 2: As implementation of the reorganization proceeds, the superintendent compiles the staffing ratios and other information that demonstrates costs savings resulting from the reorganization.</p> <p>Step 3: The superintendent presents the compiled information to the board and the public on a quarterly basis.</p>
Who is Responsible	Superintendent
Time Frame	June 2002 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Incorporate Analysis of Span of Control into the Annual Review of Strategic Plan	
Strategy	The district incorporates analysis of span of control into its annual review of the strategic plan and formally presents the results to the board.
Action Needed	<p>Step 1: The superintendent directs the director of the Department of Assessment, Accountability and Evaluation to incorporate an analysis of span of control into its annual review of the strategic plan.</p> <p>Step 2: The director of the Department of Assessment, Accountability and Evaluation incorporates analysis of span of control into the annual review of the strategic plan.</p> <p>Step 3: The revised annual review is presented to the board.</p>
Who is Responsible	Superintendent and director of the Department of Assessment, Accountability and Evaluation

Time Frame	June 2003 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

6 The district regularly analyzes departmental and district organization, but does not sufficiently track or report the success of reorganization initiatives.

Most of the district’s reorganization efforts focus on realignment and have been done as a cost saving project.

Most of the district’s reorganization efforts focus on realignment, and the reorganizations undertaken by the district have been done as a cost saving project instead of a separate, consolidated organizational analysis. While cost savings are important in an analysis, the district is shortchanged if it does not analyze what changes would be most effective and efficient from a big picture organizational standpoint rather than just looking for places to cut immediately. Most staff cuts are driven more by budget issues, not streamlining. Nevertheless, these cost saving projects have only identified anticipated cost savings in some, but not all, of the efforts over the last several years.

In addition, the district has not published a post analysis of the change implementation to verify that actual savings were achieved, such as staffing ratios before and after the reorganization. During these reviews, the district does not consistently compare its district administrative staffing levels to those of comparable districts using appropriate measures. These measures may include classroom teachers per administrator, instructional personnel per administrator, total staff per administrator, and total administrators per 1,000 students. The Research and Evaluation unit performs peer comparisons on request, but comparisons of these ratios have not been requested, according to the director of Assessment, Accountability and Evaluation.

The district uses funding formulas to establish administrative staffing levels at the schools, and central administrative staffing levels are reviewed annually through the budget process.

The district uses funding formulas to establish administrative staffing levels at the schools. The unit funding method assigns staff to schools based on prescribed formulas for school administrators, teachers, support staff and auxiliary staff. The board annually reviews the allocation formulas during budget workshops. Central administrative staffing levels are reviewed annually through the budget process, but not through separate formulas or productivity measures. Administrative staffing formulas for schools exist, but there is no evidence that they have been reviewed for reasonableness, using appropriate benchmarks.

The following Exhibit 3-8 sets forth the administrative and instructional staff ratios for SDHC and its peers:

Exhibit 3-8

Administrative and Instructional Staff Ratios for SDHC and Peer Districts

	Total Administrative Staff	Total Number of Students	Total Instructional Staff	Administrative Staff Ratio	Instructional Staff Ratio
Duval	547	125,727	7,143	229.85	17.60
Palm Beach	560	153,800	9,402	274.64	16.36
Pinellas	490	113,013	7,736	230.64	14.61
Orange County	504	150,984	9,351	299.57	16.15
Broward	669	251,116	13,235	375.36	18.97
Hillsborough	558	164,294	11,371	294.43	14.45

Source: Florida Department of Education, Profiles of Florida School Districts, 2000-01.

Hillsborough has more efficient administrative ratios than three of the five peer districts, and is virtually even with Orange County. The district’s administrative staffing approach allows it to allocate more of its resources to instruction, as is reflected in the low ratio of instructional staff to students.

Recommendations

- *We recommend that the district publish staffing ratios or other information to demonstrate any cost savings that result once reorganization has been implemented.*

Action Plan 3-6 provides the steps needed to implement this recommendation.

Action Plan 3-6

Publish Staff Ratios and Other Information to Demonstrate Cost Savings of Reorganizations	
Strategy	The district publishes staffing ratios or other information to demonstrate any cost savings that result once reorganizations have been implemented.
Action Needed	<p>Step 1: The superintendent assigns a staff person to research and calculate staffing ratios and any other costs savings resulting from the most recent district reorganization.</p> <p>Step 2: The superintendent reviews this documentation and places it on a board meeting agenda.</p> <p>Step 3: The board reviews the information and releases it to the public.</p> <p>Step 4: The superintendent includes publication of documentation of costs savings in all future reorganizations.</p>
Who is Responsible	Superintendent
Time Frame	January 2003 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

7 The superintendent and board exercise effective oversight of the district's financial resources, but the budget materials need to be more understandable.

The board receives key budget information on a regular basis, but needs additional training in expenditure management.

The board receives a monthly financial report that discloses key financial indicators such as the reserve fund balance, debt ratio, inventory levels, and other relevant financial data to identify a decline in the district's financial condition. The district also provides the board with reports about revenue and expenditures by major function over the past two to three fiscal years for use in evaluating budget proposals during budget workshops and retreats.

The board members receive training annually in fiscal management, and demonstrate a sound understanding of budgeting and finance practices. Most board members have been on the board for several years, which contributes to their understanding of the district's budget. Several board members acknowledged that it takes two to three years to get up to speed on school finance matters.

While the board has received training on revenue issues in the budget, it has not received enough training in expense management. Several board members said the financial management training focused almost exclusively on revenue management and school finance, which are very complex topics in public education, but that there was very little training related to expenditure management. Expenditure management is a very important function for the board since it adopts the district's budget. The board needs to understand the relationship between spending and efficiency not to micromanage but to be able to determine whether the budget they adopt is efficient. Board members currently do not receive information regarding efficiency, such as utilities per square foot or legal fees, compared to other districts or trends over time.

The district's budget is understandable, but needs to be presented in the context of efficiency.

The board makes effective use of graphics in some cases, but most of the budget materials provided to the board are in exhaustive detail, absent of summary financial performance or efficiency data, or sufficient trend information. Examples of useful statistics to include with the budget document are listed below. Each of these measures can be evaluated over a five-year trend and compared to peer school district data if available. Graphical representation of these analyses, accompanied with explanations of variances, assists school districts in demonstrating efficiency to the board and to the public.

- Ratio of students to staff FTEs;
- Ratio of students to administrative FTEs;
- Total expenditures per student, by fund;
- Instructional expenditures per participating student, by program;
- Maintenance cost per square foot;
- Utilities cost per square foot;
- Custodial cost per square foot, by school; and
- Gross square feet per custodian, by school

The budget clearly identifies those expenditures that are recurring versus one-time, but the district does not prepare long-term financial projection with various scenarios. The state revenue situation is highly unpredictable, but preparing forecasts under best and worst-case scenarios helps school district management identify budget reductions before the worst case occurs.

The district’s reporting of financial “data” is better than its reporting of “efficiency.” The district’s preliminary budget book and supporting documents clearly link investments to district priorities, and supplemental information requested by the board, such as cost reconstruction of priority areas, has been provided. Not all information, however, is made in easy-to-read, understandable, and concise format, but board members were comfortable with the presentation and format of most budget materials.

The district utilizes flexible school budgeting practices.

The district deserves credit for its flexible school budgeting practices. The district uses unit funding formulas to allocate resources to schools, and then allows schools to make requests for additional units or expenditures. These are handled on a case-by-case basis, considering the special needs of the schools and the resource needs of all schools. The district maintains a schedule showing the net surplus or deficit by school, based on the revenue generated by that school. This schedule shows that individual needs are addressed, but the total of all adjustments to unit funding net to zero. As noted below, however, principals need to be better trained on flexibility in budgetary matters because some principals interviewed are unaware of the flexibility they have.

The board has adopted significant budget cuts.

The board is to be commended for the budget cuts it has adopted. The district has documented procedures for how to handle a budget shortfall (7.01), and consistently applies processes to identify budget cuts. District policy requires board approval of budget amendments in advance, and the district discloses amendments monthly in a report to the board showing actual amounts, original budget, and amended budget.

Based on historical information, cuts and efficiency efforts have contributed to lower costs. In 2002-2003 the district may face a \$67 million reduction in state appropriations. The district has already implemented several measures to reduce costs this year. On November 6, 2001, the board authorized the superintendent to make reductions needed due to lost revenue in the state. The actions the board authorized, if fully implemented, will reduce district expenditures by over \$41 million. The actions authorized included cutting up to 10 senior level district staff positions and their clerical support. It is noted in the action item that this is phase one of a multi-phase reorganization of district administrative structure. The entire list of cuts proposed cuts submitted to the board on November 6, 2001, is presented in the table below:

Action	Estimated Annual Savings
1. Authorize the reduction of up to 10 senior level district staff positions and their associated clerical support. This is phase one of a multi-phase reorganization of district administrative structure. The positions will be eliminated effective July 1, 2002. The incumbents may be offered vacant positions for which they qualify at the salary appropriate for that position.	\$1,250,000
2. Eliminate remaining summer school programs except for federally mandated and funded programs. Schools can operate fee-based programs for summer band camps, science camps, etc., as long as the programs are 100 percent self-supporting. Some driver’s education spaces may be available through the adult program. (Estimated annual savings includes transportation.)	\$6,000,000

Management Structures

	Action	Estimated Annual Savings
3.	Transfer school and district level resource teachers, supervisors, and administrators to fill teaching and school level administrative vacancies. In some cases, vacancies may be eliminated to achieve these savings.	\$5,000,000
4.	Transfer school and district level non-instructional and clerical personnel to fill vacancies at school level and other locations. In some cases vacancies may be eliminated to achieve these savings.	\$5,000,000
5.	Reduce the annual operating expenses of alternative schools to an amount not to exceed revenue.	\$5,000,000
6.	Eliminate the Alternatives To Out of School Suspension (ATOSS) program or fund it from outside of the district	\$1,080,000
7.	Begin reducing costs at schools operating in excess of income so that costs do not exceed revenues, after considering factors related to school size and faculty experience. Some duplication in the savings in items 2, 3, 4, and 6 exist. Complete recovery of these savings will be affected by school size, faculty experience, and other unique characteristics. The maximum that could be recovered for this item is \$27,805,575. The estimate is 50 percent of this amount.	\$13,902,788
8.	Specific program reductions were included in CS SB 2 for 2001-2002. These reductions are in accordance with the amended budget that passed by the legislature during the special session. Additional reductions are projected from the next special session, expected in late November. That action may restore or further reduce these items, or may result in different reductions.	
	8.1 Teacher training	
	8.2 Instructional materials	\$160,000
	8.3 Workforce Development	900,000
	8.4 210 day school year at Robles, Sulphur Springs, and Oak Park reduced to 184 days	1,600,000 1,353,000
	8.5 Elementary school language immersion	350,000
	8.6 Full service schools	298,000
	Subtotal Budget Items	\$4,661,500
	Total Potential Reductions	\$41,894,288
	Action	Estimated Annual Savings
	For the Board's information, other specific programs were maintained, in the revised 2001-2002 appropriations bill with non-recurring revenue. If actions in future special sessions or the regular 2002 session do not change the effects of CS SB 2B, the reductions below are in accordance with the amended budget that passed the special session and will impact fiscal year 2002-2003 for the School District of Hillsborough County.	
	In addition to the reductions below, reductions totaling approximately \$10.9 in FEFP and district lottery and school recognition reductions, FEFP prorations will impact the district's 2002-2003 revenue.	
1.	Teacher recruitment and retention bonus	\$10,250,502
2.	Instructional materials	\$1,906,087
3.	Public school technology	\$2,334,100
4.	School transportation	\$4,511,829
5.	Teacher training	\$152,775
6.	Teacher lead	\$978,282
7.	Total of non-recurring revenue that will not be available for 2002-2003	\$20,133,073

Source: The School District of Hillsborough County.

The district’s fund balance reserves are less than prescribed targets but continue to maintain the highest bond rating.

Board policy 7.01 specifies a target fund balance level for the district. This policy states that “it shall be the goal of the district to maintain an unreserved/undesignated operating fund balance for nonrecurring expenses in an amount equal to three percent (3 percent) of anticipated total potential revenue as established by the Legislature through the State appropriation process.”

The district prepares analyses of fund balances and provides them to the board in the monthly financial report. District records show that, with the exception of 1996-97, year-end fund balances have been below the target, and over the past three years have been below two percent. As of June 30, 2000, the date of the most recent audited financial statements, the fund balance percentage was 1.42 percent. The district has a line of credit that helps it meet liquidity needs, and current fund balance levels have not adversely affected the district’s bond ratings.

In December 2001, the Florida Legislature reduced state appropriations to school districts for 2001-02 and 2002-03. The School District of Hillsborough County must cut \$42 million from its 2001-02 operating budget, or risk reducing fund balance levels further. All Florida school districts are facing this financial dilemma. The district monitors fund balance levels and is currently evaluating budget cuts to partially restore fund balances to target levels.

Recommendations

- *We recommend that the district provide additional board training on expenditure management.*
- *We recommend that the district provide budget information that is more easily understood by the public and the board, including summary financial performance and efficiency data, and trend information. A suggested pro-forma report is presented below.*

	Actual 1998-99	Actual 1999-2000	Actual 2000-01	Budget 2001-02
Enrollment				
General Fund				
Salaries and Wages				
Expenditures				
Number of FTE employees				
Average Salaries and Wages/FTE				
Ratio of students to staff FTE's				
Number of Administrator FTE's				
Ratio of Students to Administrator FTE's				
Turnover				
Average Vacant Positions				
Pupil-teacher ratio				
Pupil-aid ratio				
Overtime pay as a % of total pay				
DEPARTMENTAL ANALYSIS OF SALARIES				
Transportation				
Salaries and Wages				

Management Structures

	Actual 1998-99	Actual 1999-2000	Actual 2000-01	Budget 2001-02
Number of FTE bus drivers				
Ratio of students to FTE drivers				
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				
Custodian				
Salaries and Wages				
Number of FTE custodians				
Gross square feet of space cleaned				
Gross square feet per custodian				
Salaries and Wages per custodian				
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				
Maintenance				
Salaries and Wages				
Number of FTE maintenance staff				
Gross square feet of space maintained				
Gross square feet per maintenance staff				
Salaries and Wages per maintenance staff				
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				
Food Services				
Salaries and Wages				
Number of FTE staff				
Meals per Labor Hour				
Salaries and Wages per staff				
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				
Business Operations				
Salaries and Wages				
Total staff FTE's				
Ratio of students to staff				
Ratio of employees to staff				
Salaries and wages per staff				
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				
Human Resources				
Salaries and Wages				
Total staff FTE's				
Ratio of employees to staff				

	Actual 1998-99	Actual 1999-2000	Actual 2000-01	Budget 2001-02
Turnover				
Average vacant positions				
Overtime pay as a % of total pay				

Action Plan 3-7 provides the steps needed to implement this recommendation.

Action Plan 3-7

Enhance Board Training on Expenditure Management

Strategy	The district enhances board training on expenditure management.
Action Needed	<p>Step 1: The superintendent directs a staff person to research providers of training on expenditure management.</p> <p>Step 2: The superintendent presents possible trainers and programs to the board.</p> <p>Step 3: The board selects a provider and program.</p> <p>Step 4: The board receives the training.</p> <p>Step 5: Newly elected board members are given in-house training on the topic, as well as additional outside training when necessary.</p>
Who is Responsible	Superintendent and board members
Time Frame	June 2003 and ongoing
Fiscal Impact	\$5,000 annual cost, or \$25,000 over five years.

Provide Budget Information More Easily Understood by the Public and Board

Strategy	The district provides budget information that is more easily understood by the public and the board, including summary financial performance and efficiency data, and trend information, as demonstrated in the attached model.
Action Needed	<p>Step 1: The director of Budget and Cash Management conducts research to identify additional statistics and reports that present the proposed budget in the context of efficiency.</p> <p>Step 2: The director of Budget and Cash Management and the assistant superintendent for Business and Information Technology Services identify supplemental statistics, reports, and graphs to include in the preliminary budget book.</p> <p>Step 3: The director of Budget and Cash Management and the assistant superintendent for Business and Information Technology Services identify reliable sources of data to calculate new statistics on an ongoing basis.</p> <p>Step 4: The director of Budget and Cash Management prepares a five-year historical analysis of key performance and efficiency measures to include in the preliminary budget book.</p> <p>Step 5: The director of Budget and Cash Management and the assistant superintendent for Business and Information Technology Services obtain feedback from the superintendent and the board on the usefulness of the additional information.</p> <p>Step 6: The director of Budget and Cash Management updates the information on an annual basis.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services
Time Frame	July through December 2002; new information to be reported annually during budget process.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

8 The district has not assigned principals all the authority they need to effectively manage their schools, but is working toward that goal.

The authority of principals varies among schools and areas.

The principals' authority is identified in the job descriptions and the policy manual. In addition, the site-based decision making manual and principals handbook also demonstrate communication of authority. In reality, however, actual authority is often dependent on the principal and the area director.

The principals have staffing flexibility through the unit funding methodology. This methodology assigns staff to schools based on prescribed formulas. School administrators, teachers, support staff and auxiliary staff are allocated based predetermined ratios. The unit funding method results in a total number of personnel units. School principals are allowed to adjust units among the categories, allowing them to reallocate staff to meet school needs. The area director must approve any changes.

Based on interviews with principals, not all are aware of this flexibility. As a result, those principals are not aware that they have the ability to ask the district to approve changes in the staff positions they have been assigned, for example replacing two non-instructional staff with a teacher. Flexibility in staffing is not included in the "Site-Based Training Proposal," or the site-based budgeting file. A document entitled, "Unit Allocations: Site Based Decision Making" does explain the staffing flexibility, but it is not clear that it has been distributed to principals or used in training. The district's policy manual contains a very general policy statement under "School Administration: Principals" that refers to the job description, and a general summary of procedures in 3.02, "Responsibilities of Principals," that requires the principals' staffing recommendations to be submitted to the Assistant Superintendent for Human Resources.

The district is considering giving school administrators more authority and flexibility over their school budgets.

School administrators do not have complete authority over their budget. Principals have the ability to reallocate assigned staff, but cannot reallocate pay or other financial resources. The district is planning to go this direction and has evidence supporting its research of school based budgeting. As of December 2001, there has been no plan developed or board action taken, other than development of the site-based decision making manual. The board has held a workshop to become more familiar with site-based budgeting efforts of other large school systems, including Miami-Dade, Duval, Orange County, and Houston school systems.

The district is concerned that many principals are not yet up to the task of managing all aspects of school financial matters, and is training principals in this area. There is also a concern that broader financial and business management functions by the principals will redirect attention away from instructional leadership.

District controls over policy and procedure compliance could be improved.

Each school is subject to a series of compliance audits each year. There are separate audits for property management, internal accounts, cafeteria operations, FTE or student attendance audits, and textbook inventory. Beyond these specific audits, there is no general compliance monitoring of district policies and procedures. The principals are subject to a performance evaluation annually, and this evaluation has a line item under the Management and Operations assessment specifying that principals "articulate and monitor School Board policy in day-to-day operations."

Recommendations

- We recommend that the district develop a district policy to make all principals aware of flexibility in staffing formulas so that principals can more effectively address the specific staffing needs of their individual schools.
- We recommend that the district take formal actions to implement site-based budgeting.

Action Plan 3-8 provides the steps needed to implement these recommendations.

Action Plan 3-8

Make All Principals Aware of Flexibility in Staffing Formulas	
Strategy	Develop a district policy to make all principals aware of flexibility in staffing formulas so that principals can more effectively address the specific staffing needs of their individual schools
Action Needed	<p>Step 1: The superintendent assigns a staff person to draft a policy to make all principals aware of flexibility in staffing formulas.</p> <p>Step 2: The superintendent presents the policy to the board for approval.</p> <p>Step 3: The superintendent ensures that training regarding principals' authority over school staffing decisions is included as part of principals' annual training requirements.</p> <p>Step 4: The superintendent includes staffing flexibility in the principals' job description.</p>
Who is Responsible	Superintendent
Time Frame	August 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Implement Site-Based Budgeting	
Strategy	The district formally adopts and implements site-based budgeting. A document describing all the elements and decision rules of this program should be developed and submitted to the board for approval. While training on the concepts of site-based budgeting is already underway, additional training related to the specific elements of Hillsborough's program should be conducted.
Action Needed	<p>Step 1: The superintendent finalizes a site-based budgeting program for the district and presents it to the board for approval.</p> <p>Step 2: The board adopts site-based budgeting.</p> <p>Step 3: The assistant superintendent for Human Resources oversees the development of training materials and the implementation of training programs for the new site-based budgeting program.</p> <p>Step 4: The assistant superintendent for Human Resources modifies the job descriptions of the principals and area directors, and other related handbooks, to reflect new responsibilities in site-base budgeting.</p> <p>Step 5: The assistant superintendent for Business and Technology Information Services and the assistant superintendent of Administration monitor the progress of implementation and identify additional training needs.</p> <p>Step 6: The superintendent reports progress of site-based budgeting to the board on an annual basis.</p>
Who is Responsible	Superintendent and budget director
Time Frame	April 2003

Allocation of Resources

9 The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, but needs to expand the scope of the strategies for non-instructional areas.

The district maintains a strategic plan that outlines the district’s vision, mission, priorities, goals, and strategies.

The district has a five-year strategic plan that discloses the district vision, mission, and priorities. The district’s vision is that “the School District of Hillsborough County will be in the top one percent of school districts in the nation,” and its mission is that it “will provide all students with the opportunity to acquire the knowledge and skills necessary to realize their potential.” The strategic plan contains five priorities – reading, communication, technology, staffing, and school environment.

The plan also includes specific district and student performance goals, many of which are linked to the state’s Florida Comprehensive Assessment Test (FCAT). The state has published eight education goals on the Department of Education website: readiness to start school, graduation rate and readiness for work or post-secondary education, student performance, learning environment, school safety, teachers and staff, adult literacy, and family and community involvement. Many of the goals identified in the district’s strategic plan stem from the state’s goals.

In addition to the goals related to the priorities, there are also three other goals identified in the strategic plan: receive best financial management practices seal; achieve charter district plan and goals; and achieve unitary status. The plan also has specific objectives, such as target test scores and target favorable response rates on surveys. These are established annually for five years into the future.

Goals, objectives, and strategies are clearly delineated. The strategic plan is organized so that long-term goals, short-term objectives, and strategies are identified under each priority. The plan distinguishes between five-year goals and annual objectives to reach those goals. A level of priority or importance is not assigned at the strategy or objective level in the strategic plan. The plan goes from vision to priorities to goals without it being clear to the reader how the district got from one to the next.

The district incorporates and applies alternative educational delivery systems into its strategic plan. The district has the largest number of charter schools in the state. It also maintains several magnet schools, and recently initiated a school choice program.

A significant development recently occurred in the district when the school board approved a “Plan for Maintaining a Unitary School System” on November 21, 2000, with a target date for implementation of August, 2004. In March of 2001, the 11th U.S. Circuit Court of Appeals in Atlanta reversed a 1998 district court decision, freeing the district from the consent decree and federal court oversight, clearing the way to begin implementation of the plan. With this development, the district accomplished Goal 8 of its strategic plan.

There are many district areas that are not addressed as a priority and do not receive attention in the strategic plan.

Personnel, technology, community involvement and safety and security are included in the board priorities. Other non-instructional areas are not reflected in board priorities, and referenced indirectly through board goal 6 regarding the Seal of Best Financial Management Practices. These areas include:

- Facilities maintenance;
- Custodial services;
- Transportation;
- Student Nutrition Services;
- Finance and Business Operations
- Technology – stated goal in strategic plan is to implement percentage of strategies, but specific goals and performance targets need to be identified;
- Human resources – stated goal includes recruitment and professional development areas, but not other aspects of human resource management;
- Risk Management; and
- Overall operating efficiency.

Similarly, the strategic plan does not have goals for each instructional program. Exceptional Student Education (ESE) and Bilingual Education are examples of instructional programs that receive little attention in the strategic plan. There are separate documents that discuss the goals and performance of these programs, but inclusion in the strategic plan would allow the board and the public to evaluate all instructional programs.

The district does not need to add priorities for the operational and instructional programs listed above. However, the inclusion of goals for each of them would drive a performance measurement system for all district operations.

Most goals in the strategic plan are measurable, but some of the plan’s mechanisms to measure progress may be not be reflective of actual performance.

Most goals in the strategic plan are measurable, and the district has set an annual standard for each objective five years into the future. Progress against specific objectives, comparing last year’s actual statistics to the annual goals, is included in the annual updates to the strategic plan.

Some progress measures identified in the plan may not prove to be meaningful. For example, the communications goal includes survey response percentages as targets, such as 90 percent of parents rate the schools’ and school district’s external communications favorably. Unless the exact same question is asked each year on the survey, this measure may be difficult to evaluate. Also, this specific target has two performance measures, one for schools and one for the district, combined into one target. Response rates may also influence the results. District management should ensure that strict guidelines are followed in order to provide an accurate and meaningful measure of performance.

In another example, the technology goal is to implement 80 percent of the strategies identified in the plan, but there are not specific performance targets identified. Student to computer ratios, computer to technology staff ratios, percentage downtime and other performance measures can be developed to better measure performance in technology.

Progress against the plan is measured annually, but the plan does not include some necessary elements to support accountability.

The district's progress towards reaching the goals identified in the plan is evaluated each year by the director of Assessment, Accountability, and Evaluation. The evaluation is presented to the board and reports the district's progress in meeting the benchmark measures under each of the priorities identified in the plan. The evaluation also presents recommendations, such as "develop tactical objectives for goals 6, 7 and 8 in the strategic plan," and "develop an annual procedure for reviewing the strategies and tactical objectives using the evaluation results." The district's strategic plan has been updated each year for at least the past five years. Priorities and strategies are revisited and changed as needed, based on evaluations of progress. A review of prior planning documents reflected the district's changing of strategies based on performance results.

The section of the plan that contains strategies presents the information on a series of schedules. Four columns in the schedule contain the following headings: Strategy/Division Responsible; Process Measure; Status; and Next Step/Future Plans/Cost/Funding Source. Target dates for implementing strategies are not presented, which would provide more accountability for getting it done.

The cost to implement the strategic plan is not clearly presented in the document.

Cost estimates are provided for each strategy in the strategic plan. A total amount is estimated, and one or more sources of funds are identified. For example, strategy 2 under Goal 1.2 has a cost estimate of \$500,000 to be obtained from grants, staff development funds and the existing budget. One of these funding sources – grants - is conditional, while others are existing sources of funds. From the information provided, it cannot be determined if the strategy can be implemented if grant funds are not obtained. The district publishes cost details in a document entitled, "Programs that Support District Priorities," but these costs are not summarized in the strategic plan.

A global summary of strategy level costs would support a review of the financial feasibility of the strategic plan, and reflect to what degree plan elements are contingent upon additional funding sources.

The district does, however, provide a report to the board regarding cost reconstruction showing investment in priority areas. Board actions have been consistent with the priorities identified in the plan, and special requests are made by the board for supplemental information to ensure that district management is focused on the priorities.

The district has demonstrated that it committed district resources to the priorities identified in the strategic plan through its budget and underlying financial analyses. Specific strategies and funding sources provide sufficient direction to schools and district staff. These priorities are also reflected in school improvement plans. The strategic plan includes fiscal impact and funding sources for each strategy, but does not summarize the fiscal impact of the plan or its impact on fund balance.

Recommendations

- *We recommend that the district include specific sub-goals and implementation strategies for all instructional and operational programs under Goal 6. "The district will achieve the Seal of Best Financial Management."*
- *We recommend the district clarify certain performance measures in the plan to ensure that the actual measures are meaningful. For instance, the goal for technology of implementing 80 percent of its strategies should be divided into specific goals, such as target student to computer ratios, target goals for administrative productivity improvement through the use of*

technology, and target technology staffing levels. Strategies relating to the communication goals need to be clarified to ensure that “favorable” responses are measured consistently over time.

- We recommend that the district calculate the cost of implementing its strategic plan and include a summary of the fiscal impact of the plan and its impact on the fund balance in the plan itself. A summary should reflect elements of the plan that will receive funds from existing, reallocated resources versus those elements that are contingent upon additional funding.
- We recommend that the district prioritize the objectives and strategies in the strategic plan, and assign estimated completion dates.

Action Plan 3-9 provides the steps needed to implement these recommendations.

Action Plan 3-9

Include Specific Goals and Implementation Strategies for All Programs under Goal 6	
Strategy	The district includes specific sub-goals and implementation strategies for all instructional and operational programs under Goal 6: “The district will achieve the Seal of Best Financial Management.”
Action Needed	<p>Step 1: The superintendent assigns a staff person to meet with the directors of all instructional and operational programs to develop specific sub-goals and implementation strategies.</p> <p>Step 2: The superintendent approves the specific sub-goals and implementation strategies.</p> <p>Step 3: The superintendent places the item on a board meeting agenda for the board to approve as revisions to the strategic plan under Goal 6.</p> <p>Step 4: The board adopts the revisions.</p>
Who is Responsible	Superintendent and board
Time Frame	September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Clarify Performance Measures in the Strategic Plan	
Strategy	The district clarifies certain performance measures in the strategic plan to ensure that the actual measures are meaningful.
Action Needed	<p>Step 1: The executive committee reviews each measure in the strategic plan to ensure that it is a meaningful outcome measure of performance or efficiency.</p> <p>Step 2: The executive committee reviews the communications goals and the survey instruments through which performance is measured. More specificity is added to the goals so that they are reflective of specific survey responses or aggregate survey scores.</p>
Who is Responsible	Superintendent
Time Frame	September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Calculate the Cost of Implementing Strategic Plan and Impact on the Fund Balance	
Strategy	The district calculates the cost of implementing its strategic plan and includes a summary of the fiscal impact of the plan and its impact on the fund balance in the plan itself.

Action Needed	<p>Step 1: The assistant superintendent of Business and Information Technology Services assigns staff from various departments and schools throughout the district to work with the budget director to calculate the incremental cost of implementing the strategic plan and the impact on the fund balance.</p> <p>Step 2: The Budget Director and the assistant superintendent of Business and Information Technology Services identify which strategies are dependent on additional funds versus those that can be funded through reallocations in the existing budget. One-time investments should be clearly distinguished from recurring expenditures.</p> <p>Step 3: The assistant superintendent of Business and Information Technology Services summarizes the fiscal impact of the strategic plan and includes in the Priorities, Goals, and Evaluation Section of the Strategic Plan.</p>
Who is Responsible	The assistant superintendent of Business and Information Technology Services
Time Frame	December 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Prioritize the Objectives and Strategies and Assign Estimated Completion Dates

Strategy	The district prioritizes the objectives and strategies in the strategic plan, and assigns estimated completion dates.
Action Needed	<p>Step 1: The Superintendent assigns priorities among the objectives and strategies, and assigns completion dates.</p> <p>Step 2: The superintendent places the item on a board meeting agenda for the board to approve for inclusion in the strategic plan.</p> <p>Step 3: The board approves the item.</p> <p>Step 4: The strategic plan is amended to prioritize the objectives and strategies and show assigned completion dates.</p>
Who is Responsible	Superintendent and board members
Time Frame	September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

10 The district has a system to accurately project enrollment at the district level, but needs to document the projection process.

The district develops enrollment projections on a one-year and five-year basis.

The district's enrollment projections consist of next year's enrollment projection and a 5-year enrollment projection provided with the Physical Plant Survey, which is required by state law. The county does a 10-year and 20-year study, but the district does not really use this document. The district last conducted long-range projections in 1996, forecasting 10 years and 15 years for each school. Enrollment projections have been so close, long-range projections have not been considered necessary, according to district. District management has stated they plan to conduct another study in 2002-2003.

The initial projection provided to the board is intentionally lowered to be conservative for school staffing purposes and is later adjusted as needed for internal purposes. The projection reported to the state, however, does not change.

The district produced enrollment projections for 2001-2005 using a three-year average. The district computed a three year average growth rate for each school in projecting enrollment over the next five years based on the 20th day enrollment report—a snapshot of actual enrollment taken on the twentieth day of school that is reported to the state.

The district does not conduct periodic demographic studies.

The district has not conducted or participated in demographic studies in recent years. District management said that Hillsborough County conducts such studies, but the information is too speculative to be useful to the district. The lack of periodic demographic studies has not adversely affected the district's ability to accurately project enrollment. District management believes that benefits provided by such a study do not outweigh the costs, particularly during a time of budget cuts.

District enrollment projections at the district level have been accurate.

The district is accurate at the district level in its annual enrollment projection. District projections have been within acceptable DOE limits for the past six years, and the district’s numbers have been closer to actual enrollment than the state’s numbers.

The district does not document its methodology, but based on conversations with district staff, in order to project enrollment the district evaluates local factors affecting state projections such as movement of students, opening of schools, drop-out rates, and an event known as “Kindergarten round up.” This process and sources used by the district are discussed in further detail below.

Exhibit 3-9

Projected and Actual Enrollment for SDHC and Peer Districts for 2001-2002

District	Projected Enrollment	Actual Enrollment
Broward County	259,061	260,892
Hillsborough County	158,911	160,718
Palm Beach County	156,000+	160,252
Orange County	158,022	151,826
Duval County	126,900	127,452
Pinellas County	Unavailable	111,272

Source: School District of Hillsborough County.

At the school level, the projections are not very accurate, but the variances are within acceptable ranges. The district’s 2001-02 projection was off by over 100 students in six out of 116 elementary schools, seven out of 36 middle schools, and five out of 20 high schools. One of the ways the district seeks to improve its accuracy in projecting Kindergarten enrollment is through a creative tool called “Kindergarten Round-up.” This program orients new students and parents before school lets out in the prior year, and helps the district forecast the number of students coming in the fall.

The district does not document the factors it considers and the methods it uses in making enrollment projections.

The district’s projection method is not well documented and is not set forth in district policy or summary of procedures. The district does not provide the board with a projection analysis report to explain the factors influencing long-term and short-term projections. The board needs to understand how projections are made, and the district needs to document how it makes its projections because one year the projections may not be so accurate and the board will need to understand why.

Management Structures

The state uses available demographic data based on the cohort survival method to make its estimate in January. This technique provides estimates of the natural increase and net migration for "cohorts," or age groups, within the population. The traditional cohort survival method begins with an assessment of Kindergarten enrollment. The district starts with the state's projection and then uses information such as the number of students and knowledge of school operations and programs to keep refining that data until September.

The district tracks planned housing developments within the boundaries of each school and projects enrollment at the elementary, middle school, and high school levels at the affected schools. Mobility trends and unemployment data are considered by the district but not documented. The district also tracks the number of students leaving each school and determines whether they went to another school within the district or left the district. District management aggregates the number of new students received by each school. This information, combined with historical enrollment data provides the basis for the annual enrollment projection. According to district management, this methodology is consistently applied, but not documented.

The district should consider private school trends in its enrollment projections.

District management said that private school trends are not considered because the district has been unable to find a central source for the data.

The Florida Department of Education publishes several documents with private school enrollment data, <http://www.firn.edu/doe/choice/npcount.htm>, *Nonpublic Schools Count*, <http://www.firn.edu/doe/choice/npsbrief.htm>, *Florida's Non-Public Schools*, <http://www.firn.edu/doe/choice/pnpcomp.htm> and <http://www.firn.edu/doe/choice/tencomp.htm>, *Distribution of Students in Public and Nonpublic Schools*. The School District of Hillsborough County has 123 private schools and 23,655 students. Statewide public school enrollment grew 28 percent since 1991-92, while private school enrollment increased 79 percent. Consideration of these other factors could influence the district's one-year and five-year enrollment projections.

Recommendations

- *We recommend that the district develop a projection analysis report for the board, providing written explanations of the factors influencing short and long-term projections.*
- *We recommend that the district document its enrollment projection methodology and procedures.*

Action Plan 3-10 provides the steps needed to implement this recommendation.

Action Plan 3-10

Develop a Projection Analysis Report for the Board	
Strategy	The district develops a projection analysis report for the board, providing written explanations of the factors influencing short and long-term projections.
Action Needed	Step 1: The assistant superintendent for Administration develops a projection analysis report for the board, including explanations of the factors influencing the short and long-term projections.
Who is Responsible	Assistant Superintendent for Administration
Time Frame	September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Document the Enrollment Projection Methodology and Procedures

Strategy	The district documents its enrollment projection methodology and procedures.
Action Needed	Step 1: The assistant superintendent for Administration directs his staff to document the enrollment projection methodology and procedures used over the last five years. Step 2: The assistant superintendent for Administration develops supporting enrollment projection schedules that show ethnicity, income status and other available demographic data.
Who is Responsible	Assistant Superintendent for Administration
Time Frame	September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

11 **The district needs to better link its financial plans, budgets and resources to its priority goals and objectives.**

The board has dedicated financial resources to the strategic plan’s priority areas in the annual budget, but the budget materials need to more clearly demonstrate this.

Historically, the budget reports provided to the board have not clearly communicated dedication of financial resources to priority areas. This prompted the board to request a special report showing the historical investment in priority areas for the past two years. The district developed estimates of cost for each priority by each department and presented this report to the board in February 2001.

Other board workshop materials show conceptually, through a diagram, how the district priorities are translated into spending priorities and budgets. Since the strategic plan does not include a cost estimate or cost summary, it is difficult to show the link between the strategic plan and budget. This notwithstanding, there are several priority items that are clearly represented in the budget. The best example is the allocation of funds for reading coaches. Reading is the district’s number one priority.

District staff is focused on identified priority goals and objectives, and incorporates strategic plan priorities into lower level planning documents.

The school improvement plans provide evidence that district staff focus on strategic plan priorities and objectives. Based on a review of twenty school plans, the school plans do not duplicate the district’s vision and mission. However, the schools’ visions, missions, and goals reflect the same priorities as the district.

The district does not report to the board cost performance measures in many of the operational areas.

Cost performance information is different from financial information. Financial information generally describes how much is being spent. Cost performance information helps determine whether or not the district is efficient and spending the appropriate amount.

Some of the district’s departments have cost performance measures. However, with few exceptions, they do not reach the board. Student Nutrition Services provides a standard report to the board disclosing key efficiency statistics, such as the number of Meals Per Labor Hour (MPLH). Other non-instructional areas,

Management Structures

such as Transportation, track efficiency measures but do not report them to the board on a routine basis. Other departments have few, if any, cost performance measures.

The lack of efficiency measures in non-instructional areas precludes the board from making budget adjustments based on cost-performance. In specific instances, the board is presented with proposals to save money, but these may not necessarily relate to district defined goals.

Recommendations

- *We recommend that the district more clearly identify in its budget the dedication of resources to district priorities. A model of the information we recommend is below.*

SCHOOL A	Base Operating Budget	Reallocations for Priority Investments	Additional Priority Investments - New Funds	Total Budget
READING PRIORITY				
Base salaries and benefits for teachers	\$1,000,000	\$(150,000)		\$850,000
Reading coaches		\$150,000		\$150,000
Teacher training	25,000		\$5,000	\$30,000
	\$1,025,000		\$5,000	\$1,030,000

Source: Gibson Consulting Group, Inc.

Action Plan 3-11 provides the steps needed to implement these recommendations.

Action Plan 3-11

More Clearly Identify in its Budget the Dedication of Resources to District Priorities	
Strategy	The district more clearly identifies in its budget the dedication of resources to district priorities, as demonstrated in the model attached.
Action Needed	<p>Step 1: The superintendent assigns the director of Budget and Cash Management to compile information demonstrating the dedication of resources to district priorities.</p> <p>Step 2: The director of Budget and Cash Management applies the model attached to information regarding the dedication of resources.</p> <p>Step 3: The superintendent approves the presentation of information.</p> <p>Step 4: The information is presented to the board for their information on an annual basis.</p>
Who is Responsible	Superintendent and Director of Budget and Cash Management
Time Frame	September 2002 and ongoing
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

12 **The district considers options to increase revenue.**

The district has written procedures for obtaining information about new or better funding opportunities from private, state, and federal sources.

Chapter 7 of the District Procedures Manual provides guidelines for maximizing revenue. According to these procedures, “The superintendent shall refer to the following procedures for additional revenue to support the immediate or future requirements of the district.

General Operating:

- Levy up to the maximum discretionary & supplemental millage (Section 236.25,F.S.).
- Apply for Medicaid reimbursement for physical, occupational and speech therapy services, behavioral health services, mental health services, transportation services, and treatment administrative outreach for the purpose of determining eligibility for exceptional student education (Section 236.0812, F.S.).
- Secure state grants and awards as advertised by memorandum by the Florida Department of Education. The Research & Development Office shall continually review legislation for new funding opportunities.
- Secure local grants through the Research & Development Office, the Hillsborough Education Foundation, and other sources.
- Form business partnerships to the extent possible.
- Secure any other revenue sources not listed above that may be available to benefit the district.

Capital Outlay:

- Seek voter approval for the one-half-cent sales surtax for public school capital outlay or the local government infrastructure sales surtax.
- Seek voter approval for the issuance of General Obligation bonds to construct new schools
- Levy up to the maximum 2 Mills of non-voted discretionary capital outlay.
- Utilize up to 1 Mill of the 2 Mill Capital Outlay levy for the issuance of Certificates of Participation (COPs) to construct new schools and add student stations to existing schools (Section 236.25(e), F.S.). The remaining 1 Mill shall be used to maintain existing schools, purchase school buses and make other capital improvements as needed.
- Participate in the School Infrastructure Thrift (SIT) incentive program to encourage functional, frugal facilities and practices.
- Apply for school impact fees from the county as available.
- Participate in state bond issues as advertised by memorandum by the Florida Department of Education.
- Apply for federal tax-exempt bond programs as advertised by memorandum by the U.S. Department of Education and the Florida Department of Education.

Secure state grants and awards as advertised by memorandum by the Florida Department of Education. The Research & Development Office shall continually review legislation for new funding opportunities.

- Form business partnerships to the extent possible.
- Secure any other revenue sources not listed above that may be available to benefit the district.

If additional revenue is needed, the district considers pursuing various local options to increase revenues

The district consistently considers its local taxing options to raise revenues. Each year, the district levies the maximum discretionary and supplemental millage for general operating expenses such as salaries, utilities, teaching supplies, and equipment. The district also levies the full 2 Mills of non-voted discretionary capital outlay. The proceeds are used to maintain existing schools, purchase school buses, and service the debt for Certificates of Participation issued to build new schools and add student stations to existing schools.

In 1996, the School District of Hillsborough County received voter approval to levy a Local Government Infrastructure Surtax, in which the district receives the first 25 percent of collections. Thereafter, the district issued bonds in the amount of \$70 million for a period of 8 years to construct a high school, an elementary school and a career center, expand an existing high school, and completely remodel a middle and elementary school. Based on collections in excess of projections, the district expects to defease the bonds and issue additional bonds of approximately \$230 million in October 2002.

The district has taken actions to obtain private, state, and federal grants and other alternative funding.

The district has been very aggressive in obtaining funds through other federal, state, and local sources. Examples of specific actions taken by the district are listed below:

Federal Sources

- Each year the district applies for entitlement grants such as Title I, Title VI and IDEAS, as well as competes for various grants. In 2000-01, the district received more than \$139 million in federal grants used to hire additional personnel, improve reading strategies and purchase classroom materials and equipment.
- The district, in conjunction with the Florida Legislature, drafted legislation in 1993 to seek additional Medicaid reimbursement from the Agency for Health Care Administration (AHCA) for students receiving occupational therapy, physical therapy, and speech services. This program is entitled Fee For Service (FFS). Since 1996, the district has been reimbursed \$920,000. In 1998, SDHC joined eight other Florida school districts as a consortium to request additional Medicaid reimbursement in the Medicaid Administrative Claiming (MAC) Program. The district serves as the lead district and fiscal agent for the MAC consortium, which now includes 26 other Florida school districts. Since 1998, the district has received \$9.9 million in federal Medicaid reimbursement.
- In 1999, SDHC was one of only two districts applying to the state for an allocation of federal interest-free bonds, resulting from the Taxpayer Relief Act of 1997. The district exceeded the 10 percent required match from private businesses on \$10 million issue. The district has received approval for another \$9.6 million of QZAB's to refurbish schools in poor neighborhoods.
- Each year the district applies for federal impact aid for an elementary school housed on MacDill Air Force Base in South Tampa. In 2000, the district applied for and received \$377,481.
- The district has received the Federal Magnet School Assistance Award twice in the last nine years, for a total of over \$12 million. Seven new magnets have been planned, as part of the court submitted documents to maintain unitary status. A grant in the amount of approximately \$9 million has been awarded for the years 2001 through 2004.

State Sources

- In 1999, the district was awarded Effort Index Grant funds for successfully demonstrating the need for additional classroom funding after meeting the specified level of required local effort described by

the legislature. The district is using the \$24.1 million awarded to build an elementary school, completely renovate a high school, and remodel another. (Section 235.186, F.S.)

- In 1999, the district received its first School Infrastructure Thrift (SIT) incentive award from the State Department of Education for building functional, frugal schools. To date, the district has received six awards for new schools for a total of \$8.49 million and \$3.76 million for the district's share of Charter School SIT awards.
- In 1999, the legislature appropriated a Class Size Reduction Grant of \$100 million from General Revenue to Capital Outlay for the construction of classrooms for students in Kindergarten through Grade 3. In order to receive funds, districts had to commit to maintaining a 1:20 teacher student ratio for proposed projects, in addition to meeting other requirements. To date, the district has been awarded more than \$7 million for this program.
- In 1999, the district participated in the State Capital Facility Bond Program, whereby the state issued bonds funded by Lottery revenue on behalf of districts. As required, the proceeds of \$139 million are being spent on permanent classrooms and not for any other facilities until all unmet needs for permanent classrooms and core facilities are met.
- In 1998, 1999, and 2000 the district participated in the state Capital Outlay & Debt Service Bond Issue, receiving \$67.8 million to build 2 elementary schools and a middle school, completely renovate a middle school, and build additions at 6 schools.
- In 1998, the district bonded racetrack and jai alai fronton funds accruing annually to the district in the amount of \$446,500. Bonds in the amount of \$4.3 million were issued for a period of 20 years for capital needs for schools.
- The district continually competes for state competitive grants through the Research & Development Office. In 2000, the district received more than \$21 million in grant awards used to hire additional personnel, pay for staff development, and purchase classroom materials and equipment.
- Each year the district applies for a tax rebate on the purchase of gasoline for school buses. The amount of rebate varies from year to year and must be used for the reconstruction or maintenance of roads, streets or sidewalks, resulting from the construction of new schools or renovation of existing schools. In 2000, the district received a rebate of \$280,569.

Local Sources

- Each year, the district applies to the County for impact fees paid by developers for residential development impacting the school system. In 2000-01, the district received \$4.3 million in impact fees.
- In the fall of 2000, the district signed an agreement with First Union Bank to receive a rebate of up to 60 basis points for utilizing procurement cards to purchase goods and services. The district subsequently implemented a software system designed to approve or deny the request for goods and services prior to the purchase. A pilot program is currently being tested at district sites.
- The district continually competes for local competitive grants through the Hillsborough County Education Foundation and the Research & Development Office. In 2000, the district received over \$1 million in local grant awards and donations for its schools.

4

Performance Accountability System

The School District of Hillsborough County has a well-communicated performance accountability system for instructional programs, but lacks a good system for measuring performance and cost-efficiency of its operational programs.

Conclusion

The School District of Hillsborough County (SDHC) has a performance accountability system in place for measuring the performance and effectiveness of its instructional programs. The district's strategic plan provides a framework of specific academic goals and other goals for identified priorities. Throughout the year, measurement against these identified goals is conducted, and reported formally to the board through an Evaluation Report of the Strategic Plan.

The strategic plan contains strategies for certain, but not all, operational, or non-instructional programs. Consequently, there are no district defined goals and objectives for many of these programs. Performance goals and objectives are established in some operating departments, but there is no coordinated process for measuring performance against these goals at the district level. As a result, operating program performance is not communicated to the board or public for most operational programs.

Cost-efficiency reporting is done primarily on an ad hoc basis by the district, based on special projects or efficiency studies. The district is very aggressive in identifying cost saving opportunities, but does not have the measurement systems to ensure that these opportunities are achieving intended results. Exhibit 4-1 presents a summary assessment of the district's performance accountability systems.

Exhibit 4-1

Summary Assessment of Accountability Systems

	Instructional	Operational (Non-Instructional)
Program Performance	Specific goals; assessment function; measurement systems	Some departments report program performance, but not all information gets to board; insufficient standard performance reporting
Cost-Efficiency	Limited to review of unit funding formulas; some special projects	Some departments report cost-efficiency, but not all information gets to the board; insufficient standard cost-efficiency reporting

Source: Gibson Consulting Group, Inc.

The district needs to apply its performance measurement standard for instructional programs to non-instructional programs and develop a standard set of cost-efficiency performance measures and goals for each operational and instructional program. These measurement criteria should be included in the performance evaluations of district management to provide adequate accountability.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the performance accountability system, some of which are included in Exhibit 4-2 below

Exhibit 4-2

The District Has Had a Number of Notable Accomplishments in Performance Accountability Systems in the Last Three Years

- The district’s strategic plan contains specific long-term and interim goals for priority areas that are measured annually.
 - The district’s Assessment, Accountability and Evaluation Department have conducted hundreds of evaluations of instructional programs that have led to improved student achievement.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings —————

Gibson Consulting Group, Inc. reviewed the district’s performance accountability system using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consulting team used several methodologies to develop its findings and recommendations. We conducted on-site interviews with district staff and reviewed documentation relating to the performance accountability system.

An overview of chapter findings is presented below.

Accountability of Programs

1. The district has clearly stated goals and measurable objectives for most major educational programs, but needs to develop goals and objectives for many of its operational programs. (Page 4-7)
2. The district uses appropriate performance measures and interpretive benchmarks to evaluate its major educational programs, but needs to develop formal measurement systems for cost efficiency and operational programs. (Page 4-15)
3. The district analyzes potential cost savings and/or cost avoidance of alternatives, such as outside contracting and privatization, but needs to institutionalize this process to ensure that both the performance and cost of every area is assessed using performance measures and benchmark data. (Page 4-28)
4. The district formally evaluates the performance of its major educational programs, but needs to formalize the evaluation of cost-efficiency for all programs, and performance of its operational programs. (Page 4-31)
5. The district needs to report more performance and cost-efficiency measures to parents and other taxpayers, particularly in non-instructional areas. (Page 4-37)

Fiscal Impact of Recommendations —————

There are no fiscal impacts associated with the recommendations contained in this chapter

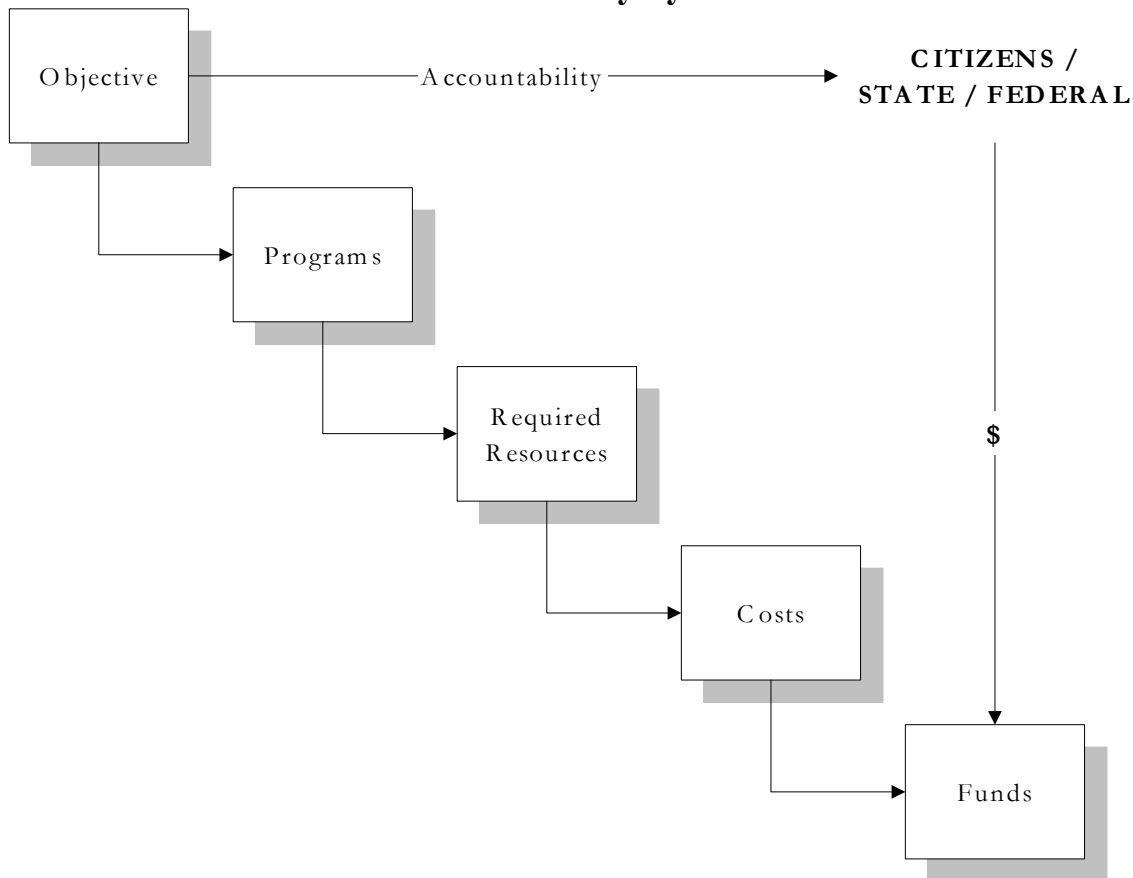
Background

Like other public entities, school districts must be accountable to parents and other taxpayers for the performance and costs of their academic programs such as basic education and At-Risk programs, as well as the support services such as facilities management, administrative operations, transportation and food services. While Chapter 3 examined whether the district has a broad, strategic plan to guide major district initiatives and financial decisions, this chapter covers whether the district has established adequate mechanisms to hold management and staff accountable for individual program performance and cost efficiency.

There are several components of an effective accountability system, and all must be present to ensure that the system works effectively. Exhibit 4-3 summarizes how the different mechanisms should work together to support accountability.

Exhibit 4-3

Elements of an Effective Accountability System



Source: Gibson Consulting Group, Inc.

As the exhibit illustrates, goals and objectives drive programs that need resources, that cost money, and that are funded through various mechanisms, including local taxpayer funds. A good accountability system and underlying information system provides measurement of each element of this cycle, providing accountability to the taxpayer for program effectiveness and efficiency.

Performance Accountability Systems

Objectives must be specific and tangible to support measurement. Objectives that are vague, such as “improving test scores” are not effective in supporting accountability because the level of desired improvement is not known. Each instructional and operational program or department should have specific, measurable objectives to support performance accountability. Once identified, measurement systems must be in place to routinely report progress against these objectives. Assessments of variances between actual and target levels should be analyzed to determine why a specific objective was not achieved, or in the alternative, how expected performance was exceeded. Where successes occur, effective practices can be applied in other areas or schools, and where shortfalls exist alternative solutions can then be explored to help achieve stated objectives. Continuing ineffective programs and initiatives can be costly to the district. Ineffective programs can result in opportunity costs since money used for such programs cannot be directed to more effective programs.

Cost-efficiency is based on the relationship between the resources applied to a process and the inputs or outputs of that process. For example, cost-efficiency in the classroom is driven primarily by the ratio of students-to-teachers. A larger ratio is more efficient, but larger classes may negatively affect student performance. Other examples of instructional efficiency include teacher aide to student ratios, instructional expenditures per student and average class size. Cost-efficiency measures for instructional programs must be evaluated simultaneously with effectiveness measures to ensure that both types of objectives are achieved.

Cost-efficiency in operational programs is critical to ensuring that all possible resources are devoted to instruction. Money saved through operational program efficiency can be redirected to educational programs. Comparing resources to inputs or outputs also determine cost-efficiency in operational programs. For example, custodial costs are driven primarily by the size of the facility being cleaned. Measuring the relationship between the number of square feet and the number of full-time custodians provides an efficiency measure that can be managed. Each operational program has its own factors that drive expenditure levels. These “cost drivers” are critical to the measurement and determination of cost-efficiency.

Two primary methods can be used to evaluate efficiency and effectiveness measures – trend analysis and benchmark analysis. Trend analysis provides an historical view of performance measures to see if improvements occur. Benchmarking analysis compares a current measure to another comparable school district, state average, industry average, or industry standard. Benchmarking shows how well a school district is doing in comparison to others.

One of the complicating factors affecting trend and benchmarking analysis is the comparability of data. For trend analyses, changes in programs, operations or account codes may cause changes in expenditures levels that might otherwise be an unfavorable variance. Comparing trend data must consider these changes to ensure a fair analysis of the data.

Benchmark analysis also poses comparability problems. Comparisons to other school districts must consider the differences between the districts from many standpoints. School districts are organized differently and have different programs, students and staff composition. These and other factors may limit the use of the comparative analysis, or at a minimum require additional analysis to confirm comparability.

An effective program-specific accountability system enables a school district to answer the questions “How well is each major program performing?” and “How can we improve program performance and cost efficiency?” and provides clear direction and context for the daily activities of program staff by including the following:

- clearly stated goals and measurable objectives;
- appropriate performance and cost-efficiency measures;

- performance and cost-efficiency benchmarks that include appropriate standards from comparable school districts, government agencies, and private industry;
- evaluation of performance and cost efficiency including the potential of cost-saving alternatives;
- public reporting of performance and cost-efficiency information; and
- an effective management information system to support district accountability.

State Education Accountability Mechanisms

The state of Florida established School Improvement Plans (SIPs) in 1991 as part of an effort to ensure greater local level accountability. The initiative was designed to allow schools greater control over their individual learning environments and activities so that they could better plan to meet their specific needs. The Legislature established the State Education Goals (shown in Exhibit 4-4) as a framework for school improvement at the individual school level.

Exhibit 4-4

There Are Eight State Education Goals

1. Readiness to Start School – Communities and schools collaborate to prepare children and families for children’s success in school.
 2. Graduation Rate and Readiness for Postsecondary Education and Employment – Students graduate and are prepared to enter the workforce and postsecondary education.
 3. Student Performance – Students successfully compete at the highest levels nationally and internationally and are prepared to make well-reasoned, thoughtful and healthy lifelong decisions.
 4. Learning Environment – School boards provide a learning environment conducive to teaching and learning.
 5. School Safety and Environment – Communities provide an environment that is drug-free and protects students’ health, safety, and civil rights.
 6. Teachers and Staff – The schools, district, all postsecondary institutions, and state ensure professional teachers and staff.
 7. Adult Literacy – Adult Floridians are literate and have the knowledge and skills needed to compete in a global economy and exercise the rights and responsibilities of citizenship.
 8. Parental involvement – Communities, school boards, and schools provide opportunities for involving parents and guardians as active partners in achieving school improvement and education accountability.
-

Source: Section 229.591, *Florida Statutes*.

In July 1999, the Florida Department of Education (DOE) established criteria for identifying schools with similar performance characteristics through the use of letter grades, based primarily on Florida Comprehensive Assessment Test (FCAT) reading and writing scores and Florida Writes! writing scores. These criteria are presented in Exhibit 4-5. The statewide annual *School Accountability Report*, published by DOE, grades each school in Florida in this manner:

- “A” - meet all grade “B” criteria and the percent of students absent more than 20 days, percent suspended and dropout rate (high schools) are below state averages and there is substantial improvement in reading and there is no substantial decline in writing and math and at least 95 percent of the standard curriculum students were tested;¹

¹ “Substantial improvement” in reading means more than two percentage points increase in students scoring in FCAT levels 3 and above. If the school has 75% or more students scoring at or above FCAT achievement level 3 and not more than two percentage points decrease from the previous year, then substantial improvement is waived.

Performance Accountability Systems

- “B” - current year reading, writing, and math data are at or above high performing criteria and no subgroup data are below minimum criteria and at least 90 percent of standard curriculum students were tested; and ^{2, 3}
- “C” - current year reading, writing, and math data are at or above minimum criteria;
- “D” - current year reading or writing or math data are below minimum criteria; and
- “F” - current year reading, writing, and math data are below minimum criteria.

Exhibit 4-5

DOE Has Established Minimum and Higher Performing Criteria for Schools

School Level	Minimum Criteria			High Performing Criteria		
	FCAT Reading	FCAT Math	Florida Writes!	FCAT Reading	FCAT Math	Florida Writes!
Elementary	60% score level 2 and above	60% score level 2 and above	50% score level 2 and above	50% score level 2 and above	50% score level 2 and above	67% score level 2 and above
Middle	60% score level 2 and above	60% score level 2 and above	67% score level 2 and above	50% score level 2 and above	50% score level 2 and above	75% score level 2 and above
High	60% score level 2 and above	60% score level 2 and above	75% score level 2 and above	50% score level 2 and above	50% score level 2 and above	80% score level 2 and above

Source: Florida Department of Education.

As Exhibit 4-6 shows, none of the Hillsborough schools received an “F” and 5.7 percent received a “D.” In comparison to its peers, Hillsborough had the second lowest percentage of schools that received a grade of “D” and the second highest percentage of “A’s”.

Exhibit 4-6

Compared to Its Peers, Hillsborough Has the Second Lowest Percentage of Lower Performing Schools

Grade	Hillsborough	Broward	Duval	Orange	Palm Beach	Pinellas
A	25.2%	31.3%	14.6%	18.2%	25.2%	20.5%
B	15.1%	11.3%	9.7%	12.6%	17.8%	28.2%
C	51.6%	42.1%	47.9%	43.4%	34.1%	47.0%
D	5.7%	12.8%	25.7%	21.7%	17.0%	4.3%
F	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Schools*	2.5%	2.6%	2.1%	4.2%	5.9%	0.0%
Total	159	195	144	143	135	117

*New schools were not graded in 2001.

Source: Florida Department of Education, 2000-2001 School Accountability Reports.

² Current subgroups include disadvantaged Black, White, Hispanic, Asian, and American Indian students.

³ Standard curriculum students include language impaired, speech impaired, gifted, hospital homebound, and limited English proficiency student who have been in an ESOL (English for Speakers of Other Languages) program more than two years.

Accountability of Programs

1 The district has clearly stated goals and measurable objectives for most major educational programs, but needs to develop goals and objectives for many of its operational programs.

The district can demonstrate that it has clearly stated goals and measurable objectives for its major instructional programs and district priorities.

The district’s strategic plan addresses identifies specific goals that are measurable. For the five priority areas, outcome oriented objectives are very specific, measurable and consistent with program goals. Examples of these goals and objectives to be achieved by 2005 are presented below:

Priority 1 – Reading	<ul style="list-style-type: none"> • 83 percent of students score at Level 2 or higher in grades 3-10 • 70 percent of students score at the 5th stanine or higher in grades 2-10 • SAT and ACT scores will exceed national averages by 6 points and 0.6 point respectively • Average student attendance for the district is 96 percent or higher • 85 percent of schools will achieve a B or higher rating based on the state’s accountability system, and no school will receive lower than a C.
Priority 2 – Communications	<ul style="list-style-type: none"> • 90 percent of parents rate district communications favorably • 70 percent of the general public perceives the school district’s performance favorably
Priority 3 – Technology	<ul style="list-style-type: none"> • 80 percent of the technology strategies are implemented
Priority 4 – Staff Development	<ul style="list-style-type: none"> • The district has 10 percent more qualified applicants than vacancies • The percentage of teachers who complete their initial year of teaching is 95 percent or better
Priority 5 - Safety	<ul style="list-style-type: none"> • The percentage of teachers who complete their initial year of teaching is 95 percent or better • The number of incidents leading to out-of-school suspensions or expulsions is reduced by 50 percent • 95 percent of parents, teachers and staff rate their school as safe, caring and orderly

For each specific long-term goal, annual and interim targets are also identified, providing a pace for achievement of the long-term goal. Each year, the strategic plan is updated to compare progress against each district goal. The goals reflect the intent and outcome of the programs.

Exhibit 4-7 includes a listing of program level goals, and the effectiveness of those goals.

Exhibit 4-7

Educational Program Level Goals and Objectives

Program	Goals and Objectives	Effectiveness of Goals and Objectives
Basic Education (K-3, 4-8, 9-12)	<p>Vision: to be in the top one percent of districts in the nation.</p> <p>Mission: to provide all students with the opportunity to acquire the knowledge and skills necessary to realize their potential.</p> <p>Strategic Plan: a major focus on specific priority areas</p>	<p>Goals are identified to be met over a three-year period. Objectives are identified for each of the three years as incremental changes in percentages or</p>

Program	Goals and Objectives	Effectiveness of Goals and Objectives
	<p>including: Reading as a Foundation for Academic Achievement (with a focus on increased test scores, graduation rates, post-secondary education preparation, attendance, and school ratings); internal and external communication (with a focus on high ratings of communications by stakeholders); updated/integrated technology (with a focus on completion of the district’s Strategic Plan for Technology); staff recruitment, development, and retention (with a focus on attraction of qualified candidates, national board certification, retention of first-year teachers, and in-service training); a safe, caring, orderly environment (with a focus on reduction of suspensions/expulsions, ratings of stakeholders).</p> <p>Each priority area has one or more goals to provide specific focus and a series of specific strategies for obtaining the goals. Examples of these goals are summarized above in Exhibit 4-7.</p> <p>Specific yearly targets are set for each goal for a six-year period beginning with 2000-01 and ending with 2004-05. Each strategy is assigned to a major organizational area.</p> <p>The Strategic Plan undergoes an annual evaluation. A detailed historical cost analysis of the specific activities supporting the Strategic Plan has also been completed. Beyond the Strategic Plan, individual divisions or sections have created specific plans detailing annual programs of work. These plans generally identify specific actions, their relationship to the Strategic Plan, and expected outcomes. Such documents, however, are not uniformly prepared within the instructional area or the district.</p>	<p>numbers to be accomplished each year.</p> <p>The cost estimates provided in the Plan are not summarized to determine what portion of the Plan elements are funded with existing or anticipated funds, reallocations from other areas, or contingent on new funding.</p>
<p>Exceptional Student Education</p>	<p>Goal: to provide equal opportunities for the identification, evaluation and education of exceptional students in the Least Restrictive Environment; offering a range of placement options using general education classrooms and adapting them to meet the needs of the exceptional student; placing a student in a special class only if that student’s needs cannot be met in a general education classroom with the use of supplementary aids and/or services.</p> <p>ESE objectives are organized under district priorities identified in the Strategic Plan. ESE objectives: to support ESE teachers in the delivery of effective academic instruction; to improve communication between the ESE department and teachers; to provide consistent, timely information and clarification of issues to teachers; to provide parents with more information and to respond to their concerns; to develop and provide teachers with a software package to ease paperwork concerns and focus efforts on instruction; to provide each classroom with a well-trained, effective teacher; to support new teachers with</p>	<p>Activities are listed after each objective, but they are in the past tense only and do not include what further “how to” steps are to be taken to accomplish the goal and objectives. In addition, the activities do not include specific data or numbers.</p>

Program	Goals and Objectives	Effectiveness of Goals and Objectives
Vocational/Technical Education	<p>appropriate training and monitoring activities; and to provide teachers with the training necessary to maximize instruction and minimize disruptive behavior problems.</p> <p>The district’s Goal 1.3 is that all students, <u>including adult students</u>, graduate with the skills and knowledge necessary to enter appropriate postsecondary education and the workforce.</p> <p>The mission statement of the division of Technical, Career, and Adult Education: to serve the academic, career, leisure, and special needs of students for the life roles they will assume and to enhance the economic development of the community.</p> <p><i>The Strategic Planning Guide for Career and Technical Education</i> provides an annual Program of Work with clear measures of expected outcomes and linkages to the Strategic Plan.</p> <p>The division requires all administrators to develop an annual Program of Work representing major initiatives that directly support the district’s Strategic Plan. This document identifies initiatives beyond the job descriptions of particular positions.</p> <p>The Program of Work identifies strategies, timelines, and means of evaluation to advance the Division and the district.</p> <p>In the Program of Work, the Assistant Superintendent of the division identified goals for establishing budget and unit guidelines for fiscal accountability, developing and marketing community education, developing a legislative platform, opening career centers, expanding the divisional marketing plan, designing and constructing the Gary Adult High School and developing an industry validated curriculum and support for Information and Communications Technology Centers, the Job Preparatory Programs skills standards, Career Programs/Academies Cluster Plan, and Tech Prep Pathway Curriculum.</p> <p>In the Programs of Work document, individuals in each area identify their own goals separate from the Assistant Superintendent’s goals. Action plans, timelines, relation to district goals and priorities, and expected outcomes are required.</p>	<p>The goals and objectives at the division level are appropriately broad, and the area level goals are very specific.</p>
English for Speakers of Other Languages	<p>This program is not specifically addressed in the priorities and goals of the district’s strategic plan, but the program has published specific goals in its brochure. They include:</p> <ul style="list-style-type: none"> To develop the students’ English language proficiency in the areas of listening, speaking, reading and writing. To ensure that limited English proficient students continue to develop and acquire skills and concepts in content area subjects while they are developing their English language skills. To encourage communication between school and 	<p>The goals and objectives have been commended in creating an outstanding program.</p>

Program	Goals and Objectives	Effectiveness of Goals and Objectives
	<p>home that will promote the educational success of LEP students.</p> <p>To promote cultural awareness among the students and the community.</p>	

Source: The School District of Hillsborough County.

Operational program goals and objectives vary among departments.

The strategic plan does not address enough topics to provide sufficient direction to the operational programs. The strategic plan and board priorities address technology, safety, recruiting and communications. Other non-instructional programs are referenced only through Goal 6 of the strategic plan relating to the Seal of Best Financial Management Practices.

There are defined goals and objectives for various programs and departments. Examples of department level goals and objectives for operational programs are presented in Exhibit 4-8:

Exhibit 4-8

Operational Department Level Goals and Objectives

Operational Program	Goals and Objectives	Effectiveness of Goals and Objectives
Student Nutrition Services (SNS) – Vision, Mission, Goals	<p>SNS has devised a department level mission and vision with four key department goals which include:</p> <p>We believe a well-nourished child is prepared to learn.</p> <p>We believe in quality service for all customers.</p> <p>We believe in teamwork between staff, students and community.</p> <p>We believe in sound business practices with fiscal responsibility.</p> <p>Each of the goals includes several statements of commitment/strategies for accomplishing these goals.</p>	<p>The goals and objectives do not include measurable objectives and are not outcome oriented.</p> <p>According to an October, 2001 memo, the department plans to use this information to create a department level strategic plan.</p>
Transportation Dept. Site Improvement Plan	<p>The Transportation Department Site Improvement Plan contains three goals, with expected outcomes and statements of adequate progress. Each goal statement also includes activities/strategies to attain the goals, resources needed for each strategy, the person responsible, the target date, evaluation measures, summary of data and whether the measures have been met.</p> <p>Goal 1 Expected Outcome: The percentage of accidents per miles traveled will remain at or below one percent.</p> <p>Goal 2 Expected Outcome: The district will have the necessary number of school buses to operate effectively and efficiently.</p> <p>Goal 3 Expected Outcome: The number of complaints regarding student transportation functions will be reduced by at least 10% for school year 2001-2002.</p>	<p>The goals include clearly stated measurable outcomes, expectations of progress, tactical plans, assignment of responsibility and target dates for completion.</p> <p>However, projected costs or savings of the program goals are not included in the plan.</p>

Operational Program	Goals and Objectives	Effectiveness of Goals and Objectives
Office of Community and Interagency Collaboration (OCIC)	<p>OCIC has identified three major goals with underlying objectives. The objectives include measurable outcomes with timetables. Below are examples of objectives from each of the goals:</p> <p>Goal 1, Objective A: The number of partnership applications received from the OCIC web site will reach 100 during the 2001-2002 school year.</p> <p>Goal 2, Objective A: The number of students participating in community service hours as documented by guidance counselors will increase by 10% for the 2001-2002 school year.</p> <p>Goal 3, Objective B: The number of schools that send businesses and agencies to the District Review Committee to present partnership proposals for approval will increase by 10% during the 2001-2002 school year.</p>	<p>Most of the objectives contain clearly stated measurable outcomes with timetables for completion. The objectives do not include any cost information.</p>
Staff Development, Non-Instructional Training	<p>The Office of Staff Development has a stated goal to provide non-instructional personnel with professional development opportunities that model and teach best practices in the appropriate areas of need</p> <p>The four objectives are:</p> <p>Provide training materials for the Transportation Department.</p> <p>Provide training for clerical personnel.</p> <p>Provide training materials for Human Resources.</p> <p>Provide on-line course to all non-instructional personnel through a grant.</p>	<p>These objectives are actually strategies, and do not contain specific performance targets that can be measured and provide accountability.</p>
Human Resources	<p>Most of the analysis of the Human Resource program is limited to the priorities set out in the district's strategic plan and the goals are restricted to the recruiting and retention of teachers. The plan covers only instructional personnel and does not address non-instructional personnel.</p> <p>The Employee Benefits Department uses comparative data from other school districts, industry survey and national comparisons to evaluate the cost effectiveness of the district's employee benefits programs. The department also audits its workers' compensation costs on an annual basis to control costs. The Employee Relations Department uses salary surveys to guide the district in the development of salary schedules and in labor negotiations with the two unions.</p>	<p>With the exception of the strategic plan goals, clearly stated goals and objectives with measurable outcomes were not outlined for specific programs. The Personnel Systems and Benefits chapter of this report contains recommendations for the district to implement an accountability system for the division.</p>
Technology Annual Report and Technology Plan	<p>The technology area submits an annual report to the board that contains many operating statistics. This report does not provide measurement of performance or cost-efficiency against any goals or objectives. A separate technology plan contains goals, but they are not specific or measurable.</p>	<p>There is no clear relationship between the operating statistics in the Annual Technology Report and the goals in the Technology Plan.</p>
Financial Management and Purchasing	<p>NONE The review team did not see evidence of routine assessments, goals or objectives for these programs.</p>	<p>N/A</p>

Operational Program	Goals and Objectives	Effectiveness of Goals and Objectives
Facilities Maintenance	The department has a goal to respond to all Level One maintenance requests immediately and all Level Two and Level Three maintenance requests in two to five days. The department also has goals, and the incentive of being able to keep the school operating, of maintaining HVAC and low voltage systems such as fire alarms and emergency lighting. The energy management goal is to reduce the amount of energy consumed at each site to be less than the previous year's consumption.	There are goals in specific functional areas, such as energy management, but not in others, such as roofs. There is no consolidated presentation of facilities maintenance goals.
Facilities Construction	NONE	N/A
Asset and Risk Management	NONE	N/A
Purchasing	NONE	N/A
Safety and Security	NONE	N/A

Source: SDHC Department Level Documents and interviews with staff.

The board is appropriately focusing strategic planning efforts on the priority areas. However, there needs to be specific, measurable goals for all instructional and operational programs. Some of the major goals should be included as part of the strategic plan, as sub-goals or strategies. Since operational program goals are not presented in the strategic plan, progress against department goals is not reported to the board except in a few instances.

Incorporating specific goals in the strategic plan will drive a performance measurement system for operational areas that is consistent among all programs. An effective measurement system points out departmental performance against established goals to the board level, and ultimately to the public. This approach helps a district be accountable for all operational and instructional programs.

The district can demonstrate that it measures progress toward meeting its strategic plan goals and outcome-oriented objectives.

The district measures and reports progress against short-term objectives in the strategic plan. For example, with respect to the FCAT 2000-01 reading objective, it was disclosed that two grade levels did not meet the criteria at the district level. This approach was applied for all objectives where baseline data was available.

In instances where progress is less than the target, district management recommends modifications to strategies that are updated in the strategic plan.

Progress against district goals is not reflected in the performance evaluations of senior management, limiting accountability.

Progress is being made toward many of the stated goals and objectives, however, accountability for accomplishing these goals is not clearly identified. Responsibility is assigned at the strategy level in the strategic plan, effectively designating a point person for implementing the strategy. Ultimately, the superintendent is responsible for meeting the goals and objectives in the strategic plan.

Performance evaluations of the superintendent and senior district management occur annually. The superintendent's evaluation contains 55 specific areas of review under eight different categories. The rankings for each area are outstanding, above satisfactory, satisfactory, conditional, and unsatisfactory. There is also a comment section on the evaluation form, but no performance statistics are presented in this section.

Other members of senior management are evaluated against nine factors, including business management and leadership skills. A formative or self-evaluation occurs in January, and the summative evaluation occurs by May 1st of each year. There are six performance rankings on this instrument that are similar to the superintendent ranking categories. The evaluation instrument also has a section for specific goals, but no specific performance measures or progress against goals are included on any of the senior management evaluations, which include deputy and assistant superintendents. A sample of area director evaluations did not reflect area goals or performance measures.

The principal evaluation is the only evaluation instrument reviewed that included measurement of specific performance against goals. Attached to each principal evaluation is a supplement called the *School Data Summary*. This report contains school statistical data on students and teachers, and contains objective evaluations regarding achievement of target results for student achievement, management operations and leadership. FCAT results, benchmark attainment, retention rates and other measures are used to determine performance against objectives. Most school level objectives – set forth in School Improvement Plans - are consistent with district level objectives. Some schools have targets for the number of students achieving Level 3 on FCAT while the district establishes targets for Level 2. Consequently, some goals may not be aggregated to the district level. Based on the school specific goals established in the School Improvement Plans, it is possible that the aggregation of similar goals do not equal the district level target for that year. This could allow all school level goals to be achieved without achieving the district level goal.

Other elements of the principal evaluation support accountability. Each school is subject to a property audit, internal accounts audit, lunchroom audit, FTE audit and textbook inventory. The results of these audits are used to provide evaluations for each area on the evaluation instrument. Results of the parent and staff climate surveys are evaluated. The principal evaluation form and attachment includes the best accountability mechanism among all management positions reviewed, and should be a model for other positions. Area directors stated that these instruments are effective in providing objective and complete evaluations, and are used to hold principals accountable for results. In several instances, they have been effectively used to support the termination of under performing principals.

The lack of specific performance measures in management evaluations inhibits accountability. Although there has been progress made against specific goals in spite of this approach, making senior managers responsible for the achievement of specific performance will provide the same level of accountability that the district has with its principals.

Recommendations

- *We recommend that the district develop measurable goals for all operational areas.*
- *We recommend that the strategic plan include more specific sub-goals and strategies to address all operational programs under Goal 6, “The School District of Hillsborough County will achieve the ‘Seal of Best Financial Management’ awarded by the Department of Education at the end of the OPPAGA review scheduled for the 2001-2002 school year.”*
- *We recommend that progress against specific district goals and objectives be inserted into the applicable performance evaluation tools of senior management.*

Action Plan 4-1 provides the steps needed to implement these recommendations.

Action Plan 4-1

Develop Measurable Goals for All Operational Areas.	
Strategy	Develop measurable goals for all operational areas.
Action Needed	<p>Step 1: The superintendent’s cabinet defines operational areas and programs. Major programs may include programs in the following operational areas:</p> <ul style="list-style-type: none"> • Facilities Construction • Facilities Maintenance • Human Resources • Technology • Financial Management • Risk Management • Transportation • Food Services • Community Involvement <p>Step 2: The cabinet evaluates current program goals and considers the degree of specificity needed to support accountability.</p> <p>Step 3: The superintendent and cabinet identify measurable goals for each operational area, using existing goal statements and historical performance statistics. Goal statements should reflect the intent of each program, support school-based needs, provide a context for major program initiatives and activities, and clearly support goals and objectives developed at the district level and other administrative levels.</p> <p>Step 4: District management and the board evaluate performance of operational areas against goals in developing and adopting budgets for these areas.</p>
Who Is Responsible	Superintendent
Time Frame	July 2002 through December 2002
Fiscal Impact	This can be completed with existing resources.

Enhance Strategic Plan Strategies Relating to Efficiency	
Strategy	Include more specific sub-goals and strategies to achieve efficiency under Goal 6 in the Strategic Plan.
Action Needed	<p>Step 1: The cabinet reviews goals of operational programs and decides which major goals to include in the strategic plan as sub-goals. Five-year targets and interim annual targets should be developed.</p> <p>Step 2: The superintendent reports annual progress against stated goals for operational areas as part of its annual evaluation process of the Strategic Plan.</p>
Who Is Responsible	Superintendent
Time Frame	July 2002, and ongoing review concurrent with Strategic Plan evaluation
Fiscal Impact	This can be completed with existing resources.

Include Progress Toward District Goals In Senior Management Evaluations	
Strategy	Include progress toward district goals in senior management evaluations.
Action Needed	<p>Step 1: Include specific, measurable goals in annual formative evaluation of each position responsible for the applicable goal.</p> <p>Step 2: Include progress against goals in annual summative evaluation of each position responsible for the applicable goal and take corrective action.</p> <p>Step 3: Use objective measurements to hold managers and supervisors accountable for performance.</p>

Who Is Responsible	Assistant Superintendent for Human Resources
Time Frame	Annually, concurrent with annual performance evaluations
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The district uses appropriate performance measures and interpretive benchmarks to evaluate its major educational programs, but needs to develop formal measurement systems for cost efficiency and operational programs.

The district has established appropriate performance measures and benchmarks for its educational programs.

The district uses performance measures for evaluating effectiveness of its educational programs and uses these evaluations in management decisions affecting major instructional programs. The performance measures and benchmarks link directly to the expected outcomes of each program and assist the district in determining whether it is achieving the program’s goals and outcome-oriented objectives.

Performance measures and benchmarks for each major instructional program are up-to-date, in writing, and easy to identify. Some of the performance measures and benchmarks are included in the strategic plan, but many others are presented in specific evaluation documents prepared by Assessment, Accountability and Evaluation.

Exhibit 4-9 details the major educational programs, the programs goals and objectives in place and our assessment of the validity of those goals and objectives.

Exhibit 4-9

Educational Program Performance Measures and Benchmarks

Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
Basic Education (K-3, 4-8, 9-12),	Major performance measures (specified as “Tactical Objectives”) in the Strategic Plan are set out in Exhibit 4-10, below. The district supplements the State Accountability System with additional measures of assessment in a substantial program of educational evaluation. Hillsborough County Expectations and Sunshine State Standards are published as one document that covers reading, writing, mathematics, science and social studies. The district compares itself to its peers on several indicators on a regular basis, including graduation rates and dropout rates, SAT scores and percent tested, Florida Writes! scores for grades 4, 8, and 10, and FCAT results in reading and mathematics for grades 4, 5, 8. Because the majority of students are passing the benchmark assessments, SDHC is considering discontinuing the benchmark	Given the priorities and goals selected by the district, the Strategic Plan provides appropriate measures and benchmarks for evaluating the district progress toward the 2004-05 goals. Projected progress on the performance measures has been the foundation for adoption of a series of strategies specifically designed to assist in increasing performance results. Each strategy has a specific division responsible, a process measure, status as of 2001, and future plans. The tactical objectives set for individual years represent varying degrees of challenge for the district in the achievement of the overall goals. Setting unrealistically high or low tactical objectives will detract from the force of the overall plan in the long term.

Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
	<p>testing as it currently exists and instead integrating the benchmarks into the existing curriculum.</p> <p>In addition to benchmark testing, the district has developed a Whole School Effectiveness Model on which it assesses schools.</p>	
<p>Exceptional Student Education</p>	<p>The district examines the following measures:</p> <p>Compliance with federal and state requirements.</p> <p>The percentage of students with disabilities who take the Florida Comprehensive Assessment Test (FCAT) and their scores. IEP goals and objectives, Sunshine State Standards, and Florida Course Descriptions for ESE students in grades 6-12.</p> <p>The standard diploma graduation rate for students with disabilities and dropout rate.</p> <p>The accountability and evaluation department has conducted two studies, and the ESE department has plans to continue the process on a rotating schedule.</p> <p>A recent evaluation of the districts' program for learning disabled students indicated that district benchmarks, adopted curricula, and supplementary materials correlated to the standards and are in place in the majority of classrooms.</p>	<p>The district evaluates specific ESE programs for effectiveness and uses performance data to improve service delivery. The reviews are very comprehensive and results are reviewed with the ESE department, presented to the school board in workshop format, and disseminated to a number of individuals, who respond to questions and provide feedback on a standard form.</p> <p>The district needs to formalize procedures for disseminating reports and implementing recommendations.</p>
<p>Vocational/ Technical Education</p>	<p>The division's Program of Work specifically requires timelines and expected outcomes to focus individuals on accomplishing divisional and/or district goals and is used to measure administrative performance during the formative and summative evaluations.</p> <p>The division also evaluates the effectiveness of its programs by tracking graduates and surveying their employers, and adds, drops, or redirects vocational and technical programs as job trends and industry demands change.</p> <p>The division examines the average and entry wages of regional occupations that have annual openings that are greater or equal to 25 to determine if there are additional courses of study they should offer.</p> <p>If enrollment in a course drops, the course instructor is observed to determine if she or he is the source of the low enrollment. If it is determined that the teacher is not the source, the school and the division staff</p>	<p>The district was awarded greater workforce development performance funds than any district or community college in Florida.</p>

Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
	<p>look at labor market statistics.</p> <p>District personnel revise curricula to include the Sunshine State Standards, and updated projects, activities, and performance assessments utilizing FCAT questions.</p> <p>The district monitors adult technical centers completion and placement rates for their vocational certificate programs.</p> <p>The district examines its results based on the Florida Education and Training Placement Information Program (FETPIP) a state data collection system that obtains follow-up data of former postsecondary and secondary vocational students with which to calculate completion and placement rates.</p> <p>Workforce Development education programs have been funded based on performance since 1997. The dollar value of the performances is calculated by multiplying the number of completions by the weights for program length and targeted populations and multiplying the number of placements by weights for high paying jobs, targeted populations, and placements in areas of high unemployment. The weighted completions and weighted placements are then added together to get total performance points.</p>	
<p>English for Speakers of Other Languages</p>	<p>The district monitors compliance with federal and state laws and the Multicultural Education Training and Advocacy (META) agreement.</p> <p>The district was assessed in the ESOL 1998/1999 and 1999/2000 Annual Status Report on the Implementation of the 1990 League of United Latin American Citizens (LULAC), et al. v. State Board of Education, et al. Consent Decree.</p> <p>The district conducted the ESOL Needs Assessment which provided an assessment of: Parent Advisory Councils and District Advisory Councils; Parent Involvement Verification Forms; student cumulative folders; and ESOL curriculum</p> <p>The district also performed Evaluation – Part I ESOL that focused on length of stay in ESOL and instructional gains.</p> <p>The principal, ESOL Resource Teachers, and LEP committee members are responsible for monitoring the identification and assessment of the students and whether all ESOL students have equal access to all programs in the district.</p>	<p>Principals and teachers (from interviews and focus groups) overwhelmingly expressed that the leadership, student and parent advocacy, and overall support provided from the LEP supervisor and the program were outstanding.</p>

Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
	<p>The district requires that every student have a LEP Student Plan, which provides an overview of the student’s achievement and instructional recommendations from the committee.</p> <p><i>The District Plan for Programs for Limited English Proficient Students</i> examined whether LEP Committee members comply with a designated plan to exit students from the program.</p> <p>The district examines how students enrolled in LEP classes perform compared to its peers on the state Florida Writes! 1999-2000 and the FCAT Reading and Mathematics, 1999-2000.</p> <p>The district requires the completion of an ESOL Strategies Verification Form to ensure teachers develop strategies for the students, and schools must complete an ESOL Action Plan-- a process that requires ESOL teachers, principals, assistant principals, teachers, and others to collect and analyze LEP student data, identify goals and strategies to improve their performance on the FCAT, explain how personnel will be used; include the school and business community in the writing of the plan and how they can enhance student performance; and identify the timelines and persons responsible for fulfilling the goals.</p>	

Source: The School District of Hillsborough County.

Major performance measures for instruction (specified as “Tactical Objectives”) in the Strategic Plan are set out in Exhibit 4-10, below.

Exhibit 4-10

Major Performance Measures/Tactical Objectives in the Strategic Plan

Goal Number	Goal Statement	Performance Measure
1.1	Higher FCAT reading scores	FCAT reading scores based on 1999-2000 scoring criteria
1.2	Higher standardized reading test scores	Standardized reading test scores Kindergarten screening scores
1.3	Skills for appropriate post-secondary education and the workforce.	Graduation rates Percentage of students graduating with TECH PREP course of study Percentage of students entering college without need of remediation
1.4	Higher SAT and ACT scores	Average SAT and ACT scores Average African-American SAT and ACT scores

Goal Number	Goal Statement	Performance Measure
1.5	Higher attendance rates	Average student attendance Average pre-school attendance
1.6	Higher school ratings	Ratings from Florida Quality Education Plan

Source: SDHC Strategic Plan, 2000-2005.

The district has established a Department of Assessment, Accountability, and Evaluation with ten professional positions. This department is located within the Division of Instruction, and it evaluates a wide array of programs. Current evaluation projects are listed in Exhibit 4-11.

Exhibit 4-11

Current Evaluation Projects

Project Title	Description
Class-Size Reduction	Federal funds used to reduce first grade classes
Computerized Algebra	Evaluation of the “Yes I Can” CAI program at the middle school level using student achievement from District assessments
District Plan	An ongoing evaluation of the strategic goals set by the district comparing current data against baseline data
Early Childhood	Evaluation of the Pre-Kindergarten, Headstart and Migrant Pre-Kindergarten Programs
ESOL (English for Speakers of Other Languages)	An ongoing evaluation to report information about program practices and student outcomes
Exceptional Student Education Programs	An ongoing evaluation to report information about exceptional education program practices and outcomes to determine program strengths and areas in need of improvement
History Alive!	A comparison of the student achievement and student attitudes of World and American History teachers who use History Alive! Instructional strategies
Human Relations/P.E.T.	Evaluation of the Program to Empower Teens provided to students who have been suspended
Magnet Schools	Describes results of all elementary, middle and high school climate surveys administered to students, parents and staff during 1999/2000 school year
Planting the Reading Seed	Evaluation of the activities/training of teachers and parents to promote pre-reading skills for students in Pre-Kindergarten
Remedial Reading	Elementary GOALS 2000 reading training model delivered to teacher teams to support use of Hillsborough Accelerated Literacy Learning (H.A.L.L.)
Speech and Language Impaired Programs	These programs provide multi-sensory instruction emphasizing academic growth, social and language development to students with identified speech, language and hearing disabilities
Transportation	Evaluates communication systems between the Transportation Department and parents of students who ride buses
Truancy Intervention Program	Collaboration among community agencies to improve attendance of target students
Waterford Reading Program	Computerized program to develop pre literacy skills/follow up of 1998-1999 Kindergarten

Source: The School District of Hillsborough County website.

Performance measures are developed for few operational programs, and even in those areas a great deal of this information does not reach the superintendent or board.

The operational performance measures are contained in ad hoc reports or standard reports for isolated areas, such as Energy Management and Student Nutrition Services. Since operational area performance goals and objectives are not identified at the district level, there is no means to measure department level goals against a district target for that department.

The degree of performance measurement and benchmarking varies among the operational programs. With the exception of Student Nutrition Services and Transportation, most performance measures for operational programs are not clearly established as a high priority. Exhibit 4-12 below details the performance measures used in each major operational area.

Exhibit 4-12

Operational Program Performance Measures and Benchmarks

Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
Facilities Construction	Nothing beyond the state requirements.	N/A
Facilities Maintenance	None	N/A
Human Resources	The Employee Benefits and Risk Management Department uses comparative data from other school districts, such as type of benefits provided, benefit costs, cost per individual and family and deductible amounts in addition to industry surveys and national publications to evaluate the cost effectiveness of its employee benefits programs.	While the performance measures used by the Employee Benefits and Risk Management Department are effective, no other departments in the Human Resources Division regularly evaluate performance or cost out major processes such as the cost per hire, recruiting cost analysis, human resource cost per employee or perform detailed comparative cost analyses of staff development programs based on their results.
Asset and Risk Management	NONE	N/A
Financial Management	NONE	N/A
Purchasing	NONE	N/A
Transportation	Average Bus Occupancy; Percentage of Courtesy Students Served; Annual Operation Cost per Student; Vehicle Breakdowns per 100,000 Miles; Annual Operation Cost per Mile; Annual Operation Cost Difference Between Funding and Actual Expenditure; Percentage of Buses Maintained as Spare Buses; Accidents Per Million Miles; Accidents/Incidents per Bus; Miles Per Accident; Percentage of Preventable Accidents/Incidents; Preventable Accidents/Incidents Per Bus; Percentage of Students Delivered Within Established Ride Time Standards	The department compares data for many of these benchmarks with data from other peer districts, including Broward, Dade, Duval, Orange, Palm Beach, Pasco, Pinellas, and Polk. The department also compares this data from year to year and sets targets for each measure in advance.
Student Nutrition Services (SNS)	Meals per Labor Hour (MPLH); Meal participation rates; and Cost per meal. SNS periodically monitors inventory turnover, attendance and budget information. The Keys to Excellence	Each site manager manually calculates Meals per Labor Hour (MPLH) every day manually and the district regularly compares individual schools to averages. This

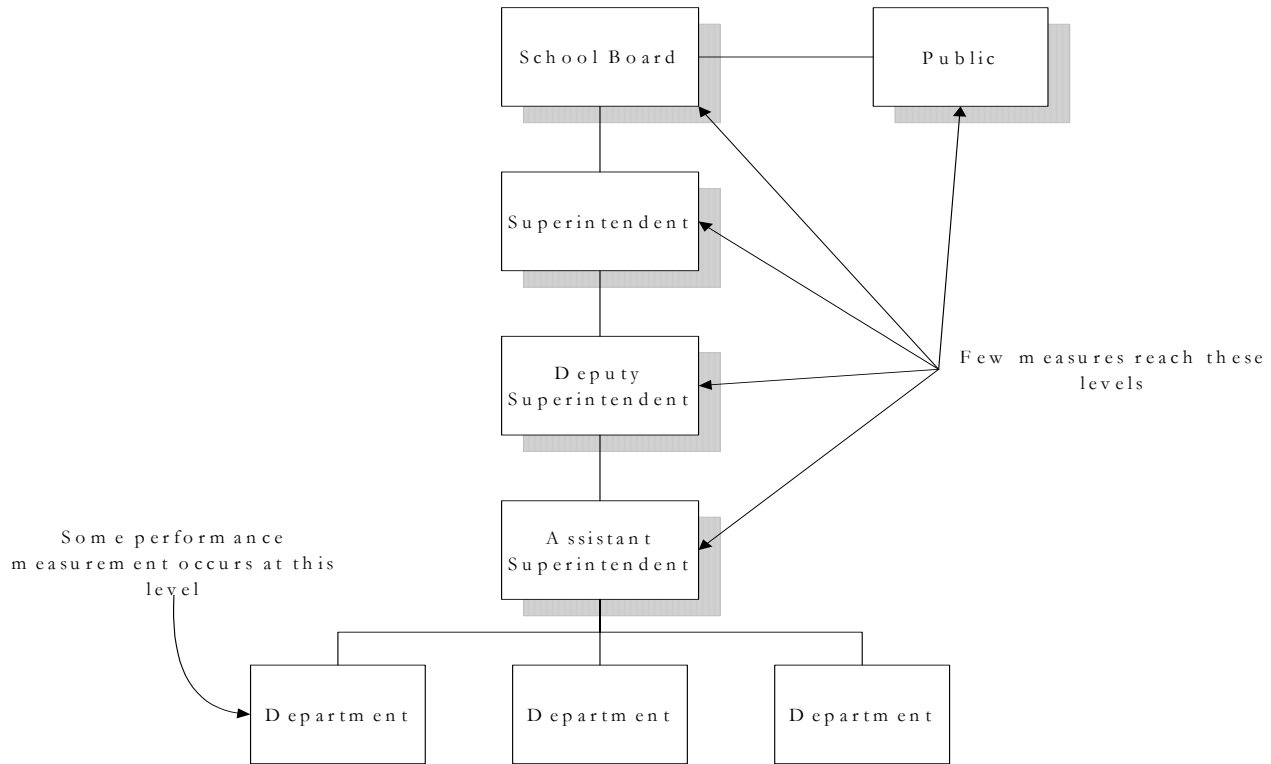
Program	Performance Measures and Benchmarks	Effectiveness of Performance Measures and Benchmarks
	<p>Program is an evaluation program done for each SNS site and includes benchmark data such as average enrollment, average staff, and participation rates. Sites are also rated on items such as meals per labor hour, average per plate food cost, bottom line profit/loss, and inventory turnover rates. The rest of the evaluation is divided into four keys detailed below:</p> <p>Administration Key: Benchmarks and Meal Accountability with 42 criteria.</p> <p>Nutrition Key: Meal Planning and Production Quality with 19 criteria.</p> <p>Operations Key: Storage, Equipment, Sanitation and Safety and Purchasing Procedures and Inventory with 45 criteria.</p> <p>Communications-Marketing Key: Meal Service and Overall Management/Training with 46 criteria.</p> <p>Failure to receive an evaluation of 90% or better leads to a corrective action plan.</p>	<p>information is monitored quarterly by district management in the CAFÉ report and annually in the Keys to Excellence review, and is used by the district for staffing decisions. Cost per meal is also reviewed annually in the Keys to Excellence review and quarterly in CAFÉ visits. The results are used to modify the day-to-day operations and practices at the site or district level. The criteria covered in the Keys to Excellence evaluation program require each site to follow established SNS practices designed to meet the goals stated in the Vision, Mission, Goals document. The criteria provide measurable goals for the site managers to attain for each year.</p>
Safety and Security	NONE	N/A

Source: The School District of Hillsborough County.

Not all performance measure data needs to be reported to the superintendent and the board, but at least the assistant superintendent overseeing the division should be made aware of the performance of each operational department that reports to him. This lack of information limits senior management’s ability to evaluate the efficiency and effectiveness of these departments. This information is needed by the superintendent and his cabinet to monitor department performance, and is needed by the board in making budget decisions. As indicated in Exhibit 4-13, since this information does not reach the board level, it is not communicated to the public. This impairs the ability of the district to be accountable for these programs.

Exhibit 4-13

Performance Measurement in Operational Programs is not Being Elevated in the District’s Organization



Source: Gibson Consulting Group, Inc.

Performance measures provide useful information in determining the quality of service being provided. Examples of performance measures for operational programs are presented in Exhibit 4-14. These examples represent some of the key measures for each operational area that would be most helpful to senior management in making decisions regarding the effectiveness and efficiency of the departments. This information would also provide the board with critical information to make well-informed budget decisions without leading to micromanagement.

Exhibit 4-14

Sample Performance Measures for Operational Programs

Area	Measure
Facilities	<ul style="list-style-type: none"> • Number of outstanding work orders > 30 days of request • Survey results of staff satisfaction with maintenance services • Survey results of staff satisfaction with custodial services • Survey results of facility condition assessments
Human Resources	<ul style="list-style-type: none"> • Average number of days between application and hire • Results of any FLSA audits • Number of employee related lawsuits
Transportation	<ul style="list-style-type: none"> • Number of accidents • Number of bus discipline incidents reported • Survey results of teachers and principals regarding satisfaction of timeliness

Area	Measure
Food Services	<ul style="list-style-type: none"> • Survey results regarding menu selection, food satisfaction • Results of National School Lunch Program audits • Average wait time for cafeteria line
Financial Management	<ul style="list-style-type: none"> • Unqualified audit opinion • Non-recurring management letter comments • Percentage of accounts payable > 60 days past due
Technology	<ul style="list-style-type: none"> • System down time • Number of outstanding work orders > 30 days of request • Screen response time • Number of help desk calls not answered within 10 days

Source: Gibson Consulting Group, Inc.

Cost-efficiency measures are reported on an ad hoc basis, and are not adequate to establish that the district operates efficiently.

The board annually through its review of the unit funding formulas evaluates cost-efficiency for all programs. These formulas prescribe staffing levels for each category of staff at a school. These formulas may be adjusted if budget reductions are needed, but there are not periodic assessments to determine whether or not the staffing formulas prescribe efficient staffing levels, particularly for school administrative and auxiliary staff.

The custodial services function provides a good example. The district uses a complex formula to determine the number of custodial units a school needs, based on the size of the school, the age, the number of students, and other factors. The industry standard for custodial efficiency is 20,000 gross square feet per custodian, and some school districts are able to achieve productivity levels of 25,000 gross square feet per custodian. The district does not track this measure, so cannot compare its custodial efficiency to the industry standard. Based on a district-level analysis of productivity, district management may decide to alter the formula so that a more efficient staffing level can be achieved overall.

For operational programs, the district generally reports cost efficiency through efficiency studies, or special projects to save the district money. The district is very aggressive in this regard, and consistently identifies cost saving opportunities. While these evaluations are important and necessary, they may not be adequate or timely for program managers who have the day-to-day responsibilities of monitoring performance and costs and making numerous midcourse adjustments accordingly. A standard set of cost-efficiency measures for all operational programs is not tracked and reported to the superintendent or the board on a routine basis. The cost-efficiency measures that do exist in operational areas are included above in Exhibit 4-10, but this information is not routinely presented to the board.

The preliminary budget book contains some cost-efficiency measures, but they are not established as targets. Limited cost performance information, such as high-level expenditures per student and percentage of expenditures spent on different functions, is provided to the public.

Many school districts track a standard set of cost-efficiency measures for each instructional and non-instructional program. These measures allow districts to track cost-efficiency, and provide useful information that determine whether cost saving efforts have produced the intended results. Exhibit 4-15 provides a sample of cost-efficiency measures other districts use to evaluate selected operational programs. These measures link inputs, such as teacher aides, to outputs, such as students.

Exhibit 4-15

Sample Cost- Efficiency Measures

Area	Measure
Instruction	<ul style="list-style-type: none"> • Pupil-teacher ratio, by program, by school • Pupil-teacher ratio – secondary schools, block versus regular schedule • Pupil-aide ratio • Number of secondary classes < 10 students • Teacher turnover
Facilities	<ul style="list-style-type: none"> • Gross square feet per student • Maintenance cost per square foot • Custodial cost per square foot • Gross square feet per custodian • Utilities cost per square foot
Human Resources	<ul style="list-style-type: none"> • Ratio of Full-Time Equivalent (FTE) students to FTE employees • Number of FTE employees per HR Department FTE • Overtime pay as a percentage of total pay
Transportation	<ul style="list-style-type: none"> • Transportation cost per mile • Transportation cost per student • Linear density • Bus capacity (percentage full) • Maintenance cost per mile • Average age of fleet
Food Services	<ul style="list-style-type: none"> • Meals per Labor Hour • Participation rates, by program • Food cost as a percentage of total cost • Food services cost per student • Food services cost per meal • Number of schools showing net loss in Food Services
Financial Management	<ul style="list-style-type: none"> • Operating expenditures per student • Total expenditures per student • Percentage of operating expenditures spent on instruction • Average investment return • Number of checks cut per Accounts Payable employee • Number of employees per Payroll employee
Technology	<ul style="list-style-type: none"> • Number of students per instructional PC • Number of staff per administrative PC • Number of PC's per Technology staff • Technology operating expenditures per student • Technology operating expenditures per PC • Technology capital expenditures per student

Source: Gibson Consulting Group, Inc.

Performance and cost-efficiency measures are not located in a single document.

The performance and cost efficiency measures for all major non-instructional programs do not always reach the superintendent or board level. Each department independently develops and reports its performance on an ad hoc basis. Some performance measure information may not need to be reported to the board and superintendent, but should be used by department, and in some cases, division level

management to evaluate its programs efficiency and effectiveness. Each operational program should have performance measurements, goals and timelines that are used by management to assist in making decisions regarding the operational programs and subprograms. Key data from these department level evaluations should be forwarded to senior management, and in some cases, to the board. There is no single document that summarizes the reports or analyses that are available. As a result, the board and public receive small pieces of information related to isolated efficiency or inefficiency, but not a complete picture of the efficiency of the district.

Performance measures do not link program performance to program costs.

The district's Assessment, Accountability and Evaluation Department has conducted over 50 program evaluations since 1999-2000, and over 400 assessments of school performance, but none reviewed show the relationship to cost or investments made. This is a difficult process since there may be many variables that influence the outcome, but some high level measures could be used to see if a higher overall cost is achieving better results.

The district's accounting system does not support tracking costs at the goal or priority level, and it is not practical to do so in most cases. For example, there is not an account code for reading, the district's top priority. The cost of efforts dedicated toward reading, excluding teacher instructional time, were reconstructed by estimating the percentage of each line item in department budgets that related to reading, in addition to all other priorities. This was a very laborious exercise that produced information that was not complete. The major reading investments - training, program development, and reading coaches – could have been isolated as incremental investments and compared to outcomes. This would have been less time consuming and more useful to the board.

Benchmarking is routine for instructional programs, but is performed on an ad hoc basis in operational areas.

The district conducts peer comparisons for regular, ESE and other academic programs with other Florida districts and with districts outside the state identified as model districts. There are problems with data comparability with districts outside the state, but the district effectively uses this information in evaluating its own performance. Cost efficiency benchmarks with other Florida districts are used in specific areas, such as legal services. The process is largely ad hoc, based on requests from the board or from senior management. There is not a standard set of benchmark data that is used to compare the cost efficiency or performance of each operational or academic program.

Recommendations

- *We recommend the district develop a standard set of performance measures for operational programs.*
- *We recommend the district develop cost-efficiency measures for each operational and instructional program.*
- *We recommend the district analyze each cost-efficiency measure using trend analysis and where applicable, comparative analysis with peer districts, state averages or industry standards.*
- *We recommend the district present a report on key performance and cost-efficiency measurement for all instructional and operational programs. This will provide a complete picture to the board, beyond the priorities established in the strategic plan. Further, individual departments and operational programs should have program level documents that*

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identify the appropriate performance measures, measurable outcomes and strategies for achieving those outcomes.

Action Plan 4-2 provides the steps needed to implement these recommendations.

Action Plan 4-2

Develop Performance Measures for Operational Programs	
Strategy	Develop a standard set of performance measures for operational programs
Action Needed	<p>Step 1: The assistant superintendents under Instructional Support inventory and evaluate alternative performance measures that measure the effectiveness of operational programs.</p> <ul style="list-style-type: none"> • Refer to Exhibit 4-12 as a starting point for the development of effectiveness measures for operational programs. • Include program staff for input and assistance. • Clearly define each measure and its use. • Include input and feedback from stakeholders such as parents, community members and appropriate selected district employees. • Identify detailed input and outcome measures and indicators of effectiveness. Focus on desired results as opposed to activities. <p>Step 2: The assistant superintendent of Business and Information Technology Services evaluates performance measure needs against actual data tracked by the district’s information systems, and determines the feasibility of alternative data collection methods. For each performance measure, identify the following:</p> <ul style="list-style-type: none"> • Who will collect the data? • What is the source of the data? • In what format is the data needed? • How often should the data be collected? • What factors need to be considered in ensuring comparability of data to prior years or benchmarks? <p>Step 3: The assistant superintendents under Instructional Support formally adopt effectiveness measures for each operational area that support measurement against stated goals and other attributes of effectiveness.</p>
Who Is Responsible	Deputy Superintendent of Instructional Support, or designee
Time Frame	July 2002 – October 2002
Fiscal Impact	This can be completed with existing resources.

Develop Cost-Efficiency Measures for Operational and Instructional Programs	
Strategy	Develop cost-efficiency measures for each operational and instructional program.
Action Needed	<p>Step 1: The assistant superintendents identify and evaluate alternative performance measures that measure the efficiency of instructional and operational programs.</p> <ul style="list-style-type: none"> • Refer to Exhibit 4-13 as a starting point for developing efficiency measures. • Include program staff for input and assistance in identifying additional measures. • Include input and feedback from stakeholders such as parents, community members and appropriate selected district employees. • Clearly define each measure and its use. • Identify detailed input and outcome measures and indicators of efficiency. Focus on desired results as opposed to activities.

- Identify how efficiency measures link to the budget and measures in the strategic plan.
- Step 2: The assistant superintendent of Business and Information Technology Services evaluates performance measure needs against actual data tracked by the district's information systems, and determines the feasibility of alternative data collection methods. For each performance measure, identify the following:
- Who will collect the data?
 - What is the source of the data?
 - In what format is the data needed?
 - How often should the data be collected?
 - What factors need to be considered in ensuring comparability of data to prior years or benchmarks?
- Step 3: The assistant superintendents formally adopt performance measures for each operational area that support measurement against stated goals and other attributes of efficiency.

Who Is Responsible	Deputy Superintendent of Instructional Support, or designee
Time Frame	July 2002 – October 2002
Fiscal Impact	This can be completed with existing resources.

Analyze Cost-Efficiency Measures

Strategy	Analyze each cost-efficiency measure using trend analysis and where applicable, comparative analysis with peer districts, state averages or industry standards.
Action Needed	<p>Step 1: The assistant superintendent of Business and Technology Services prepares reports showing trend and other comparative data for each cost-efficiency measure.</p> <p>Step 2: Department heads review cost-efficiency reports and evaluate favorable and unfavorable variances. Results are also reviewed in the context of prior cost-saving efforts and the resulting impact on efficiency.</p> <p>Step 3: Department heads provide written explanations of cost-efficiency trends and comparative analyses and review with applicable assistant superintendent.</p> <p>Step 4: Steps to improve efficiency are identified and evaluated by department heads.</p>
Who Is Responsible	Assistant Superintendent of Business and Technology Services
Time Frame	October 2002 through February 2003, and annually thereafter
Fiscal Impact	This can be completed with existing resources.

Report Major Performance and Cost-Efficiency Information to the Board

Strategy	Report key performance and cost-efficiency measurement data for all instructional and operational programs to the board. Further, individual departments and operational programs should have program level documents that identify the appropriate performance measures, measurable outcomes and strategies for achieving those outcomes.
Action Needed	<p>Step 1: From the performance measures developed, the superintendent's cabinet selects a subset of performance and cost efficiency measures that should be reported annually to the superintendent and the board.</p> <p>Step 2: The board annually reviews the types of performance measures reported to them and evaluates whether they are sufficient to support the board decisions.</p>
Who Is Responsible	Superintendent
Time Frame	January 2003
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

3 The district analyzes potential cost savings and/or cost avoidance of alternatives, such as outside contracting and privatization, but needs to institutionalize this process to ensure that both the performance and cost of every area is assessed using performance measures and benchmark data.

As noted above, the district uses appropriate performance measures and benchmarks to assess its instructional areas but does not use these measures and benchmarks for financial planning. The district's program of educational evaluation does not focus on cost-saving strategies. Chapter 5's best practice 12 fully explains the district's use of performance measures and benchmark data in assessing the performance and cost of its major educational programs. Exhibits 5-54 and 5-56 include specific examples of instructional performance measures and evaluation projects.

In the operational areas, performance measures are developed for some operational programs but not all. In operational areas where performance measures have been developed, there is no process in place to provide performance and cost assessment information to the board and superintendent. Exhibit 4-11 above demonstrates that performance measurement in operational programs is not being elevated in the district's organization.

The district periodically evaluates alternative delivery systems to improve efficiency and effectiveness.

The district evaluates alternative delivery systems in several key areas in recent years, but it is not an institutionalized practice. Exploring alternative delivery systems and privatization is a good business practice because it affords the district the chance to assess current practices against other districts and private industry. These comparisons help highlight ways to improve management, increase efficiency and identify possible cost savings opportunities, many of which can be realized without privatizing. The district conducted a privatization study for custodial services in 1999, showing that the district could save money by outsourcing. District management recommended outsourcing custodial services to the board, but after learning of unsatisfactory experiences with the recommended vendor by other districts, the board discouraged this alternative in a board work session. The item was never put to a vote by the board. Since then, the custodial staffing formula has not changed to reach productivity levels closer to those proposed through outside contracting, nor has any analysis of custodial efficiency been performed.

Other district initiatives to improve efficiency include the following:

- In March 2001, SDHC and Compaq Computer Corp. signed a 5-year agreement to significantly reduce technology costs for the district, employees, and parents and also give the district a percent back for all Compaq products purchased under the agreement. This agreement will derive savings through volume discounts on computer equipment and related services.
- Since 1998, the district has applied for and received \$1.5 million in discounts as a result of the Federal Telecommunications Act of 1996, which expanded affordable access for basic telecommunication services to include an E-RATE or education rate for schools and libraries. The district continues to receive reduced rates on, telephone and Internet services.
- In 1996, the district implemented a program whereby the district purchases materials required for construction projects tax-free on behalf of construction managers. The resulting savings are used to reduce the cost of the projects.
- In 1999, the district contracted for an energy management audit designed to identify all technically and economically sound energy conservation measures that would yield a return on investment

greater than one. These measures are being implemented with capital outlay funds and are resulting in energy savings to the general operating fund.

- In 1995, the district began hiring construction managers to provide a more cost-effective and efficient way to manage the increasing number of capital projects. This new practice has also allowed for increased MBE participation.
- In November 2000, the district received an upgrade from Moody's Investors Service from AA to A+ for the outstanding Certificates of Participation (COPs). The increased rating lets investors know that there is a quality difference when it comes to looking at Florida school districts, thereby resulting in a lower borrowing cost.
- The district will begin implementing an ERP system in 2001 with a go-live date of July 2002, to integrate Human Resources, Payroll, Budget, Procurement, Maintenance and Asset Management. The ERP will replace a 30-year old legacy system with the intent of streamlining processes to eliminate the need for additional resources as the district continues to grow. The system will also provide enhanced management reporting resulting in better decision-making for increasingly limited resources.
- The district's Employee Benefits Department uses outside contracting to provide the annual online employee benefits enrollment, COBRA administration, leave of absence administration, and some retiree benefit administration duties.
- The Risk Management Department has brought in-house a previously contracted function of tracking and counseling workers who return to work following an on-the-job injury. By hiring two Occupational Health nurses to manage these cases, the district is saving approximately \$500,000 per year.
- The district on several occasions has implemented a "Train the Trainer" model for staff development, reducing the cost of professional development. The district also conducted process re-engineering studies in human resources and finance areas to identify streamlining opportunities. These studies led to requirements definition for new business information systems now being implemented.

The district does not consider privatizing key functions on a routine basis.

The district is active in evaluating cost saving alternatives. However, instructional and operational areas are not subject to a periodic review for privatization, such as a requirement that certain functions be evaluated for outsourcing every five years. The studies alone can be effective in improving cost-efficiency of educational and operational programs. Periodic privatization studies provide excellent benchmarks for district efficiency, by showing whether an outside contractor can do as good or better job for less cost. Internal cost-efficiency measures are essential in making this comparison, and most instructional and operational programs do not report cost-efficiency measures on a routine basis.

The lack of a formal schedule for outsourcing reviews has resulted in an ad hoc approach to evaluating outsourcing opportunities. Several functions conducive to outsourcing have not been formally evaluated to consider this option. These functions include printing and photocopying, certain maintenance trades, computer system maintenance and operation, and transportation services.

The results of cost-efficiency studies are shared with the board, and action is usually taken to improve program performance and cost-efficiency.

Reports recommending alternative delivery systems are presented to the board in board workshops for consideration. The board generally approves cost saving initiatives. The outsourcing recommendation was never brought up for board vote because there was not board support for it.

The district does not conduct adequate follow-up on cost-efficiency initiatives to ensure that intended savings alternative approaches have been achieved.

Some follow-up reports are provided to the board showing the savings achieved from initiatives. Examples include utility savings and phone service savings. Many of the savings appear in budget reductions approved by the board.

The lack of adequate cost-efficiency measures prevents district management and the board from evaluating efficiency before and after the alternative approach or cost-saving measure was implemented. Cost per unit statistics and staffing ratios are examples of measures that could substantiate savings achieved.

Recommendations

- *We recommend the district develop a formal program to periodically review major functions for outsourcing opportunities. Once performance measures are in place for all programs, program leaders can be held accountable for results and efficiency. If efficiency or performance targets are not met, then the program should be considered for outsourcing. Comparison of internal performance to contracted performance should be made at least every three years for major programs or functions. Other factors relating to contracting should also be considered. Reviewing all functions in this manner on a periodic basis will help ensure that the district is maximizing its investments in academic and operational programs.*
- *We recommend the district conduct follow-up studies on all cost-saving initiatives to ensure that intended savings have actually been achieved.*

Action Plan 4-3 provides the steps needed to implement these recommendations.

Action Plan 4-3

Explore Alternative Delivery Systems	
Strategy	Develop a formal program to periodically review major functions for outside contracting.
Action Needed	<p>Step 1: The superintendent’s cabinet lists all programs or functions that should be considered on a routine basis for outsourcing. This list should include those areas that are currently outsourced. Programs and functions that should be considered include:</p> <ul style="list-style-type: none"> • Alternative education programs • Testing • Training • Printing and copying • Legal services • Custodial services • All maintenance trades • Computer maintenance • Payroll • Transportation • Food services

	<p>Step 2: On a cycle basis, the Division of Business and Information Technology Services conducts analyses every three years comparing in-house performance and cost to a contracted approach. These analyses should include a cost analysis, performance analysis, risk analysis, vendor analysis, and a recommended action.</p> <p>Step 3: The program leaders review the outsourcing information and analysis.</p> <p>Step 4: The finalized recommendations are submitted to the cabinet for review and approval, and those approved are submitted to the board.</p> <p>Step 5: If the board agrees with the decision to pursue, the superintendent's cabinet assigns responsibility for developing Requests for Bids or Requests for Proposals.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services
Time Frame	November 2002
Fiscal Impact	This can be completed with existing resources.

Conduct Follow-up Studies on Cost-saving Initiatives

Strategy	Conduct follow-up studies on all cost-saving initiatives to ensure that intended savings have been achieved.
Action Needed	<p>Step 1: The Division of Business and Information Technology Services identifies the most recent 20 cost saving measures that have staffing implications. This includes all recent reorganizations.</p> <p>Step 2: For each cost-saving measure implemented, the Internal Auditor calculates actual savings in terms of dollar amounts saved and confirm that staff productivity ratios have improved.</p> <p>Step 3: The director of Internal Auditing reports to the Superintendent any exceptions where cost-saving measures have not been fully implemented or realized intended savings.</p>
Who is Responsible	Director of Internal Auditing
Time Frame	December 2002
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Effective and Responsible Operation

4 The district formally evaluates the performance of its major educational programs, but needs to formalize the evaluation of cost-efficiency for all programs, and performance of its operational programs.

The district conducts formal evaluations of major educational programs.

Evaluation, including periodic assessments and formal program evaluation, is an essential component of an effective performance accountability system in that it enables a school district to identify ways to improve performance and save resources. Periodic assessment provides a means to pull together basic data on a regular basis to determine and communicate to district management how well a program is performing against stated goals and objectives.

Formal program evaluation is more comprehensive and generally less frequent than an assessment. Evaluations focus on program results, efficiency and effectiveness, and are generally conducted by third

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parties that are independent of the area evaluated. They are broader in scope than periodic assessments, and address whether the program is meeting its intended purpose. Without evaluative information from assessments and evaluations, board members and district administrators can have difficulty determining the extent to which programs are progressing towards state goals and objectives.

The district has an Assessment, Accountability and Evaluation Department that conducts formal evaluations of major instructional and instructional related programs. The district provided over 400 examples of evaluations conducted. Exhibit 4-16 details the evaluations completed in 1999-2000 and 2000-2001. Many of these evaluations were done for multiple, if not all, school sites.

Exhibit 4-16

Assessment, Accountability and Evaluation Department Evaluations Performed

1999-2000	2000-2001
Accountability Evaluations*	Accountability Evaluations*
Alternative Education	Alternative Disciplinary Program**
Character Education Needs Assessment	Dropout Prevention
Choices Unlimited/Goals 2000	Class Size Reduction
Class-Size Reduction	CRISS Program (Goals 2000)
Computerized Algebra (I Can Learn)	Direct Instruction
Continuous Progress	District Strategic Plan
District Strategic Plan	Edmin.com
E-Mentoring	Entrepreneurial Program
Early Childhood	Extended Learning Program**
Entrepreneurial Program	ESOL
ESOL	Fuel Additive
Extended Learning Program/Summer School	Headstart Early Childhood Intervention Program**
History Alive	Homeless Children and Youth
Homeless Children and Youth	Human Relations/Program to Empower Teams**
Human Relations/Program to Empower Teams**	I Can Learn Lab
Magnet Schools	K-2 Reading Coaches
Magnet Schools Parent Interest Survey	Magnet Schools**
Planting the Reading Seed	Planting the Reading Seed
Remedial Reading	Pre-K Early Intervention Program
	<ul style="list-style-type: none"> • HeadStart • Pre-K, Migrant Pre-K, Private Pre K
SLD	Reading Excellence Act: Local Reading Intervention
Speech/Language Impaired	Reading Excellence Act: Tutorial
Transportation (Climate)	Speech/Language Impaired
Truancy Intervention Program	Truancy Intervention
Value Added Data/Workshops	
Waterford Reading Program (Follow-up)	

*individual reports for each campus

**individual reports for each participating campus

Source: SDHC Assessment, Accountability and Evaluation Department, January 2002.

An evaluation report of the strategic plan is prepared annually by the Assessment, Accountability and Evaluation Department. This report measures the district's success in reaching established goals, and makes recommendations to rectify unfavorable variances.

The district's strategic plan and its related priority areas govern the evaluation schedule. With the exception of efforts undertaken with reference to the strategic plan and the state's accountability system, no formal on-going schedule of regular evaluation of major educational program areas was observed.

The Assessment, Accountability and Evaluation Department uses the results of comprehensive data analysis, such as annual FCAT scores, statistical analyses before and after program implementation, and special requests of the superintendent and board as factors in selecting programs or topics for evaluation.

The district's formal evaluations of instructional programs examine whether the program is meeting its objectives, but generally do not address cost-efficiency.

Program evaluations clearly state whether program objectives are being met. For example, an evaluation of the Waterford Reading Program implemented at Bryan PC and Cypress Creek Elementary showed improving test scores for boys and girls, for all ethnic groups, and for all levels of socio-economic status. The assessment also included survey responses from teachers and parents reflecting a high level of satisfaction with the program. The report findings were summarized, assessment data was highlighted, and several recommendations were made for improvement and follow-up. Gibson Consulting Group, Inc. reviewed several studies similar to this one conducted by the district over the past several years. Some of the current evaluation projects in progress include:

- Class-Size Reduction
- Computerized Algebra
- District Strategic Plan
- Early Childhood
- English for Speakers of Other Languages (ESOL)
- Exceptional Student Education (ESE)
- History Alive!
- Human Relations / Program to Empower Teens
- Magnet Schools
- Planting the Reading Seed
- Remedial Reading
- Speech and Language Impaired Programs
- Transportation
- Truancy Intervention Program
- Waterford Reading Program

Other evaluation reports provide a decomposition of test data or other statistical data, but do not directly relate to a specific educational program. These reports, such as the FCAT assessment report, includes detailed analysis of test score data, comparisons to established goals, and recommendations for addressing deficiencies. The district conducts formal follow-up evaluations to ensure that program success is continuing or to ensure that corrective actions are made.

Some of the evaluation reports discuss pupil-teacher ratio or other efficiency measures, but do not provide statistics. Unless the program relates specifically to an efficiency matter, such as the federal Class Size Reduction Program for first grade classes, cost-efficiency was not reported or analyzed. Program evaluations of instructional areas do not merely provide raw data—they do include basic formal evaluation components and findings—but they do not sufficiently address cost-efficiency, or cost implications. The primary objective of the evaluation is to measure effectiveness without considering cost. In some instances, evaluations provide recommendations to improve management and performance, but other evaluations do not. Department of Assessment, Accountability and Evaluation staff explained that in evaluations of district wide programs or instruments, such as the fourth grade FCAT, the

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evaluation provides the data and findings but specific recommendations are left to individuals at the school level.

The district relies on its unit funding method for determining staffing allocations for schools. The Department of Assessment, Accountability and Evaluation has not conducted assessments of these formulas to evaluate efficiency. District management and the board review the unit funding formulas annually; however, the reviews are not driven by an evaluation report on cost-efficiency.

All major evaluation reports and accompanying recommendations are communicated to the board. The reports are included in the board packet, and included as an information item on the agenda. As a result of evaluations conducted by the Department of Assessment, Accountability and Evaluation, action has been taken by the district. For example, the district did not expand the “Year Around School” program after the department’s evaluation revealed that the pilot program’s academic performance was comparable to similar schools on a regular schedule. In another example, after an analysis by the department revealed that the district’s SAT scores decreased over time, the department recommended a short term program focused on current seniors and a long term program beginning with middle school students, both of which were implemented. In yet another example, the ESOL division provided additional funding for the Waterford program after an evaluation demonstrated that the program worked well with limited English proficiency (LEP) students.

With a few exceptions, operational programs are evaluated on a project basis, and are not subject to formal evaluations at the district level.

There are no routine evaluations of operational programs. These types of evaluations would benefit the district by providing an analysis of more comprehensive performance and cost-efficiency information on a consistent basis. This information could help district management identify additional areas for reducing costs and improving effectiveness. By applying similar data collection and analysis methodologies applied for instruction, operational program performance and efficiency could likely be improved. Although the district has conducted selected studies and does compile reports that contain evaluative information, these are not completed often enough, across all needed areas, or contain the type of information necessary to be a substitute for high-quality, formal evaluations.

The district has conducted studies of selected operational programs to improve efficiency and effectiveness. These include departmental organizational studies, maintenance contracting studies, custodial privatization study, and a cost-benefit study that led to the execution of a contract with Compaq Computer Corporation to buy and maintain computer equipment. These evaluations are driven by creative ideas to streamline efficiency and/or improve performance.

Some operational programs provide annual reports that contain evaluative information. The Student Nutrition Services area prepares an annual report that discloses productivity statistics such as Meals Per Labor Hour (MPLH). Other annual reports provide information, but do not constitute formal evaluations. The district prepares an Annual Technology Report that provides a host of operating statistics, but no performance or cost-efficiency information or analysis.

The district uses evaluation results to improve program performance.

Formal evaluations focus primarily on instructional performance. The results of these evaluations are used to drive program changes that improve program performance and student achievement. The Reading Coaches Program provides a good and representative example of how the district uses evaluation results to improve program performance. Formal evaluations of reading scores and alternative instructional methods led to the development of the Reading Coaches Program, for which the board allocated funds to implement this program. Results are evaluated annually by the district to measure the program’s success. This program is a three-year project, of which one year has been completed. The results of the evaluation of the first year performed by the district’s Department of Assessment,

Accountability and Evaluation were positive, so despite a major budget reduction the district decided to expand the program to 17 additional schools rather than allow it to be part of the budget cuts.

Recommendations

- We recommend the district conduct formal cost-efficiency assessments for all instructional and operational programs.
- We recommend the district conduct formal assessments of performance for all operational programs.

Action Plan 4-4 provides the steps needed to implement these recommendations.

Action Plan 4-4

Assess Cost-efficiency for All Instructional and Operational Programs	
Strategy	Conduct annual assessments of cost-efficiency for all instructional and operational programs.
Action Needed	<p>Step 1: The Department of Assessment, Accountability and Evaluation incorporate efficiency analysis into its regular assessment of academic programs. This analysis will include, where applicable</p> <ul style="list-style-type: none"> • -pupil-teacher ratios • -pupil-aide ratios • -comparative cost analysis of alternative programs addressing the same program goal • -analysis of incremental, or additional cost per student as a result of implementing the strategy <p>Step 2: The assistant superintendent of Business and Information Technology Services conducts periodic assessments of cost-efficiency for all operational programs. Trend and benchmark analyses are performed as part of the assessment.</p> <p>Step 3: District management uses the results of cost-efficiency assessments to identify cost-saving opportunities.</p>
Who is Responsible	Department of Assessment, Accountability and Evaluation and Assistant Superintendent of Business and Information Technology Services
Time Frame	April 2003
Fiscal Impact	This can be completed with existing resources.

Conduct Formal Evaluations of Operational Programs	
Strategy	Conduct formal evaluations of performance of all operational programs.
Action Needed	<p>Step 1: The district should adopt a formal evaluation model for operational programs. This model should contain the following features:</p> <ul style="list-style-type: none"> • Adequate planning which involves obtaining and understanding of the program, defining evaluation objectives, and planning how evaluation objectives can be met, as well as considering criteria for assessing performance, and staffing. • Assessing legal and regulatory requirements, including the detection of abuse or illegal acts. • Assessing the internal control environment, including segregation of duties, adequate checks and balance, safeguarding of assets and accuracy of data.

- Collecting sufficient, reliable evidence to support reasonable conclusions and judgments.
 - Maintaining the evaluator’s work papers and other supporting documents used in the evaluation.
- Step 2: A suggested model is presented in the action plan below:
- Step 3: The Superintendent identifies all operational programs to be subject to a formal evaluation and determines how often the evaluations should take place. The superintendent’s cabinet develops an evaluation plan for operational programs and presents to the board for approval. To ensure that the evaluation plan is realistic, district management should consider several factors:
- staff resources needed and available for in-house evaluations
 - staff resources needed and available for managing outsourced evaluations
 - financial resources available to conduct outsourced evaluations
- Step 4: Conduct formal evaluations against the evaluation plan and submit evaluation reports to the superintendent and the board. Data collected should include information on:
- Past problems and planned changes
 - Program goals and objectives
 - Performance measures and benchmarks
 - Program delivery information
 - Organization structure and responsibilities
 - Program financial resources
 - Program staffing resources
 - Data sources, and the reliability of data
 - Customers of the operational program
 - Major risks facing the program
 - Laws, regulations and policies that affect the operational area
- Step 5: Evaluators collect and analyze data to draw conclusions. In addition to analysis of data, interviews should be conducted to explain and corroborate data. Analysis of trend and benchmark variances should include investigation of factors that may contribute to variances, such as changes in program scope, changes in law, or changes in account codes. Benchmark comparisons need to include an analysis of comparability of the underlying programs to ensure that a comparison is valid.
- Step 6: Evaluators develop findings and recommendations and prepare a written report. To maximize the usefulness of the formal evaluation report, the findings should include discussion of the following elements:
- Criteria – “what should be” – provides standards or expectations for program performance.
 - Condition – “what is” – specifies the extent to which current program goals and objectives are being achieved.
 - Cause – “why it happened” – lists events, factors and reasons that led to current program conditions.
 - Effect – “difference between what is and what should be” – describes the impact of the condition identified, in terms of its affect on performance, efficiency or compliance.
 - Recommendations – should include specific suggestions for improvement, including a five-year fiscal impact resulting from implementation of the recommendation.
-

- District management and the board use the results to modify operational program goals and objectives and identify alternatives to improve efficiency and effectiveness. Exemplary programs should be commended in the report.

Who is Responsible	Superintendent
Time Frame	April 2003
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

5 The district needs to report more performance and cost-efficiency measures to parents and other taxpayers, particularly in non-instructional areas.

The district reports information to the public on the performance of its major educational programs.

The district has an excellent web site that provides a host of information to the public. The web site includes FCAT scores, academic benchmark test data, *Florida Writes* scores, school report cards, the strategic plan, and a listing of current educational program evaluations. The only non-instructional evaluation project unrelated to instruction was a study evaluating communication systems between the Transportation Department and parents of students who ride buses. The web site information provides summary and comparative information in a format that is easy to understand and navigate through. Upon reviewing this information, the public can readily assess the district’s overall academic performance and individual school performance for basic instructional programs. Although, academic performance information is made available to the public, operational performance is not. Cost efficiency is not adequately addressed for either academic or operational programs.

The district’s Annual Report to the Community, which is also published in print and on the web site, includes comparisons of test score data at a high level. Performance information on special programs, such as Exceptional Student Education (ESE), Bilingual/ESL education and remedial programs is not as complete. The web site provides information about these programs, but not the related performance measures.

The district also has a public information office, but this office focuses primarily on media relations and is not responsible for developing publications. Individual schools distribute other publications. The schools are responsible for the content of their newsletters, and most do not contain instructional performance information.

As explained in Chapter 5, district officials report varying levels of support for programs designed to transmit the district “message” to parents, community groups, and taxpayers. In general, the effort to communicate with parents is a relatively sophisticated program involving both the central office and the schools. Communication with community and business groups, on the other hand, is somewhat more sporadic and disorganized.

The district does not provide the public with cost-efficiency measures relating to its instructional programs.

There are no publications or web site addresses disclosing key cost efficiency measures relating to instructional programs. These measures include pupil-teacher ratios by school and by grade level; average class size; student to aide ratios; the number of classes by school with less than 10 students; and

Performance Accountability Systems

instructional expenditures per student. This information should reflect five-year trends in operating efficiency and peer district and state average comparisons where appropriate.

The public needs to understand the efficiency of instructional programs, even though efficiency goals and effectiveness goals may be in conflict with each other. For example, larger class sizes are more efficient than smaller ones, but this may not support educational goals. Block scheduling may also provide academic benefits, but it should be demonstrated that it is less efficient unless the class size increases. Taxpayers and parents should be informed at a high level of how efficient the educational programs are.

The district unit funding methodology essentially dictates the level of efficiency for instructional programs within a school. No information regarding these formulas is provided to the public.

The district does not provide the public with sufficient performance or cost-efficiency measures for operational programs.

Individual departments within the district track, and report internally, performance measures to varying degrees and with varying degrees of completeness. With the exception of an annual food services report, very little of this information reaches the board, and none of it reaches the public. Performance measures for operational programs are critical parameters that communicate overall effectiveness to the public. The board and the community are not receiving sufficient information to know where operational programs stand with respect to effectiveness, and this limits the board's ability to be accountable to the taxpaying public.

The district's web site includes summary information regarding the budget, and the percentage distribution of expenditures by function and/or program. The district posts the Comprehensive Annual Financial Report (CAFR) and the budget presentation slide show on the web site. This provides summary and detailed financial information about school district finances, but does not disclose cost-efficiency measures. The CAFR, prepared by all Florida school district, is not required to disclose cost efficiency measures. No other cost-efficiency measures are reported to the public through the web site or other district level publications. These measures vary by operational program, but would provide meaningful information for taxpayers and parents regarding the efficiency of each program. For example, reporting maintenance costs per square foot for a five-year period would show whether or not the district is improving the efficiency of its maintenance function. Some trends may show unfavorable variance, but may represent deliberate investments the district made to improve effectiveness. In order to be accountable to taxpayers and parents, the district needs to disclose and explain these relationships at a summary level.

In addition to test scores and other academic performance measures, the school advisory councils are provided with audit reports for fixed asset inventories, attendance counts and food service operations, and use this information in developing school improvement plans.

The district needs to establish a mechanism to receive and respond to feedback from parents and other taxpayers to improve its performance and cost efficiency.

The district conducts a host of surveys of parents and community members. Communication is one of the board's five priorities. In 1998-99 a "climate survey" was conducted of parents, students and staff. This survey asked about how well the district communicates with the community, but did not specifically ask how program performance or cost-efficiency could be improved.

The district also provides opportunities for public input at board meetings, but based on a review of board minutes, this rarely occurs. Since the public is not provided much efficiency information, or operational program effectiveness information, they are not in a position to provide good feedback on these topics.

Recommendations

- We recommend the district publish five-year trend of major performance and cost-efficiency measures for operational programs on the web site, and provide comparative analyses where appropriate.
- We recommend the district provide additional performance measures for exceptional student education programs on the web site.
- We recommend the district publish five-year trend of cost-efficiency measures for major instructional programs on the web site.
- We recommend the district supplement the climate survey to include questions about performance and cost-efficiency of instructional and operational programs.
- We recommend the district include key performance and cost efficiency measures in the Annual Report to the Community.

Action Plan 4-5 provides the steps needed to implement these recommendations.

Action Plan 4-5

Publish Performance and Cost-efficiency Data for Operational Programs

Strategy	Publish five-year trend of major performance and cost-efficiency measures for operational programs on the web site, and provide comparative analyses where appropriate.
Action Needed	Step 1: The assistant superintendent for Business and Technology Services identifies the key measures of cost-efficiency from each operational area, and includes trend and applicable benchmark statistics on the web site.
Who is Responsible	Assistant Superintendent for Business and Technology Services
Time Frame	October 2003
Fiscal Impact	This can be completed with existing resources.

Additional Performance Measures for ESE Programs on the Website

Strategy	Provide additional performance measures for exceptional student education (ESE) programs on the web site.
Action Needed	<p>Step 1: The assistant superintendent for Instruction identifies additional performance measures for ESE to include on the district's web site. The following measures should be considered:</p> <ul style="list-style-type: none"> • Pupil-teacher ratio • Percentage of program enrollment to total student population • Program enrollment by ethnicity • Program cost per student • Program enrollment by instructional arrangement <p>Step 2: The Department of Business and Technology Services validates and publishes the additional ESE performance measures on the district web site.</p>
Who is Responsible	Assistant Superintendent for Instruction
Time Frame	October 2003
Fiscal Impact	This can be completed with existing resources.

Publish Cost-efficiency Data for Instructional Programs	
Strategy	Publish five-year trend of cost-efficiency measures for major instructional programs on the web site.
Action Needed	<p>Step 1: The assistant superintendent for Instruction identifies additional performance measures for ESE to include on the district's web site. The following measures should be considered:</p> <ul style="list-style-type: none"> • Pupil-teacher ratio, by school • Pupil-aide ratio, by school • Number of secondary classes with enrollment less than 10 students, by school • Instructional cost per student, by school • Special revenue funds per student, by school • Program enrollment by instructional arrangement <p>Step 2: The Department of Business and Technology Services validates and publishes the additional ESE performance measures on the district web site.</p>
Who is Responsible	Assistant Superintendent for Instruction
Time Frame	October 2003
Fiscal Impact	This can be completed with existing resources.

Update Questions on the Climate Survey	
Strategy	Supplement the climate survey to include questions about performance and cost-efficiency of instructional and operational programs.
Action Needed	<p>Step 1: The Department of Assessment, Accountability and Evaluation incorporates additional questions into the climate survey addressing perceptions of efficiency.</p> <p>Step 2: Results of surveys are tracked against actual efficiency performance, and alternate means of communicating cost-efficiency to the public is considered.</p>
Who is Responsible	Department of Assessment, Accountability and Evaluation
Time Frame	April 2002
Fiscal Impact	This can be completed with existing resources.

Include Key Performance and Cost-efficiency Measures in the Annual Report	
Strategy	Include key performance and cost efficiency measures in the Annual Report to the Community.
Action Needed	Step 1: The superintendent identifies the major cost-efficiency measures for the school district to include in the Annual Report to the Community.
Who is Responsible	Superintendent
Time Frame	November 2003
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

5

Educational Service Delivery

The School District of Hillsborough County has developed and maintained a comprehensive and effective educational service delivery system. A relatively small number of adjustments will improve the already high level of quality achieved.

Conclusion

The review of educational service delivery in the School District of Hillsborough County (SDHC) provides evidence that the district is producing superior educational results at a reasonable cost despite significant challenges caused by the diversity of the student population. Recommendations for change are primarily directed toward the improvement of special programs and the coordination of planning and delivery of services.

During the course of this review, consultant Gibson Consulting Group, Inc., identified a number of district accomplishments in the educational service delivery, some of which are included in Exhibit 5-1 below.

Exhibit 5-1

The District Has Had a Number of Notable Accomplishments in Educational Service Delivery in the Last Three Years

- The district was awarded more performance funds for its adult vocational program than any other district or community college in Florida in 2000-2001.
 - The district has higher student performance than most of its peers in most grades and subgroups.
 - The district adopted a 5-Year Strategic Plan for district priorities.
 - The district made a concerted effort to align curricula, instructional resources, and professional development to the Sunshine State Standards.
 - The district effectively communicated best instructional practices and encouraged teachers to pursue and implement best practices.
 - The district provided teachers with thorough and comprehensive professional development in best instructional practices in English for Speakers of Other Languages (ESOL).
 - Despite that the district has the highest percentage of Limited English Proficient (LEP) students identified as migrant and eligible for free/reduced lunch than its peers and the state, LEP students outperformed the LEP students in peer districts and the state on FCAT Reading and Mathematics, 1999-2000.
 - The district expanded special diploma options for students with disabilities.
 - The district implemented an Integrated Health Services Pilot Program that has resulted in savings and other positive outcomes.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc., reviewed the district's educational service delivery using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consulting team employed several methodologies to develop chapter conclusions and action plans. Gibson Consulting Group, Inc., conducted on-site interviews with district level managers and gathered information on the educational service delivery activities such as the district's educational service delivery activities policies and procedures. A detailed review of written plans, policy manuals, and evaluations was conducted. Additional input was gathered through discussions with district-level staff, principals, teachers, and parents.

An overview of chapter findings is presented below.

Effective and Cost-Efficient Programs

1. District administrators use both academic and nonacademic data to improve K-12 education programs. (Page 5-6)
2. District administrators facilitate sharing effective instructional practices to improve student performance. (Page 5-13)
3. The district provides effective and cost-efficient Exceptional Student Education (ESE) programs. (Page 5-20)
4. The district provides effective and cost-efficient instruction as part of its English for Speakers of Other Languages (ESOL) Program. (Page 5-31)
5. The district provides effective and cost-efficient secondary vocational and adult/technical education programs. (Page 5-40)
6. The district's curricular framework is linked to Florida's accountability standards and to the Sunshine State Standards. (Page 5-47)
7. The district has adopted a plan for the progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards. (Page 5-51)
8. The district ensures that school improvement plans effectively translate identified needs into activities with measurable objectives and that school advisory councils meet statutory membership requirements. (Page 5-55)

Cost Effective Instructional Materials

9. The district's process for selecting instructional materials ensures that instructional materials meet the needs of teachers and students. (Page 5-60)
10. Each student has current and appropriate instructional materials in core courses that are aligned with the Sunshine State Standards and the district's pupil progression plan. (Page 5-64)
11. The district's procedures for acquiring, maintaining, and disposing of instructional materials are cost-effective. (Page 5-65)

Educational Program Effectiveness and Efficiency

12. The district has implemented accountability mechanisms to ensure the overall performance, efficiency, and effectiveness of its major educational programs. (Page 5-67)
13. The district regularly reviews its organizational structure and the staffing of the central office and schools to minimize administrative layers and processes. (Page 5-74)
14. The district reports on performance and costs of its major educational programs to ensure accountability to parents and other taxpayers. (Page 5-78)

Library Media Services

- 15. The district has sufficient school library or media centers to support instruction. (Page 5-79)
- 16. The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet the needs of its students in a cost-efficient manner. (Page 5-84)

Fiscal Impact of Recommendations _____

Exhibit 5-2

Two Educational Service Delivery Action Plan Recommendations Have Fiscal Impacts

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> • To help address demands due to student growth and to consolidate management responsibilities, create two new positions for experienced media specialists or Administrative Resource Teachers—one for elementary schools and one for secondary schools. Assign one Supervisor of Media Specialists to oversee the entire K-12 Media Program when the secondary supervisor of Media Specialists retires. 	<ul style="list-style-type: none"> • \$60,090
<ul style="list-style-type: none"> • Increase timeliness of assessments for ESE students and reduce non-qualifying referrals. 	<ul style="list-style-type: none"> • \$965,800 (Fiscal impact depends on state legislative appropriations and federal funding)

Source: Gibson Consulting Group, Inc.

Background _____

SDHC is the 12th largest district in the nation and the 3rd largest in Florida. The district is serving over 179,880 students with an ethnic breakdown of 48.6 percent White: Non-Hispanic, 23.3 percent African American, 22.4 percent Hispanic, 2.2 percent Asian/Pacific Islander, and 3.5 percent other ethnic group.

The School District of Hillsborough County has three early childhood/Kindergarten schools, 101 elementary schools, 36 middle schools, 19 senior high schools, nine special school centers, and 15 adult centers for a total of 161 regular public schools. Of these four elementary, eight middle, and five high schools are magnet schools. The district also operates 15 charter schools.

The district has recently attained unitary status, which provides parents and their students more choice in which school to attend. In a recent Unitary status publication, the district wrote, “The Hillsborough County Public School District will strive to provide continuing educational excellence in all schools while constantly monitoring diversity and the quality of education at each site.” The district has expanded its attendance options by dividing the district into seven large attendance zones. Students living in a zone may attend any of the schools within that zone with transportation provided. Students may also choose to attend any of the magnet schools in the district with transportation provided. Student may choose to attend a school outside their attendance zone, but must provide their own transportation.

The district is diverse and has a larger percent of student s receiving free and reduced-price lunch than most of its peers and the state (see Exhibit 5-3).

Exhibit 5-3

In 1999-2000, a Larger Percent of Hillsborough County’s Students Received Free or Reduced-Price Lunches than All But One of Its Peers and the State

School District	Student Enrollment	Number of Students Receiving Free or Reduced-Price Lunch	Percentage of Students Receiving Free or Reduced-Price Lunch
Hillsborough	159,358	74,371	47
Orange	144,308	67,854	47
Duval	126,353	58,413	46
Palm Beach	149,889	59,264	40
Broward	241,128	87,716	36
Pinellas	111,822	38,574	34
State	2,379,348	1,046,520	44

Source: Florida Department of Education website.

Hillsborough also has the second highest percentage of limited English Proficient students among its peers and the state (see Exhibit 5-4).

Exhibit 5-4

Hillsborough County has the Second Highest Percentage of Students that Have Limited English Proficiency Among its Peers and the State, 1999-2000

School District	Student Enrollment	Number of Students with Limited English Proficiency	Percentage of Students with Limited English Proficiency
Palm Beach	149,889	18,150	12
Hillsborough	159,358	16,213	10
Broward	241,128	22,789	9
Orange	144,308	12,226	9
Pinellas	111,822	2,252	2
Duval	126,353	1,898	2
State	2,379,348	168,854	7

Source: Florida Department of Education website.

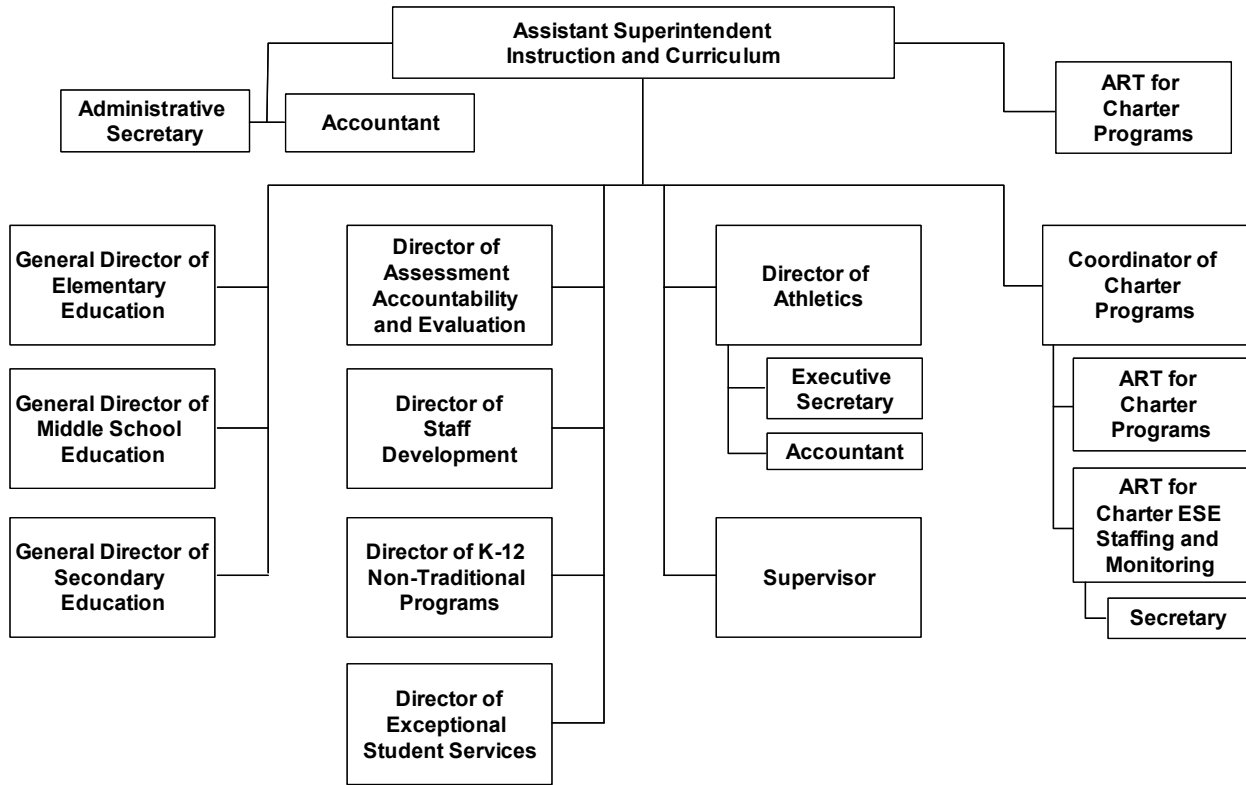
This large percentage of low income and limited English proficient (LEP) students presents the district with challenges. These challenges are particularly pertinent to classroom instruction because of modifications needed when teaching low income and LEP students. The Division of Instruction is instrumental in this effort.

Division of Instruction

The Division of Instruction provides instructional support, curriculum development, and school improvement assistance. Exhibit 5-5 shows the current structure of the division.

Exhibit 5-5

Division of Instruction, 2001-2002



Source: School District of Hillsborough County, 2001-2002.

Other Significant Divisions

Although the Division of Instruction has the primary responsibility for coordinating the delivery of educational services, three other divisions including also play significant roles: Technical, Career & Adult Education; Supportive Services; and Administration. Technical, Career & Adult Education is responsible for providing students with a full range of technical training programs. In this capacity, the division acts closely with the Secondary Education Unit of the Division of Instruction.

The Division of Supportive Services is responsible for early childhood education programs and also coordinates the administration of federal funds. The Division of Supportive Services also provides coordination of guidance services, which must work closely with both the middle schools and the high schools.

The Division of Administration provides the structure for overall support for all levels of education. This process is accomplished both through the seven general directors serving specific geographic areas as well as the provision of specific services for transportation, security, planning, and related services.

Instructional Costs

Direct instruction accounts for 62 percent of the district’s total general fund budget. The general fund spending for instruction for the year ending June 30, 2001 was \$554 million plus an additional

\$39 million in special revenue funds. In comparison to its peer districts, the district spent about the same as the peer district average in 1998-99 (see Exhibit 5-6).

Exhibit 5-6

Hillsborough County Spends About the Same Level of General Funds for Instruction as Found in Peer Districts and the State, 1998-99

School District	Student Enrollment	Total General Funds Spent for Instruction	General Funds Spent for Instruction Per Student
Duval	123,250	\$368,133,471	\$2,987
Orange	141,620	\$430,859,122	\$3,042
Broward	235,881	\$741,013,173	\$3,141
Hillsborough	155,134	\$512,918,773	\$3,306
Pinellas	109,878	\$368,526,087	\$3,354
Palm Beach	146,715	\$547,190,780	\$3,730
State	2,328,851	\$7,550,699,891	\$3,242

Source: Florida State Department of Education.

Effective and Cost-Efficient Programs

The School District of Hillsborough County operates effective K-12 instructional programs and provides significant leadership from its Central Administration, particularly the Instruction Division and the Assessment, Accountability, and Evaluation Division. Principals are strong instructional leaders on their campuses and the district regularly reviews its instructional leadership at the campus level.

Personnel in the Assessment, Accountability, and Evaluation Division have numerous roles and responsibilities. These include compiling and analyzing student performance data, evaluating district instructional programs (e.g., ESE programs, Whole School Effectiveness), conducting staff development in the use of student data, developing benchmark tests and end of course tests, and disaggregating data at the school level and by subgroups.

This division is extremely effective with assisting schools in understanding and using student performance data to make decisions regarding their instructional programs. The Supervisor of Assessment provides staff development at all campuses. Principals and teachers said the training included how to interpret student performance data and how to link data to instruction.

1 District administrators use both academic and nonacademic data to improve K-12 education programs.

The School District of Hillsborough County has many mechanisms in place for using academic and nonacademic data to improve K-12 education programs. The Assessment, Accountability, and Evaluation Division provide central and campus administrators a variety of data as well as training in the interpretation of these data. In addition, summaries of evaluation reports can be accessed on the district's web site.

The district compares well to its peers on its School Accountability Reports.

The district compares well to its peers on its School Accountability Reports. In July 1999, the Florida Department of Education (DOE) established criteria for identifying schools with similar performance characteristics through the use of letter grades, based primarily on Florida Comprehensive Assessment Test (FCAT) reading and writing scores and Florida Writes! scores. The statewide annual *School Accountability Report*, published by DOE, is explained in more detail in the chapter on Performance Accountability Systems.

Exhibit 5-7 illustrates Hillsborough's grades compared to its peers. In comparison to its peers, Hillsborough had the second lowest percentage of schools that received a grade of D and the second highest percentage of A's.

Exhibit 5-7

The School District of Hillsborough County is Second in the Percentage of "A" Schools When Compared to Peers

Grade	Hillsborough	Broward	Duval	Orange	Palm Beach	Pinellas
A	25.2%	31.3%	14.6%	18.2%	25.2%	20.5%
B	15.1%	11.3%	9.7%	12.6%	17.8%	28.2%
C	51.6%	42.1%	47.9%	43.4%	34.1%	47.0%
D	5.7%	12.8%	25.7%	21.7%	17.0%	4.3%
F	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Schools*	2.5%	2.6%	2.1%	4.2%	5.9%	0.0%
Total	159	195	144	143	135	117

*New schools were not graded in 2001.

Source: Florida Department of Education, 2000-2001 School Accountability Reports.

The district performs at a higher level on the FCAT, has higher graduation rates, and lower dropout rates in most cases than its peers and the state.

The most commonly used measure of effective educational programs is student test scores. In Florida, the state competency test is the Florida Comprehensive Assessment Test (FCAT). To receive a standard Florida high school diploma, students must pass the FCAT Sunshine State Standards Reading and Mathematics Tests. The FCAT consists of multiple choice questions and performance tasks in reading, mathematics, and writing. Performance tasks are scored using holistic rubrics. Students are also tested on the FCAT Norm Referenced Test (NRT) in various subject areas; the content areas for the FCAT NRT differ by grade.

The FCAT Sunshine State Standards Test reports two types of scores. The first is a scaled score. The second is a student achievement level score that is based on the students' scaled score. Florida has established scale score ranges for each of the five performance levels. Level one is the lowest and students performing at this level have little success with the challenging content of the Sunshine State Standards. Level five is the highest and students performing at this level have success with the most challenging content of the Sunshine State Standards and answer most of the test questions correctly. The state uses performance level three as one benchmark for the Florida *School Accountability Report*. The School District of Hillsborough County's students perform well on these measures. As can be seen in Exhibit 5-8 the district's students score higher than most of its peers and the state on the FCAT Sunshine State Standards Test in Reading and Mathematics.

Exhibit 5-8

Hillsborough FCAT Sunshine State Standards Test Scores are Higher than the State and its Peers in Most Cases, Spring 2001

School District	Reading Grade			Mathematics Grade		
	4	8	10	4	8	10
Broward	301	285	304	295	323	325
Duval	297	282	303	278	306	319
Hillsborough	302	288	311	293	321	322
Orange	287	268	302	277	302	322
Palm Beach	298	283	301	289	319	322
Pinellas	300	286	315	289	308	330
State	298	282	304	286	314	323

Source: Florida Department of Education.

Florida Writes! scores are reported on a 1.0 through 6.0 scale. In addition, a student could receive a U (unscorable), which means that the writing is unrelated to the assigned topic or cannot be read. Although only whole number scores are assigned, scores from two readers are averaged and half points can occur. For example, if one reader assigns a score of 4 and the other reader assigns a score of 5, the student receives a score of 4.5. Exhibit 5-9 illustrates that Hillsborough County students score higher on the Florida Writes! than the state and its peers in most cases.

Exhibit 5-9

Hillsborough County FCAT Scores are Higher than the State and its Peers in Most Cases, Spring 2001

District	Grade 4			Grade 8			Grade 10		
	Expository	Narrative	Combined	Expository	Narrative	Combined	Expository	Narrative	Combined
Broward	3.6	3.4	3.5	3.8	3.5	3.6	4.0	3.6	3.8
Duval	3.3	3.4	3.4	3.8	3.5	3.6	3.9	3.7	3.8
Hillsborough	3.7	3.5	3.6	4.2	4.0	4.1	4.2	3.9	4.0
Orange	3.3	3.2	3.2	3.6	3.4	3.5	3.9	3.5	3.7
Palm Beach	3.5	3.4	3.5	3.7	3.4	3.6	3.9	3.6	3.8
Pinellas	3.6	3.5	3.5	4.1	3.7	3.9	4.2	3.9	4.1
State	3.5	3.4	3.4	3.8	3.5	3.7	4.0	3.7	3.8

Source: Florida Department of Education.

Hillsborough continues the trend of high performance on the FCAT Norm-referenced scores. These are reported as scale scores so that scores reported from one year to the next can be compared. As Exhibit 5-10 illustrates, the district's students score higher in the norm-referenced reading and mathematics than other students in the state and its peers in most cases.

Exhibit 5-10

Hillsborough FCAT Norm-Referenced Scores are Higher than the State and its Peers in Most Cases, Spring 2001

School District	Reading Grade			Mathematics Grade		
	5	8	10	5	8	10
Broward	654	697	700	657	687	712
Duval	652	694	700	648	677	708

School District	Reading Grade			Mathematics Grade		
	5	8	10	5	8	10
Hillsborough	655	699	704	654	692	717
Orange	643	690	698	643	682	710
Palm Beach	653	696	619	655	687	714
Pinellas	654	698	706	648	687	718
State	652	696	700	651	684	711

Source: Florida Department of Education.

The district also fares well compared to its peers and the state on nonacademic indicators. Exhibit 5-11 illustrates that Hillsborough’s graduation rate is the highest of its peers and the state and its dropout rate is lower than the state and all but two of its peers.

Exhibit 5-11

Hillsborough Graduation Rate is Higher and Dropout Rate is Lower than the State and its Peers in Most Cases, 2000-2001

School District	Graduation Rate	Dropout Rate
Broward	62.3%	1.6%
Duval	55.9%	8.3%
Hillsborough	74.4%	2.7%
Orange	59.8%	4.9%
Palm Beach	64.9%	2.5%
Pinellas	64.4%	4.2%
State	63.8%	3.8%

Source: Florida Department of Education.

The district examines disaggregated student performance data to improve the performance of its schools and subgroups of students.

The district compares itself to its peers on several indicators on a regular basis. For example, the district compares SAT scores and percent tested to the following districts: Clark County, NV, Charlotte-Mecklenberg, NC, and Dallas, TX; the following states: Maryland, California, New Jersey, Virginia, Hawaii, Texas, North Carolina, Florida, and the nation. Florida Writes! scores for grades 4, 8, and 10 are compared to five Florida school districts: Brevard, Dade, Orange, Palm Beach, Pinellas and FCAT results in reading and mathematics for grades 4, 5, 8, and 10 to ten Florida school districts: Brevard, Broward, Dade, Duval, Orange, Palm Beach, Pinellas, Polk, Seminole, and Volusia.

The district does an excellent job of using these data to inform instruction. Personnel in the Assessment, Accountability, and Evaluation Division provide individual campuses within the district several types of disaggregated reports. Some examples are:

- FCAT Writing scores by number and percent of students are reported to the campuses by score received (1.0 to 6.0).
- FCAT scores are linked to the Sunshine State Standards and are reported by mean points earned. For example, Number Sense is one standard in Mathematics and the district reports the mean number of points earned in this category for each student.
- Student report cards include the students’ progress in relationship to the Sunshine State Standards.
- All grade “D” campuses are assisted in the development of Academic Action Plans, which are based

on student academic assessment data. The Academic Action Plans consist of the components: instructional strategies, responsible persons, and timeline. For example, Williams Middle School has 21 goals, one of which is to implement block scheduling to increase instructional time in math and language arts/reading. This change resulted in an improvement in the percent (an 8 percent increase) of students above a level 2 on the FCAT Reading test.

The district also provides campuses with a variety of reports that include disaggregated data by subgroups.

- The School Advisory Report contains data related to the goals of the school. These data are disaggregated by student subgroup.
- FCAT results are reported for all racial/ethnic groups, by gender, by Limited English Proficiency classification, for ESE categories, and for students served under Section 504. These data are reported for the overall district as well as by campus.
- Program evaluation reports include student academic assessment data for subgroups of students. For example, the Waterford Early Reading Program evaluation report included assessment data disaggregated by gender, ethnicity, free/reduced lunch status, and Limited English Proficiency classification.

The district uses benchmarks and a whole school effectiveness model to assess and improve the effectiveness of its K-12 education programs.

Currently, benchmark testing is used to assess the effectiveness of K-12 education programs. However, because the majority of students are passing the benchmark assessments, SDHC is considering discontinuing the benchmark testing, as it currently exists and instead infusing the benchmarks into the existing curriculum.

In addition to benchmark testing, the district has developed a Whole School Effectiveness Model. Each component of the model is based on the *Effective Schools* research and literature on professional development, school culture, and school climate. The nine components of the model include:

1. Principal as a Leader
2. Clearly Stated Vision and Mission
3. High Expectations
4. Assessment and Monitoring
5. Instructional Delivery
6. Safe, Caring, and Orderly Environment
7. Parent and Community Involvement
8. Professional Development
9. School Culture

The model was developed so that educators in the district could systematically analyze schools and develop positive plans of action for school improvement. With this intent, the district surveyed three groups at each school: parents, instructional personnel, and students. The survey included several statements for each of the nine components, which are rated using a five-point Likert scale (1=strongly agree and 5=strongly disagree). Additional data collected include: interviews of administrators, faculty, staff, parents, and students, observations of schools, and other artifacts and documents.

Each school conducts an internal review to determine its ratings for each of the nine dimensions and its overall effectiveness rating. An external review is conducted if the school, the Area Director or the

Superintendent’s Staff requests it. The review team consists of three members appointed by the Assistant Superintendent of Instruction. The district uses results of the surveys and the internal and external review in its strategic plan.

The model is dynamic and currently, personnel in the Assessment, Accountability, and Evaluation Division are conducting several psychometric studies of the model.

The district has an effective Title I program although they need to improve in identifying every student who qualifies for free and reduced lunch.

During 2000-2001 sixty elementary schools, twelve middle schools and six Charter schools above 60% poverty received funding through the Title I Program and eight elementary, middle and high schools received funding through the Title I Migrant Program. In addition, 23 non public schools and 10 institutions for neglected youth received Title I funds. The purpose of this extra funding is to assist the district in closing the educational gap between students who come from poverty and other students.

Currently, the district uses the majority of funds to purchase certified personnel. For 2000-2001 Title I schools purchased:

- 350 elementary teachers
- 120 aides
- 50 middle school teachers
- 12 counselors
- 30 health aides/assistants
- 17 psychologists
- 19 social workers

At the school level, funds are used in a variety of ways including to: provide supplementary support for district programs and initiatives, purchase computer equipment and textbooks, hire consultants, provide before and after school tutorials, pay for staff development and parent involvement. Exhibit 5-12 illustrates Title I expense categories. As can be seen from this exhibit, only four percent of the operational budget is attributed to administration and administration support.

Exhibit 5-12

Hillsborough Uses Its Title I Funds Primarily to Purchase Certified Personnel, 2000-2001

Expense Category	Percent
Classroom teachers, aides, supplies, equipment, and support	75%
Social workers, psychologists, nurses	14%
Administration and administration support	4%
Indirect cost	4%
Parent involvement salaries, bus, supplies	2%
Media personnel, books	1%

Source: The School District of Hillsborough County, Title I Report, October 2000.

To illustrate the effectiveness of Title I programs, Exhibit 5-13 shows the number and percent of schools that improved, maintained, or fell in the letter grade they received on the *School Accountability Report*.

Approximately, 52 percent of the Title I schools improved in their letter grades, 45 percent maintained their letter grade, and only 3.1 percent fell one letter grade.

Exhibit 5-13

Most of Hillsborough's Title I Schools Improved or Maintained their School Accountability Grade from 1999-2000 to 2000-2001

Amount of Change	Number	Percentage
Improved 3 letter grades	8	12.5%
Improved 2 letter grades	5	7.8%
Improved 1 letter grades	20	31.3%
Maintained	29	45.3%
Fell 1 letter grade	2	3.1%

Source: The School District of Hillsborough County, Title I Report, October 2000.

In prior years, individual schools were responsible for collecting the Application for Free and Reduced-Priced Lunch Forms from the parents of their students. Free and reduced-priced lunch is the criterion for determining funding for the federal Title I program. After collecting the application, each individual school would validate the information and a data processing clerk at the school would enter the final numbers into the automated district system. In 2001-2002 the district shifted this responsibility to its business office for two reasons. The first was to reduce the number of individuals involved in the validation process and the second was to identify more secondary students as eligible for free and reduced lunch. In other words, if one child in a family were found to be eligible, all siblings in the family would automatically be eligible.

Several principals reported to the review team that while a centralized system appears to be a good idea, the district is actually missing more students eligible for free and reduced lunch this year than in prior years. The district told the review team that it is aware of some of the glitches in the centralized system, but that they are taking action to become more efficient. For example, in the fall the district hired a temporary agency to validate and enter the applications. Unfortunately, the temporary agency was not effective in this capacity and the district now uses internal personnel to fulfill this function. The district has also moved the date for validation from October 2001 to February 20, 2002. These changes are working and currently only four schools that were receiving school wide Title I funds for 2000-2001 are not qualifying in 2001-2002. The district needs to continue its diligence in identifying students eligible for free and reduced-priced lunch.

The district does not collect cohort data.

While the district reports FCAT test scores and percent of participation across a two-year period by campus and reports *Stanford Achievement Test* National Percentile Ranks across three years in grades 2 through 8, this is not a cohort comparison. The Director of the Assessment, Accountability, and Evaluation Division indicated that the longest cohort analysis consists of two years. Several factors affect the district's ability to collect cohort data. First, FCAT scores are not equated, so a comparison from one year to the next is not meaningful. Second the district's mobility rate is 43.4 percent and there is no district wide tracking system for its students. Third, changes in the FCAT and norm referenced tests and testing procedures are required by the state thus resulting in a lack of standardization.

While these difficulties must be recognized, it is important to collect cohort data and analyze the effects of educational programming longitudinally. On the other hand, the district is making an effort to collect cohort data (for example, see the Continuous Progress Evaluation Report, November 1998). The district

should continue making progress in this area and should increase the number of years for tracking cohort data to three for newly implemented educational programs.

Recommendations

- *We recommend that the district continue to monitor the centralized procedure for processing Application for Free and Reduced-Priced Lunch forms to ensure that eligible students are identified.*

Action Plan 5-1 provides the steps needed to implement these recommendations.

Action Plan 5-1

Improve and Expand Data Collection Procedures	
Strategy	Continue to monitor the centralized procedure for processing Application for Free and Reduced-Priced Lunch forms to ensure that the majority of eligible students are identified.
Action Needed	<p>Step 1: The Business Office notifies schools that are identifying a smaller percent of students for free and reduced-priced lunch in 2001-2002 as in 2000-2001.</p> <p>Step 2: The Business Office pairs these schools with schools that are identifying the same or larger percent of students for free and reduced-priced lunch in 2001-2002 as in 2000-2001.</p> <p>Step 3: The schools develop strategies designed to increase the number of eligible students identified.</p>
Who is Responsible	Assistant Director of Federal Programs
Time Frame	November 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 District administrators facilitate sharing effective instructional practices to improve student performance.

SDHC executes an exemplary performance in the provision of incentives for teachers to identify and effectively use instructional practices. The incentives are provided by various means. Although some of the incentives are tangible, such as awards, recognitions, and stipends, other incentives indirectly encourage teachers to aim for and implement best practices in their classrooms.

District administrators use incentives to encourage teachers to pursue best instructional practices.

District administrators use incentives to encourage teachers to pursue best instructional practices. These incentives include direct recognition, awards, stipends, and classroom visits. General directors make a concerted effort to be visible at curriculum related functions such as student exhibits, shows, or competitions and sometimes present awards to the students. Although these types of events showcase the work of students, general directors or curriculum supervisors invariably recognize teachers for their dedication and contributions to the district.

Nationally Board Certified teachers are recognized on more than one occasion. These teachers receive accolades from the district, their names are released in the local papers, and congratulatory remarks are mentioned in school newsletters.

The district has implemented various Teacher-of-the-Year types of competitions in the content areas (i.e. Outstanding High School Social Studies Teacher of the Year for Hillsborough County). Teachers are initially nominated for their teaching style and school and community contributions. Nominated teachers must then demonstrate that they maintain the qualities worthy of such distinction. Those nominated and selected receive a letter of congratulations from their content area supervisor, and the teachers are then recognized at a school board meeting. The Warren Tracy Beginning Teacher Award is available for new teachers, and supervisors encourage department heads to nominate outstanding new teachers.

Teachers receive in-service points toward certification, and every teacher must accumulate points to maintain certification. This alone is an incentive enough; however, on many occasions teachers are paid a stipend to attend a workshop. One workshop flyer announced that teachers would be paid \$10.03 stipend per hour. Other times, teachers will directly receive notification from their principal, assistant principal, or supervisor that particular in-services pay a stipend. Exhibit 5-14 below is a sample of the stipends that secondary education teachers received for one school year.

Exhibit 5-14

**Sample of Stipend Pay for
Secondary Education Teachers from 6/2/99 – 6/21/00**

Title of Workshops	Number of Teachers	Total Amount Received
American Mosaic Curriculum Development	5	1,087.47
History Alive! Level I Training	12	2,387.10
Health Curriculum Development	3	1,434.16
American Mosaic Workshop	19	1,078.44
Rubric Training	15	2,298.78
History Alive! Level II Training	13	5,817.90
Health Benchmark Training Workshop	29	823.02

Source: School District of Hillsborough County, Florida, Workshop Pay Report.

The general directors and supervisors make regular visits to their schools. During these visits, general directors make it a point to commend teachers that implement best practices or have demonstrated significant achievement. One general director has met her professional goal of visiting 19 high schools in nine weeks to encourage teachers to use best practices and commend those that do. This general director regularly sends her teachers thank you cards, and personal, handwritten notes that congratulate, praise, or encourage the teachers.

Results from surveys are used to assess schools' professional development needs.

The district conducts the Whole School Effectiveness Survey. The survey results are one way the district determines the in-service needs. The survey is divided into nine domains. One of the domains is specific to professional development; however, two other domains, Instructional and High Expectation, also include professional development. Exhibit 5-15 is comprised of the items that assess professional development. Principals then use the results to determine their individual school's professional development needs.

Exhibit 5-15

**Whole School Effectiveness Survey:
Domains that Assess Professional Development**

Domain	Instructional and Professional Staff Respond to....
3.0 High Expectations	My curriculum and instructional strategies support students’ opportunities to practice and achieve grade level Benchmarks and Graduation Standards.
5.0 Instructional Delivery	Teachers routinely implement instructional strategies that promote the academic attainment of students from diverse family backgrounds.
8.0 Professional Development	Professional development supports the school’s vision and mission Professional development is instructionally focused The school’s professional development focuses on improving student outcomes Professional development is coordinated and specific to each school’s needs Follow up and technical assistance are provided to support professional development Professional development is evaluated to assess effectiveness and modified, if necessary, to improve teacher performance and student outcomes Faculty and staff are used, where appropriate, as staff developers Staff development promoting work place diversity is provided to the faculty and staff My colleagues and I share common goals and mutual respect for one another’s professional expertise Professional staff development that promote cross-cultural communication is provided to the faculty and staff

Source: Whole School Effectiveness Instruction and Professional Staff Survey.

The district also encourages principals to conduct parent surveys as a means to improve their schools. Survey results afford schools the opportunity to determine whether parents are fully aware that teachers are in the practice of enhancing their professional development.

Administrators monitor teachers’ professional development.

One school monitored the teachers’ professional development by using a grid. The grid, Teacher Training 2001-2002, listed the teachers’ names horizontally and the best practices topics were listed vertically. Teachers that completed particular best practices training had the items checked and those that hadn’t remained unchecked. The grids were then distributed to each grade level so that each could determine the areas of best practices training that needed to be addressed. Each grade level then determined the teachers responsible for fulfilling that need.

The district also offers individual teachers a professional development plan. All teachers are taught how to develop a data-driven plan. The teachers review their students’ FCAT performances, indicate their students’ weak areas, and write a specific goal in their plan to address these areas. The teachers then outline professional development activities to meet their goal, and pursue district in-service training.

The district communicates best practices instruction through professional development, the circulation of professional literature and newsletters, and discussions on info lines.

The district demonstrates an equally commendable performance in communicating best practices and instructional strategies to instructional and professional staff. The district accomplishes this primarily through professional development, however supervisors and principals share best practices with their teachers through newsletters and routine distributions of professional literature.

Educational Service Delivery

The district has established support priorities for their teachers. Teachers are strongly encouraged to enhance their professional development and strengthen their areas of concentration through district in-service training. The district offers quality, in-depth professional development that reflects the needs of new and experienced teachers. The district offers extensive training that builds on particular concepts, or introduces research-based practices (e.g. Project CRISS, Second Step Violence Prevention Curriculum). The district refrains from providing “one time, one shot” workshops.

In order for professional development to be offered in the district, the in-service must either incorporate best practices, align with the Sunshine State Standards, align with the district plan, align with the needs of the professional development plan, or address one of the nine dimensions of school effectiveness. In all, teachers have an array of workshops from which to choose. Twice an academic year, the district engages in Professional Study Days. These days allow teachers throughout the district to come together and learn best practices in their particular field.

The district publishes handbooks and schedules so that the teachers can choose their workshops well in advance. The elementary teachers’ handbook for February 19, 2001, for instance, included the following comments in their descriptions of the workshops:

- “Participants will explore practical strategies for teaching the writing craft needed for effective expository writing”
- “The training focuses on the.... elements of effective writing. Participants receive twenty-five model lessons...”
- “A day that focuses on strategies for up-leveling curriculum and services to meet the needs of the gifted student...10 Best Ideas for an emotionally Safe Middle School Classroom”
- “Using effective assessment techniques to evaluate pupil progress...”

The secondary education teachers’ schedule for October 13, 2000 included: Classification and Assessment of “Works of Art,” Seven Habits of Effective Writing Teachers, and Critical Thinking and Study Skills.

The district does an extensive job of communicating best practices to new teachers. For ten consecutive days, new teachers not only learn about the district’s vision and mission, district and school policies, and other instructional programs, they learn about innovative and exemplary practices. The New Teacher Training Plan for July 16 –20, 2001, for instance, clearly delineates, “Focus of training will be on ‘What Should be Happening in Your Classroom...Grade level expectations and best instructional practices will be examined during the training.” Teachers also learned about curriculum guides and grade level expectations. New middle school teachers, for instance, were enrolled in: Science Curriculum Scope and Sequence; Math Curriculum; Instructional Strategies; Technology and Assessment; Using Technology in Middle School Science; FCAT Writing, Writing/Grammar; Geography Strategies; and History I Strategies.

General directors, supervisors, and principals routinely distribute professional literature that discusses best practices and instructional strategies. The literature gets distributed at faculty meetings, professional committee meetings, department head meetings, and principal and assistant principal meetings. The literature is often the focus of meetings, and other times, teachers are given the material to read as assignment for the next meeting. Exhibit 5-16 provides a sample of the literature that ultimately reaches the teachers.

Exhibit 5-16**Examples of Professional Literature Distributed to Instructional and Professional Staff**

Title	Distributed to	Content Example
School Wide Reading Preparation Suggestions	Principals	<p>“Make the importance of reading in all areas a major theme in the principal’s remarks on the first day of school – set the focus immediately that this is a school-wide concern and can only be effectively solved by school-wide involvement and come back to it again and again.”</p> <p>Find ways to encourage kids to do enrichment reading. Reading contest, reading incentive awards, teacher involvement in encouraging enrichment reading are all possibilities.</p> <p>Electronic Bookshelf is a program purchased for most media centers.... Bring them into the planning of what role they can plan in providing time and opportunity for student to do enrichment reading.”</p>
Ten Qualities of the Renewed Teacher, Kappan, May 2001	Teachers at Peter B. Davidsen Middle School	<p>“1. Renewed teachers have a philosophical or spiritual center. They operate from a clearly defined sense of values and know that their actions will probably be effective and ‘right’ to the degree that they correspond to those values. They accept the old Buddhist principle of ‘right mind, right actions,’ which means that if their thinking is in accord with the basic principles, then their actions will be right” (p. 703)</p>
Data-Driven Decision Making: A Powerful Tool for Accountability, School Governance and Leadership, Summer 2000	High School Education Principals	<p>“Bernhardt...suggest school districts collect data in four broad categories:</p> <p>Student learning data that describe the school systems in terms of standardized test results, grade point averages, standard assessments and other formal assessments;</p> <p>Demographic data that provide descriptive information on items such as enrollment, attendance, grade level, ethnicity, gender, home background and language proficiency;</p> <p>Perceptions data, gathered through questionnaires, interviews and observations, that present information on how teachers, students, parents and others perceive the learning environment; and</p> <p>School process data that define programs, instructional strategies and classroom practices.” (p. 12).</p>

Sources: School Wide Reading Preparation Suggestions, Kappan, May 2001, School Governance and Leadership, Summer 2000.

Most recently, the math and social studies supervisors decided to purchase two current books on brain research for their department heads. The supervisors will use the content in these books as items to be discussed and shared with the teachers. The books are entitled:

- Brain Matters: Translating Research into Classroom Practice, Patricia Wolfe; and
- Classroom Instruction that Works: Research-based Strategies for Increasing Student Achievement, Robert J. Marzano, Debra J. Pickering, and Jane E. Pollack.

General directors share best practices with their principals through a web-based system called the Principal Info Line. Each group of high school principals, high school assistant principals, middle school principals, middle school assistant principals, elementary school principals, and assistant principals has their own information line. (General directors also have access to the info line). General information is communicated on these lines and more importantly best practices are shared among the members of the group. One elementary principal, for instance, can post a best practice strategy he/she observed in a classroom, and other elementary principals can then share this strategy with his/her teachers. These info lines also lend themselves to discussions on innovative practices, subject matter, classroom management, technology standards, communication concerns, student behavior agreement, etc. The following titles were found in the Middle School Principals Info Line:

- Informal Coaching Checklist
- Teacher Observation Check Sheet #1
- Tips from Middle School Principals on: Promoting and Celebrating Teacher Achievement or Positive Performance
- Establish High Expectations for Faculty and Students

School newsletters address the best/effective teaching practices that are occurring in various grade levels. Teachers are encouraged to share with parents and one another the best practices they implement in their classrooms. These newsletters will often discuss research-based strategies that have been effective in their classroom.

The elementary education has a reading program in effect called Reading Coaches. Reading Coaches are trained in best practices, and they in turn share these practices with kindergarten through second grade teachers. The coaches are in the classrooms, often co-teaching and modeling best practices, and working with small groups of children. After observing the teachers teach a lesson (or a series of lessons), the coaches provide the teachers with feedback to enhance their teaching. A teacher and principal focus group gave rave reviews for the Reading Coaches, and many expressed the need for more Reading Coaches.

The Reading Coaches also send teachers newsletters. These newsletters share best practices for kindergarten through second grade teachers. Exhibit 5-17 provides a sample of two newsletters.

Exhibit 5-17

Newsletter sent to K-2 Teachers

Newsletter	Content Example
Coaches' Corner: A Newsletter for K-2 Teachers, October 2001	"While reading a book to your students, you may want to model fix-up strategy to help with comprehension. Pause at a point in your reading and tell the students that you're not sure if you understood what your read, so you are going to reread a portion of the text."
Coaches' Corner: Volume 3, Issue 1	"Build background knowledge. Show some recent pictures from the paper of people waving flags. Ask your students if they have noticed the flags hanging from building and houses. Ask if they know why. Discuss. Follow this by telling them that the flag is very important to each citizen in the United States, so important, that every morning we say the pledge in school across America. Then, talk about the pledge and what it stands for."

Source: Coaches' Corners, October 2001 and Volume 3, Issue 1.

Schools address professional development in their improvement plans.

The district encourages schools to address professional development in the School Improvement Plan (SIP). The schools, in turn, often include professional development as a means to reaching particular goals. When professional development is included in the SIP, teachers are more likely to pursue the district’s in-services and learn the best practices. Exhibit 5-18 is a sample of how some schools have included professional development in their SIP.

Exhibit 5-18

Professional Development and School Improvement Plans

School	Professional Development Statement
Lowry Elementary	Teachers will receive training in strategies to enhance the writing process Classroom teachers will attend district level writing training as needed Classroom teachers will attend district level mathematics training Teachers will attend technology training as offered through Reading Renaissance Training Seminars Teachers will attend Accelerated Reading Teachers and staff will attend the “Whole School Effectiveness Training” Workshops School Advisory Council has set aside \$3,703.77 in professional services.
Temple Terrace Elementary	Train Staff in writing instruction strategies as needed Train Staff and continue implementation of Developmental Reading Assessment) Train intermediate teachers in Guided Reading strategies Staff development training to include core curriculum areas and Character Development/Peer Mediation/ Conflict Resolution Train staff as needed and continue implementation of Developmental Reading Assessment Staff Training in specific subject areas for new teachers; update veteran teachers FCAT strategies training as needed Priorities with goals as delineated in School Effectiveness Inventory: “School staff will receive current training essential to our school mission”
Plant City High School	Classroom management workshops offered to teachers Training offered for developing multicultural lessons School Advisory Committee Projected Budget Teacher Training Update: Reading Area Content \$1000 Classroom Management \$1000 Instructional Strategies \$2000 FCAT Strategies: \$2000 Content Area Workshops: \$1000
King High School	CRISS strategy in-service—to promote effective reading/learning strategies School Advisory Council Projected Accountability Dollars Faculty Training \$1500

Source: School Improvement Plans for Lowry Elementary, Temple Terrace Elementary, Plant City High, and King High.

3 The district provides effective and cost-efficient Exceptional Student Education (ESE) programs.

The district’s ESE programs are consistent with state and federal laws and are designed to meet the needs of its exceptional students.

SDHC has implemented procedures to meet the requirements of the Individuals with Disabilities Education Act (IDEA) as well as state laws pertaining to Exceptional Student Education (ESE). The percent of students identified as disabled or gifted in Hillsborough County and its peer districts ranges from 11 percent to 18 percent (disabled) and 3 percent to 5 percent (gifted). The percent of Hillsborough County students in these two groups is 14 percent and 5 percent, respectively, which is comparable to their peers and the state. These percentages indicate that the district identifies and serves a proportionate number of students in their ESE program. The over-identification of students with disabilities is an issue closely monitored by the federal Office of Special Education Programs. However, the district’s percentage of students with disabilities is second lowest among its peers, a positive indicator of appropriate referral and identification procedures.

Exhibit 5-19

The Number of ESE Students Identified and Served in Hillsborough County Is Comparable to its Peers and the State

District	PK-12 Population	Percentage Disabled	Percentage Gifted
Broward	241,036	11%	3%
Duval	126,354	16%	3%
Hillsborough	159,479	14%	5%
Orange	144,057	15%	4%
Palm Beach	149,664	14%	5%
Pinellas	111,786	18%	5%
State	2,323,059	14%	5%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education; Florida School Indicators Report (Website), Florida Department of Education.

At every stage of the special education process and throughout a student's tenure in special education, state and federal guidelines must be followed. If there are disagreements or objections related to evaluation, placement, or service delivery, students and their families have the right to due process. School districts do not have the burden of demonstrating that their special education services are the best possible; however, the education provided must meet the individual needs of each student. Special education is an important issue in any school district because the costs associated with special education are high. While the federal government mandates specific special education services, its share of the funding for special education is less than 20 percent, with the rest of the costs paid from state and local funds.

The district’s procedural manual, entitled *Understanding Compliance Issues*, is designed to ensure consistency throughout the district. The manual is distributed to teachers, administrators, support and related services personnel and includes explanations of the requirements of the IDEA and implementation procedures for ESE programs.

In addition to the written procedural manual, the district's website contains information on many of these topics, including information specifically addressing issues and concerns of parents. IEP (Individualized Education Program) forms are available to download and there are links provided to federal and state websites with additional information. Throughout the district, forms used to document actions taken within the ESE program, including forms for pre-referral activities and Individualized Education Programs (IEPs), are standard and consistent.

Many students with disabilities are also eligible for overlapping or alternate services under Section 504 of the Vocational Rehabilitation Act, which requires "reasonable accommodations" for individuals with disabilities in major areas of life functioning (e.g., education). The district's Division of Supportive Services has developed procedures for ensuring that students eligible for Section 504 services are provided with necessary accommodations. Procedural checklists, as well as specific intervention forms, are provided as guides for staff who work to meet the specific requirements for this program.

One of the mandates of the IDEA requires districts to implement a "Child Find" process, which requires affirmative, proactive procedures to find students who are eligible for special education services but have not yet been initially identified. Hillsborough County's Child Find activities are comprehensive and well coordinated with other programs like Federal Diagnostic and Learning Resource Services (FDLRS). Several Title I initiatives related to Head Start and early intervention also allow the district to locate and identify young students for screening.

The state requires districts to report on the prevalence of students with disabilities by demographic characteristics. The data explain the distribution of students in the total population, the gifted population, and the disabled population, by racial/ethnic group, socioeconomic status and language proficiency status. The district's proportion of minority students who have disabilities (48 percent) is similar to the state (46 percent), as is the percentage of minority students who are identified as gifted (31 percent in Hillsborough County and 32 percent in the state). Statewide, 19 percent of gifted students are economically disadvantaged students and two percent are Limited English Proficient. Similarly, in the district, 21 percent of gifted students are economically disadvantaged and 2 percent are Limited English Proficient.

The state is under a federal Office of Civil Rights plan to decrease the percentage of minority students in special education, specifically the educable mentally handicapped category. Each district in the state, including Hillsborough County, must document its plans for meeting this goal. The district has met this requirement satisfactorily. In addition, the district's plans to increase the representation of Limited English Proficient students in Gifted Education has also been approved by the state and implemented. While Limited English Proficient students are still underrepresented in the gifted category, their proportional representation has increased from 0.1 percent in 1991-92 to 2.73 percent in 1999-2000 (higher than the state percentage of 2.45 percent for the same school year).

The district has implemented Student/Teacher Assistance Teams (STAT) to ensure that all appropriate interventions are implemented before referral to special education. However additional improvements are needed.

Federal regulations require that before students are referred for special education assessment, schools implement a variety of supports and services, including those available to nondisabled students. This requirement is intended to prevent unnecessary referrals that have a low probability of resulting in a student's qualification for special education services. When the percentage of "non-qualifying" referrals in a district is high, the psychological services staff spends an inordinate amount of time testing students who will never be eligible for ESE and for whom no funding from the federal or state level is provided. This results in wasted time and wasted local money.

Unnecessary referrals cost SDHC an estimated \$928,000 in 2000-2001. While it is unreasonable to expect SDHC to have no “non-qualifying” referrals (a reasonable rate is 25%), the district’s 2000-2001 rate of 43% “non-qualifying” referrals needs to be improved. The district would have saved \$388,800 last year if their “non-qualifying” referral rate had been 25%.

In SDHC, The Psychological Services Department monitors the qualifying rates of students; that is, the percentage of referred and assessed students who actually qualify for special education. The district has several initiatives in place to address this issue and should continue to provide training for regular education teachers in order to prevent referrals that are unlikely to qualify. Staff development has included training that will help teachers:

- Clarify the definitions and qualification requirements for specific disabilities,
- Differentiate language and behavioral problems as opposed to problems due to learning disabilities, and
- Provide individualized instruction and modifications for students in regular education classrooms that are specifically designed to address the targeted academic or behavioral problem.

The district serves many ESE students in the least restrictive environment and should continue to monitor and support progress in this area.

One of the requirements that is closely monitored is the *Least Restrictive Environment* mandate. This section of the IDEA articulates a commitment that, to the extent possible, students with disabilities will be served in the least restrictive environment possible, with their non-disabled peers. Failure to educate disabled students in the least restrictive environment has historically been an important issue, since parents may bring legal action if districts fail to do so. There are several ways to determine if ESE students are receiving services in the least restrictive environment, including an examination of regular class placement. Generally, if students spend more time in regular classes, rather than special education classes, they will have greater opportunity to interact with their nondisabled peers.

The Florida Department of Education examines placement data for students with disabilities. The percentages below represent the number of students with disabilities who spend 80 percent or more of their school week in regular classes divided by the total number of students with disabilities in each district. SDHC’s percent of students with disabilities who are educated in regular education has not increased from the 1997-98 school year to the 1999-2000 school year. The proportion of students with disabilities in regular education is lower than four of its peer districts and the same as one peer district and the state in both the 3 to 5 and 6 to 21 age groups.

Exhibit 5-20

The District’s Regular Class Placement of Students with Disabilities is Lower Than Four Peer Districts and the Same as the State and One Peer District

District	1997-98	1998-99	1999-00	
	Age 3-21	Age 3-21	Age 3-5	Age 6-21
Broward	66%	66%	10%	68%
Duval	64%	63%	2%	49%
Hillsborough	49%	45%	7%	49%
Orange	59%	57%	3%	56%
Palm Beach	61%	62%	4%	57%
Pinellas	53%	53%	10%	53%
State	53%	51%	7%	49%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

The state also requires districts to monitor and submit data regarding the number of students who were served in in-school or out-of-school suspension, were expelled, or moved to alternative placement at any time during the school year. This information can be very useful in determining if students are being educated in the least restrictive environment, since disciplinary placements usually exclude students from their peers. The re-authorization of the IDEA in 1997 made specific provisions regarding discipline of students with disabilities and districts have since been required to implement procedures designed to prevent exclusionary discipline placements when the student’s behavior.

In Hillsborough County, its peer districts, and the state, the rates of in-school and out-of-school suspension are higher for students with disabilities than for students without disabilities. The data specifically related to students with disabilities indicate that SDHC’s suspension rates for students with disabilities are higher than the state and all but one of its peer districts. This means that the district suspends students with disabilities more often than its peer districts and the state. The district’s expulsion and alternative placement rates for students with disabilities are both below 1 percent.

Exhibit 5-21

The District’s Suspension Rates for Students with Disabilities are Higher Than Peers and the State; Expulsion and Alternative Placement Rates are Very Low

District	In-School Suspensions		Out-of-School Suspensions		Expulsions		Alternative Placement	
	Students with Disabilities	Nondisabled Students	Students with Disabilities	Nondisabled Students	Students with Disabilities	Nondisabled Students	Students with Disabilities	Nondisabled Students
Broward	5%	4%	7%	5%	0%	<1%	<1%	<1%
Duval	16%	13%	23%	15%	0%	0%	1%	<1%
Hillsborough	17%	12%	19%	8%	<1%	<1%	<1%	<1%
Orange	11%	5%	18%	7%	<1%	<1%	0%	0%
Palm Beach	8%	5%	16%	8%	0%	<1%	0%	0%
Pinellas	21%	13%	18%	9%	<1%	<1%	<1%	<1%
State	14%	9%	15%	7%	<1%	<1%	<1%	<1%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

The district has implemented several procedures to more closely monitor discipline of ESE students. At the middle school level, staff development has been provided and a system of tracking established that checks discipline for ESE and Section 504 students on a bi-monthly schedule. There is a system in place to ensure that prior interventions are documented before an expulsion is considered. However, the district should regularly review discipline data at all grade levels more frequently and use the data to problem solve when trends involving specific schools, age groups, or disability groups are identified.

The ESE department has provided training for general and special education teachers and administrators on disciplinary issues related to students with disabilities. Topics of staff development sessions have included:

- Systematic Discipline Review Procedures
- Suspension Training/Services (at individual schools)

Educational Service Delivery

- Atlanta Justice Center training (Mediation Training) for all secondary assistant principals
- Use of Functional Behavioral Assessments (at individual schools)
- Training and assignment of Certified Applied Behavior Analysts (38) to assist individual schools
- Peer Mediation and Conflict Resolution (at individual schools)
- Policies and Procedures for ESE students under the Individuals with Disabilities Education (including the purchase and dissemination of Principal Manuals)
- Use of the ATOSS (Alternative to Out of School Suspension) Program for ESE Students.
- Intervention Team Procedures (at individual schools)
- 504 Policies and Procedures (at individual schools)
- Prevention of Bullying Training (at individual schools)

The district has implemented an innovative disciplinary program designed to prevent dropout and keep ESE and other students in school.

During the last school year, the district implemented a new disciplinary system, called ATOSS (Alternative to Out of School Suspension). ATOSS is part of the district's dropout prevention plan and is an innovative program for dealing with students whose behavior problems have resulted in a suspension from school. ATOSS serves all students, including those with disabilities.

The program is a collaborative model that works with community organizations and is designed to provide educational services to suspended students at alternative locations throughout the district (Boys and Girls Clubs, the YMCA, etc.). Parents can drop their children off at an ATOSS center where students complete their work. If they complete their time in ATOSS, they have the option of making up missed academic work in their regular classes when they return to their campus and the suspension will not go on their permanent record. The result is that students receive a punishment for their offense but do not lose valuable academic instruction and are not "on the streets." During the 2000-2001 school year 6,096 of the district's 178,697 students, or 3.4 percent attended ATOSS. During the same year 1,197 (4 percent) of the districts ESE students attended ATOSS, indicating that a proportionate number of ESE students took advantage of this disciplinary alternative.

The district has improved its practices related to the timely assessment and placement of ESE students but should expand its efforts to improve its number of assessments completed by the October reporting deadline.

While the timely assessment of students with disabilities is an important issue in special education, there are currently no federal or state regulations providing for timelines within which assessments must be completed, either for special education or gifted students. However, the state is in the process of discussing and considering implementation of such timelines, which will most likely require that assessments be completed within 60-90 days.

In the School District of Hillsborough County, multidisciplinary teams of professionals are responsible for the assessment of ESE students. The teams include school psychologists, school social workers, and other Supportive Services personnel. The academic and psychological testing is performed by the Psychological Services Department, which includes a supervisor, supported by a coordinator and one secretary, 144 psychologists, 17 educational diagnosticians, and a number of interns, externs, and interpreters. The department tracks the number of "Pending Psychological Referrals" at the beginning of each school year. As Exhibit 5-22 below indicates, the district has steadily reduced the number of psychological referrals for assessment that are pending at the beginning of each school year.

Exhibit 5-22**The Number of Pending Psychological Referrals at Beginning of Each School Year Has Decreased**

Academic Year	Number of Pending Referrals
1995-1996	7,036
1996-1997	4,967
1997-1998	2,489
1998-1999	1,201
1999-2000	1,321
2000-2001	1,147

Source: Hillsborough County Department of Psychological Services.

The Psychological Services Department also tracks pending referrals at the end of each month and organizes them by administrative area. Within each area, pending referrals are tracked by how long ago the referral was initiated (0-2 months, 3-6 months, and 7-12 months) and the type of evaluation (general or gifted). The number of currently pending referrals ranges from 90 for Area I to 182 for Area VII. Psychological services personnel are allocated by units assigned according to a formula written in 1997 that includes several variables, including established enrollment rates, established ESE referral rates, total number of reevaluations, etc. Applying the allocation formula requires several steps and has resulted in the assignment of personnel to campuses based by units. Despite the unit allocations, there are still many assessments not completed within 60-90 days or within the same school year that the referral was initiated.

The timeliness of assessments has a significant impact on the district receiving additional funding for ESE students. Districts receive additional state and federal funding for special education students; gifted students receive no additional funding. The guaranteed ESE student allocation that districts receive from the state for special education students is based on the number of ESE students reported in the prior October and February. If the referred students' assessments are not completed by October, it is impossible for the district to receive funding for them until February, so the district loses one-half of the additional state funding for the following year. If students are not identified by February the district loses the full amount of additional state funding for the following year. In addition, the amount of federal special education funding is based on the number of eligible special education students from the prior school year.

One of the primary problems facing the psychological services staff as they attempt to complete assessments involves communication and coordination with students' families. The district has a relatively high mobility rate (43.4 percent) as well as many students whose families are economically disadvantaged. While the multidisciplinary teams include many support personnel, including social workers, it is still difficult for the teams to maintain communication with students and families during the assessment process.

There are several options that the district should consider to reduce the number of pending psychological referrals. These include the following initiatives:

- Reallocate assessment resources during the summer and early fall, so that as many assessments as possible are completed before the October reporting date;
- Regularly review staffing formulas for and productivity of assessment staff to maximize productivity; and
- Continue to train and support general education teachers and administrators in the pre-referral process

as well as strategies for individualizing instruction, so that fewer students are referred for assessment that are unlikely to qualify for special education services.

The performance of ESE students in Hillsborough County on state assessments is generally better than most peers’ scores at most grade levels.

The state collects data from districts that indicate the percentage of students with disabilities who take the Florida Comprehensive Assessment Test (FCAT). Exhibit 5-23 below presents the eighth grade reading and math FCAT participation rates for students with disabilities in SDHC, five peer districts, and the state. From the 1997-98 school, the district’s participation rate in both reading and math declined. For the 1999-2000 school year, SDHC’s participation rate is slightly lower than its peers and the state in reading and math.

Exhibit 5-23

The District’s Participation Rate of Students with Disabilities in Statewide Assessments is Slightly Lower Than Its Peers and the State

District	Grade 8 – FCAT Reading			Grade 8 – FCAT Math		
	1997-98	1998-99	1999-00	1997-98	1998-99	1999-00
Broward	83%	72%	80%	84%	72%	80%
Duval	29%	43%	73%	32%	41%	73%
Hillsborough	73%	68%	71%	75%	70%	72%
Orange	51%	61%	68%	50%	60%	68%
Palm Beach	68%	68%	72%	68%	69%	73%
Pinellas	77%	76%	78%	78%	76%	77%
State	69%	70%	76%	70%	70%	76%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

Scores of School District of Hillsborough County students with disabilities who take the FCAT are generally higher than students with disabilities in peer districts. Exhibit 5-24 below compares the scores of students with disabilities, students in general education, and gifted students on the FCAT reading and math tests. On both the math and reading tests, students in SDHC do better than their disabled peers at most grade levels. Scores of gifted students in the district on the FCAT are higher than most peer districts’ scores at most grade levels also. These scores indicate that the gifted students who are taking the FCAT in SDHC score higher than their regular education peers and disabled students score lower than their regular education peers. These trends are expected and common to Hillsborough’s peer districts as well.

Exhibit 5-24

Average Scaled Scores of ESE Students Taking the FCAT are Higher Than Most Peers’ Scores at Most Grade Levels

District	FCAT Reading			FCAT Math		
	Grade 4	Grade 8	Grade 10	Grade 5	Grade 8	Grade 10
Broward						
Students with disabilities	241	238	250	267	244	259
General Education students	297	295	298	319	307	309
Gifted students	367	360	352	386	384	373
Duval						
Students with disabilities	254	219	227	274	225	231

District	FCAT Reading			FCAT Math		
	Grade 4	Grade 8	Grade 10	Grade 5	Grade 8	Grade 10
General education students	299	290	304	315	303	314
Gifted students	368	360	346	377	375	369
Hillsborough						
Students with disabilities	245	238	260	279	258	277
General education students	299	300	309	320	320	324
Gifted students	362	364	—	380	388	—
Orange						
Students with disabilities	230	226	262	262	240	272
General education students	290	289	301	315	305	315
Gifted students	369	360	351	389	385	377
Palm Beach						
Students with disabilities	233	231	244	270	244	254
General education students	291	294	296	322	308	311
Gifted students	361	359	357	385	381	374
Pinellas						
Students with disabilities	240	231	261	267	239	273
General education students	308	296	312	318	309	325
Gifted students	372	360	—	380	376	—

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

ESE students' good performance on the FCAT may be partially due to the comprehensive nature of the district's Pupil Progression Plan. In Hillsborough County's plan, Section 1-7.0.0 and 1-7.1.1 (*ESE Policy and Procedures*) articulate an emphasis on disabled students' access to the regular education curriculum, including not only IEP goals and objectives, but also district benchmarks, Sunshine State Standards, and Florida Course Descriptions for ESE students in grades 6-12. A recent evaluation of the districts' program for learning disabled students indicated that district benchmarks, adopted curricula, and supplementary materials correlated to the standards and are in place in the majority of classrooms.

The district provides several graduation options while still maintaining a high rate of standard diploma graduation and a low dropout rate.

The district has developed several diploma options for its special education students. Each option has specific graduation requirements related to the Sunshine State Standards, ESE Performance Standards, courses, G.P.A., and IEP documentation. These options go beyond the state requirements and are designed to encourage students to seek a diploma, remain in school, and prepare themselves for the world of work. Nevertheless, as Exhibit 5-25 and Exhibit 5-26 below indicate, the district also maintains a high rate of standard diploma graduation for students with disabilities and a low dropout rate for all ESE students.

Exhibit 5-25

The District's Standard Diploma Graduation Rate for Students with Disabilities is Higher Than the State and Most Peer Districts

District	1997-98	1998-99	1999-2000
Broward	60%	72%	58%
Duval	36%	35%	33%
Hillsborough	68%	85%	67%

Orange	70%	60%	81%
Palm Beach	60%	58%	56%
Pinellas	70%	64%	65%
State	59%	66%	56%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

Exhibit 5-26

The District Dropout Rate For Students With Disabilities is Lower Than the State and Higher Than Only One Peer District; The Dropout Rate for Gifted Students is Equivalent to the State and Most Peers for 1999-2000

District	Students with Disabilities	All Students	Gifted Students
Broward	4%	3%	<1%
Duval	10%	10%	<1%
Hillsborough	4%	3%	<1%
Orange	<1%	6%	<0%
Palm Beach	5%	4%	1%
Pinellas	4%	3%	0%
State	6%	5%	<1%

Source: *LEA Profiles*, 1999-00 School Year, Florida Department of Education.

The district evaluates specific ESE programs for effectiveness and uses performance data to improve service delivery; however they should formalize procedures for disseminating reports and implementing recommendations.

The district has begun a process of regular evaluations of its programs for specific disabilities (e.g. learning disability, educable mentally handicapped, etc.). The accountability and evaluation department has conducted two studies and the ESE department has plans to continue the process on a rotating schedule. The reviews are very comprehensive and results are reviewed with the ESE department, presented to the school board in workshop format, and disseminated to a number of individuals, who respond to questions and provide feedback on a standard form. However, this process is not formalized with written procedures nor are checklists or other tracking measures used to ensure comprehensive dissemination of findings and recommendations.

The district seeks Medicaid reimbursement for eligible expenditures.

The district files for and receives reimbursement for services in the Fee for Services Program as well as the Administrative Claiming Program. In the Fee for Service Program, from the 1995-96 school year through September 5, 2001 of the 2000-01 school year, the district has obtained over \$2 million in reimbursement in the Fee for Service Program alone.

In order to increase efficiency, the district took a leadership role in establishing a consortium of districts, for which they act as the fiscal agent and make a small profit. They do not have significant direct staff costs. The district uses a methodology, in which providers fill out a Scantron form that they send to Deloitte Consulting, Inc., for filing. The district files as often as the schedule allows and remains current with their filings to maximize timely reimbursement. The Charter schools in the district have been offered Medicaid filing as an option but have declined due to paperwork demands on their small staffs.

The district has begun a pilot program to determine the cost effectiveness of filing for claims for social work, health services, and psychological services (counseling) for employees who are not paid from

federal funds. This initiative could be very important to the district, especially if consideration is given to expanding it to behavioral services as well. A recent article in The National Association of School Psychologists *Communique* (NASP, Volume 28, No. 7) reported that while Florida school districts received over \$33 million in Medicaid reimbursement in 1999, less than 10 percent of that amount was for direct services to students and less than one percent was for behavioral services.

Recommendations

- *We recommend that the district review discipline data for ESE students on a more frequent schedule and continue training teachers and administrators on effective prevention and response to discipline problems of ESE students.*
- *We recommend that the increase timeliness of assessments for ESE students and reduce “non-qualifying” referrals.*
- *We recommend that the district formalize its procedures for dissemination and implementation of recommendations from specific ESE program reviews.*

Action Plan 5-2 provides the steps needed to implement these recommendations.

Action Plan 5-2

Increase Monitoring of Disciplinary Procedures for ESE Students	
Strategy	Review discipline data for ESE students on a more frequent schedule and continue training teachers and administrators on effective prevention and response to discipline problems of ESE students
Action Needed	Step 1: Schedule data review every 60 days. Step 2: Analyze data for trends (by area, school, grade level, type of offense, etc.) Step 3: Analyze data to determine impact on restrictiveness of placements for ESE students. Step 4: Plan and provide additional training for teachers and administrators as needed. Step 5: Summarize data and training in annual report to Assistant Superintendent of Instruction.
Who Is Responsible	Director of Exceptional Student Education
Time Frame	August 1, 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Increase Timeliness of Assessments of ESE Students and Reduce “non-qualifying” referrals	
Strategy	Appoint a special task force, review current assessment data, review options/solutions available, and implement a comprehensive long-term plan.
Action Needed	Step 1: Appoint a task force composed of staff from the ESE department, psychological services, social work, guidance counseling, health services, and instruction. Step 2: Review the status of assessments and referrals by area and by school to identify areas needing improvement. Step 3: Review options for reducing pending assessments and non-qualifying referrals. <ul style="list-style-type: none"> • Reallocate assessment resources during the summer and early fall, so that as many assessments as possible are completed before the October reporting date. • Implement a process for the regular review staffing formulas for and

	<p>productivity of assessment staff to maximize productivity.</p> <ul style="list-style-type: none"> Continue to train and support general education teachers and administrators in the pre-referral process as well as strategies for individualizing instruction, so that fewer students are referred for assessment that are unlikely to qualify for special education services. <p>Step 4: Write a comprehensive three-year plan to reduce the number of pending and non-qualifying referrals.</p> <p>Step 5: Design a method of evaluation to determine the success of the plan.</p> <p>Step 6: Evaluate progress annually and at the end of three years.</p>
Who Is Responsible	Assistant Superintendent of Supportive Services.
Time Frame	August 1, 2002, with annual reviews for next three years.
Fiscal Impact	<p>Depending on annual legislative appropriations, implementing this recommendation may result in additional revenue for the district. Special education students in Florida are provided additional state funding and federal funding through the Individuals with Disabilities Education Act (IDEA). Pending referrals at the time of the October survey represent potential loss revenue for the district. Reducing the time between referrals and assessments will reduce the number of pending referrals.</p> <p>Impact on State Funding</p> <ul style="list-style-type: none"> According to current formula for districts' ESE guaranteed allocation, the School District of Hillsborough County received \$66,430,478 for 2001-02. At the beginning of the 2000-01 school year the district had 1,147 ESE referrals pending, an estimated 344 of which did not qualify for ESE services. The district's 2001-02 guaranteed ESE allocation for 2001-02 would have increased by \$357,613 if these students had been identified prior to the October FTE survey count (assumes an additional 0.5 FTE funding for the 344 non-identified ESE students). <p>Impact on Funding from the Federal Government (IDEA funds)</p> <ul style="list-style-type: none"> According to the Florida Department of Education the federal entitlement per special education student for the School District of Hillsborough County for the 2000-2001 school year was \$638. The district would have received an additional \$219,472 in federal funds (344 pending referrals that qualified for ESE services X \$638). <p>The increase in total district funding for ESE students (Levels 1-3) would have been approximately \$577,000 if all qualified pending referrals had been identified. Actual revenue increases will depend on annual legislative appropriations and federal funding.</p> <p>Fiscal Impact for Reducing Non-Qualifying Referrals</p> <p>Non-qualifying referrals cost the district approximately \$928,800 in 2000-01 (\$360 per assessment X 2,580 non-qualifying referrals). If the district reduces its rate of non-qualifying referrals from 43% to 25% over the next five years, the district could save as much as \$388,800 annually. Actual savings will depend on the growth in the number of ESE students over the next 5 years.</p>

Increase impact of ESE reviews by ensuring implementation of recommendations.	
Strategy	Formalize district procedures for dissemination and implementation of recommendations from specific ESE program reviews.
Action Needed	<p>Step 1: Draft a plan for dissemination of ESE program reviews that includes: list of recipients, date of distribution, method of ensuring review, and procedures for receiving feedback.</p> <p>Step 2: Draft an action plan for implementation of recommendations provided in each program review, including goals, objectives, projected cost and cost-benefit, persons responsible, indicators of completion, and dates of implementation.</p> <p>Step 3: Review progress of implementation at regular intervals, at least annually.</p>
Who Is Responsible	Director of Assessment, Accountability, and Evaluation Director of Exceptional Student Education
Time Frame	August 1, 2002

Fiscal Impact This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

4 The district provides effective and cost-efficient instruction as part of its English for Speakers of Other Languages (ESOL) Program.

Considering that the district has the second highest percentage of LEP students (see exhibit 5-27) among its peers, the district does a commendable performance in the delivery of services for ESOL youth. Principals and teachers (from interviews and focus groups) overwhelmingly expressed that the leadership, student and parent advocacy, and overall support provided from the LEP supervisor and the program were outstanding. One bilingual paraprofessional (and parent) mentioned (in Spanish) how SDHC made an effort to make her feel comfortable in the school. She commented that she was immediately invited to be a member of the LEP committee and, with information provided to her in Spanish, she was made to feel like a part of the school.

Exhibit 5-27

Among Its Peers, School District of Hillsborough County has the Second Highest Percentage of Students that Are Identified Limited English Proficiency, 1999-2000

School District	Student Enrollment	Number of Students with Limited English Proficiency	Percent of Students with Limited English Proficiency
Broward	267,755	27,337	10
Duval	140,666	2,432	2
Hillsborough	176,015	17,791	10
Orange	161,087	14,531	9
Palm Beach	162,141	19,534	12
Pinellas	119,915	2,510	2
State	2,613,272	197,157	8

Data reflects students classified as Limited English Proficient (LEP) enrolled in classes specifically designed for LEP students (LY)

Source: Florida Department of Education, Office of Multicultural Student Language Education.

The district is consistent with federal and state laws and META.

The district’s procedures for identifying students eligible for ESOL programs are consistent with federal and state laws and the Multicultural Education Training and Advocacy (META) agreement. The district ensures that all schools are familiar with the META agreement. Teachers and parents are given a document that summarizes the META Consent Decree ESOL Agreement, and are given the support to ensure that teachers, paraprofessionals, and professional staff execute the agreement to its fullest.

All students and their families are given a Home Language Survey when they register for school. Exhibit 5-28 captures the items that comprise the home language survey.

Exhibit 5-28

Home Language Survey from Registration Information

Home Language Survey		Yes	No
Is a language other than English used in the home?			
Did the student have a first language other than English?			
Does the Student most frequently speak a language other than English?			
Parent/Guardian Language		Student's Native Language	

Source: Registration Information.

Those students whose parents have indicated speaking a language other than English in the home are screened and assessed. The district uses the Department of Education approved IPT II, an aural/oral assessment instrument. The average number of days from the time a student is identified to the time the student classified is 5.91 days (in 1999-99) and 6.12 days (in 1999/2000). The state average for this time period is 8.83 days. (Source: *Annual Status Report on the Implementation of the 1990 League of United Latin American Citizens (LULAC), et al. v. State Board of Education, et. al. Consent Decree*). The principal, ESOL Resource Teachers, and LEP committee members are responsible for monitoring the identification and assessment of the students.

An active LEP committee was found at every school that was visited. Two of the schools had ESOL newsletters (one was translated into Spanish) that encouraged parents to become active in the committee. One newsletter extended an invitation from the Programs for Limited English Proficient Students to participate in the District Advisory Council. The other newsletter clearly stated the members of the LEP committee and where they could be reached. One ESOL teacher wrote her students' parents a letter that explained that her ESOL program was one of the most culturally diverse in the country, and added that the ESOL team was one of the best qualified.

The Office of Multicultural Student Language Education (Department of Education) conducted a Monitoring Report in February 2000. Despite some corrective actions, the monitoring team indicated, "The LEP Department of the School District of Hillsborough County should be commended for providing training for parents of LEP students on a regular basis and for ensuring the active participation of the District Parent Leadership Council (PLC) in the revision and the implementation of the District LEP plan" (page iii). The report indicates that of the 12 schools that were reviewed, nine of the schools were found to have strong parent participation in the School Advisory Councils. Exhibit 5-29 captures some of the comments found in the report.

Exhibit 5-29

Comments from Monitoring Report

- "The school had a Parent Center that was well equipped with games, books...."
- "The Media Center had numerous multicultural and bilingual materials..."
- "Parents of LEP students were actively involved in the school. Forty-six percent of the members of the School Advisory Council were parents of LEP students."
- "The Media Center contained numerous books in Spanish and other languages."
- "The two site administrators held meetings with every new LEP student and their parents/guardians. The meetings were conducted in parents' heritage language."

Source: Monitoring Report, The School District of Hillsborough County, February 2000.

The district provides classroom teachers with substantial professional development in best instructional practices for ESOL youth.

Based on observations and comments from a teacher focus group, the district appears to be doing an exemplary performance of providing ESOL students with equal access to general education programs. The teachers know the ESOL program well. This is attributed to the fact that teachers in the district have to maintain a certain number of ESOL in-service points (varies depending on certification status, or years of tenure). Some teachers must demonstrate 300 in-service points (or five university courses) and others 60 points. Teachers that provide services to an LEP student must have an ESOL endorsement (300 in-service hours). Invariably, the district has an assortment of professional development opportunities for teachers. Some of these topics are listed in Exhibit 5-30.

Exhibit 5-30

ESOL In-service Opportunities by Title

English for Speaker of Other Languages	In-service Points
Teaching reading Skills to Limited English Proficient Students	60 Max
Managing the ESOL Class	60 Max
Cross Cultural Communication and Understanding	60 Max
Methods of Teaching English to Speaker of Other Languages	60 Max
ESOL Curriculum and Materials Development	60 Max
ESOL Applied Linguistics	60 Max
Testing and Evaluation of ESOL	60 Max
ESOL Strategies for Teachers of LEP Students	60 Max
Empowering ESOL Teachers of Other Subject Areas	60 Max
Empowering ESOL Content Area Teachers	60 Max
Empowering ESOL Teachers: An Overview, Volume I and II	60 Max
Teach Language Learning	60 Max
Teach Cross-Cultural Communication and Understanding	60 Max
Teach Extension I	60 Max
Teach Extension II	60 Max
Developing a Balanced Literacy Program for ESOL Students	60 Max

Source: Listing of Master In-Service Plan Components.

On several occasions, the in-service “ESOL Compliance Audit: Leading Your School to a Successful Audit” was offered to teachers. The focus of the in-service was to review each of the components of the META agreement. The same information was provided to the Elementary Assistant Principals.

New teachers and teachers that are becoming alternatively certified must meet six accomplished practices. The fifth practice, Diversity, allows teachers to learn about children from diverse backgrounds and how to meet their needs. Teachers are to demonstrate that they have learned how to teach students from various cultures and socioeconomic levels, and how to teach diverse learning styles and needs. Teachers that have not enrolled in ESOL courses are required to read Language Arts Through ESOL: A Guide for ESOL Teachers and Administrators. In particular, the teachers read: LEP Students and the Law, Principals of Language Acquisition, Language Arts through ESOL Instructional Strategies, Integrating Language and Content Instruction, and Parent Involvement. After reading the material, the teachers complete an assessment of their readings.

The district implements policies to assure the equal rights of youth identified as ESOL.

The Monitoring Report of February 2000 also noted that the district had policies in effect that ensured the protection of student rights. The evaluation team found that policies and procedures indeed provided all LEP students with free, equal access to all programs and services available in the district. Moreover, LEP students were guaranteed the same quality instruction afforded to native speakers of English. Indeed, ESOL students receive:

- Instruction in the content areas with their native English speaking peers by ESOL certified teachers
- Support to retain and celebrate their cultural heritage and simultaneously learn American culture

In addition, parents, teachers, and professional staff engage in partnerships (i.e. LEP Committee, District Advisory Council, and Parent Advisory Council) to ensure that ESOL students experience academic and social achievement in all school programs.

The corrective actions section of the report clearly indicates that LEP students did not have equal access to the district’s gifted program. In five schools, for instance, one or none of the students in the gifted program were classified as LEP. The district is making a concerted effort to make the gifted program accessible to LEP students. Since the report, the district has witnessed a higher percentage of LEP students in gifted programs than the state and its peer districts -- Broward, Duval, Orange, and Palm Beach.

The district’s ESOL curriculum provides students opportunities for specialized instruction combined with meaningful integration into all-English instructional environments. All ESOL students have equal access to all programs in the district. The local LEP committee and other teachers monitor this compliance. LEP committees ensure that students receive instruction in all-English instructional environments. Some schools manually prepare the ESOL students’ classroom schedules to ensure that the youth are maximizing the benefits of mainstream classes.

The district ensures that the placement of students in and removal from the ESOL program is timely.

The district requires that every student have a LEP Student Plan. This individualized plan provides an overview of the student’s achievement and instructional recommendations from the committee. Teachers and LEP committee members gather regularly to review the student’s progress and determine whether the student should transition out of the ESOL program. The LEP Supervisor notifies teachers when and how to reevaluate LEP students and update their student plans. Exhibit 5-31 outlines the items found on the Limited English Proficiency Student Plan.

Exhibit 5-31

Items on the Limited English Proficiency Student Plan

• H/L Survey Date	• Limited English Proficiency	• English Proficiency
• Instructional Strategy	• Basis of Entry	• LEP Entry
• Basis of Exit	• LEP Exit Date	• Classification Date
• Student Plan Date	• Reevaluation Date	• Extension of Instruction
• Post Reclassification Dates	• Reclassification Date	• Reclassification Exit Date
• Testing Information	• Course	• Other Programs
• LEP Committee Recommendations	• Signatures	

Source: The School District of Hillsborough County, Programs for Limited English Proficient (LEP) Students, Limited English Proficient (LEP) Students, Limited English Proficiency Student Plan.

Data from the “ESOL 1998/1999 and 1999/2000 Annual Status Report on the Implementation of the 1990 League of United Latin American Citizens (LULAC), et al. v. State Board of Education, et al. Consent Decree” indicates that the average length of time a student was served in ESOL programs was 3.73 years for 1998/99 and 4.30 for 1999/2000. The state average for both years was 2.78 and 2.97 years, respectively. For the 1999/2000 data, the longest length of time students were served in ESOL programs was 6.77 years (students in tenth grade); the shortest length was .93 years (students in first grade).

Exhibit 5-32 compares the length of time LEP students are served in ESOL programs with Broward, Duval, Orange, Palm Beach, and Pinellas County School Districts (peer districts). The average length of time LEP students are served by the district is considerably longer than the state average and the averages of all its peer districts but one, Pinellas. Demographic data, however, suggests (see Exhibit 5-33) the district is presented with a greater challenge.

Exhibit 5-32

Hillsborough County’s LEP Students are Served in ESOL Programs for a Longer Length of Time than All but One of Its Peers and the State, 1997-1998, 1998-1999, 1999-2000

School District	Overall Average by Year		
	1997-1998	1998-1999	1999-2000
Broward	3.66	3.25	3.36
Duval	1.82	1.87	1.92
Hillsborough	3.09	3.73	4.30
Orange	2.31	2.33	2.51
Palm Beach	3.91	4.31	4.38
Pinellas	2.53	2.29	2.13
State	2.75	2.78	2.97

Source: Florida Department of Education, Office of Multicultural Student Language Education.

In comparison to peer districts, School District of Hillsborough County, has more LEP students that are migrant and from households that qualify them for free/reduced lunch. This is critical considering that a student’s tenure in an ESOL program is measured from the time they are identified until the time the LEP committee determines that an exit is appropriate (according to established state and district). Reasonably, ESOL students could be identified for services, receive the services, leave the district to migrate with their families, and return to the district to continue to receive services. Their tenure in ESOL programs would arguably be lengthier than LEP students that had not migrated with their families. The district is clear in the *District Plan for Programs for Limited English Proficient Students* that LEP Committee members comply with a designated plan to exit students from the program. The guidelines and procedures ensure that LEP students are educated in the most appropriate learning situation possible.

Exhibit 5-33

Hillsborough County Has the highest percentage of LEP Students Identified as Migrant, and the Highest Percentage of LEP Students Eligible for Free/Reduced Lunch Than Its Peers, 1999-2000

	Percentage of LEP Students Identified as Migrant	Percentage of LEP Students Eligible for Free/Reduced Lunch
Broward	0.9	60.2
Duval	1.4	67.9

	Percentage of LEP Students Identified as Migrant	Percentage of LEP Students Eligible for Free/Reduced Lunch
Orange	4.2	71.9
Hillsborough	16.3	85.2
Palm Beach	8.2	78.1
Pinellas	0.0	73.6
State	7.9	76.0

Source: Florida Department of Education, Office of Multicultural Student Language Education.

The amount the district expends on the program is low considering that only one other peer district (Broward, 61 percent) expends less per percentage of generated funds on ESOL programs than the School District of Hillsborough County (73 percent, see Exhibit 5-34). All other districts and the state expend more than 80 percent of generated funds. Moreover, LEP students in the district perform better on Florida Writes! and the FCAT Reading and Mathematics (see Exhibit 5-35 and Exhibit 5-36) than many of its peers and the state.

Exhibit 5-34

Among Its Peer Districts and the State, School District of Hillsborough County Expends Less Funds on ESOL Programs Per Generated Revenue than All but One of Its Peers, 1998-1999.

District	ESOL Total Direct Cost	Total Direct Costs as a % of ADJ Revenue
Broward	38,611,836	61
Duval	4,844,881	85
Hillsborough	34,845,414	73
Orange	25,234,373	85
Palm Beach	48,694,592	88
Pinellas	5,774,007	84
State	331,474,627	81

Source: Florida Department of Education, Office of Multicultural Student Language Education.

Exhibit 5-35

Hillsborough County’s LEP Students Enrolled in LEP Classes Perform Better Than All of Its Peers on the State on Florida Writes! 1999-2000

School District	Average Score					
	Expository			Narrative		
	4	8	10	4	8	10
Broward, LY<2	2.4	2.7	2.5	2.4	2.4	2.2
LY>2	3.0	3.3	3.1	3.1	3.0	2.9
Duval, LY<2	2.0	3.0	2.3	1.9	2.7	2.1
LY>2	2.4	3.6	3.2	2.7	3.3	2.4
Hillsborough, LY<2	3.1	3.6	3.2	2.8	3.3	3.0
LY>2	3.5	3.6	3.8	3.3	3.5	3.5
Orange, LY<2	2.2	2.8	2.6	2.4	2.4	2.4
LY>2	2.8	3.2	3.1	2.8	2.7	2.8
Palm Beach, LY<2	2.8	2.8	2.1	2.5	2.7	2.1
LY>2	3.0	3.3	2.6	2.9	3.0	2.5
Pinellas, LY<2	2.0	3.2	2.9	2.2	2.8	2.6
LY>2	3.2	3.7	3.8	2.6	3.3	2.6

School District	Average Score					
	Expository			Narrative		
	4	8	10	4	8	10
State, LY<2	2.1	2.6	2.4	2.1	2.3	2.2
LY>2	3.0	3.3	3.0	3.0	3.0	2.7

LY=LEP students enrolled in classes specifically designed for LEP student
 <2=Less than two years in ESOL program
 >2=More than two years in ESOL program

Source: Florida Department of Education, Office of Multicultural Student Language Education.

Exhibit 5-36

Hillsborough County’s LEP Students Enrolled in LEP Classes Perform Better than All of Its Peers and the State on the FCAT Reading and Mathematics, 1999-2000

School District	Average Score											
	Reading					Mathematics						
	4		8		10	5		8		10		
	<2	>2	<2	>2	<2	>2	<2	>2	<2	>2	<2	>2
Broward	227	266	233	254	240	255	280	290	271	269	276	280
Duval	199	212	224	247	240	239	255	278	263	273	262	268
Hillsborough	241	269	251	241	247	264	299	298	289	269	285	294
Orange	211	233	215	228	239	248	271	278	263	254	275	276
Palm Beach	230	240	230	239	223	229	282	280	262	251	254	247
Pinellas	200	227	241	244	254	245	265	262	288	263	307	295
State	205	248	218	238	231	242	266	284	261	260	267	266

<2=Less than two years in ESOL program
 >2=More than two years in ESOL program

Source: Florida Department of Education, Office of Multicultural Student Language Education.

Teachers collaborate to effectively serve LEP students.

Teachers of ESOL and English proficient students coordinate and develop programs collaboratively within and across grade levels. Teachers are encouraged to work collaboratively with one another. The district has provided all teachers with instructional strategies that help students better understand English and the school environment. Teachers collaborate to complete the ESOL Strategies Verification Form for each ESOL student. This form is a checklist of the various strategies teachers should use with ESOL students. Exhibit 5-37 provides a sample of items found on the ESOL Strategies Verification Form.

Exhibit 5-37

Sample from the ESOL Strategies Verification Form

<i>Please keep this form in the LEP folder by your lesson plan book and give to your principal at the end of this school year, to be maintained for FTE and compliance audits.</i>				
Strategies utilized with ESOL Students	Report Periods			
	1	2	3	4
1. Have student work in cooperative groups.				
2. Have student use partner reading.				
3. Encourage peer tutoring.				
4. Stress caregiver speech: slower and simpler.				

Please keep this form in the LEP folder by your lesson plan book and give to your principal at the end of this school year, to be maintained for FTE and compliance audits.

Strategies utilized with ESOL Students	Report Periods			
5. Emphasize extension and elaboration.				
6. Focus on meaning over form.				
7. Use demonstrations (visual and manipulative).				

Source: ESOL Strategies Verification Form 2000-2001 School Year.

ESOL teachers regularly distribute newsletters (to other teachers and parents) that feature supportive practices for ESOL students. Such strategies include: have students underline key words or important facts in written assignments; use student pairs for team learning and tutoring; and allow opportunities for students to share experiences unique to their culture, etc. Exhibit 5-38 is an example of how one ESOL teacher shared some teaching strategies with her colleagues.

Exhibit 5-38

Newsletter Sample

ESOL Strategies Benefit All Students

The following list of supporting practices for effective use of ESOL strategies is **helpful to all students**. Modifications (whether they are for ESOL, ESE, etc.) function as **overall classroom enhancement**. Use extensive visual aids (can be student-generated and reused)

- Have students underline key words or important facts in written assignments
- Simplify and standardized vocabulary
- De-emphasize speed and emphasize accuracy of work
- Design activities that relate to previous experiences
- Provide “realia”
- Have students create individual vocabulary cards (laminated and reuse)

Source: Lion Lingo, King High ESOL Newsletter, February 2001.

Another ESOL teacher provided her teachers an article entitled, “The Innocent Abroad’s Shortlist,” that described common communication gestures or signals that are often offensive to other cultures.

Schools must also collaborate to complete an ESOL Action Plan. The ESOL Action Plan is essentially a process that allows a school community to analyze LEP student data, and identify goals and strategies to improve their performance on the FCAT. ESOL teachers, principals, assistant principals, teachers, and others are asked to: collect data on their LEP students’ performance on the FCAT; identify goals for improving their performance; identify and implement strategies to improve their performance; explain how personnel will be used; include the school and business community in the writing of the plan and how they can enhance student performance; and identify the timelines and persons responsible for fulfilling the goals. Exhibit 5-39 illustrates how one school structured their action plan for reading.

Exhibit 5-39

A School’s ESOL Action Plan for Reading

Goals	Activities	Resources Needed	Person Responsible	Date(s)/ Timeline
<ul style="list-style-type: none"> • Reading • LEP Students will demonstrate competence in 	<ul style="list-style-type: none"> • Share materials at parent (PAC) and student conference. • Readers Response • Strategies to monitor 	<ul style="list-style-type: none"> • Write time for Kids • Lesson Plan Book • Narratives/Expo 	<ul style="list-style-type: none"> • Resource Teacher • Paraprofessionals • Teachers 	<ul style="list-style-type: none"> • Implement 2001-2002 • Continue throughout year.

Goals	Activities	Resources Needed	Person Responsible	Date(s)/ Timeline
the general skills and strategies of the reading process.	comprehension, develop vocabulary • Reading Strategies: • Organizing, predicting, prior knowledge, • Summarizing, • Independent Reading	sitory Charts • Transparencies • Language Arts through ESOL • Reading Expectations		

Source: Programs for Limited English Proficient Student, ESOL Action Plan 2001-2002, Temple Terrace Elementary.

ESOL curriculum includes standards.

The district’s ESOL curriculum includes standards for mastery of listening, speaking, reading, and writing English. The entire program is founded on four goals of which drive the standards:

- To develop the student’s English language proficiency in the areas of viewing, listening, speaking, reading, and writing so that he/she can be successfully integrated into academic areas
- To provide the student with information and skills related to job and career opportunities
- To encourage communication between the school and home that will promote the educational success of LEP students
- To promote cultural awareness among students and the community. Limited English proficient students need to acquire an understanding of the culture of their new homeland as well as maintain an appreciation of their own heritage.

ESOL standards and benchmarks are embedded throughout the curriculum. These can generally be found in a table-like format comprised of standard code, intended outcomes, ESOL Sample Performances, Strategies, and Proficiency Code. In other instances, competencies and objectives are listed. For example, in MJ Language Arts 1 through ESOL, grammar is addressed as follow:

Grammar competencies for student mastery should include but not limited to:

1. Using definite and indefinite articles.
2. Using parts of speech.
3. Using descriptive and possessive adjectives.
4. Using commonly used irregular verbs in the present, past, and future tenses.
5. Using parts of speech that help to indicate time, place, degree, and location.

SDHC assesses the ESOL.

District administrators regularly assess the effectiveness of the ESOL instruction. Two district reports, in particular, provided a comprehensive assessment of the ESOL program: ESOL Needs Assessment and Evaluation Part I English for Speakers of Other Languages. The former included an assessment of: Parent Advisory Councils and District Advisory Councils; Parent Involvement Verification Forms; student cumulative folders; and ESOL curriculum. A series of recommendations were provided to enhance the programs. Some of these are provided in Exhibit 5-40.

Exhibit 5-40

Recommendations from ESOL Needs Assessment

- The program needs an “aging schedule” prepared for all currently enrolled students showing how long they have been in the program.
 - Investigate alternative to the IPT test and consider modifying the Home Language survey administration procedures.
 - Develop and monitor district guidelines for maximum LEP students/bilingual aide classroom ratios.
 - Continue efforts to increase attendance at school parent advisory council meetings.
 - Continue translating materials and invitations into heritage languages to promote involvement
-

Source: ESOL Needs Assessment, page 53.

The Evaluation—Part I had a different focus. This report set out to answer:

1. What is the actual time being served in the ESOL program versus enrolled time?
2. What is the average length of stay according to grade level factoring in out-of district mobility rate?
3. What instructional gains do students being served in the program make?
4. Do the academic gains increase as the length of time in the ESOL program increases?

Pages 10 through 108 of the evaluation are tables and graphs that have set out to answers these questions. Ultimately, the results from the report have been used to improve the process that determines the necessary amount of time students needing ESOL instruction.

5 The district provides effective and cost-efficient secondary vocational and adult/technical education programs.

The SDHC provides effective secondary vocational programs through a variety of options:

- All middle school students participate in a Career Exploration class.
- All high schools offer technical and career courses. In addition, career specialists provide career guidance in fully computerized Success Centers.
- Two Career Centers (a third and fourth will be opened in the fall of 2003 and 2004 respectively) offer students who are not succeeding academically the option of pursuing technical training. These centers offer several graduation options to students (e.g., GED-state diploma and GED/HSCT (FCAT) district diploma.)

Adult Technical, Adult General and Adults with Disabilities educational programs are referred to as Workforce Development education programs. The district also offers a variety of opportunities to adults living in the community:

- Workforce Development and Vocational Certificate Programs are offered at 4 technical centers for adults.
- Free English language classes, GED, and Hi-Tech vocational training are offered at the Caribe center to persons who have recent refugee or asylee status.
- Adult centers offer Adult Basic Education, GED, ESOL, and Community Education Classes. These centers are in various locations around the district; most of these are at high schools.
- Adults with Disabilities training programs are offered at three sites.

The Division of Technical, Career and Adult Education requires all administrators to develop an annual Program of Work representing major initiatives that directly support the district's Strategic Plan. The development of a Divisional Program of Work greatly ensures that vital initiatives beyond the job descriptions for a particular position are identified and a strategy, timeline and means of evaluation are established to advance the Division and the district. It's specifically designed to focus individuals on accomplishing divisional and/or district goals and is used to measure administrative performance during the formative and summative evaluations.

The Division of Technical, Career and Adult Education has implemented several innovative programs and pursued and won several state and federal grants. The Division also evaluates the effectiveness of its programs by tracking graduates and surveying their employers.

The district updates courses and adds, drops, or redirects vocational and technical programs as job trends and industry demands change.

The district's Technical, Career, and Adult Education Division updates its courses and programs on a continuous basis. When updating courses and programs, division personnel solicit information from individuals in the field by conducting monthly meetings with each program's Advisory Committee. The Advisory Committee includes graduates of the programs, parents, individuals from the industry, and educators. Part of the agenda each month is to solicit advice on course and program content and to discuss curriculum and technology needs. The Division also collaborates with the area Chamber of Commerce.

The Division examines the average and entry wages of regional occupations that have annual openings that are greater or equal to 25 to determine if there are additional courses of study they should offer. Enrollment figures in all courses are checked on a consistent basis. If enrollment in a course drops, the course instructor is observed to determine if she or he is the source of the low enrollment. If it is determined that the teacher is not the source, the school and the division staff look at labor market statistics. While the decision to drop the course ultimately lies with the Principal, the division staff provides guidance.

Each course also has curriculum frameworks developed with industry input. The Division of Technical, Career and Adult Education revises its curricula on a yearly basis. For example, in the spring of 2001 district personnel revised many of its curricula (e.g., Computer Application in Business 1 and Accounting 2) to include the Sunshine State Standards, and updated projects, activities, and performance assessments utilizing FCAT questions.

The district effectively collaborates with businesses and industries in the community and aggressively pursues opportunities for additional funding for its Technical, Career, and Adult Education Program.

Business and industry partnerships play a key role in the success of tech prep and adult technical education programs. Ongoing partnerships are nurtured and new partnerships are forged (e.g., Florida Department of Transportation; the Tampa Housing Authority; Marriott Hotels). In addition to forming partnerships with businesses, industry, and community agencies, the division pursues state and federal grants. Exhibit 5-41 illustrates the major grants awarded to the district in 1999-2000.

Exhibit 5-41

The Technical, Career, and Adult Education Division has Pursued and Received a Number of State and Federal Grants, 1999-2000

Name of Grant	Description	Amount of Funding
Adult and Family Literacy	Assists adults in becoming literate, obtaining skills necessary for employment, and completing secondary school education	\$1.2 million for two years
CARIBE	Targets Cuban and Haitian refugees who need ESOL, GED, and technical training.	\$500,000
21 st Century Community Learning	Assists children ages nine through fifteen living in the Tampa Enterprise Zone. Features a school-based enterprise formed and operated by students in six middle schools.	\$3 million for three years
21 st Century Whole Child	Assists inner-city students by providing a variety of academic and enrichment activities at seven district schools. The program has a strong emphasis on family participation.	\$2.7 million for three years
Rural Schools Voicing Progress	Provides after school, weekend, and summer programs that offer a variety of services and activities to students and members of the community. Offered in five schools in the rural areas of the district.	\$3.6 million for three years
Even Start	Expanded Even Start opportunities to two Family Learning Centers. Focuses on family literacy initiatives.	\$1 million for four years

Source: Technical, Career, & Adult Education Division, Annual Report 2000.

The district offers several programs and has a large enrollment in their adult and community education program.

The district has 21 adult and community schools and 127 extension centers (based on 1999-2000 data). In these schools and centers, 124 adult High Diplomas and 2,044 GED diplomas were issued. The adult education program offers five types of programs: Adult Basic Skills, Adult Secondary, Adult Disabled, GED Testing, and Community Education Activities. Exhibit 5-42 shows the enrollment in each of these.

Exhibit 5-42

The District Has a Large Enrollment in Their Adult Education Program

Program	Enrollment
Adult Basic Skills (Education)	16,703
Adult Secondary	11,941
Adult Disabled	452
GED Testing	3,903
Community Education Activities	91,425
TOTAL	124,424

Source: 1999-2000 Adult Education Annual Performance Report.

Adult Basic Education is designed for students functioning below the ninth grade level. Students in this program can enter to attain basic literacy or to continue in secondary education. Studies in this program include reading, handwriting, arithmetic, spelling, social studies, health, language arts, and consumer education for grades 1 through 8. In addition, ESL/ESOL, citizenship, and workplace readiness skills may be included.

Adult Secondary is designed for students who are at least sixteen years of age and who have withdrawn from the regular day school program. Courses are taught at or above ninth grade level in preparation for the General Educational Development (GED) tests or a high school diploma.

Adults with disabilities are served at Brewster Technical School, Chamberlain Adult School, and Gary Adult School. The program provides a comprehensive offering of educational services designed to promote self-sufficiency. The program targets three areas: quality of life, workforce preparation, and lifelong learning. Adults with disabilities have the opportunity of earning an adult exceptional diploma. Gary Adult School serves adults with disabilities who are more severely impaired. The site provides a day program so that working parents of adults with severe and profound impairments have a good program for their children. This is a service that the district provides to its community. Funding for this program is categorical and is provided by the state through its Workforce Development allocation. For 2001, the district received approximately \$600,000 for this program.

The Community Services Program (Community Education Activities) provides additional social, cultural, and recreational activities to community residents. Class fees vary depending on the type of class.

The district has cost efficient postsecondary vocational programs.

Five years ago the Florida Legislature passed legislation that allowed community colleges to offer vocational certificates in addition to Associate of Arts and Associate of Science degrees. This has resulted in an overlap of programs between the district and Hillsborough Community College (HCC). However, it also provides the district with an opportunity to articulate its adult technical program with HCC. For example, the district offers the first year of a Respiratory program and students finish the course work at HCC. The district believes that the size of the county warrants both the district and HCC the enrollment to offer the same programs in some cases. In addition, the district believes this competition will force them to become more effective in managing their resources.

Postsecondary vocational programs in the district are offered at four technical centers: Brewster Technical Center, Erwin Technical Center, Leary Technical Center, and Tampa Bay Technical Evening Center. Adults taking a program of study at one of the adult technical centers ultimately earn a certificate, as opposed to college credit. Technical training programs are offered at a minimal cost both day and evening, full-time and part-time.

The adult technical centers all have high completion and placement rates for their vocational certificate programs. (Continuing Workforce Development programs provide additional training for already employed individuals and thus completion and placement rates are not relevant.) Additional funds are allocated based on these two rates and this sum is added to the base allocation from the prior year. As seen in Exhibit 5-43, the allocation for three sites offering Vocation Certificate Programs increased (Tampa Bay Technical Evening Center is a small program and is not included in this exhibit).

Exhibit 5-43

Hillsborough’s Vocational Certificate Program Earnings Are Greater Than its Base 2000-2001

Site	Completion \$	Placement \$	Base \$	Total Earnings
Brewster Technical Center	\$235,995.83	\$67,223.25	\$1,527,717.22	\$1,830,936.30
Erwin Technical Center	\$607,379.93	\$403,339.50	\$5,400,454.68	\$6,411,174.11
Learey Technical Center	\$672,148.83	\$503,531.37	\$1,159,823.91	\$1,830,504.10

Source: The School District of Hillsborough County, Workforce Development Education: 00-01 Earnings by Site.

The district’s postsecondary vocational program has a higher or equal placement rate, but its secondary vocational program has the second lowest placement rate among its peers and the state.

The Florida Education and Training Placement Information Program (FETPIP) is a state data collection system that obtains follow-up data of former postsecondary and secondary vocational students with which to calculate completion and placement rates. Follow-up data include employment, continuing education, military, public assistance participation, and incarceration figures. Individuals are located through a social security number search with approximately 80 percent of the original participants in postsecondary and secondary vocational programs located. After eliminating individuals with exceptionalities without positive outcome data, non-resident aliens, undeterminable data and those incarcerated, the remaining individuals form a pool to determine the current placement rate. This percentage is based on the ratio of the number of former students in the pool divided by the number of individuals in the pool with employment related to training, continuing their education or in the military. Exhibit 5-44 compares the placement rates of Hillsborough’s secondary and postsecondary students with the state and its peers. As can be seen from this exhibit, the district’s postsecondary vocational program has a slightly higher or equal placement rate as its peers and the state. While the district’s secondary vocational program has a slightly lower placement rate than most of its peers and the state, this difference is not significant.

Exhibit 5-44

Hillsborough has a Slightly Higher or Equal Percent of Placements than the State and All But One of its Peers For its Postsecondary Vocational Students, But Have the Second Lowest Placement Rate For its Secondary Vocational Students, 2000

School District	Placement Rate	
	Secondary	Postsecondary
Broward	87%	80%
Hillsborough	82%	80%
Orange	79%	80%
Palm Beach	92%	78%
Pinellas	88%	75%
State	86%	76%

Source: Florida Education and Training Placement Information Program, 1999-2000.

The district’s Workforce Development Education programs are awarded more performance funds than any district or community college in the state.

Workforce Development education programs have been funded based on performance since 1997. The funded performances are referred to as outputs and outcomes. The outputs include vocational program completion and adult education improvement measured by increases in literacy levels. The outcomes focus on employment at three levels and continuing enrollment in higher levels of postsecondary education. The law stipulates that certain of the performances are to receive extra weighting in the funding formula. These include paying more for programs of long duration and high cost, paying more for targeted populations of students, and paying more for placements when they result in high pay/high skill jobs. If placements occur in areas of high unemployment, the program receives additional funds.

The basic concept of the funding formula is that workforce development education programs receive a base component, which is 85% of the previous year’s appropriation. Additional amounts are calculated based on the value of previous year’s performances (which may be greater or less than 15%.) The dollar

value of the performances is calculated by multiplying the number of completions by the weights for program length and targeted populations and multiplying the number of placements by weights for high paying jobs, targeted populations, and placements in areas of high unemployment. The weighted completions and weighted placements are then added together to get total performance points.

The district’s Workforce Development Fund establishes budgets for a) reserve funds, b) indirect expenditures, c) administration and d) site allocations based on prior year’s performance. Each funding category is budgeted and projected to the end of the fiscal year. Expenditures are analyzed on a monthly basis and adjustments can be made as needed. For example, the two legislative special sessions have resulted in an adjustment to the current year budget (reduced approximately 2.2 million). The budget process established has been effectively implemented to analyze cost reduction and/or surplus. Exhibit 5-45 illustrates that the school district of Hillsborough County was awarded greater performance funds than all its peers. In fact, the district was awarded greater performance finds than any district or community college in Florida.

Exhibit 5-45

Hillsborough’s Workforce Development Education Appropriation Has the Greatest Gain of All its Peers, 2001-2002

School District	Starting Performance \$	Vocational Performance \$	AGE* Performance \$	Gain/Loss \$
Broward	\$3,144,345	\$83,949	\$4,898,734	(\$1,665,419)
Hillsborough	\$2,343,661	\$62,572	\$2,967,807	\$1,479,928
Orange	\$2,854,473	\$76,210	\$2,195,849	\$416,169
Palm Beach	\$3,404,464	\$0	\$1,761,117	(\$103,926)
Pinellas	\$2,255,341	\$60,214	\$2,335,794	\$1,172,978

*AGE=Adult General Education.

Source: 2001-2002 Workforce Development Education Fund, Final WDEF Allocation, April 28,2001.

The district secondary technical and career education program has a variety of options for students.

Every high school in the district has technical and career offerings. The district has three technical education options for its students: TECH PREP (Technical Preparation), College Prep/TECH PREP, and Technical/Career. Students in any of the three programs must complete at least 24 credits and meet the district’s Benchmarks to graduate with a standard high school diploma. A TECH PREP student is one enrolled in an articulated technical-career program, has completed at least two sequential credits in a program area, and is at or above grade level by grade 11 in mathematics, science, and English. TECH PREP parallels College Prep in the rigor of academics and expectations for students. The College/TECH Prep option is the same as TECH PREP with the addition of the foreign language component. The technical-career program consist of courses that cannot be articulated to an institution of higher learning—be it an adult technical center, a community college, a university, or an Adult Registered Apprenticeship program. To complete a technical-career course of study, the student must complete a minimum of two credits in the same subject areas and the district’s Benchmarks. The only level II academic requirement for this option is Algebra. Exhibit 5-46 presents the programs offered in Technical and Career Education, the enrollment in each and the number of high schools (except for Tamp Bay Technical) offering each.

Exhibit 5-46

Hillsborough Offers a Variety of Programs in its Secondary Technical and Career Education Program, August 2001

Program	Enrollment	Percentage of High Schools Offering Program
Agribusiness	2,134	11
Business Technology	11,693	20
Marketing/Diversified	6,813	20
Family and Consumer Science	10,063	19
Health Sciences/Public Services/Cosmetology	4,525	16
Industrial and Technology Education	7,103	15
Exploratory	12,900	All middle schools
TOTAL	55,231	

Source: Technical, Career, and Adult Education: The School District of Hillsborough County, Automated Student System, 11/30/01.

The district also has one technical high school, Tampa Bay Technical High School. Tampa Bay Technical has several program offerings that prepare students for postsecondary educational opportunities as well as for work. Upon graduation, the student receives a high school diploma and a certificate of proficiency in a specialized area of study. The school offers 26 programs:

- Academy of Construction and Contracting
- Academy of Engineering
- Academy of Health Professions
- Academy of International Business
- Academy of Journalism
- Agriculture
- Air Conditioning and Refrigeration Mechanics
- Auto Body Technology
- Automotive Service Technology
- Blueprint for Professional Success
- Business Technology
- Child Development
- Commercial Art
- Computer Electronics Technology
- Cosmetology
- Culinary Arts
- Heavy Equipment Mechanic
- Drafting
- Early Childhood Education
- Electronics Technician
- General Machining
- Industrial Cooperative Education
- Industry Electricity
- Practical Arts General
- Nutrition and Wellness
- Welding Technology

Currently the district has two Career Centers, with plans to open a third and fourth in August 2002 and 2003 respectively. The purpose of the four Career Centers is to provide quality performance-based career preparation programs and facilities for at-risk youth. The centers will educationally serve students who are not succeeding academically at one of the district’s comprehensive high schools or who are over-aged middle school students. These centers will not duplicate or directly compete with the existing career academies. The career centers provide a more realistic option for students interested in pursuing nonacademic careers.

The centers are part of the district’s dropout prevention program. All students will be enrolled in a career-training program for approximately half the school day and academic instruction in the Academic Learning Lab the remaining half of the day. Each student’s program of study will include required state academic standards and lead to a paid work experience during the final year. The goal is for all students to be employed upon graduation. The previous exhibit on placement rates illustrate that the current district’s secondary vocational placement rates are lower than most of its peers and the state. The centers should help improve the district’s placement rates for its secondary vocational programs.

Students must meet the following nine entrance criteria to get into a Career Center:

1. Is at least 15 years of age
2. Is at least one year behind the kindergarten cohort
3. Is unable to achieve District Benchmarks appropriate to grade level
4. Has no record of aggressive behavior or severe discipline problems over the past six months
5. Is willing to commit to workplace training in DCT or in one of the career clusters offered at the Career Center
6. Is capable of performing the functions for jobs associated with the chosen career cluster
7. Is willing to accept one of the exit options offered at the Career Center
8. Is willing to transfer to the Career Center campus
9. Is willing to accept placement in this Dropout Prevention Program

The Career Centers are a good step in the right direction for the district to work with students who are not willing or not able to achieve academically. While only 136 students are currently attending the two operating centers due to limitations in capacity, the district recognizes this and is addressing this shortcoming. By the year 2004, four Career Centers should be serving approximately 1,150 to 2,200 students. Exhibit 5-47 illustrates the timeline and the numbers of students to be served in each center.

Exhibit 5-47

Hillsborough Will Serve Over 2,000 Students in its Career Centers by August 2004

Career Center	Completion Date	Student Capacity
D.W. Waters-Tampa Heights Area	August 2002	500-550
South County-Ruskin Area	August 2002	500-550
North County-University Area	August 2003	500-550
East County Career & ESE Canter	August 2004	450-500

Source: The School District of Hillsborough County.

6 The district’s curricular framework is linked to Florida’s accountability standards and to the Sunshine State Standards.

The School District of Hillsborough County maintains an exemplary performance in aligning curriculum guides, textbooks, and other instructional materials with the Sunshine State Standards and district level benchmarks.

The instructional curricula, textbook and instructional material, report cards, and curriculum guides and benchmarks are clearly aligned with the Sunshine State Standards.

A review of the Kindergarten, elementary, middle school, and secondary education curriculum guides finds that all guides must discuss the standards and benchmarks within the guide. This is attributed to the fact that the district maintains the policy that whenever supervisors and committees of teachers gather to write or rewrite curriculum guides the Sunshine State Standards must be embedded in the instructional content. Unsurprisingly, all guides discuss the importance of the standards, outline the standards, and in

some instances discuss strategies to meet the standards. In almost every guide, the standards precede the content.

The district maintains the policy that all adopted textbooks must incorporate the Sunshine State Standards. Every textbook adoption committee must ensure that the textbooks are aligned with the standards. Consequently, every textbook series in the district is aligned with the standards. This standard procedure holds true for instructional material. Essentially, all instructional material must enhance the curriculum and should be used to meet the standards. Committees of instructional and professional staff have reviewed and outlined resources that can be used to meet the standards. These resources are available in manuals entitled, “Instructional Materials, Flexibility List.”

Most of the manuals begin with a note from the General Director. In elementary education, the director wrote:

“The Department of Elementary Instruction and the Department of Education Materials Services have worked collaboratively to produce the Flexibility List of Instructional Materials for Elementary Education. These materials are considered to be outstanding supplementary instructional materials and have been approved by teachers, parents, lay people and supervisors using the Instructional Materials Adoption Procedures. We are pleased to present these materials in a format that is easy to use and that provide you with the most current ordering information.”

These manuals are easy to use. Tabs divide the subject areas, and the resources in the tabs are presented in a table with information about the series, publisher, grade level, title of material, and price information. If an elementary education science teacher, for instance, were in need of supplementary materials on dinosaurs to address a science Sunshine State Standards, he or she would find that the manual has an assortment of dinosaur books priced at \$6.95.

In secondary education, all supervisors and department heads have a copy of the Sunshine State Standards for Grades 9-12. This text includes all of the standards for Language Arts, Mathematics, Science, Social Studies, Foreign Languages, The Arts, and Health Education. The standards, strands, and benchmark are clearly outlined. In addition, all supervisors and department heads have a copy of the Florida Curriculum Framework: PreK-12 Sunshine State Standards and Instructional Practice for each of the content areas.

The content of these texts include Visioning, Goal 3 Standards, Sunshine State Standards, Teaching and Learning, Curricular Connections through Instruction, Assessment, The Learning Environment, Professional Development, and the content area’s Program Improvement. The district uses these to develop curriculum, and to show teachers how they can address the standards and the benchmarks in the classroom. The Teaching and Learning chapter, in particular, provides readers with strategies that can be incorporated in the classroom. Exhibit 5-48 includes an example directly from the chapter.

These texts also include a section on recommend teaching strategies for ESOL students, students with disabilities, and at-risk students. Teachers of at-risk students, for instance, are recommended the following:

“Some strategies that have been effective in targeting at-risk students are the following: providing concrete rather than abstract instruction, for example, physical objects, pictures, maps, diagrams, and colors as well as stories and anecdotes, because loading instruction with many example makes the lesson come to life.”

Evidence suggests that the district regularly reviews and updates curriculum guides. Every curriculum is updated when the textbooks are up for adoption. One supervisor sent all the science teachers a letter to inform them that the science curriculum is periodically reviewed. She wrote:

Dear Science Colleague:

...As for all our curriculum guides, this one had been authored by teachers who teach the course, and have volunteered to spend part of their summer revising and adapting the curriculum guide to the newly adopted text for this course....

Periodically, each course is revised, usually to incorporate significant changes such as new texts, state curriculum changes, and in the future to reflect Science FACT test specifications. The Sunshine State Standards in Science (S4) have also been incorporated into this guide....

Our Science Curriculum is like a living organism.... it constantly changes. This guide is a reflection of the evolution, which occurs as both Science and how we teach it, develops and improves.

Lastly, district report cards are aligned with the Sunshine State Standards. Every content area, for instance, has abbreviated standards that teachers respond to. Teachers are encouraged to maintain a checklist of the benchmarks (professional staff distribute these to the teachers at the beginning of the year) to support the code they assign the students. Some teachers are required to give these checklists to their principals at the end of each grading period.

The district provides sufficient assistance to teachers for designing instruction to meet the Sunshine State Standards. Teachers receive wide support to learn more about the standards and the benchmarks and how to meet these in their classrooms.

Elementary teachers are encouraged to share how they incorporate the standards in their teaching. “Success Stories: Questions and Answers” is a flyer that is distributed to other elementary school teachers. The flyer is comprised of answers to questions that revolve around how the teacher provides instruction that meets the standards. The questions ask:

- What is unique about how you teach to the standards?
- What creative strategies or methods do you use to make your instruction come alive?
- How do you relate your instruction to the real world?
- What worked particularly well for you this past week in teaching to the standards?
- How do you document the student mastery?
- How do you make assessment an integral and ongoing part of your instruction?
- What alternative assessment do you use?

As aforementioned, in order for the district to approve the delivery of in-service training, the in-service must address the Sunshine State Standards, one of the domains of the Whole School Effectiveness paradigm, or the district plan. Inevitably, the in-services address the Sunshine State Standards. Some of the titles that specifically address the Sunshine State Standards include:

- Bringing the Sunshine State Standards into the Classroom
- Bringing the Sunshine State Standards into the Foreign Language Classroom

Educational Service Delivery

- Teaching the Elementary Mathematics Sunshine State Standards
- Sunshine State Standards in the Mathematics Curriculum Grades 9-12

Although most of the titles do not specifically mention the standards, the standards are embedded in the content. Examples of such training include:

- Everything You Ever Wanted to Know about the FCAT (But were afraid to Ask)
- Intensive Reading III Enhancement Materials
- HSCT/FCAT Communications Skills Activities
- Information Power: Because Student Achievement is the Bottom Line

One particular in-service, Making FCAT Connections with Elementary Music Performing Ensembles specifically mentioned, “These experience are a key component for providing opportunities for music educators to successfully implement the Sunshine State Standards in Music while providing support for high levels of achievement on the FCAT.” Teachers were instructed to consider not only the standards as they apply to music, but how the instruction may impact other content standards such as the language arts. The workshop handout detailed a lesson plan that incorporated the Sunshine State Standards for music (specifically creation and communication). The material also mentioned that teachers should ask themselves, “How do music performing ensembles provide support for student achievement on the FCAT?”

One school provided their teachers with an in-service entitled, *FCAT Focus on Reading*. The agenda included the following items:

- What is reading?
- Best Practices and The Blonke
- Implications for teaching and learning
- Components of CRISS
- CRISS Keys
- FCAT – It’s Just and Open Book Test
- Project CRISS Correlation
- FCAT Item Correlation
- Scoring – Examining the Whole Picture
- Holistic Rubric
- The Department Chairperson as the Catalyst for Change
- Encouraging department members to participate in in-service training
- Support implementation of strategies by:
 - Modeling and review lesson plans
 - Classroom Observations
 - Sharing positive results with administrators
 - Award In-service Points

7 The district has adopted a plan for the progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards.

The district's pupil progression plan meets all state requirements and includes specific policies related to social promotion and evaluation or performance.

Florida requires that each school board establish a comprehensive program for pupil progression that is based upon an evaluation of each pupil's performance, including how well the pupil masters the performance standards approved by the state board. In addition, the district program for pupil progression must be based on local goals and objectives that are compatible with the state's plan for education. Pertinent factors considered by the teachers before recommending that a pupil progress from one grade to another shall be prescribed by the district school board in its rules (FS 232.245).

The district's school board approved their pupil progression plan in December 1999 and revised it by board action in May 2001. The district's plan includes statements articulating the goal and mission of the district as well as its commitment to maximizing students' potential. The district's pupil progression plan reflects compliance with several state regulations (along with the appropriate reference), including those pertaining to:

- Student performance standards (Sunshine State Standards)
- Career awareness
- Non-discrimination
- Health education and substance abuse prevention
- Accelerated grade placement
- County Level Special Placement Committee and its communication with parents
- Promotion and retention
- Placement criteria
- Referral procedures
- Out-of-school youth
- Minimum levels of performance on statewide assessments
- Remediation activities
- Alternative placements
- Extended learning opportunities

Of particular importance is the state's prohibition against social promotion and the requirement that students who do not meet established expectations receive intensive remedial assistance or are retained in an intensive program different from what they received the previous year. The district has articulated specific factors that are identified for consideration by teachers for individual students. These include age, number of retentions, attendance, behavior, effort, credits and/or courses passed and failed, and extenuating circumstances. Placement criteria are based on achievement level, aptitude and mental age, maturity (physical, social, and emotional), attendance, number of retentions, and extenuating circumstances.

The district’s pupil progression plan articulates specific procedures for Kindergarten initial placement, first grade initial placement, second-fifth grade initial placement, part-time enrollment of home education students, promotion, retention, and procedures for Limited English Proficient (LEP) students. The district plan includes clear policies and procedures related to grading students’ performance and measuring their progress on the statewide assessments. Regular evaluations of students and guidelines for consistent grading scales for grade level clusters are included in the pupil progression plan.

The district’s plan describes the academic credit requirements for students, including criteria related to achievement from standardized achievement test results, state assessments, progress on District Benchmarks, and Graduation Standards. The district requires on-going mastery of District Benchmarks and ties the grading scale directly to student performance. The Benchmark handbook clearly defines promotion requirements and provisions for the Extended School Year (ESY) are included for students who have not mastered criteria. Benchmark brochures are provided to all parents, teachers, administrators, and related personnel. Academic improvement plans are generated for every middle school student with Norm Referenced Test (NRT) scores lower than the thirty-fifth percentile in reading and/or math. The Exhibit 5-48 includes a list of some of the documentation and communication tools used by the district to coordinate instruction to the pupil progression plan, along with the purpose of each.

Exhibit 5-48

Examples of Documents Linking Pupil Progression Plan to District Policies and Procedures

Documentation	Purpose
Secondary Promotional Chart/Pupil Progression Plans	Articulate the requirements for movement from grade to grade at the secondary level
District wide Content Area Exams	Show items linked to Sunshine State Standards
Middle School Content Area Extended Learning Program (ELP) Requirements	Correlate the objectives of the ELP to course content objectives
Scheduling Guidelines; Course Descriptions	Explain the promotion policy and placement criteria for all reading courses
Graduation Requirement Brochures	Outline the pupil progression plan and diploma options
ELP and ESY Curriculum Guides	Provide assistance with summer school and after-school tutorial assistance
Benchmark Remediation and Enrichment Activities	Provide remedial assistance for summer school and after-school tutorials
Student Grade Cards (with printed benchmark status report)	Report students progress on benchmarks to parents
Dual Enrollment Course Information	Describe courses offered through the local community college; shared with parents
Benchmark Handbooks	Define promotion requirements
Benchmark Brochures	Provide information on District Benchmarks
Middle School Academic Improvement Plan	Provides timeline and documentation for students in grades 6-8 who were retained or had an “N” in math or reading
Course Flow Charts	Explain sequence of courses with levels of performance (math)
Course Sequences	Explain criteria, placement intervention, course description, credit, and required teacher certification for high school
Student Progress Report Handbook	Explains guidelines for student progress reports for elem. students; parent-teacher communication forms; ESE, LEP guidelines

Source: The School District of Hillsborough County.

The district has implemented an Extended Learning Program (ELP) and an Extended School Year Program (ESY), both intended to help students who require more intensive intervention in order to pass their courses, master district benchmarks, and demonstrate competency on the state standards.

The district's Extended Learning Program (ELP) was created in response to FS 236.0814 to address the Supplemental Academic Instruction Categorical Funds. The purpose of these funds was to provide resources for programs that provide remedial support for students. The district designed programs at each level: elementary, middle, and secondary. The focus of the programs was on identifying students for remediation early in the school year, providing tutoring and additional course work, and supporting students in specific academic areas. The interventions are designed to help students during the school year, while they still have the potential to pass their courses.

The elementary program was piloted during the 1999-2000 school year in each elementary school in the district. The program targeted students who were not making satisfactory progress on district benchmarks. Specific criteria for each grade (K-5) were identified. The remedial/tutorial program was offered in several formats: a two-hour after school tutorial twice weekly, a one-hour before school tutorial four days a week; or a four-hour program structured as an academic camp. The program was implemented the second, third, and fourth marking periods and transportation for students was provided. During the 2000 school year, the program was continued.

At the middle school level, students who failed a core subject area course for a nine-week grading period were required to attend an extended day tutorial program offered one hour before or after school, four days a week; two hours after school two days a week; or four hours on Saturday. Students who failed two or more core area courses could only be enrolled in two courses (15 hours per course) for a total of 30 hours. At the end of the eight-week period, students who maintained a passing grade earned one quality point. Again, transportation for students was provided.

Students in grades 9-12 who had not passed Applied Reading/Mathematics Benchmarks or students who were at risk for failing the core subject courses (foreign language, language arts, mathematics, reading, science, or social studies) attended a tutorial program after school. Students either attended a two-hour tutorial twice weekly or a one-hour tutorial four times weekly. The program began the second week of the second marking period (nine-week grading period) and continued for weight weeks. In addition, students whose test scores and performance indicated potential at-risk status on the FCAT were scheduled for a remedial on-hour tutorial class after school five days weekly for nine weeks. Students in this program earned additional elective credits in FCAT-focused Intensive Reading III or Intensive Mathematics III.

The district evaluated in September 2000, after its first school year of implementation. There were several questions addressed in the evaluation. No comparisons with a control group were possible since it would have been unethical and contrary to Florida statute to withhold programming from students who needed it. The key indicators used in evaluating the effectiveness and efficiency of the program included:

- The number of students served
- The number of students promoted
- Student progress on the benchmarks
- Summer school enrollment totals for the 1998-99 and 1999-2000 school years
- Attitudes and comments of principals and site administrator toward the program.

Approximately 24 percent of the district’s students (40,558) received services in the ELP program during the 1999-2000 school year. The overall promotion rate of ELP students was 83 percent. Data collection problems regarding benchmark mastery resulted in unreliable data in this area, although preliminary data indicated that 72 percent of ELP participants had not mastered the benchmarks. The number of students attending summer school declined by approximately 60 percent from the 1998-99 school year to the 1999-2000 school year. The district’s evaluation also examined the retention rate. The majority of students who were retained in grades 2 through 8 were ELP students and in the district as a whole, the retention rate remained approximately the same from the year before the ELP program was implemented (1998-99) until the end of its first full year of implementation (1999-2000). Attitudes of administrators toward the program were mainly positive, citing the benefits of small class size and the focus on benchmarks. Problems mentioned included transportation and teacher recruitment and morale. The district intends to continue evaluations of this program and the summer school program and should consider some additional evaluation procedures, including:

The district’s 2000 ESY program included an extensive and comprehensive array of options. The proposed cost of this program when it was proposed in January 2000 was almost \$7,970,151. The ESY program was funded primarily from the Supplemental Academic Categorical Fund. The Exhibit 5-49 lists the programs that were available to support student and their families in Summer 2000. Subsequent budget cuts have reduced the programs and options that will be available for Summer 2001.

Exhibit 5-49

Summer Programs, 2000

Instructional Level	Programs Available
Elementary	SAI Funded ESY Program (40 schools) Fee-Based Theme Programs (any school) Elementary Child-Care Programs (48 schools) Fee-Based Camps/Classes (Adult and Community Schools) (any school) 21 st Century Community Learning Center Summer Program (8 schools)
Middle	SAI Funded ESY Program (Traditional and Tutorial Model) (17 schools) Fee-Based Theme Programs (any school) Fee-Based Camps/Classes (Adult and Community Schools) (any school) 21 st Century Community Learning Center Summer Program (8 schools) Safe Schools Middle School Programs (22 schools) University of Tampa Language Arts/Humanities Programs
Senior High	SAI Funded ESY Program (8 schools) SAI Funded enrichment Courses in the ESY (8 schools) Fee-Based Theme Programs (any school) Adult Co-Enrolled Programs (11 schools) Dual Enrollment Programs (8 schools) University of South Florida Mathematics/Science Program Fee-Based Camps/Classes (Adult and Community Schools) (any school) 21 st Century Community Learning Center Summer Program

Source: The School District of Hillsborough County.

The district has a comprehensive program for communicating with students and their parents about the ESY program.

The director of K-12 Non-Traditional Programs is responsible for this as well as the ELP program and has closely monitored its design, implementation, and funding. There is a thorough description of each program, along with funding sources, calendars, registration forms in both Spanish and English, and a

correlation with the district's pupil progression plan and timelines. The program is very well organized and clearly articulated.

8 The district ensures that school improvement plans effectively translate identified needs into activities with measurable objectives and that school advisory councils meet statutory membership requirements.

The School District of Hillsborough County requires each school to have a board-approved school improvement plan and a school advisory council, which includes stakeholders; however, approval of plans is not always timely.

Florida law requires that every school in the state have a school advisory council that represents not just school employees but others as well. (FS 299.58) Parents, business leaders, and other community members should be included as participants as individual schools identify goals and objectives, write action plans, and make decisions about evaluation of progress. Hillsborough County requires each school to write a school improvement plan for approval by the school board. During interviews in the district, principals and teachers emphasized that the board approval heightens responsibility for implementation of the plans, both because of the accountability implied by the approval and the legitimization of the plans after such approval. The district has prepared a document, *Guidelines for School Improvement, 2000-2001*, that provides guidelines to schools in preparing their school improvement plans and meeting legal requirements for inclusion of all necessary components.

In reviewing plans submitted by the district and requested by the review team, there was evidence that many stakeholders, including parents, participated in the plan development process. Documentation of advisory council meetings is maintained and copies of plans are available in each campus office. Schools maintain records of participation with signatures of council members, including:

- Administrators
- Teachers
- Organization representatives
- Non-instructional personnel
- Parents
- Business partners

Schools report not only the names and total number of participants, but provide the required percentage of individuals not employed at the school (which must be more than 50 percent).

One problem the district has encountered in the school improvement plan process is the date of approval of plans by the school board. Plans have not been approved until the school year has begun and often not until close to the end of the first semester. One reason provided by the district for this lag time between writing the plans and securing board approval is that the Florida Department of Education often does not disseminate statewide testing information to districts until the summer after the school year (and the testing) has been completed. Since school improvement plans should be based on analyses of student outcomes and those outcomes are from the prior year, the timing of the release of test scores is a problem for the district. According to the district's Department of Assessment, Accountability, and Evaluation, as of October 1, 2001, approximately 100 school improvement plans had been submitted to the district

office. As of November 29, 2001, 148 of 185 plans had been submitted. The plans were being made available for review, and then submitted for school board approval. The district should consider ways to speed up the school improvement plan process, so that plans are official as close to the beginning of the new school year as possible.

The School District of Hillsborough County bases their school improvement plans on analyses of student outcomes, but should require more specific and appropriate writing goals and objectives.

The district is very data oriented and decisions about programming are generally based on analyses of data. One excellent source of data for each school is its *Achievement Performance Profile*. These profiles are distributed to each school and contain a variety of information, including:

- FCAT scores in reading, writing, and mathematics
- Achievement test scores, including three years of data (national percentile rank)
- State norm-referenced test scores

In addition, other sources of information are analyzed and consider, including:

- Discipline referrals
- Demographic information
- Budget, including Title I information
- Attendance records
- Extended Learning Program (ELP) options

The school advisory committees and staff at schools disaggregate data even further. For example, Cleveland Elementary School was able to provide the team an example of a profile sheet that included names of students by grade and teacher, along with target objectives for the Sunshine State Standards and FCAT identified for each student. If a student had scored less than 60 percent correct, he or she was identified by specific objective. In addition, a predicted score was listed for each student. This type of data analysis, at the school and grade level, makes it possible to set realistic goals tied directly to student performance, not just for the school as a whole but also for each individual student. Schools in the district can perform this type of analysis on their own or request it from the office of Assessment, Accountability, and Evaluation. The district should encourage each school to focus on the performance of each individual student by disaggregating and providing this type of data to teachers.

In reviewing plans from many schools in the district, it is clear that while some schools are identifying specific goals for improvement, for example, percentages of improvement on the FCAT, others are not. According to the district, there is at least one reason for this inconsistency. The Florida Department of Education does not articulate passing standards for the next school year within the current school year. Consequently, as the district begins to examine data and set priorities in the spring for the next school year, personnel do not know what the passing levels will be. Until passing scores on the FCAT and Florida Writes are set by the state, districts cannot set targets for their school's scores based on passing rates. However, schools can still evaluate their own scores and make decisions about the rates of improvement that they would like to achieve. This process is occurring at some schools but not at all. Specific goals have several advantages, including ease of evaluation and a positive impact on expectations for student achievement.

The district has several methods in place to provide assistance to school advisory councils.

Principals and teachers interviewed by the review team indicated their satisfaction with the level of support provided to campus advisory councils by the district. The Principals’ Councils regularly disseminate “best practices,” the Division of Instruction provides on-going consultation services, Title I provides funding and resources for specific academic initiatives, and the district’s grant funds provide additional resources for innovative staff development projects.

The district has recently begun a “Whole School Effectiveness Model” intended to foster continuous improvement at the campus level. The components of this model are well researched and based on professionally recognized correlates of high achievement. The model, based on the work of Larry Lezotte, focuses on specific correlates of highly effective schools and includes indicators that define effective practices, including:

- Principal as leader
- Clearly stated vision and mission
- High expectations
- Assessment and monitoring
- Instructional delivery
- Safe, caring, orderly environment
- Parent and community involvement
- Professional development
- School culture

The Whole School Effectiveness Model includes an assessment for each school and an improvement planning process. It is not clear how the district intends to evaluate this initiative at the district level. This and other initiatives begun by the district to provide support to schools as they work toward meeting their campus goals are presented in Exhibit 5-50.

Exhibit 5-50

The District Has Implemented Several School Improvement Initiatives

Initiative	Description/Purpose
Whole School Effectiveness Model	Defines effective practices Includes school self-assessment and planning Facilitators assigned to support school Staff development includes Leadership Institute
Diversity Initiatives Program	Professional development training model Provides training for teachers in culturally responsive instruction
Elementary Reading Coach Project	K-2 project provides support and follow-up training for teachers in the delivery of Intensive Reading Instruction On-site training and mentoring
Balanced Literacy Pilot Project	Intensive reading intervention for struggling readers at secondary level Provides training in best literary practices, materials for students, and schedules students into reading courses
Strategic Plan	The plan provides overall direction for all programs and staff

Source: *School Improvement Initiatives, (Draft)*, The School District of Hillsborough County.

School improvement plans are consistent with and include the main strategies used in the school to improve student performance.

The format of the school improvement plans is consistent throughout the district. Each school must provide priorities; academic goals; an action plan that articulates strategies and activities, the resources needed, the person responsible for implementation, and the target date for completion. The school improvement plans articulate the curricula, instructional strategies, supplementary materials, personnel allocations, remediation techniques, and other strategies chosen to improve student performance. In interviews with school personnel about their plans, advisory council members and non-members responded to questions about their plans with clarity, indicating their participation and “ownership” of the plans. In particular, several teachers articulated their personal stake in achieving the goals of the plan as well as a commitment to the strategies used to reach those goals. Principals shared information relative to parent and community participation in both the development and implementation of the plans.

An examination of the strategies listed in the plans indicated numerous instructional techniques, curricular options, remediation strategies, and district wide initiatives. Staff development, support services, and parent and community participation in activities were also evident in the plans. The review team was able to observe examples of strategies that were in the plans actually occurring in classrooms.

Recommendations

- *We recommend that the district require submission and approval of school improvement plans by October 1 of each school year.*
- *We recommend that the Division of Instruction work more closely with schools to ensure that all campus improvement plans identify measurable goals for improvement that are aligned with the Strategic Plan.*
- *We recommend that the Department of Assessment, Accountability, and Evaluation work with Division of Instruction leaders to develop an evaluation procedure for the Whole School Effectiveness Model.*

Action Plan 5-3

Set an October 1 Deadline for Improvement Plans	
Strategy	Require submission and approval of school improvement plans by October 1 of each school year.
Action Needed	Step 1: Set specific timelines for the submission, review, revision, and approval of school improvement plans. Step 2: Disseminate timelines to principals by the end of the current school year. Step 3: Require area directors to monitor principals at each specific date in the timelines. Step 4: Require area directors to file a report with the Assistant Superintendent for Instruction that lists schools not in compliance with plan timelines. Step 5: Require principals not meeting timelines to meet with the Assistant Superintendent for Instruction and request specific support or guidance in order to meet timelines. Step 6: Provide Superintendent with report on October 1 detailing schools whose plans have/have not been approved.

	Step 7: Follow up and monitor through the Division of Instruction.
Who Is Responsible	Director of Assessment, Accountability & Evaluation
Time Frame	October 1, 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Ensure all Campus Improvement Plans Identify Measurable Goals

Strategy	The Division of Instruction to work more closely with schools to ensure that all campus improvement plans identify measurable goals for improvement that are aligned with the Strategic Plan.
Action Needed	<p>Step 1: Review and, if necessary, revise the district document <i>Guidelines for School Improvement</i> to articulate definitions and examples of measurable and appropriate goals aligned with the <i>Strategic Plan</i>.</p> <p>Step 2: Provide additional training to all principals in writing goals and objectives in the School Improvement Plans.</p> <p>Step 3: Provide corrective feedback to schools whose plans are not correct and require revisions.</p> <p>Step 4: Review all plans before submission to School Board.</p>
Who Is Responsible	Assistant Superintendent for Instruction
Time Frame	October 1, 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Evaluation Procedure for the *Whole School Effectiveness Model*

Strategy	Department of Assessment, Accountability, and Evaluation to work with Division of Instruction leaders to develop an evaluation procedure for the <i>Whole School Effectiveness Model</i> .
Action Needed	<p>Step 1: Design an evaluation model that includes procedures for correlating academic performance on the FCAT and standardized tests (e.g., Stanford) to mean scores on the <i>Whole School Effectiveness Model</i> survey.</p> <p>Step 2: Examine the relationship between academic performance scores and survey schools at high performing schools and low performing schools.</p> <p>Step 3: Determine if any relationship exists and, if so, what the nature of that relationship is.</p> <p>Step 4: Summarize and review data to determine impact, if any, of the <i>Whole School Effectiveness Model</i>, on student performance.</p> <p>Step 5: Use this information for future planning in the areas of staff development and program design</p> <p>Step 6: Provide a report to the Deputy Superintendent and the Assistant Superintendent for Instruction.</p>
Who Is Responsible	Director of Assessment, Accountability & Evaluation
Time Frame	October 1, 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Cost Effective Instructional Materials

9 The district's process for selecting instructional materials ensures that instructional materials meet the needs of teachers and students.

The district ensures that all students and teachers have current instructional materials that meet the needs of students. The Division of Business and Information Technology Services has developed a Best Practice Guide: Key Elements For a Successful Site Based Instructional Materials Program (available on the School District of Hillsborough County web site). All Principals and other key personnel receive the Best Practice Guide and training in the implementation of the procedures outlined in the guide. The guide contains a monthly Instructional Materials Checklist for Principals and their instructional staff. The district is also in compliance with state law that ensures a textbook for all students. Some classes do make use of a classroom set when practical.

The district is in compliance with state law in purchasing instructional materials and following the state adoption schedule of instructional materials.

The district makes a decision to participate in the pre-adoption phase of the official instructional materials state adoption by May of each school year. The Supervisor of District Educational Materials Services sends the Florida Department of Education (DOE) form to subject area supervisors for completion. The form contains their agreement to participate in the pre-adoption process. Completed pre-adoption participation forms are mailed by the Instructional Materials Depository to the Florida DOE.

Once the district decides to participate in the state adoption of textbooks, subject area supervisors in collaboration with their Instructional Director, develop a list of district committee members utilizing the following criteria:

- Committees have no less than six members,
- One half the committee is composed of teachers who are experts in their field and these teachers must have HCTA approval, and
- At least two committee members must be lay citizens (non school board employees).

The district committees evaluate submissions for adoption using the Florida Department of Education instructional materials evaluation packet. Training is provided and each committee member reads and signs the official Florida DOE affidavit, which is notarized by the Manager of the Instructional Materials Depository. The committee recommends two choices per subject, unless two choices are not available. The Subject Area Supervisor in collaboration with the Supervisor of District Educational Materials prepares an official ballot. The ballot and sample sets of instructional materials selected for possible adoption are distributed to all teachers. Teachers have access to the materials for no less than 21 days, vote for their top choice and send the sealed ballots to the Supervisor of District Educational Materials Services at the Instructional Materials Depository. The submission with a majority (51% or more) of the votes is selected for recommendation to the School Board. The Supervisor of District Educational Materials Services prepares a school board agenda item for approval of the recommended instructional materials. The affidavit signed by members of the District Instructional Materials Committee is found on the district web site as a scanned document.

Publishers selected for new instructional materials adoption must submit a letter to the Supervisor of District Educational Materials Services stating their commitment to training over the life of the new adoption, and provide assurance that sufficient quantities of all adopted materials will be supplied throughout the adoption period. The adoption year begins in April and generally lasts until the adoption cycle for that curriculum cluster is over.

The district is also in compliance with section 233.22 section 11(2): Requisition of instructional materials from publisher’s depository, of the Florida Statutes. The Supervisor of District Educational Materials Services has already provided the Florida DOE projected planned purchases for instructional materials for state adopted titles for 2001-2002 and 2002-2003 school years. This information was provided before the state deadline of April 1, 2001.

The district provides its instructional leaders with training related to purchasing and using instructional materials.

The district has developed a CD ROM training program to go along with the Best Practice Guide. The key elements of the Best Practices are found in Exhibit 5-51.

Exhibit 5-51

Key Elements of the Best Practice Guide for Instructional Materials

Best Practice-Key Element	Implemented Through
Each school will have an accountability plan in place that includes key elements for monitoring their Instructional Materials Program.	Principal and Staff
Each school will have their unique Instructional Materials Plan approved by their School Advisory Council.	School Advisory Council
Each school will communicate with all stakeholders the important nature of the Instructional Materials Program.	Principal and Staff
Ongoing training for instructional leaders will be provided throughout the year.	Supervisor, District Educational Materials Services
Recognize outstanding school practices at a School Board Meeting for a three-year period.	Assistant Superintendent for Instruction
Provide schools with an updated Textbook Inventory Report of in-adoption titles only.	MIS Department
Notify parents when their child has lost or damaged a textbook.	Principal and Staff
Distribute information to parents regarding the serious nature of their child’s responsibility for the care of instructional materials, in addition to what is already included in the Student Handbook.	Principal and Staff
Articulate feeder schools student textbook indebtedness.	School Administration
Place notices on student report cards, progress alerts, and scholarship warnings regarding student’s indebtedness for textbooks.	School Administration and Staff
Have teachers conduct textbook checks every grading period, or as often as needed.	Classroom Teacher
Place information about the textbook program in the monthly school newsletter.	Principal and PTA
Collect funds for lost or damaged textbooks and make remittances to the school bookkeeper in a timely fashion.	Principal
Place boxes at local library locations for dropping off in-adoption textbooks.	Supervisor, District Educational Materials Services
Conduct site visitations with principals regarding their Instructional Materials Program.	Supervisor, District Educational Materials Services

Best Practice-Key Element	Implemented Through
Prepare and distribute the district’s Instructional Materials Practice Guide to all school sites.	Supervisor, District Educational Materials Services
Establish a field for data entry that would allow the tracking of students with existing debts.	MIS Department

Source: School District of Hillsborough County, Best Practice Guide: Key Elements For a Successful Site Based Instructional Materials Program.

The district allows schools in the district flexibility in making decisions regarding instructional materials.

The Florida DOE calculates the instructional materials allocation for each school district in the state using an unweighted FTE formula. The district was allocated \$13,131,641 by DOE in 2000-2001. School Board policy states that the allocation may be used for state adopted titles, county adopted titles (flexibility) and ESE titles. Exhibit 5-52 shows the breakdown of the instructional materials allocation.

Exhibit 5-52

Hillsborough’s Instructional Materials Budget Allows for Schools to Have Some Flexibility in Purchasing Instructional Materials

Costs	Amount
Fixed Costs	
Library/Media	\$1,249,170
Freight Charges (1%)	\$131,316
Dual Enrollment	\$180,000
Holdback (8%)	\$1,050,531
Charter Schools	\$222,285
Science Laboratory Materials	\$218,746
Total Fixed Costs	\$3,052,048
Other Needs	
Alternative Education/Drop-out Prevention	\$200,000
Magnet Schools	\$250,000
Technical/Career Education	\$887,139
Exceptional Student Programs	\$305,000
Maintenance/Flexibility at \$8.22 per pupil*	\$1,341,512
Total Other Needs	\$2,983,651
Remaining Allocation: Elementary Priorities	
Oak Grove	\$345,000
Lillian Symmes	\$425,000
Yvonne McKittrick	\$425,000
Lawton Chilles	\$345,000
Adoptions	\$750,000
Total Elementary Priorities	\$2,390,000
Remaining Allocation: Middle School Priorities	
Adoptions	\$1,100,000
Childs Elementary	\$200,000
Total Middle School Priorities	\$1,300,000
Remaining Allocation: Secondary Priorities	
Adoption	\$1,495,000
Broulio Alonso High School	\$450,000
Total Secondary Priorities	\$1,945,000
Remaining Allocation: ESE Priorities	

Costs	Amount
ESE New Schools Needs	\$100,000
ESE Adoptions	\$1,300,473
Total ESE Needs	\$1,400,473
Total Priorities	\$7,035,473
Balance	\$60,469

Source: Best Practice Guide: Key Elements for a Successful Site Based Instructional Materials Program.

As this exhibit illustrates, schools are allocated \$8.22 per students for maintenance of existing instructional materials and to purchase other flexible instructional materials. The balance shown in the exhibit is divided among the elementary, middle school, and secondary instructional directors as contingency funds.

The district has a waiver relating to the instructional materials allocation. The waiver was approved for a five-year period of time. Specifically, the waiver allows schools to use 100% of their allocation for flexible titles. This provides schools with greater flexibility in spending state allocated textbook funds to better meet the instructional needs of their students. Currently, nine schools are utilizing the approved waiver. Four of the nine house ESE students exclusively, one other has as its major component ESE students, one is a children’s home. The other three are one elementary, one middle school, and one high school.

The district has a waiver to dispose of out-of-adopted instructional materials by giving them away without having to wait one year.

The state requires school districts to hold out of adopted textbooks on the shelf for one year. The district has a waiver that allows Hillsborough to give out of adopted books away without waiting for the one-year period. The district gives books to the Boys Club, literacy programs, churches, Juvenile Justice Systems, parents, and others. The district also uses out-of-adopted instructional materials as supplementary materials for instruction as needed.

The district has moved the Supervisor of Educational Materials Services from the Division of Business and Information Technology Services to the Division of Instruction to facilitate the coordination of purchasing and distributing instructional materials.

The supervisor of Educational Materials Services is an integral part of the efficient selection of instructional materials and in following state rules in this process. In the 1996-97 school year, the district participated in a performance review. One of the recommendations was to conduct a needs assessment to prioritize textbook needs. A recommendation from the needs assessment was to provide schools with best practices related to the collection of funds for lost and damaged books. The district has complied with that recommendation and has completed an excellent Best Practices Guide complete with training.

This year, the supervisor of Educational Materials Services position was moved to the Division of Instruction. The job description was changed to facilitate coordination between the Division of Instruction and the Division of Business and Information Technology in the purchasing and distributing of instructional materials. The primary responsibilities for this position are to supervise, coordinate, or facilitate: the Instructional Materials Program, the instructional materials adoption process, the purchasing process, the collection of lost and damaged books, the organization and maintenance of a collection of examination copies of materials, and the establishment of priorities for acquisition of instructional materials.

10 Each student has current and appropriate instructional materials in core courses that are aligned with the Sunshine State Standards and the district's pupil progression plan.

All students have current state-adopted textbooks and/or other appropriate current instructional materials in core courses. The student handbook explicitly mentions that the district furnishes adopted textbooks for all students. Schools also strive to ensure that textbooks are evenly distributed throughout the district. Some school action plans specifically mention: “coordinate science textbook surpluses/needs;” “inventory supplies, equipment and textbooks;” and “order equipment and instructional material.” (*Source: Middle School Action Plan 2001-2002, Andi Ringer; Middle School Action Plan 2001-2002, Dorothy Carregal*). A middle school subject area action plan indicated: “order language arts textbooks and materials for 3 new schools,” and “order newly adopted grammar/writing textbooks for all 6th and 7th grade students.” (*Source: Middle School Language Arts Action Plan 2001-2002*). Textbook orders for middle school alone totaled \$1 million. (*Source: Textbook Order Totals 2001-2002, Jackie Heard*). The district also conducts a school-wide textbook inventory four times each academic year to ensure that students have appropriate textbooks.

The district maintains a policy that all textbook and instructional materials are aligned with the Sunshine State Standards and the district's pupil progression plan. Committees of teachers and professional staff have approved instructional resources included in the Instructional Materials Flexibility List (for further detail see Goal A, Best Practice 6). The committees have followed guidelines that ensure that the resources help teachers teach to the Sunshine State Standards. Curriculum guidelines clearly demonstrate that instructional materials are in alignment with Sunshine State Standards and the district's plan for pupil progression (*See Goal A, Best Practice 2 for further detail*).

There is effective communication to parents regarding instructional materials.

The principals effectively communicate to parents how instructional materials are used to implement the district's curriculum objectives. Some schools provide parents with Curriculum Nights. At these events, parents learn more than general school information; they learn about grade level curriculum. At one elementary school, for instance, parents are invited to learn about daily schedules, homework policies, district benchmarks, Sunshine State Standards, and FCAT preparation. It was not uncommon to find parents of elementary school students at: Family Math Night; Accelerated Reader Night; Parent Night: Review for Student Preparation for Testing; or a Parent Education Evening. Parents are also notified through school newsletters of current curriculum implementation. Each school also surveys parents each year. One of the survey domains addresses Curriculum and Learning. Parents are asked to respond to: “Do you have a clear understanding of the benchmarks and expectations for your child's grade level?” “I know how my child is performing on the benchmarks and or expectations”; “My child's annual academic goals are adequately communicated to me.” Another domain addresses instructional strategies: “FCAT and/or benchmarks activities/strategies are evident in the instructional program.”

The district obtains feedback on instructional materials.

The district formally obtains feedback from teachers and principals to determine the needs of instructional materials. The district conducts the Whole School Effectiveness Survey and uses some of the results to make future decisions about instructional materials. No domain specifically addresses instructional material per se; however, several items indirectly survey instructional material in four of the nine domains

(Principal as a Leader; Clearly State Vision and Mission; High Expectations; Assessment and Monitoring).

All teachers participate in the adoption of textbooks through a voting process. A group of teachers are selected to serve on a textbook adoption committee and evaluate content area textbooks according to specific guidelines. The committee recommends the textbooks to be considered for adoption and then teachers have the opportunity to review the textbooks. Some teachers pilot the textbooks and then share their experiences with one another. The teachers are then asked to vote on the textbook best suited for the content delivery. Teachers are also invited to evaluate instructional material. On an annual basis, teachers use a district form comprised of 24 criteria statements to evaluate the strengths and weaknesses of instructional materials.

11 The district's procedures for acquiring, maintaining, and disposing of instructional materials are cost-effective.

The School District of Hillsborough County's Instructional Materials Depository plans for and coordinates the adoption, use and management of all instructional materials. The Depository is responsible for: training instructional materials committees; developing instructional materials budgets based upon established priorities; assisting sites in maintaining records of allocations and textbook accounts; shipping and receiving instructional materials and evaluation materials; maintaining inventories of all material; and acting as a liaison between instructional materials dollars. The Instructional Materials Depository is well organized and has developed an efficient method to train instructional leaders in the procedures for acquiring, maintaining, and disposing of instructional materials. Training is available through in-service and in a CD-ROM presentation.

The district utilizes the instructional materials cost analysis prepared by the Florida Association of District Instructional Materials Administrators and various publishers bid lists to make informed decisions.

Hillsborough takes into consideration information available from the *"Instructional Materials Cost Analysis for 2002-2003"* prepared by the Florida Association of District Instructional Materials Administrators (FADIMA). This analysis includes cost data for each grade as well as figures that are consistent with the intent of legislation to provide every student with a textbook in core subjects.

The district central administrators provide a bid list of materials submitted for adoption to every district instructional materials administrator. In a memorandum dated June 22, 2001 the 2001 bid lists for Remedial Reading, Grades 9-12 was attached. The text read: "This is a big year for us as we adopt materials that will be used to teach the children of Florida to read. We encourage each of you to become intimately familiar with the materials described in these bid lists."

The district also provides instructional leaders in-service training through the Instructional Materials Selection training module. The module provides training in the following: publishers' guidelines for instructional materials adoptions, textbook state adoption procedures, county adoption procedures, procedures for placing state adopted instructional materials on the Hillsborough County Flexibility List, and evaluation of instructional materials.

The district is becoming more effective in collecting money for lost, damaged, and unreturned instructional materials, although some schools still have a large amount of textbook indebtedness.

The district has clear guidelines for determining what students and their parents are charged for lost, damaged, or unreturned instructional materials. The Best Practice Guide clearly states that “The full purchase price shall be collected for lost, destroyed, or unnecessarily damaged textbooks unless the book has been in use for more than one year; in that instance, a sum ranging from 50 to 75 percent of the purchase shall be collected, to be dependent on the physical condition of the book.” School Board policy states that all money collected from the sale, lost or damage of instructional materials is deposited in the school fund and added to the district appropriation for instructional materials. Specifically, “Funds collected from students for lost or damaged instructional materials will be deposited in the school’s Project 986 account. These funds can be used to purchase state adopted and county adopted materials. These funds roll over on July 1 of each fiscal year.”

The district is effectively tracking losses and has instituted collection procedures in line with the state guidelines and has taken steps to keep losses at a minimum. The district’s Instructional Materials Depository sends every parent or guardian a letter with an attachment of Florida Statute 233.47: Responsibility of Pupils, Parents, or Guardians for Instructional Materials. The letter, signed by each school’s Principal, asks parents to review the statute with their children and contact the school’s administration with questions or concerns. Teachers conduct textbook checks every nine weeks and parents whose children have lost or damaged books are sent a notice or are contacted requesting payment.

Annually, the district conducts an Annual Textbook Inventory to track the asset and adjust for lost and damaged books. Exhibit 5-53 shows a summary of textbook indebtedness for elementary, middle and high school for the 2000-2001 year. The collected amount \$123,263 is consistent with the amounts in previous years and reflects the efforts schools have made to inform parents of their liabilities. State statute 233.47 clearly specifies the parent, guardian or other person’s liability and as noted earlier the district includes this information in letters to parents. However, enforcement of the debt collection, state statute 233.46 lacks significant consequence. The statute states that, “failure to collect such sum upon reasonable effort by the principal may result in the suspension of the pupil from participation in extracurricular activities or satisfaction of the debt by the pupil through community service activities at the school site as determined by the principal”.

This exhibit also clearly illustrates that elementary schools have little loss associated with uncollected debt for lost or damaged books. There are, however, some exceptions. Middle and high schools present a different picture. At this level, many of the schools’ textbook indebtedness exceeds the amount collected for lost and damaged books. There are exceptions to this and some middle and high schools are very efficient in collecting funds for lost and damaged textbooks.

Exhibit 5-53

Summary of Textbook Indebtedness, 2000-2001

School	Initial Allocation	Books Lost/Paid	Books Lost/Unpaid	Adjusted Value Books Lost/Unpaid	Amount Collected
TOTAL Elementary	\$1,354,982	241	1,060	\$24,456	\$6,435
TOTAL Middle	\$1,316,553	745	6,514	\$125,689	\$33,620
TOTAL High School	\$302,700	1,331	11,263	\$220,887	\$83,208
TOTAL ALL Schools	\$2,974,329	2,317	18,837	\$371,032	\$123,263

Source: Best Practice Guide: Key Elements for a Successful Site Based Instructional Materials Program; Annual Textbook Inventory Reports, 2000-2001.

Recommendations

- We recommend that the district identify schools that have implemented effective procedures to reduce textbook indebtedness and use their procedures as a model for other schools.

Action Plan 5-4 provides the steps needed to implement this recommendation.

Action Plan 5-4

Implement Effective Procedures to Reduce Textbook Indebtedness at All Schools	
Strategy	Identify schools that have implemented effective procedures to reduce textbook indebtedness and use their procedures as a model for other schools.
Action Needed	<p>Step 1: The Department of Technology Services identifies six to ten schools (elementary, middle, and secondary) that have effective procedures for reducing textbook indebtedness. Schools should be included with both high and low numbers of students on free and reduced-priced lunch.</p> <p>Step 2: Campus administrators delineate their procedures for reducing textbook indebtedness.</p> <p>Step 3: The Department of Technology Services identifies schools that have a large amount of textbook indebtedness.</p> <p>Step 4: The Department of Technology Services assists these schools to develop a plan to reduce textbook indebtedness and pairs the school with a mentor from the effective schools.</p>
	<p>Step 5: The Department of Technology Services monitors these schools for a two-year period to ensure that they are implementing the procedures and to determine if textbook indebtedness is decreasing.</p>
Who is Responsible	Director of Technology Services
Time Frame	May 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Educational Program Effectiveness and Efficiency

12 The district has implemented accountability mechanisms to ensure the overall performance, efficiency, and effectiveness of its major educational programs.

The district operates its accountability mechanisms within the broad context of the State of Florida Accountability System. The district supplements the State Accountability System with additional measures of assessment in a substantial program of educational evaluation. The measures are designed to increase overall performance and effectiveness of major educational programs.

Educational Service Delivery

The district has adopted a specific strategy to focus on the enhancement of major district priority areas. This focus is embodied in *The School District of Hillsborough County Strategic Plan 2000-2005*. The Strategic Plan provides a major focus for the district on specific priority areas including:

- Reading as a Foundation for Academic Achievement (with a focus on increased test scores, graduation rates, post-secondary education preparation, attendance, and school ratings)
- internal and external communication (with a focus on high ratings of communications by stakeholders)
- updated/integrated technology (with a focus on completion of the district's Strategic Plan for Technology)
- staff recruitment, development, and retention (with a focus on attraction of qualified candidates, national board certification, retention of first-year teachers, and in-service training)
- a safe, caring, orderly environment (with a focus on reduction of suspensions/expulsions, ratings of stakeholders)

Each priority area has one or more goals to provide specific focus and a series of specific strategies for obtaining the goals. Each strategy is assigned to a major organizational area. The Strategic Plan undergoes an annual evaluation. A detailed cost analysis of the specific activities supporting the Strategic Plan has also been completed.

Beyond the Strategic Plan, individual divisions or sections also have created specific plans detailing annual programs of work. These plans generally identify specific actions, their relationship to the Strategic Plan, and expected outcomes.

Specific goals and objectives have been established.

The Strategic Plan has clearly stated goals and measurable objectives that address all aspects of the plan. The goals for major components of the education program include:

- Goal 1.1 – 83 percent of students achieve Florida Comprehensive Assessment Test (FCAT) reading test scores of Level 2, or higher
- Goal 1.2 – 70 percent of students score at the fifth stanine, or higher, at the end of grades 2 through 10.
- Goal 1.3 – All students, including adult students, graduate with skills and knowledge necessary to enter appropriate post-secondary education and the workforce. (Measurement is by graduation rate, percentage of students graduating from Tech Prep, and students entering college without need of remediation.)
- Goal 1.4 – Average scores for students taking the Scholastic Achievement Test (SAT) and American College Test (ACT) will exceed the national average, by 6 points on the SAT and .6 on the ACT, and African American students will exceed the National Average for African American students by 40 points on the SAT and 1.1 points on the SAT.
- Goal 1.5 – Average student attendance rate of 96 percent.
- Goal 1.6 – 85 percent of schools either meet or exceed the State criteria for a rating of “B,” as defined by the Florida Quality Education Plan, with no school receiving a rating of less than “C.”

Specific yearly targets are set for each goal for a six-year period beginning with 2000-01 and ending with 2004-05. The district supplements the goals and objectives established by the Strategic Plan with specific

plan or plans associated with elementary, middle, secondary, technical, career, and adult education schools, non-traditional programs and special education programs.

Appropriate performance measures and benchmarks have been established and used.

Given the priorities and goals selected by the district, the Strategic Plan generally provides appropriate measures and benchmarks for evaluating the district progress toward the 2004-05 goals. Major performance measures (specified as “Tactical Objectives”) in the Strategic Plan are set out in Exhibit 5-54, below.

Exhibit 5-54

Major Performance Measures/Tactical Objectives in the Strategic Plan

Goal Number	Goal Statement	Performance Measure
1.1	Higher FCAT reading scores	FCAT reading scores based on 1999-2000 scoring criteria
1.2	Higher standardized reading test scores	Standardized reading test scores Kindergarten screening scores
1.3	Skills for appropriate post-secondary education and the workforce.	Graduation rates Percentage of students graduating with TECH PREP course of study Percentage of students entering college without need of remediation
1.4	Higher SAT and ACT scores	Average SAT and ACT scores Average African-American SAT and ACT scores
1.5	Higher attendance rates	Average student attendance Average pre-school attendance
1.6	Higher school ratings	Ratings from Florida Quality Education Plan

Source: The School District of Hillsborough County Strategic Plan, 2000-2005.

Projected progress on the performance measures has been the foundation for adoption of a series of strategies specifically designed to assist in increasing performance results. As an example, strategies associated with increasing reading scores include such activities as: use of reading coaches; in-service training strategies; increased use of appropriate strategies for special student populations; provision of appropriate materials, supplies, and equipment; and use of developmental and remedial courses. Each strategy has a specific division responsible, a process measure, status as of 2001, and future plans.

Standards for tactical objectives vary.

The tactical objectives set for individual years represent varying degrees of challenge for the district in the achievement of the overall goals. For instance, the goal regarding school ratings provides a target for a very substantial increase in ratings. The specific level of 85 percent of schools meeting the state criteria for a rating of “B” contrasts to baseline data of 22 percent for 2000-01. The tactical objective for 2000-01 is stated as 75 percent of schools meeting the higher state criteria – a variation of 53 percent.

Achievement of the tactical objectives, or even the goal, does not appear to be supported by the strategies offered in the Strategic Plan. At the other extreme, the instructional goal for student attendance is set at 96 percent, while the tactical objective for 2001-02 is set at 93 percent. Baseline information for 1999-2000, however, indicates that the district had a 94 percent attendance rate. In this case, the tactical objective is set so low as to provide a self-fulfilling prophecy without benefit of the strategies offered in the Strategic Plan. Setting unrealistically high or low tactical objectives will detract from the force of the overall plan in the long term.

The Strategic Plan sets goals and tactical objectives for each of the five priority areas. The choice of goals, as well as the measurement of tactical objectives, has similar strengths and weaknesses to those discussed above for the instructional area.

- The goals and tactical objectives for the technology priority area are set solely in terms of work-product associated with strategies identified in the district's Strategic Plan for Technology. Thus, the tactical objectives do not relate to the increased investment in technology to specific increases in educational performance or administrative effectiveness.
- One goal and tactical objective for staff recruitment, development, and retention is quantified in terms of the percentage by which qualified applicants will exceed vacancies as of July 1. The specific level for the goal is set at ten percent. Actual experience for 2000-01 indicated that the percent of applicants to vacancies was 1,021 percent, compared to the tactical objective of three percent.

The Strategic Plan is supplemented by plans for individual areas. Plans such as *The Strategic Planning Guide for Career and Technical Education*, and *Action Plans for Elementary and Middle School Programs* provide annual programs of work with clear measures of expected outcomes and linkages to the Strategic Plan. Such documents, however, are not uniformly prepared within the instructional area or the district, as a whole.

Although funding is specified for strategies, authorization in the Strategic Plan does not constitute a financial commitment by the district. Cost estimates provided in the Plan are qualified by a footnote that appears on every page indicating, "School board approval of the Strategic Plan does not necessarily indicate approval of the funding as indicated." The lack of cost analysis funds commitment limits the overall effectiveness of the Strategic Plan.

The district does not uniformly use performance measures and benchmarks for management decisions.

The Strategic Plan is primarily a reflection of decisions already made at the district level. In terms of future direction, the Plan provides an excellent roadmap for focusing district efforts and integrating them into an overall whole – especially if evaluation is undertaken at the individual strategy level by the relevant division.

Recent efforts to determine the magnitude of necessary budget reductions raise issues with regard to the meaning of the Strategic Plan in its current context. The projected budget cuts were discussed with the SDHC board and senior staff. The target list was furnished both to the board and to all employees of the district. The board item related to budget cuts has only one priority/goal, Goal 6, which states, "The School District of Hillsborough County will achieve the 'Seal of Best Financial Management' awarded by the Department of Education at the end of the OPPAGA review." Proposed budget cuts were not specifically tied to projected impacts on the Strategic Plan, past program evaluations, or adopted priorities of the board.

If the creation of a Strategic Plan is to have the best possible impact on the operations of the district, it must become a focus of district financial planning, as well as instructional planning.

A program of educational evaluation has been established, but does not focus on cost-saving strategies.

The district has established an Assessment, Accountability, and Evaluation team with ten professional positions. Of the total professional staff, five are specifically dedicated to program evaluation. The team

is responsible for a broad range of student assessment, campus accountability, data analysis, and program evaluation activities. The unit is within the Division of Instruction, but is often used by a variety of district staff and by senior management.

Exhibit 5-55

Current Evaluation Projects

Project Title	Area
Class-Size Reduction	Instruction
Computerized Algebra	Instruction
District Plan	District Accountability
Early Childhood	Instruction
ESOL (English for Speakers of Other Languages)	Instruction
Exceptional Student Education Programs	Instruction
History Alive!	Instruction
Human Relations/P.E.T.	Instruction
Magnet Schools	Instruction
Planting the Reading Seed	Instruction
Remedial Reading	Instruction
Speech and Language Impaired Programs	Instruction
Transportation	Transportation
Truancy Intervention Program	Attendance
Waterford Reading Program	Instruction

Source: The School District of Hillsborough County website.

The Strategic Plan calls for an annual evaluation. The first evaluation was published in July 2001, and addressed the Strategic Plan adopted for 2000-03. The evaluation document reviews all of the priority areas of the Strategic Plan and contains recommendations for further action. The recommendations of the evaluation are appropriate, but do not contain cost analysis. The findings indicate a mixed record regarding achievement of the first-year expectations of the Strategic Plan.

The evaluation report for Year One (2001) was presented to and approved by the board August 7, 2001. The evaluation focused on the goals and tactical objectives adopted in the Strategic Plan. Overall, the evaluation found generally positive progress by the district. However, certain areas were noted as being substantially short of expectations. FCAT reading scores for grade 10, the percentage of students entering college without remediation, overall ACT and SAT test results, and the percentage of schools obtaining an “A” or “B” in the Florida rating system were all below expectations. The evaluation report also presented recommendations. Those with specific relevance to educational service delivery included:

- development of an annual procedure for reviewing strategies and tactical objectives
- implementation of staff development training for individual school needs necessary for achievement of Strategic Plan goals
- continued implementation of technology as a means for supporting academic success and increasing productivity
- enhancement of programs to improve SAT and ACT scores

The Strategic Plan evaluation process does not always address specific evaluations of the strategies or process measures identified in the Strategic Plan. The extent to which evaluation of these strategies, or even the collection of data necessary to determine strategy accomplishment, varies within the district.

The district also conducts a wide-ranging set of evaluations, which are directed at specific instructional programs or objectives. The areas of evaluation are chosen on the basis of legal requirements and management decisions relating to specific issues. Recent examples of evaluation reports include:

- ESOL
- needs assessment
- elementary reading and language arts balanced literary program
- elementary K-2 reading coaches
- extending learning program
- disciplinary alternative program
- Waterford early reading program
- districtwide climate survey
- email mentoring
- specific learning disabilities

The evaluation reports produced by these efforts are professional in nature, generally reflecting a standardized approach to evaluation including the purpose of the study, the data analysis procedures, specific results, and conclusions and recommendations. Typically, the recommendations of these evaluations address a combination of procedural and policy issues.

Reliability of program performance data regularly assessed.

The district has implemented a substantial effort in the area of program evaluation to assess and maintain the reliability of program performance information within the limits of the State accountability structure. In particular, the district is to be commended for its efforts to maintain appropriate information regarding areas within the Strategic Plan.

The district's efforts with regard to cost data appear to be primarily focused on the various Strategic Plan goals and strategies. In addition, selected examples of cost analysis such as those submitted by the district in the areas of Elementary education and non-traditional programs indicate appropriate attention to cost data.

The SDHC evaluation unit is misplaced in the district organization structure.

The Assessment, Accountability and Evaluation Division has broad responsibilities for the conduct of the state and district assessment program, the evaluation of both the district Strategic Plan and specific program areas. In addition, the division performs a substantial role in data analysis for management unit throughout the district. Finally, the division is involved directly in standardized test preparation and administration. The division reports to the assistant superintendent of Instruction. As a result, the division could be subject to potential conflicts of interest with members of the instructional team or immediate manager of the instruction division. Further, the division lacks the organizational leverage to create a comprehensive system of evaluation measures for programs outside of the instructional area. Although current management of the division has been successful in maintaining an independent stance, the organizational conflicts of interest indicate that the skills of this division are needed district wide. Given that the division has district wide responsibilities, the division should report directly to the superintendent.

Recommendations

- *We recommend that the district improve the integration of budgetary and strategic planning for instruction.*
- *We recommend that the district establish procedures for reviewing goal measures, strategy priority data elements, and strategy process measures to ensure usability, reliability and uniformity.*
- *We recommend that the district transfer the Assessment, Accountability and Evaluation Division from the Instruction Department to the superintendent's office.*

Action Plan 5-5 provides the steps needed to implement these recommendations.

Action Plan 5-5

Integrate Strategic and Budgetary Planning for Instruction	
Strategy	Improve the integration of budgetary and strategic planning for instruction.
Action Needed	Step 1: Incorporate Strategic Plan considerations into the budget development process. Step 2: Present modified budget information to the board for adoption in regular budget cycle.
Who is Responsible	Deputy Superintendent for Instruction and the Deputy Superintendent for Instructional Support
Time Frame	2003-04 school year modified budget process
Fiscal Impact	This recommendation can be completed with existing resources.
Improvement of Strategic Planning	
Strategy	Establish procedures for reviewing goal measures, strategy priority data elements, and strategy process measures to ensure usability, reliability and uniformity.
Action Needed	Step 1: Review specific goal and strategy measures for usability, reliability, and uniformity. Step 2: Modify Strategic Plan to incorporate improved measures.
Who is Responsible	Deputy Superintendent for Instruction and Director Assessment, Accountability and Evaluation Division
Time Frame	2003-04 school year modified budget process
Fiscal Impact	This recommendation can be completed with existing resources.
Create districtwide Assessment, Accountability and Evaluation Office	
Strategy	Transfer the Assessment, Accountability and Evaluation Division from the Instruction Department to the superintendent's office.
Action Needed	Step 1: Conduct detailed evaluation of current unit responsibilities to determine which, if any, are to remain under the direction of the associate superintendent. Step 2: Transfer appropriate responsibilities and staff to the superintendent's office, together with necessary resources.
Who is Responsible	Superintendent
Time Frame	Evaluation in 2002-03, with transfer effective July, 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

13 The district regularly reviews its instructional organizational structure and the staffing of the central office and schools to minimize administrative layers and processes.

The organizational structure for the delivery of educational services is focused under the deputy superintendent for Instruction. Four divisions are established, each of which is headed by an assistant superintendent, reporting to the deputy superintendent for Instruction. In turn, each assistant superintendent has a number of units. Exhibit 5-56 details this organizational structure.

Exhibit 5-56

Organizational Structure and Staffing of the Central Office

Division	Units
Instruction	Elementary Education Middle School Secondary Education Non-Traditional Programs Staff Development Athletics Assessment, Accountability, & Evaluation Exceptional Student Education
Technical, Career and Adult Education	Technical & Career Education Adult Technical Education Divisional Program Services Adult Education
Supportive Services	Support Services Early Childhood Federal Programs Student Services Guidance Services
Administration	Area Directors (7) Transportation Pupil Administrative Services Planning & Related Services Security & Special Personnel Services

Source: School District of Hillsborough County organizational charts.

Regular reviews of organizational structure are conducted and reported to the board with appropriate changes to formal organizational charts.

In July 2001, the board considered and adopted a Reorganization Plan, as presented by the administration. Under the plan, a variety of specific changes were made in order to achieve a cost savings estimated at \$2.5 million. Documentation from the district supports the conclusion that a detailed analysis had been undertaken to assess the need for modifications in each of the major areas of central office administration. The Board item, as presented, indicated the savings outlined in Exhibit 5-57 below.

Exhibit 5-57**2001-02 Reorganization Summary**

Division	Savings	Cost	Net
Administration	\$1,032,550	\$237,252	\$795,298
Business and Information Technology	\$631,205	\$2,450	\$628,755
Human Resources	\$149,309	\$185,682	-\$36,373
Instruction	\$229,942	\$43,686	\$186,256
Operations	\$784,829	\$272,316	\$512,513
Supportive Services	\$239,379	\$0	\$239,379
Technical, Career, and Adult Education	\$164,157	\$0	\$164,157
TOTAL	\$3,231,371	\$741,386	\$2,489,985

Source: The School District of Hillsborough County Board Agenda item, July 19, 2001.

Within the Instructional Division, the Reorganization Plan eliminated ten positions and redistributed four other positions. In addition, the plan transferred one position from the Business Information & Technology Services to Instruction. Seven positions (two professional) were eliminated from Supportive Services. Other modifications were made to Technical, Career & Adult Services. Finally, within the Administrative Division, one area director position was eliminated and the staff was reallocated among the remaining seven area directors.

Additional modifications are expected under the proposed Budget Reduction Plan discussed above. This plan calls for reductions in senior level district staff positions, and transfer of school- and district-level administrators to vacant positions.

The deputy superintendent for Instruction and the superintendent review educational program organization. Staffing levels are reviewed as part of the budget process. Specifically, a recent evaluation was undertaken to determine the movement of some central office instructional personnel to fill vacancies at the school level. The evaluation indicated potential savings with related reductions in some central district services.

The district can demonstrate the central office units have an appropriate structure and staffing based on appropriate measures and benchmarks.

SDHC operates with better staffing ratios than its peer districts. The district has a smaller ratio of students to classroom teachers and higher ratios of administrative staff to personnel than its peer districts. As shown in Exhibit 5-58, the district ranks higher than its peer districts on three administrative staff ratios (with the exception of Broward County in one ratio). This indicates that the district has fewer administrators relative to other personnel than its peer districts. On the other hand, the relatively low classroom teacher ratio reflects a significant investment by the district in instruction. Although the ratio is not directly related to class sizes found in the typical school, a lower ratio does permit potential reductions in class size compared to other districts. According to the most current comparable data, the district offers smaller class sizes and higher administrative ratios than its peer districts. This information is displayed in Exhibit 5-58.

Exhibit 5-58

District Uses High Administrator Ratios and Low Classroom Teachers Ratios Compared to Peers

District	Administrators to Classroom Teachers	Administrators to Total Instructional Personnel	Administrators to Total Staff	Classroom Teachers to Students
Hillsborough	18.1	20.4	36.5	15.8
Broward	18.2	19.8	34.6	19.8
Duval	12.0	13.1	21.2	19.2
Orange	16.1	18.6	33.6	17.8
Palm Beach	14.9	16.8	30.1	17.9
Pinellas	13.6	15.8	28.5	16.7

Source: Florida State Department of Education.

School staffing levels reflect enrollment changes, state statute, and district policy.

School staffing levels are governed by a series of allocation formulas in place for the district. Separate staffing ratios are provided for:

- teachers (by type of school and program)
- ESOL resource teachers
- bilingual education paraprofessionals
- exceptional student education personnel
- school administration
- school service personnel
- clerical staff
- custodial staff

The formulas are generally based on student ratios and, therefore, automatically reflect enrollment changes, district policy, and state statute. Specific attention has been given to the issue of administrative allocation formulas and clerical formulas. The specific formulas used for these personnel types are shown in Exhibits 5-59 and 5-60.

Exhibit 5-59

District Recognizes Growth Factors in Administrative Staffing Allocation Formulas

Level	Administrators	Students	Positions
<i>Elementary</i>	Principal		1.00
	Assistant Principals		1.00
<i>Middle School</i>	Principal		1.00
	Assistant Principals	0-1500	2.00
	Assistant Principals	1501-Over	3.00
<i>High School</i>	Principal		1.00

Level	Administrators	Students	Positions
	Assistant Principals-Curriculum and Administration	0-2999	2.00
	Assistant Principals-Curriculum and Administration	3000-3499	3.00
	Assistant Principals-Student Affairs	0-1999	2.00
	Assistant Principals-Student Affairs	2000-2499	3.00
	Assistant Principals-Student Affairs	2500-2999	4.00

Source: School District of Hillsborough County, Division of Administration.

Exhibit 5-60

Campus Enrollment Recognized in Clerical Staffing Allocation Formulas

Level	Students	Positions
<i>Elementary</i>		
	Base allocation	1
	0-399	2
	400-799	3
	800-949	4
	950-1199	5
	1200-Up	6
<i>Middle School</i>		
	Base allocation	3
	0-799	4
	800-1250	5
	1251-1499	5
	1500-Up	6
<i>High School</i>		
	Base allocation	7
	0-1699	8
	1700-2199	9
	2200-2499	10
	2500-Up	11
<i>Adult Evening Schools</i>		
	Base allocation	2
	0-899	1.5
	900-1799	2
	1800-Up	3

Source: School District of Hillsborough County, Division of Administration.

Similar formulas by student size are used for counselors and media specialists. Custodial staffing formula is the most complex. The formula contains nine elements, including:

1. total instructional staff
2. number of students
3. number of rooms
4. building square footage
5. unkempt acreage
6. breakfast program participants
7. presence of adult and community schools
8. presence of gasoline pumping facilities
9. requirement for air conditioning trades helper

The use of this formula structure permits the district to vary enrollment allocations on a variety of bases. To a limited degree, school officials have the option of trading certain allocations between staff types or

requesting allocations for special programs, such as magnet schools, above the basic formula. The district is currently considering moving to a system providing greater flexibility in the allocation of staff to schools through a site-based budgeting process.

14 The district reports on performance and costs of its major educational programs to ensure accountability to parents and other taxpayers.

District officials report varying levels of support for programs designed to transmit the district “message” to parents, community groups, and taxpayers. In general, the effort to communicate with parents is a relatively sophisticated program involving both the Central Office and the schools. Communication with community and business groups, on the other hand, is somewhat more sporadic and disorganized.

Public reports on educational performance and cost are available.

The centerpiece of the effort to communicate with the community is found in the annual District Report to the Community (DRC). The DRC is supplemented by other, more specific, performance-related data which is available, organized by school, on the district’s website. The DRC offers significant information on school performance and limited financial information. The performance information presented in the DRC is comprised of specific objectives, including:

- objectives from the Strategic Plan
- indicators of success (student performance and recognition)
- SAT results

More detailed achievement information is presented in the Achievements/Performance Profile prepared for each school, and available via the district’s website. The Profile includes: FCAT; reading, mathematics, and writing test scores; various comparative measures for participation and performance rates; and performance on the national percentile ranks on the Stanford Achievement Tests.

A highly simplified *Citizens’ Guide to Hillsborough County Public Schools Budget* is distributed, and a single page of financial information is included in the annual DRC. The district’s website contains substantial financial information.

Timely reports on performance information are available.

The publications of the district regarding student performance are generally timely and understandable, but are not specifically targeted to the many disparate potential consumers of performance information. School advisory councils receive substantial information at the time of development of school plans. While parents receive selected school information regarding performance at their schools, other taxpayers are limited district wide publications for information from the district’s website, unless they undertake special efforts to obtain information from the central office.

Feedback mechanisms have been established for parents and other groups.

The district has undertaken a positive program of seeking community input on selected performance issues. For instance, wide community input was sought during the development of the Strategic Plan, as shown in Exhibit 5-61. During the development of the Unitary Plan to End Desegregation,

comprehensive regional meetings to receive community input were established. Community input is also encouraged through the Parent/Family Involvement District Advisory Council. Finally, the district has undertaken district wide climate surveys from samples of elementary, middle, and high school parents to determine parental attitudes on a wide variety of issues.

Exhibit 5-61

The Strategic Plan Effort Included a Wide Variety of Educational, Business, and Community Groups

- Citizens' Advisory Council
 - Bi-racial Committee
 - Superintendent's Advisory Council for ESE
 - CEO Roundtable
 - Diversity Roundtable
 - Children's Board
 - PTA County Council
 - LEP Parent Advisory Board
 - Early Childhood Advisory Board
 - Council for Technical and Career Education
 - Advisory Group for each of the Technical, Career, and Adult Education programs
 - Parent/Family Involvement Advisory Council
 - Parent/Family Involvement Advisory Council
 - FOCUS: Friends Offering Children Unlimited Success
 - Collaboration with GOALS 2000 Parent Center
 - "Four for Eight" – Region 4 for Goal 8: Parent Involvement
 - District Technology Advisory Committee
 - Instructional Advisory Committee
 - Joint Advisory Group
 - Staff Development Coordinating Committee
 - Digital Divide Committee
 - District Review Committee
 - Central Facilitating Team
 - Hillsborough Promise Committee
 - Magnet Schools Advisory Committee
-

Source: The School District of Hillsborough County, List of business and community groups, January 16, 2002.

Library Media Services

15 **The district has sufficient school library or media centers to support instruction.**

The School District of Hillsborough County has library media centers in all K-12 schools. Two Supervisors of Media Specialists, one at the elementary level and one at the secondary level, oversee the program. The library media services are networked to provide easy access to district circulation. Parents and students can access the catalog on line through the district website using CyberCat.

The district has sufficient up-to-date resource materials to support school instructional needs and they are cost efficient in procuring these resources.

The district's media centers obtain funding from several sources. The county budget is based on the level (elementary, middle, and senior high) of the school and is divided into three categories: AV Consumables (per student), Library Books (per student), and Periodicals (set amount per year). State funds are provided on a year-by-year basis and are allocated on the per pupil basis. Library/Media's allocation for 2001-2002 was \$1,249,170. Media specialists are responsible for purchasing materials and base these decisions on several factors: the curriculum needs of the school, teachers' "wish list," District policy, SUNLINK guidelines, and professional journals.

In addition to state funds, media centers generate internal funds. Internal accounts include money generated from library fines, gifts, copy machine charges, and lost or damaged book payments. These are deposited directly into the media center’s internal account fund. School funds are supplementary funds from the principal or the School Improvement Team. Fundraisers are club or public donations. Finally grants may supply some funding for the media center.

Media Centers have ample resources for students, faculty, and others to conduct research using four online services: Gale Student Resource Center, Infotrac (student and professional periodicals), Grolier, and SUNLINK (the statewide library catalog). These online resources are an example of the district’s cost efficiency in procuring resources. Because of its size, the district was able to reduce the cost of its online resources by 750% per school.

The district’s media services are automated.

The library media services are networked through the Hillsborough County public access and administrative media system. This network consists of three components. Cybercat is a web-based public access component that allows web based searching through the media centers collections. Horizons is the administrative program for circulation and processing of collections. Report Smith contains the administrative files for creating circulation reports for media specialists and borrowing status reports for patrons. The “Media Handbook” contains complete procedures for media specialists in the use of the network.

The district’s library media personnel are effective in meeting the needs of students.

The School District of Hillsborough County assigns library media specialists and clerical support staff based on staffing formulas. Exhibit 5-62 illustrates the staffing formulas for the district and its peers. As this exhibit shows, it has better staffing formulas than its peers in terms of the number of media specialists and clerical support staff allocated to schools. In addition, the district is flexible in its allocations. For example at middle and high schools, the school may exchange one media specialists for two clerical support staff when the enrollment of the school exceeds 900.

Exhibit 5-62

The School District of Hillsborough County has Better Staffing Formulas for its Media Specialists and Clerical Support Staff Than Its Peers

School District	Media Specialist		Clerical	
	School Enrollment	Number	School Enrollment	Number
Broward				
Elementary	440-659	1	440-659	1/2
Elementary	660+	1	660+	1
Middle School		1		1
High School	Up to 1250	1	Up to 1250	1
High School	1250+	1	1250+	2
Duval				
All Schools	Not available			
Hillsborough				
Elementary	All	1	800+	1
Middle School	301-900	1	0-799	1
Middle School	901-1,900	2		
Middle School	1,901+	3		

School District	Media Specialist		Clerical	
	School Enrollment	Number	School Enrollment	Number
High School	301-900	1	0-1699	1
High School	901-1,800	2		
High School	1,801-3,000	3		
High School	3,001+	4		
Orange				
Elementary	1-1400	1		
Middle School	1-1365	1	1-1365	1
Middle School	1365+	2	1365+	2
High School	1-1100	1	1-1374	1
High School	1100+	2	1375-2474	2
High School			2475+	3
Palm Beach				
Elementary	All	1	751-1750	1
Elementary			1751+	2
Middle School	All	1	751-1750	1
Middle School			1751+	2
High School	1-1000	1	751-1750	1
High School	1001+	2	1751+	2
Pinellas				
Elementary	0-1400	1		
Elementary	1401+	2		
Middle School	0-1400	1		
Middle School	1401+	2		
High School	0-1400	1		
High School	1401+	2		
High School	IB Schools	2	IB Schools	1

Source: The School District of Hillsborough County, Media & Technology.

The functions of the school library media program specialists and their clerical support staff include meeting the curriculum needs of the school’s team leaders, curriculum coordinator, department heads, and assistant principals for curriculum; scheduling use of the center’s materials and services; providing support to teachers and students; and assisting in the management of learning by planning, organizing, coordinating, controlling, and supervising the center.

The district has two Supervisors of Media Specialists responsible for overseeing the 210 media specialists--115 at elementary schools and 95 at secondary schools. SDHC splits the duties of the two supervisors by assigning one to elementary schools and one to secondary schools. Supervisors’ duties include:

- Serving as liaisons to all schools’ media centers in the district.
- Training media specialists in librarianship, equipment operation, interlibrary loan, and so on.
- Attending state supervisory meetings.
- Collaborating with the Department of Library Service at the University of Southern Florida.
- Recruiting and maintaining media specialists.
- Collaborating with area Supervisors in the district.
- Writing the specifications for library furniture and shelving that is bid out.

The media specialists and supervisors of Media specialists are efficient in carrying out their responsibilities. The School District of Hillsborough County is growing rapidly. Five new elementary schools will open in 2002-2003 and four are under renovation. Three new middle schools, two new high schools, and two new career centers will also open. The supervisors of Media Specialists must completely stock the new facilities' media centers in addition to their other duties. If the district continues this rapid growth, it will become increasingly difficult for the supervisors of Media Specialists to carry out their duties. This position is not staffed according to staffing allocations and there is no plan to increase the number of Supervisors.

In May 2003, the secondary supervisor of Media Specialists is scheduled to retire. This will create an opportunity for the district to change the way services have been delivered to the schools. The district should assign one Supervisor of Media Specialists to oversee the entire K-12 Media Program. This would assist in the articulation of all media programs, K through 12. In addition, the district should hire or move two existing personnel to oversee the elementary and secondary programs respectively. These two personnel could be existing or new media specialists or Administrative Resource Teachers. In addition, these two positions could be funded at a 10-month level, thus saving the district additional money.

The district's average library book to student ratio has increased over the last four years but ratios vary greatly among schools.

The district's average library book to student ratio has increased every year since 1997. Exhibit 5-63 shows the average ratios for elementary, middle, and senior high schools for the last four years.

Exhibit 5-63

The School District of Hillsborough County has Increased its Library Book to Student Ratio Every Year Since 1997-1998

Level	Year			
	1997-1998	1999-2000	2000-2001	2001-2002
Elementary	13.9	15.0	16.6	17.0
Middle	12.0	12.9	13.7	13.9
Senior	9.0	10.0	10.3	9.8

Source: The School District of Hillsborough County, School Library Media Centers Annual Report.

While the average ratios are increasing, individual ratios vary from school to school. This variation is due in part to contributions made to the media centers and Title I funds used to purchase materials (e.g., Accelerated Reader books). The district should ensure that all students in the district have equal access to library books and technology.

Recommendations

- *We recommend that the district create two new positions for experienced media specialists or Administrative Resource Teachers—one for elementary schools and one for secondary schools. Also, assign one Supervisor of Media Specialists to oversee the entire K-12 Media Program when the secondary supervisor of Media Specialists retires. The additional staff positions will help address student growth, and consolidation at the management level will provide for a more efficient and coordinated approach.*

- We recommend that the district ensure all media programs have equitable resources.

Action Plan 5-6 provides the steps needed to implement this recommendation.

Action Plan 5-6

Ensure the Smooth Operation of the Media Program	
Strategy	Create two new positions for experienced media specialists or Administrative Resource Teachers—one for elementary schools and one for secondary schools. Also, assign one Supervisor of Media Specialists to oversee the entire K-12 Media Program when the secondary supervisor of Media Specialists retires. The additional staff positions will help address student growth, and consolidation at the management level will provide for a more efficient and coordinated approach
Action Needed	<p>Step 1: The Department of Technology Services rewrites the job description of the Supervisor of Media Specialists and creates two new positions for media specialists in charge of elementary and secondary schools.</p> <p>Step 2: The Director of the Department of Technology Services prepares a school board agenda item for approval.</p> <p>Step 3: Upon school board approval. The Department of Technology Services implements the plan posts the job descriptions and hires the personnel to fill the positions.</p>
Who is Responsible	Director of Technology Services
Time Frame	September 2003
Fiscal Impact	<p>This fiscal impact is based on funding two media specialist positions with funds from a Supervisor of Media Specialists position. The fiscal impact is calculated using the top of the salary schedule for the Supervisor of Media Specialists and Step 15, an intermediate step, for the media specialist’s salary.</p> <p>Supervisor of Media Specialists (based on the salary staying the same for five years): Years 1-5: \$83,328.08 (salary) + \$23,040.12 (benefits) = \$106,368.29 Total savings for five years: \$531,841.45</p> <p>Two 10-month Media Specialists or ARTs: Years 1: 34,264.46 (salary for 1) + \$9,474.12 (benefits) = \$43,738.58 Years 2: 35,245.34 (salary for 1) + \$9,745.34 (benefits) = \$44,990.68 Years 3: 36,525.71 (salary for 1) + \$10,099.36 (benefits) = \$46,625.07 Years 4: 37,932.71 (salary for 1) + \$10,488.39 (benefits) = \$48,421.10 Years 5: 40,815.05 (salary for 1) + \$11,285.36 (benefits) = \$52,100.41 Total expenditures for five years: \$235,875.84 X 2 (positions) = \$471,751.68 Difference = \$60,089.77 (Total savings for the district)</p>

Improve Equity of Resources for Media Programs	
Strategy	Ensure that all media programs have equitable resources.
Action Needed	<p>Step 1: The Supervisors of Media Specialists identify schools with low library book to student ratios.</p> <p>Step 2: The Supervisors of Media Specialists contact the media specialists at these schools and investigate reasons why the ratio is low.</p> <p>Step 3: The Supervisors of Media Specialists with the Media Specialists at these schools develop strategies to increase the library book to student ratio.</p>
Who is Responsible	Supervisors of Media Specialists and Media Specialists in selected schools
Time Frame	May 2003
Fiscal Impact	This recommendation can be completed with existing resource.

Source: Gibson Consulting Group, Inc.

16 **The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet the needs of its students in a cost-efficient manner.**

The Division of Supportive Services provides a comprehensive array of services to all of the district's students.

The Division of Supportive Services is lead by an assistant superintendent and includes a general director; directors of Early Childhood, Student Services, Guidance Services; a director on Special Assignment; and an assistant director for Title I. The Division's programs include:

- Title I
- Neglected and Delinquent Program
- Migrant Education Program
- Migrant Pre-School Program
- Federal Property Control
- Parent Involvement Program
- Title VI Human Relations Program
- Early Childhood Education (Prekindergarten Exceptional Education)
- Head Start Program
- Pre-K Early Intervention Program
- Subsidized Child Care Program
- Guidance Services
- Director on Special Assignment (for Implementation of the Whole School Effectiveness Model)
- Grants and Research Operations
- The Department of Student Services
- School Psychological/Diagnostic Services
- School Social Work Services
- School Health Services

One notable program in this division that reflects today's public schools is the district's Crisis Intervention Team. During the 2000-2001 school year, the Crisis Intervention Team participated in over 3,000 calls, including contacts with students, staff, and families. The crises included accidental deaths, homicides, suicides, and disappearances. The Crisis Intervention Team consists of 18 members who respond to crises on a rotating basis and includes school psychologists, school social workers, and school health nurses. Duties related to the Crisis Intervention Team are in addition to regular assigned responsibilities and are intended to supplement services available on campuses.

The district’s expenditures for Guidance and Student Support are higher than the state and most of their peers and the ratios of students to guidance counselors and psychologists are lower.

The Office of Program Policy Analysis and Government Accountability provides information on per pupil average expenditures on Guidance and Student Support Services for each county in Florida. Exhibit 5-64 shows that for the 1999-2000 school year, School District of Hillsborough County spent an average of \$294 per student for these services. This was slightly higher than the state average and three peer districts and lower than two peer districts. Since personnel costs are reflected in these per pupil expenditures, it is helpful to examine the district’s staffing ratios. Exhibit 5-65 explains that SDHC’s ratio of students to school psychologists is lower than the state and all peer districts; likewise, the ratio of students to guidance counselors is also lower than the state and all peer districts. These ratios indicate that both psychologists and guidance counselors in SDHC serve fewer students than their counterparts across the state and in the selected comparable districts.

Exhibit 5-64

The District’s Per Pupil Average Expenditure for Guidance and Student Support Services Is Higher Than the State and Most Peers, 1999-2000

District	Per Pupil Average Expenditures
Broward	\$317.40
Duval	\$299.40
Hillsborough	\$294.40
Orange	\$223.60
Palm Beach	\$213.80
Pinellas	\$280.00
State	\$291.40

Source: Florida Office of Public Policy and Government Accountability website.

Exhibit 5-65

The District’s Ratios of Students to Guidance Counselors and School Psychologists is Lower Than the State and All Peer Districts, 2000-2001

District	Ratio of Guidance Counselors to Students	Ratio of School Psychologists to Students
Broward	1:868	1:2,164
Duval	1:577	1:2,735
Hillsborough	1:408	1:1,404
Orange	1:507	1:2,428
Palm Beach	1:495	1:2,608
Pinellas	1:463	1:1,739
State	1:479	1:2,061

Source: Florida Office of Public Policy and Government Accountability website.

To ensure consistency and equity throughout the district, departments in the Division of Supportive Services provide services based on specific formulas and/or criteria.

While guidance counseling, psychological services, social work, and health services are all part of the Division of Supportive Services, they are not all in the same department. Each of these specific services

Educational Service Delivery

has clear, consistent, and specific formulas and/or criteria for making staff decisions. The formulas or criteria are based on the type of service.

Psychologists, social workers, nurses, diagnosticians, and health assistants are assigned to schools according to the district's seven areas or vertical teams. Communication among staff in the division takes place on a regular schedule that is established before the beginning of the school year. In addition to their communication within their assigned area, the Division Director also holds meetings for all staff (monthly); team leaders (at least three times a year); and supervisors and team leaders (monthly). Each department within the division articulates priority initiatives for the school year.

Social workers and psychologists in the district are assigned to schools based on specific staffing formulas, although the formulas include different variables. These formulas take into account the total number of students on the campus, the number of ESE students, the total number of evaluations, the number of students on free or reduced lunch, etc. While the staffing formulas are consistent throughout the district, schools still have some flexibility. Schools who feel they need additional psychologists or social workers can fund additional full or part time positions from Title I or other funds at their discretion. This allows schools to better meet the needs of their student population while still maintaining an equitable system for the district as a whole.

Health services personnel in the division include a supervisor, a coordinator, more than 70 registered nurses, approximately 122 health assistants, a half-time physician position, and full and part-time nurse practitioners. Within each of the seven areas of the district, health care personnel are assigned to campuses based on the number and intensity of medical and health needs of the students on that campus. For example, if a school has a high number of students with chronic health conditions such as diabetes or asthma, that school would be a high priority school for health services. Likewise, schools with a high percentage of ESE students or economically disadvantaged students also receive a more intense level of service. The district also staffs each school's health care personnel to meet state mandates for services.

An additional consideration in assigning student health services personnel is by funding source. Funding for health care services in Florida schools comes from the state Department of Health, not the Department of Education. In some districts, services are provided directly by the health department but in Hillsborough County, the district works closely with the Department of Health and funds flow through the health department directly to the district, which then provides the health services. Because there are several sources of health services funds, some tied directly to grants at specific sites, the district provides specialized services according to funding requirements.

There are a total of 341 guidance counselors in the district: 126 at elementary schools, 105 at middle schools, and 110 at senior high schools. To ensure equity, the district assigns guidance counselors to schools based on specific staffing criteria. At the elementary level, one guidance counselor is assigned to each school. At middle schools and senior high schools, assignments of guidance counselors are made according to student enrollment, as shown in Exhibit 5-66.

Exhibit 5-66**Guidance Counselors in the District
Are Assigned According to Specific Staffing Criteria**

School Level	Student Enrollment	Counselors Assigned
Elementary		1 Counselor per site
Middle	1-600	1 Counselor
	601-1000	2 Counselors
	1001-1500	3 Counselors
	1501-2000	4 Counselors
Senior High	Up to 1600	3 Counselors
	1601-2100	4 Counselors
	2101-2600	5 Counselors
	2601-3100	6 Counselors
	3101-3600	7 Counselors

Source: The School District of Hillsborough County Guidance Services Department.

In addition to the guidance counselors who are allocated by formula, some schools have staff members who assist with the delivery of services that are guidance related. Title I schools have additional flexibility and can purchase an additional elementary counselor unit through those funds. Senior high and middle schools have a Human Relations specialist hired with federal funds who can assist with specific sub-groups of students. Nineteen of the twenty high schools have Guidance Resource specialists who assist students with college admissions forms, scholarship applications, and financial aid information. Guidance Resource specialists have college degrees but are not necessarily certified in guidance. Finally, several of the middle and senior high schools have Career specialists who assist with career and vocational exploration and information.

The district evaluates the effectiveness of its delivery of some student support services and uses the results to make improvements and to implement innovative new programs.

There are several examples of Division of Supportive Services' efforts to evaluate its service delivery for effectiveness and efficiency, including:

- School Health Services must file an annual report with Family and Community Health School Health Services in Tallahassee. This agency sets very specific objectives and requires districts to provide data indicating whether they have met the objectives. For example, the report requires the district to provide the percent of repeat births to female students (Goal: Fewer than 10 per 100; The district had 8.8.) and the number of female students who return to school or enter alternative education after giving birth this year (Goal: At least 95 percent; The district had 73.9 percent.).
- The Guidance Department conducts surveys and uses needs assessments to plan additional staff development. The Guidance Department also has a very thorough plan to improve post-secondary preparation and to address equity in post-secondary preparation. This plan format includes strategies, rationales, descriptions of implementation status, and outcomes/goals. One of the initiatives included in the plan is the Superintendent's Key Scholars Program, which recognizes students for high achievement and encourages their participation in challenging secondary academic programs.
- The Department of Student Services has articulated priority initiatives for the department as a whole. In addition, School Health Services, Psychological/Diagnostic Services, and School Social Work Services have their own specific priority initiatives. However, these departments do not have an evaluation plan in place to define and measure specific outcomes or timelines linked to their priority objectives.

- Through this division, the district has implemented some innovative practices as pilot programs, evaluated their effectiveness after the first year, and then made decisions regarding their continued use. For example, in June 2000, the school board approved the Integrated Health Services pilot program to provide comprehensive health and wellness services to high school students and staff members. A district wide model was included in the district’s Legislative Priorities for both 2000 and 2001. The resulting state funding, along with matching funds from the district’s Workers’ Compensation Fund, supported the initial pilot program. The program placed full time RNs, Nurse Practitioners and other healthcare professionals in all high schools. Results of the first ten months of operation reflect savings at least equal to the funds expended while reducing absenteeism of students and staff and improving the delivery of healthcare to students. Specific outcomes for this particular example are summarized in Exhibit 5-67.

Exhibit 5-67

Results of the District’s Integrated Health Services Pilot Program Indicate Several Positive Savings and Outcomes

Results of Integrated Health Services Pilot	Savings/Outcomes
<ul style="list-style-type: none"> • Nine high schools had fulltime healthcare staff for the first time. • Over 79,000 visits by students at these nine schools. • 84% of visiting students were returned to class after their visit. 	<ul style="list-style-type: none"> • Instructional continuity • Ease of access to health care for students
<ul style="list-style-type: none"> • Of 5,246 staff visits at the high schools, 94% of employees returned to work after treatment. 	<ul style="list-style-type: none"> • Sick leave and substitute leave were saved • Estimated three hours of work for staff to obtain medical care elsewhere would have resulted in loss of 15,738 hours of sick leave.
<ul style="list-style-type: none"> • Occupational injuries were a small number of the staff visits (529 of 5,246) but costs for the year were 50% less than the previous year 	<ul style="list-style-type: none"> • \$493,876
<ul style="list-style-type: none"> • Co-pay expenses for the non-occupational visits would have totaled \$47,000 • The district’s health insurance plans would have paid additional claims of approximately \$212,000 	<ul style="list-style-type: none"> • Staff: \$47,000 • Health Plan: \$212,000
<ul style="list-style-type: none"> • Substitute time charged to occupational injuries was reduced by 39% for instructional employees and 56% for non-instructional employees 	<ul style="list-style-type: none"> • \$10,800
<ul style="list-style-type: none"> • Pre and post employee surveys indicated that 98% of the respondents were positive about their experiences in the program 	<ul style="list-style-type: none"> • Morale/convenience
<ul style="list-style-type: none"> • Of employees seen by a school RN or nurse practitioner for a worksite injury, 95% reported receiving satisfactory to excellent care 	<ul style="list-style-type: none"> • Satisfaction with follow-up care; convenience of care
<ul style="list-style-type: none"> • Anecdotal accounts of positive experiences 	<ul style="list-style-type: none"> • Included early detection of illness, avoiding more serious illness

Source: The School District of Hillsborough County, June 19, 2001 *School Board Agenda*.

The Psychological Services Department has implemented a cooperative program designed to develop and mentor psychologists, which helps provide the district with qualified applicants for psychologist positions.

The state recently declared a critical shortage of school psychologists. In Hillsborough County, the district has a clinical psychology training program and, in a cooperative arrangement with the University of South Florida and other professional schools, takes both interns and externs. This program is a win-win situation and has provided the district with a pool of job applicants who are given exposure to the district's schools and experience within the system. While the statewide shortage is likely to make it difficult for some districts to find qualified psychological personnel, Hillsborough County will likely be able to hire and retain staff more easily than its peers.

In the ESE section of the report, the issue of timely assessment was addressed and some recommendations provided. Although the timeliness of assessments is an issue related to ESE, assessment personnel, including psychologists and educational diagnosticians are in the Psychological Services Department, so any recommendations for changes in this program would impact ESE but be implemented by Psychological Services.

6

Administrative and Instructional Technology

The School District of Hillsborough County has very effective, well-received and detailed technology systems for instructional programs; with few additional systems and adjustments administrative programs can be improved to instructional program levels.

Conclusion

The School District of Hillsborough County (SDHC) has a number of plans in place for technology. The plans meet all the required state and federal elements. The district has a number of committees that assist in developing and implementing these plans incorporating any available stakeholder input. The committee members range from students to board members.

The district has recently completed a reorganization of its customer service and support departments. Customer service and support is now under one manager. According to the district's September 2001 Annual Technology Report, this reorganization has helped the quality and quantity of technical support services for the district; however, the reorganization was a result of several one-time studies. The district needs a systematic assessment tool that annually measures the support issues for the district.

The district has done a commendable job with technology training of instructional staff. The district assesses the technology level of teachers through an annual survey. From that assessment it develops technology profiles for teachers. The technology profiles also can be prepared for schools or the entire district. After the assessment and profiling, the district offers a variety of courses to teachers using a variety of channels. Even though the same training program is available for the administrative staff, the assessment and profiling pieces are not completed.

The district has managed to connect all of its classrooms to the district's Wide Area Network (WAN) and the Internet. The district maintains this infrastructure 24 hours a day, seven days a week. As new web-based technology initiatives take effect, the need for more technical infrastructure will be a key issue for the district. The district used its size and expertise to sign agreements with Compaq, Gale and Grolier to save money and bring more technical functionality to the district.

The district has safety and security policies in place. On-site visits showed that the policies are well communicated and implemented by district staff.

The district has a very clean track record for student information reporting to the Department of Education. The district Information Services Department has procedures in place to supply timely and accurate data to the district's schools and departments.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the administrative and instructional technology area, some of which are included in Exhibit 6-1 below.

Exhibit 6-1

**The District Has Had a Number of Notable Accomplishments
in Administrative and Instructional Technology in the Last Three Years**

- The district's management information systems provide data needed by administrative and instructional personnel in a reliable and timely manner.
 - The district uses committees to guide both strategic and tactical decision-making.
 - The Professional Development program for instructional personnel is comprehensive.
 - Purchasing strategies have resulted in cost-effective acquisitions.
 - The district completed the wiring of all schools and classrooms to the district's Wide Area Network (WAN) and the Internet.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's administrative and instructional technology using the Best Financial Management Practices adopted by the Commissioner of Education, and associated indicators. The review team conducted on-site interviews with district-level managers, district-level staff, principals and teachers, and gathered information such as technology plans, strategic plans, surveys, training profiles, committee minutes, contracts, organizational charts and budgets on the administrative and instructional technology activities including policies and procedures.

An overview of chapter findings is presented below.

School Board Technology Plan

1. The district has solicited and used broad stakeholder input in developing an integrated learning system and in setting priorities for administrative and instructional technology decisions. (Page 6-6)
2. The district's technology planning documents are aligned with the district's Strategic Plan and state guidelines to provide direction for technology decision-making. However, the technology section of the district's Strategic Plan has inconsistencies with its process measures and timelines. (Page 6-8)

"Just-in-Time" Support

3. The district provides formal and informal support to assist educators in incorporating technology into the curriculum. (Page 6-10)
4. The district provides technical support for educational and administrative systems in the district. (Page 6-11)
5. The district provides technical support for hardware, software, and infrastructure but it does not have a systematic assessment tool to annually measure the timeliness and cost effectiveness of the technical support. (Page 6-12)

Professional Development

6. The district has a professional development plan that reflects the district's vision of integrating technology to enhance and enrich the learning environment, but the instructional plan is not complemented by an equivalent plan for administrative and support personnel. (Page 6-16)
7. The district provides professional development for instructional technologies. (Page 6-17)

Appropriate Technology for Performance

8. The district bases technology acquisitions on instructional needs. (Page 6-18)
9. The district bases technology acquisitions on the results of research, planning and evaluations of previous technology decisions to ensure that technology decisions are cost-effective; however, the true cost of technology support is difficult to measure. (Page 6-19)
10. The district has established standards for acquiring new hardware and software that promote the integration of technology into everyday curricular needs. (Page 6-21)
11. The district has a stable infrastructure and is making progress toward providing adequate network resources in a cost-efficient manner. (Page 6-22)

Appropriate Use of Technology

12. The district has established and communicated a policy stating appropriate uses of all types of technology resources, including computers, video equipment, software, and the Internet. (Page 6-24)
13. The district supports compliance with the established policy on safe and legal use of technology resources. (Page 6-25)

Management Information Systems

14. Segregation of Duties: The district segregates duties to reduce the risk that unauthorized transactions will be entered and not discovered quickly. (Page 6-27)
15. User Controls: The district's user controls ensure authorization prior to processing transactions and ensure all output represents authorized and valid transactions. (Page 6-28)
16. Application Controls: The district's applications are designed to provide users with reliable data. (Page 6-29)
17. The district has established general controls to promote the proper functioning of the information systems department, but testing is one area where improvement is needed. (Page 6-29)
18. The district's management information systems provide data needed by administrative and instructional personnel in a reliable and timely manner. (Page 6-31)
19. The district has taken steps to minimize the number of databases that are independent of its centralized computer systems; however the district does not have formal procedures to control those databases that are independent of its centralized computer systems. (Page 6-32)
20. Other Controls: The district has established appropriate controls related to electronic data exchange transactions, other transactions processed through electronic media, and image processing systems. (Page 6-34)

Fiscal Impact of Recommendations ---

There are no fiscal impacts associated with the recommendations contained in this chapter.

Background ---

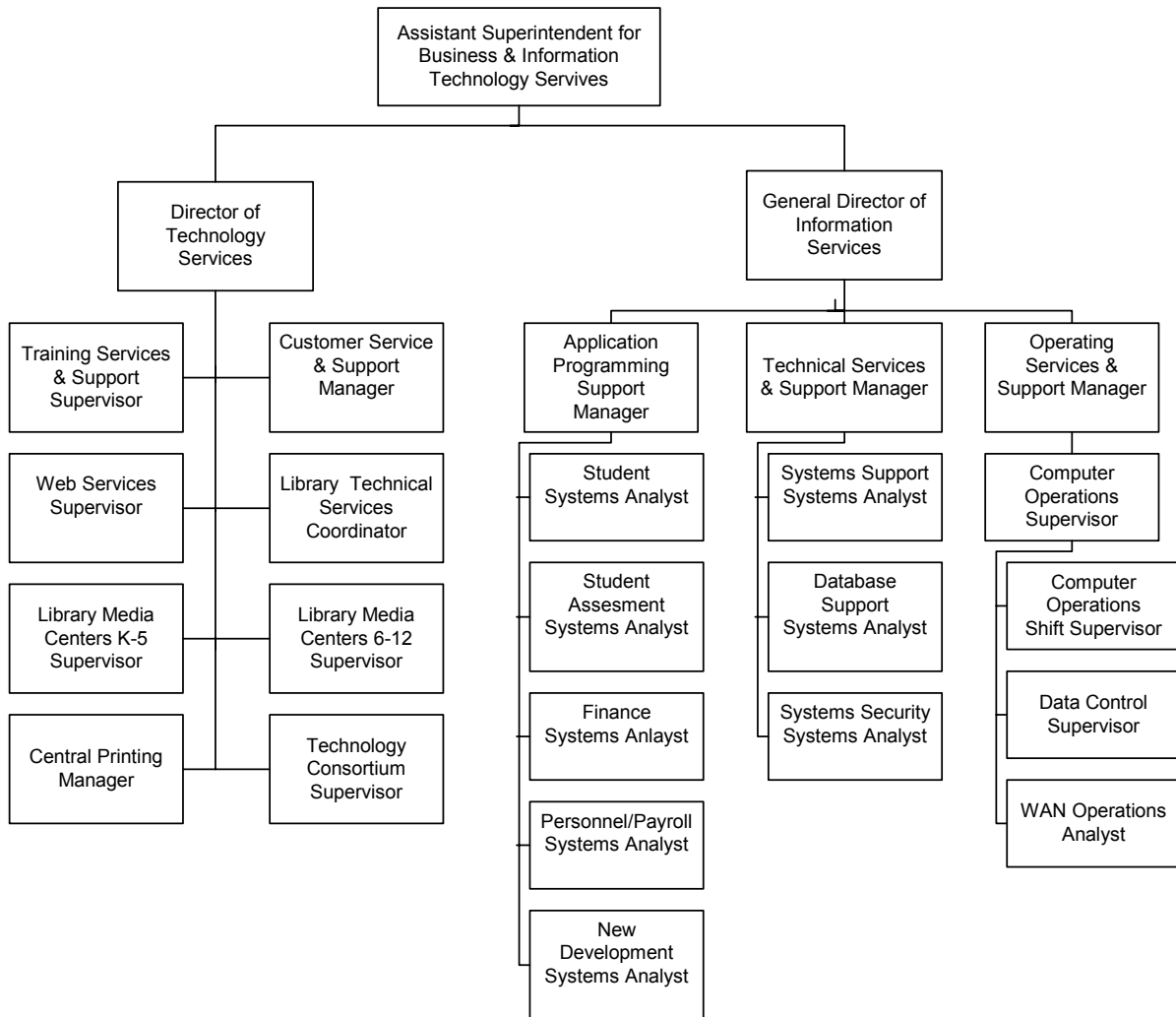
The School District of Hillsborough County (SDHC) is the third largest district in Florida. With 183 schools and a student population of 179,880 it covers a geographic area approximately the size of Rhode Island. The district has experienced rapid growth with more than 34,000 new students in the past ten years. The district will open 22 new schools over the next four years. It consists of a wide range in demographics from urban to rural with approximately 47% of the students receiving free or reduced lunch services.

The district recently created a single division of Business and Information Technology Services, which is headed by an Assistant Superintendent. The Assistant Superintendent is responsible for all information technology, web services, and imaging and computing technologies from the mainframe to the user’s laptop and desktop applications.

Exhibit 6-2 shows the Business and Information Technology Services organizational chart.

Exhibit 6-2

The District Administrative and Instructional Technology Organizational Chart



Source: The School District of Hillsborough County.

This chapter of the report does not address systems used in the Student Nutrition Services and Transportation Services departments. It is important to note that these departments use several specialized software applications that are unique to their departments and are vendor-supported. However, the district’s Customer Service and Support department does provide hardware support for the computers that run these applications.

The district has taken significant steps toward improving technology and has plans for comprehensive and challenging projects in the future. The following section discusses some of the significant initiatives the technology department has identified.

Compaq Agreement

The district established a five-year contract with Compaq Computer Corporation to serve as the exclusive provider of technology hardware and operating system software. The intent of the agreement was to standardize services and products. The agreement with Compaq provides many benefits to the district that result in immediate returns for new schools and provides opportunities for employees and students to acquire computers at below market costs.

Listed below are some of the key features of the partnership.

- A dedicated on-site client liaison;
- A credit program that will return a percentage of each product and services purchased to the district to support district technology needs;
- On-site setup for workstations and student stations;
- Pre-load of district specified software prior to shipping;
- Various percentages of discounts from the Compaq's National Education Price List (NEP); and
- Technical training for up to 30 district technicians at no charge.

Project Insight

The district has a comprehensive project called "Project Insight." Project Insight relies on interaction among people, process and technology to support whole school effectiveness and to achieve a more effective and efficient learning community. Project Insight has four integrated components:

- The Enterprise Resource Planning (ERP) component will replace 30+ year old business systems, enabling web access to Finance, Human Resources, Payroll, Purchasing and Maintenance systems;
- The Data Warehouse component will allow online access to information that is critical in managing, measuring and tracking instructional programs and practices. The software obtained to implement the Data Warehouse will enable the district to enhance the current Student Information System with better reporting capabilities and to allow schools to generate customized reports on-site;
- The imaging component will enable the capture, storage and cataloging of print documents for electronic retrieval. For example, imaging will allow principals to access employee applications electronically from their desktop; and
- The Call Center component will provide "one-stop shopping" for all district technology support needs. The Call Center Management System will enable remote diagnoses, repair and management of over 30,000 computers districtwide.

Web-Based Instructional Planning Tool

In 2000, the district decided to pilot Virtual Education by Edmin.com. Virtual Education is a web-based instructional planning tool, and it enables timely data driven decision-making to occur by providing teachers and administrators with immediate access to instructional information. In addition to tracking student performance in real time, Virtual Education accepts input from teachers to do lesson planning and helps them automate Individual Education Plans (IEPs) for Exceptional Student Education (ESE)

students.¹ The district is still piloting the project, with districtwide implementation set for July 2002. The Assessment, Accountability and Evaluation Department also is conducting a districtwide study to evaluate the pilot project.

Online Research Information

The district licensed all students and staff to access online databases and research information through a contract with Grolier and Gale Research. These online databases are available 24 hours a day through the district's website.

Professional Development

The district has extensive training opportunities for professional development. Training programs are based on needs identified in the annual technology skills assessment survey. The district also uses these assessments to establish training priorities for the district, schools and individuals. The district provides hands-on, online and distance learning courses.

School Board Technology Plan

The district has several different technology plans – some are evolutions of previous plans; and some are more detailed plans derived from higher-level plans. Below is a summary of these plans.

- The 2000-2005 Strategic Plan is the formal and most current plan being used at the district level;
- The SDHC Technology Plan of December 1998 was approved by the Florida Department of Education (DOE) and used to obtain E-rate funding;²
- The 1999-2000 Technology Implementation Plan was approved by the school board and outlines detailed phases and tasks to accomplish strategic technology goals; and
- The 2000 Technology Refresh Plan outlines plans for which schools will receive technology replacements and/or upgrades in each of the next five years.

1 The district has solicited and used broad stakeholder input in developing an integrated learning system and in setting priorities for administrative and instructional technology decisions.

The district uses committees to guide both strategic and tactical decision-making.

Technology planning for the district involves several committees to ensure stakeholder concerns are addressed. These include an Industry Review Committee, District Advisory Committee for Technology, School Configuration Committee, Software Committee and Project Insight Committee. These committees make specific recommendations to the Technology Steering Committee. The Technology Steering Committee has representatives from each division within the district and makes final

¹ The federal government requires an IEP for each ESE child. These plans include a summary of where the child is, goals for him/her to reach, strategies for him/her to meet those goals, and who is responsible for implementing those strategies (e.g., teacher, speech therapist, special education teacher, physical therapist in some cases, etc.).

² On May 7, 1997, the Federal Communications Commission (FCC) adopted a Universal Service Order outlining a plan to guarantee that all eligible schools, libraries and rural health care providers have affordable connections to the Internet. By making \$2.5 billion available annually, this program provides discounts (commonly known as the E-rate) to eligible organizations on certain telecommunications services.

recommendations to the Superintendent and the School Board. The district’s Annual Technology Report lists the committees, their purpose and their members. Exhibit 6-3 shows the list and purpose of each committee.

Exhibit 6-3

The District’s Technology Committees

Committee Name	Purpose
<ul style="list-style-type: none"> Technology Steering Committee 	<ul style="list-style-type: none"> Coordinates district technology. Representation from all divisions and the Public Affairs Office ensures effective communication and smooth implementation of technology initiatives. Makes final recommendations to the Superintendent and School Board.
<ul style="list-style-type: none"> District Advisory Committee for Technology 	<ul style="list-style-type: none"> Provides guidance, input and advice on administrative and instructional technology initiatives.
<ul style="list-style-type: none"> Industry Review Committee 	<ul style="list-style-type: none"> Provides industry perspective and experience regarding district technology initiatives
<ul style="list-style-type: none"> Technology Partnership Evaluation Committee 	<ul style="list-style-type: none"> Evaluates and selects the vendor that best meets the district’s technology goal.
<ul style="list-style-type: none"> School Configuration Committee 	<ul style="list-style-type: none"> Studies and recommends types and quantities of technology placed in new and renovated schools. Reviews previous year’s recommendations and makes adjustments based on user evaluations and new technology.
<ul style="list-style-type: none"> Software Committee 	<ul style="list-style-type: none"> Establishes criteria for selecting instructional software.
<ul style="list-style-type: none"> E-Mail Committee 	<ul style="list-style-type: none"> Developed a functionality matrix and conducted a gap analysis of the current e-mail system.
<ul style="list-style-type: none"> Project Insight Core Committee 	<ul style="list-style-type: none"> Guides the implementation of Lawson Software, the software that the district is using for Project Insight.
<ul style="list-style-type: none"> Compaq Quarterly Review Committee 	<ul style="list-style-type: none"> Provides quality control for products and prices provided through the Compaq contract.
<ul style="list-style-type: none"> Gradebook Committee 	<ul style="list-style-type: none"> Evaluates and selects a gradebook package for district wide use.
<ul style="list-style-type: none"> Digital Divide Committee 	<ul style="list-style-type: none"> Defines the procedures and criteria for distributing computers to eligible students.

Source: The School District of Hillsborough County, Annual Technology Report, September 2001.

There is a broad cross-section of the Business & Information Technology Services Division (BITS) staff among these committees to ensure adequate communication and coordination occurs. District staff members who are not directly participating are aware of the existence and function of the committees.

Many committees include parents, teachers and other school-based technology users. There also is student representation on the Technology Partnership Evaluation Committee. In addition to the Technology Partnership Evaluation Committee, students also sit on school advisory committees. SDHC also has shown initiative in seeking advice from the business community through its Industry Review Committee. This committee includes members from other area governmental organizations and private corporations.

Committees and surveys are the district's primary method for assessing needs.

At SDHC, committees are the most common means used to assess technology needs. In addition, the district uses two specific data gathering mechanisms to assess needs. The first is an annual survey called the Technology Skills Self-Evaluation Survey. This survey is used to measure teacher use of technology. With this survey a specific profile is developed for each teacher and summary profiles are developed at the school and the district levels. These profiles are used to plan training requirements for the year. This survey is the most institutionalized assessment instrument in the district. In addition to the Technology Skills Self-Evaluation Survey, in February 2001, a separate technology survey was administered to 100 randomly selected elementary, middle and senior high school teachers to identify barriers to technology non-use among teachers.

The second source of data is the Technology Resource Survey conducted annually by the Florida Department of Education (DOE). It provides information on hardware and infrastructure used to monitor progress and to plan for the effective implementation of technology initiatives. The District Technology Refresh Plan used DOE survey results to determine school-level hardware usage.

2 The district's technology planning documents are aligned with the district's Strategic Plan and state guidelines to provide direction for technology decision-making. However, the technology section of the district's Strategic Plan has inconsistencies with its process measures and timelines.

Plans are comprehensive and being followed.

The most recent and comprehensive technology plan developed by the district is actually a subset of the district's 2000-2005 Strategic Plan. By technology being an integrated part of the strategic plan priorities, the district has demonstrated its commitment to making technology a priority at the highest level.

The technology portion of the district's 2000-2005 Strategic Plan evolved from the SDHC Technology Plan of December 1998. This plan was approved by the Florida DOE and was used to satisfy requirements for federal E-rate funding. The district has revised the technology plan, and it has been approved by DOE.

The technology portion of the district's 2000-2005 Strategic Plan lists four goals with clear linkage to the goals stated in the district's Technology Plan of December 1998. For each goal there are multiple strategies that define how the district will meet that goal. Each strategy specifies which division of the district is responsible, the criteria by which to measure progress toward the goal, status, next steps, cost and funding sources. The costs and funding sources are linked to those found in the district's annual budget.

The technology portion of the district's 2000-2005 Strategic Plan addresses all required best practices and indicators including hardware, software and network infrastructure, support and training, professional development, instructional integration and administrative operations. To determine the technology needs of individual schools, the district developed a separate Technology Refresh Plan to define which schools would receive hardware upgrades each year from 2000 to 2005.

Interviews and documents demonstrate that the day-to-day activities of the district's technology department are consistent with the initiatives outlined in the current technology plan. School-based personnel are aware of plan initiatives and related projects indicating that the plan is used to communicate and guide decision-making.

Inconsistencies in some elements of the technology section of the Strategic Plan limit its usefulness.

The technology section of the 2000-2005 Strategic Plan is inconsistent in the definition of process measures and schedule timelines. In some cases, process measures are too broad to indicate a goal has been reached (e.g., "record of committee meetings") or are open to interpretation (e.g., "monitoring of bandwidth utilization"). Seldom do the measures tie to any educational or operational outcome. Schedule timelines vary from specific target dates (e.g., December 2001) to wide ranges (e.g., 2000-2001 school year) with many initiatives having no timeline information at all.

Recommendations

- *We recommend that the district refine the process measures and timelines for the technology section of its strategic plan.*

Action Plan 6-1 provides the steps needed to implement this recommendation.

Action Plan 6-1

Refine the Process Measures and Timelines for the technology section of the District's Strategic Plan	
Strategy	Refine the process measures and timelines for the technology section of the district's strategic plan.
Action Needed	Step 1: Establish a group to review the technology section of the district's strategic plan process measures and timelines. Step 2: Review and refine the process measures and timelines for the technology section of the district's strategic plan.
Who Is Responsible	Director of Technology Services
Time Frame	By September 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

"Just-in-Time" Support

In 1998 the district identified the need to achieve equitable access to technology at all schools. In order to accomplish this goal, the district developed a pilot project called Robinson Cluster. This pilot project helped the district determine key costs and constraints for a full implementation of the district technology plan. The pilot also led the district to create seven area offices to serve the entire district for technical support and technology training.

In April 2000 assistant superintendents and senior management from the Operations, and Business and Instructional Divisions drafted an organizational plan to consolidate the technical services historically spread throughout the district. The new organizational plan provided for a central call center (help desk), equitable technical support for schools, consistent training and clear departmental accountability. Under

the new structure, the district has implemented a central call center and consolidated technical support within the seven area offices. They all report to the manager of Customer Service and Support under the director of Technology Services.

The call center and area offices use a district-developed tracking system called the New Maintenance Request System (NMRS). This web-based system allows district users to post hardware support questions. These questions are sorted by the call center and assigned to the appropriate area support specialist for response. In addition to NMRS, users can call the center directly for hardware, application, and operating system support.

As the district's technology needs have grown the requirements for call center tools also have expanded. NMRS has become insufficient for the district's call center needs. In the Proposal for Five-year Technology Partnership (PFTP) the district redefined its requirements for the call center. The following call center requirements have been identified.

- The ability to monitor the technology network and its attached assets and alert the help desk when equipment is performing outside normal specifications and recommend appropriate solutions from a knowledge database;
- A dynamic knowledge database that can easily be updated by the customer service employees at the call center;
- The ability to remotely diagnose systems, push solutions to the desktops or servers and establish control of a desktop or server in order to update or upgrade software packages;
- Incorporate management tools that monitor hardware changes as well as track software licenses for the district; and
- A warehoused "help ticket" for internal tracking and monitoring that is responsive to queries as well as business reporting.

The district selected the Unicenter Network and System Management tool set from Computer Associates because it met the requirements set out in the proposal. The district believes that these tools will enhance the district's call center functions and improve its technical support throughout the district.

3 The district provides formal and informal support to assist educators in incorporating technology into the curriculum.

According to the district's organizational chart, the Department of Technology Services has several positions responsible for coordinating instructional technology and integrating it into the curriculum. The Supervisor of Training Services & Support is responsible for providing teachers the training they need to effectively use technology. The coordinator of Library Technical Services is responsible for district-level media services and library technology operations. Supervisors of Library Media Centers K-5 and 6-12 are responsible for providing media specialists with training.

Interviews with school personnel indicate that the district provides adequate technical support and technical training for school personnel to incorporate technology into the curriculum.

The district has established the Software Committee whose charter is to establish criteria for the selection of instructional software. In addition to their area of expertise, the district personnel listed above are

members of the Software Committee. This committee oversees the educational software purchases for the district.

The district also has seven area offices and a call center for technical support. The call center is handling approximately 2,500 support requests per month. According to the September 2001 Annual Technology Report, 95% of the calls received were resolved over the phone and did not require a site visit. The report categorizes the support requests to identify where the majority of the requests arise. According to the report, 65% of the questions concern information systems applications. E-mail, hardware and software were the other support categories.

4 The district provides technical support for educational and administrative systems in the district.

The district has an established technical support organization.

The Assistant Superintendent of Business and Information Technology Services is ultimately responsible for both educational and administrative systems at the district level. The technology reorganization established two positions (Technology Team Lead and Network Communications Analyst) at the area level with specific responsibility for school-level technical support. All but one high school has a full-time technology support person. All but three middle schools have either part-time or full-time technology support personnel. Many schools have been able to staff a school-based technology support position using part-time teachers or through creative use of unit allocations or other funding arrangements.

The district has established a central call center that provides service to the district and schools for both administrative and educational systems.

The Information Services Department has specific individuals responsible for supporting the finance, personnel/payroll, student information and assessment/accountability systems.

The district ensures that major technology acquisitions are compatible with the existing or new systems.

The district uses already established technology committees to make sure any hardware and software purchases are compatible with existing or planned systems and are aligned with the technology plan directives. The district also uses subcommittees and pilot programs to evaluate hardware and software purchases for the district. The district is currently evaluating a teacher administrative software program called Virtual EDucation by Edmin.com using a pilot study. The district has a subcommittee on selecting a grade book package. In addition to the current efforts by the district, previous hardware and software purchasing decisions were based on either a pilot program and/or a committee decision.

5 The district provides technical support for hardware, software, and infrastructure but it does not have a systematic assessment tool to annually measure the timeliness and cost effectiveness of the technical support.

The district needs systematic assessment tools to annually measure the timeliness and cost effectiveness of technical support throughout the district, and to determine the true cost of technology support.

The district has reorganized to combine customer service and support under one manager and also has established seven area support centers after the Robinson Cluster pilot study. Both actions were taken in order to improve the response time, equity, and accountability of technical support throughout the district. Additionally, prior external audits and consultant reports recommended that the department be consolidated.³

The district has made installation and support for new schools easier and more cost effective with the Compaq contract and past contracts with Dell and Savin. And a centralized help desk has been implemented to consolidate technology issue tracking and troubleshooting. These initiatives have resulted in cost efficiencies and improved ability to monitor and budget for technology costs.

Currently, the district is sending a four-question satisfaction survey to every 10th caller of its call center. One of the objectives of the 2000-2005 Strategic Plan includes an annual survey for customer services satisfaction for technical support services; however, this objective has been postponed to Fall 2002, after the full implementation of Project Insight.

However, the district will not know how timely and cost effective its technical support structure is in the future unless it develops a systematic assessment tool. A systematic assessment tool will help the district establish a baseline on issues such as timely service, cost effectiveness, and overall satisfaction for its current technical support services. After the baseline has been established the district could annually measure the timeliness and cost effectiveness of its technical support services. Although the district has a large customer service and support structure with several means of measuring cost, the district may not understand the full impact of the cost of technology support. This is because so many schools have either part-time or full-time technology people on their staff and their support efforts and related costs are not tracked to enable calculation of a true cost of technology ownership.

The district provides training for technology support personnel.

The district provides a six-day network administrator course for school and non-school network administrators. The district also uses outside training resources for its technical support staff. For example, the Compaq contract provides technical training for up to 30 district technicians at no additional charge. The district also receives one free staff development day for every \$100,000 spent on Microsoft products through an agreement with the vendor. The district has collected 9 days of free training for its staff since 1999. Many school-based support personnel received their training outside of the district or informally from other technology personnel.

³ Information Systems of America district technology plan developed in 1995 and updated in 1998; MGT of America, Inc., performance review conducted in 1997

The district ensures regular maintenance and repair of hardware.

The district is diligent in ensuring hardware contracts contain substantial support and maintenance terms. The Compaq contract provides for a full-time onsite representative, complete installation for new schools and a three-year service contract for new equipment. The Savin copy machine contract also has significant repair and maintenance terms.

The district has an equipment replacement policy.

The district’s Technology Refresh Plan specifies a timeline for replacing PCs with a “modern computer” and for establishing a “mobile lab” (a cart with laptops enabled for wireless networking). In addition, the district is working with the Recycling Task Force of Hillsborough County to upgrade and refresh old computers for its schools. For example Durant High School’s Local Area Network (LAN) has severe resource issues that inhibit efficient data communication, due primarily to the older Macintosh computers in its dual platform environment. (A dual platform environment is where the school has both Macintosh and Pentium based computers.) The Recycling Task Force, the Customer Service and Support Department of SDHC and Durant High School have agreed to address the dual platform issue by trading 260 of the older Macintosh computers for approximately 125 Pentium IBM compatible computers. Through this agreement the district has created a single platform network environment for Durant High School with no monetary impact to the district.

The district ensures that appropriate support mechanisms are in place prior to acquiring new equipment.

The current Compaq PC contract (and the Dell contract before it) as well as the Savin copier contract all stipulate warranty and maintenance terms. School visits confirm that warranty and service agreements are in place to handle the Compaq and Dell PCs used. Should schools purchase equipment outside of district-arranged contract vehicles, they run the risk of having ill-supported equipment.

Recommendations

- *We recommend that the district develop and implement a systematic assessment tool that annually measures technical support services throughout the district.*

Action Plan 6-2 provides the steps needed to implement this recommendation.

Action Plan 6-2

Develop and Implement an Assessment Tool for Technical Support Services	
Strategy	Develop and implement a systematic assessment tool that annually measures technical support services throughout the district.
Action Needed	Step 1: Assign an individual to guide the development of a systematic assessment tool for technical support services. Step 2: Develop a systematic assessment tool. Step 3: Distribute the assessment to all levels of schools and users. Step 4: Collect and compile the results. Step 5: Use the first assessment as a benchmark to establish a base for technical support services. Step 6: Annually measure technical support services.
Who Is Responsible	Director of Technology Services

Time Frame	First phase by January 2003; annually after the first phase
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

- *We recommend that the district investigate methods for more accurately measuring the size and impact of technology support throughout the district.*

Action Plan 6-3 provides the steps needed to implement this recommendation.

Action Plan 6-3

Measure the Size and Impact of Technology Support	
Strategy	Explore how existing or planned information systems can be used to gather data to measure school-based technology support effort and cost.
Action Needed	<p>Step 1: Identify the data necessary to track school-based technology support costs.</p> <p>Step 2: Examine current systems such as payroll or time tracking to see if they could be adapted to collect necessary data.</p> <p>Step 3: Examine planned systems such as the Call Center Management System to see if they could be adapted to collect necessary data.</p>
Who Is Responsible	Director, Technology Services
Time Frame	By December 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Professional Development

The district’s current three-year technology plan calls for a systematic district-wide technology training program based on current needs assessment data.

For the instructional staff, the Technology Skills Self-Evaluation Survey is used to annually assess teacher technology proficiency. The survey assesses 12 technology competencies. These competencies are based on the National Technology Standards for Teachers developed from the International Society for Technology in Education (ISTE) standards. Four stages of technology growth have been identified by ISTE. Exhibit 6-4 shows the four stages of technology growth.

Exhibit 6-4

National Technology Standards for Teachers

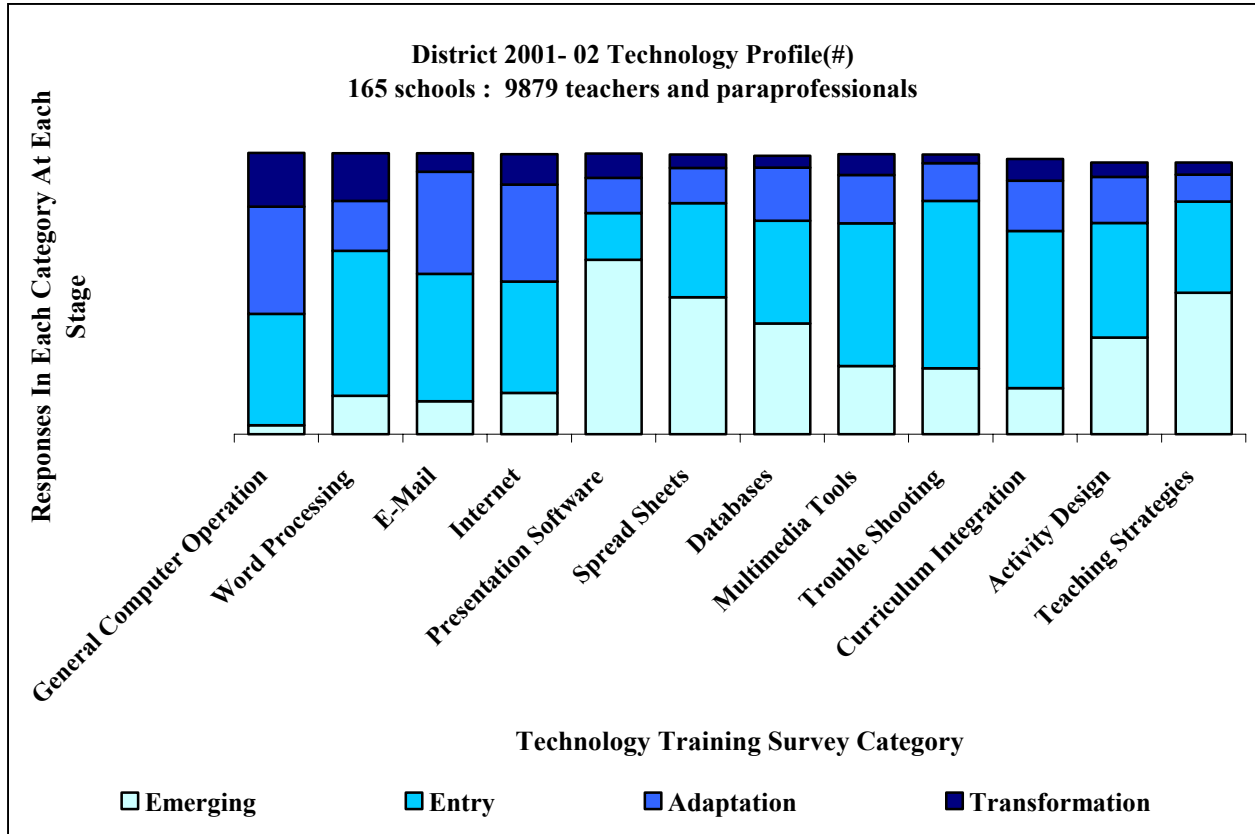
Emerging	The educator is unaware of the possibilities that technology tools hold for improving his/her efficiency and teaching.
Entry	The educator is gaining the skills to access technology.
Adaptation	Technology is integrated into the classroom to support existing practice. The educator is applying technology skills to enhance the teaching and learning strategies already in place.
Transformation	Technology is a catalyst for significant change in learning practice in the classroom. New learning opportunities are possible through the creative application of technology. A significant change would occur in the learning environment if the technology were to disappear.

Source: International Society for Technology in Education (ISTE) standards.

Survey data is used to provide teachers with individual technology training profiles, which can assist them in selecting appropriate technology workshops. School and district profiles also are developed and used for strategic planning. Exhibit 6-5 reflects the current district technology skills profile based on the 2000-2001 Technology Skills Self Evaluation results.

Exhibit 6-5

District 2000-2001 Technology Profile



Source: The School District of Hillsborough County.

The long-range goal of Technology Training Services is to move teachers from the Entry and Emerging stages to the Adaptation and Transformation stages. However, the district does not have a comprehensive training plan for addressing technical training for technical and administrative staff.

6 The district has a professional development plan that reflects the district’s vision of integrating technology to enhance and enrich the learning environment, but the instructional plan is not complemented by an equivalent plan for administrative and support personnel.

The professional development plan for instructional personnel is comprehensive.

The district has implemented a comprehensive and effective system for assessing and delivering technology-related professional development for instructional personnel. This program is identified in the district’s strategic technology plan and supported by a specific budget and a dedicated staff.

A key feature of the planning process includes skills self-evaluation survey used annually to assess teacher proficiency in 12 technology skill categories. The district is using stages of technology usage (emerging, entry, adaptation, transformation) to measure the effectiveness of instructional professional development. The results of this assessment are used to develop individualized training profiles for each teacher. The profiles are compared to district goals for each stage of technology usage to develop individualized training plans. Aggregation of the assessments at the district and school levels are compared to goals set forth in the technology plan as a means of measuring progress over time.

The professional development plan for administrative personnel is lacking.

Evidence of an equivalent professional development plan for administrators and support staff has not been identified. Interviews indicate that technology-related professional development for administrators and support staff is available but not required.

Recommendations

- *We recommend that the district use the assessment survey and professional development profile of instructional personnel as a model to deliver technology-related professional development for administrative and support personnel.*

Action Plan 6-4 provides the steps needed to implement this recommendation.

Action Plan 6-4

Complete Professional Development Profiles for Administrative and Support Personnel	
Strategy	Use the assessment survey and professional development profile of instructional personnel as a model to deliver technology-related professional development for administrative and support personnel.
Action Needed	Step 1: Develop a survey instrument for assessing the skill levels for administrative and support personnel. Step 2: Administer the survey throughout the district. Step 3: Generate professional development profiles for administrative and support personnel. Step 4: Distribute the survey results and profiles. Step 5: Develop training strategies aligned with identified skills.

Step 6: Deliver the training to the administrative and support personnel using the instructional personnel model.	
Who Is Responsible	Training Services and Support Supervisor
Time Frame	By April 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

7 The district provides professional development for instructional technologies.

The instructional professional development program is fully implemented.

The district has implemented a comprehensive and effective system for assessing and delivering technology-related professional development for instructional personnel. This program is identified in the district's strategic technology plan and supported by a specific budget and a dedicated staff. The program is fully implemented, supported and recognized by teaching staff as effective and comprehensive.

Instructional staff has a variety of options for professional development including open registration for district classes, distance learning, specialized courses (e.g., how to use the procurement card), alternative certification programs, and "professional days." A list of available classes and the ability to register is available via the district's web site. One unique feature of the professional development program, "faculty studies," provides workshops customized to an individual school's needs. This training method clearly stands out as a way to ensure that teachers are getting the technology training they need when they need it.

The district previously had a policy that would provide substitute teachers to cover for instructional personnel who needed to participate in training during the workday. This policy was recently abolished due to budget constraints and an emphasis by the school board to strengthen the instructional quality.

The professional development program supports curricular integration of technology.

Examples of technology that the district is providing to support curricular needs include providing Internet access to every classroom, Grolier/Gale research systems in media centers, Alpha Smart keyboards for easy document writing and printing by elementary students, and the availability of school-specific web sites to post homework assignments.

A review of the district's training website revealed two courses designed to educate teachers on how to integrate technology in the classroom. The first, called "Using Computer Planning Tools," focuses on using electronic tools to plan instructional activities and access teaching strategies and activities. The second, called "Internet in the Classroom," focuses on how to use the Internet to support curriculum goals.

The district has initiated participation in conferences and meetings, where appropriate, to further the goal of professional development in technology. Over 100 individuals from the district, including instructional staff, attended the 2002 Florida Educational Technology Conference. A monthly meeting is held for each area's media specialists and an annual meeting is held at the beginning of each school year for all media specialists. These meetings provide media specialists with an opportunity to attend formal training and share experiences and knowledge.

The district provides in-house training.

Generally the district prefers to use its own training materials and trainers for technology training. The district uses outside training sources to train its non-instructional employees who can then conduct training of other district personnel. Similarly, the “train-the-trainer” method is being utilized at the school level. Once a teacher is trained in a particular technology area, that teacher becomes the trainer for other teachers in his/her school. The district area support centers also have dedicated trainers to help the area schools with their training needs.

The district provides in house training to data processing clerks regarding Student Information Systems. The data processing clerk, located at each school, is the person primarily responsible for maintaining program-level databases. Because the systems used by the data processing clerks are proprietary to the district, district employees who understand these systems can only provide professional development of data processing clerks. Training for data processing clerks varies from a few hours to two days in length depending on their prior experience with the district.

Appropriate Technology for Performance

Before technologies are identified and acquired, the district must ensure that the technology will improve educational and/or administrative performance of the district. During 1998-99, the Department of Assessment, Accountability and Evaluation initiated a multi-year study of the “Waterford Early Reading Program” designed to teach letter knowledge, concept of print and phonemic awareness. As a result of this study the department recommended that the district continue to use this program as an instructional tool in the schools. In addition, during the 2000-01 school year the same department conducted a similar study of the “I Can Learn Algebra” computer program. The department also recommended the district use this computer program based on that study.

After studying the effects of the technology programs, the district uses stakeholder input while identifying the appropriate technologies for the district. The district has several technology subcommittees where the members identify technologies for the district. Once the need for the appropriate technology is identified, these committees also work on an acquiring process of the same technology.

8

The district bases technology acquisitions on instructional needs.

Technology plans and decisions consider instructional needs.

The district has been planning for the implementation of instructional technology since 1991. A plan developed in 1994 was updated in 1998 due to significant changes in the technology marketplace. The current 2000-2005 Strategic Plan contains strategies specifically targeted at using technology to extend learning opportunities. Examples are the Accelerated Reader, Waterford, and I Can programs. In addition, teacher focus groups have been used to determine instructional needs.

The district has established the Software Committee whose charter is to establish criteria for the selection of instructional software. Thirteen members of this committee are either teachers or media specialists. A current initiative of the Software Committee is to improve the instructional software selection and purchase processes.

Technology-related instructional materials align with the Sunshine State Standards.

The district has demonstrated an effort to ensure that technology-related instructional materials align with the Sunshine State Standards. During procurement of online reference software databases, SDHC required each vendor to provide a cross-reference of how their software products' features met the Sunshine State Standards.

District provides technology skills needed after graduation.

The district provides opportunities for students to graduate with skills needed for post-secondary education and employment. Elementary schools are using Alpha Smart keyboards to introduce basic word processing concepts. One fifth-grade teacher explained how she has slowly introduced the use of laptops in her class – now used to research via the Internet. Middle school students are using Microsoft PowerPoint to build presentations, including the use of graphics. Introducing students to these technologies early in their school career ensures they will be ready to utilize them in high school and apply them effectively after high school.

At the high school level, four schools received site visits; each school provided evidence that students have sufficient access to technology and the resources are adequate to ensure the students are learning relevant skills. Admittedly, not all students choose classes that utilize technologies such as word processing, spreadsheets and other office-related software. However, the district is sufficiently providing access to those types of resources should the student be motivated to utilize them.

District evaluates impact of technologies on student outcome.

The Assessment, Accountability and Evaluation Department conducted an evaluation of the “Waterford Early Reading Program.” In addition, the same department did another evaluation for the “I Can Learn” math program. Both studies were done to evaluate the results technology resources have on student outcome. The district conducts these studies when the district decides to use a certain instructional technology throughout the district.

9

The district bases technology acquisitions on the results of research, planning and evaluations of previous technology decisions to ensure that technology decisions are cost-effective; however, the true cost of technology support is difficult to measure.

Committees are used to research, plan and evaluate technology acquisitions.

The collection of technology committees and the way they interact is the primary method by which the district researches, plans and evaluates initiatives. Many of these committees are formed specifically to research and plan specific initiatives. By virtue of having key BITS personnel participating in multiple committees, the district ensures that the priorities set by the Technology Steering Committee reflect the desires of the other committees.

The Technology Steering Committee meets bi-weekly and represents a regular and systematic forum for reviewing technology decisions. Agendas are published for these meetings and minutes are taken and distributed. It is clear from interviews with school and other district personnel that major technology decisions are well communicated.

Administrative and Instructional Technology

Other committees are formed specifically to review technology decisions. For example, a variety of grade book software packages are in use across schools. The Grade Book Committee is currently in the process of evaluating and selecting a district standard for a grade book package to get volume-purchasing discounts and reduce training and support costs.

The Industry Review Committee was formed to get the perspective of other organizations on the district's technology initiatives. This committee was actually an outgrowth of a work group formed to help the district develop and review the PC hardware Request for Proposal that ultimately resulted in the Compaq contract. The committee includes six individuals from other governmental organizations, one person from a university and eleven individuals from private sector companies. The Compaq Quarterly Review Committee meets every three months to review products and prices provided through the Compaq contract.

A specific example of where the district used an evaluation of previous decisions to drive technology acquisitions was in the selection of a standardized e-mail package. Prior to January 2001, two e-mail-reading programs were in use throughout the district. School-based personnel were generally using a package called FirstClass and district office-based personnel were using a package called TAO. In January 2001, FirstClass was implemented in district offices to replace TAO in order to standardize on a single package. At the time, FirstClass was chosen primarily because it was more efficient to update district computers and train district personnel than it was to update school computers and train teachers.

The district then formed an E-mail Committee that was charged with developing a functionality matrix and performing a gap analysis to see which mail program should be the standard in the future. The committee's analysis revealed that FirstClass provided additional communication and workflow capability that school-based personnel relied on very much. Other commercial packages did not meet functional requirements any better than FirstClass. Based on the analysis results of the E-mail Committee, the District Advisory Committee recommended in May 2001 to adopt FirstClass as the official district standard.

The district uses standards from the International Society for Technology in Education as a basis for developing much of their internal training curriculum. Another example of standards use is the US Mark standard for cataloguing library materials. This standard was used as the benchmark for purchasing library management software.

Purchasing strategies have resulted in cost-effective acquisitions.

The district has been very effective in using its size to negotiate better deals for technology-related acquisitions. One example is the Compaq contract where PCs are purchased at a discount and come with three-year maintenance agreements. Another example is the purchase of the Grolier and Gale databases to provide electronic research (e.g., digital encyclopedia and other reference materials) capability for all school media centers.

Another example of a cost-effective strategy is implementing Internet filter software at the Internet Service Provider connection instead of on individual PCs. Here the district saves money in two ways. First, the initial purchase of a server-based product is less than the cumulative cost of PC-based products. But the real savings comes in reduced ongoing support and maintenance. A PC-based Internet filter solution would require updates to every PC each time an update to the filter criteria is required. The manpower necessary to maintain the software for each PC in the district would be substantial. In addition, the server-based solution provides other advantages such as standardization across the district.

At least 50% of the technology purchases are centralized purchases made by the district on behalf of the schools. These purchases are for those technologies that represent district standards and apply to all schools. As mentioned earlier, the district uses its size to negotiate effectively for these major purchases.

In the district's implementation of site-based management, schools have the freedom to make some technology purchases with monies they acquire outside of normal funding channels as long as those purchases do not conflict with district policy and standards. In those purchases, the district is not negotiating purchase prices since they don't relate to specific district technology initiatives. For example, one elementary school principal used PTA contributions to buy each school administrator a personal digital assistant (PDA).

Determining the true cost of technology support is difficult

As we previously pointed out in finding 5, technology support is difficult to measure, and technology support plays a part in acquisition decisions. Our recommendations in finding 5 should enable the district to determine the cost of technology support.

10 The district has established standards for acquiring new hardware and software that promote the integration of technology into everyday curricular needs.

There is great deal of communication among schools regarding technology. The school staff at all levels are communicating among each other regarding their school's technology needs and sharing their experience and knowledge with each other. These efforts are enhanced because a majority of school staff has been with the district a very long time. The district is officially supporting a strong communication channel via its collection of technology committees. The district also allocates a specific portion of the budget for technology acquisitions.

Standards and processes support hardware acquisitions.

For acquiring hardware, the district has implemented strict standards for PC purchases through the Compaq contract. These standards can be found on the district's web site.

The district has pursued developing partnerships to extend its capability to provide technology. The following are examples of partnerships that resulted in a cost-effective acquisition of hardware.

- Durant High School has made effective use of a recycling consortium where it traded in older Macintosh computers in return for a few new Pentium-based IBM compatible PCs.
- Bevis Elementary is sending its "Star Carts" (laptops with wireless LAN) to be used at other schools in after-hours programs.
- Gorrie Elementary received matching funds for technology purchases from the Hillsborough Education Foundation.

The district developed its Technology Refresh Plan to define which schools would receive hardware upgrades each year from 2000 to 2005. This plan attempts to identify the specific needs of each individual school.

Regarding hardware, the Compaq Quarterly Review Committee meets every three months to review products and prices provided through the Compaq contract. The twenty-two-member committee consists of seven teachers, seven district administrative staff, four Compaq employees, two principals, one Microsoft and one Lexmark employee.

Standards and processes support software acquisitions.

The district has established a procedure for the “flexible adoption” of instructional materials including digital content. The procedure uses a DOE-provided instructional materials evaluation form that includes evaluation criteria specific to digital instructional materials.

The Software Committee establishes selection criteria for software. The twenty-six-member committee consists of nine teachers, nine administrative staff, five media specialists and three principals. The committee’s current directive is to improve the software selection and purchase processes.

Selection of the Horizons library cataloguing system is a good example of how the district approaches a software acquisition initiative that could impact educators. A committee was formed consisting of media specialists from all school levels, IS staff, and representatives from the Tampa Public Library. The committee developed an RFP and evaluated vendor responses. Upon selecting Horizons, it performed a pilot project using a survey to solicit feedback from media specialists before making the final decision to purchase.

Technology equity among schools

The new schools and recently renovated schools have better technology resources than other schools. Indeed, differences between technology resources in newer and older schools are no different than the disparity in other resources such as cafeteria, library or athletic facilities. To address technology disparity, the district has established a committee whose purpose is to define the procedures and criteria for distributing computers to eligible students. In addition, the district recently developed a Technology Refresh Plan that provides a five-year schedule for updating older technology in all SDHC schools. The plan calls for approximately 35 schools to receive a modern computer in each classroom and a mobile wireless laptop lab.

At the public forum, a parent indicated concern that the older schools her children attended were lacking in technology. A visit of those schools revealed that, while their technology assets may not compare to a new school, significant investments had been completed, were in progress, or were planned for this school year.

Two factors drive how quickly an old school can upgrade its technology quality and quantity. First, the principal (and teachers to some degree) must make it a priority to do so. Second, there must be sources of funding outside the district (e.g., an active PTA that believes technology is a priority; corporate donations, etc.).

11 The district has a stable infrastructure and is making progress toward providing adequate network resources in a cost-efficient manner.

The district’s Wide Area Network (WAN) consists of 224 locations, utilizing frame relay and Asynchronous Transfer Mode (ATM) transports to provide a reliable conduit for resource sharing and Internet access. Frame relay is a high-speed communications technology that is used in hundreds of

networks throughout the world to connect Local Area Networks (LANs), Internet and even voice applications. Frame relay is a way of sending information over a wide area network (WAN) that divides the information into frames or packets. ATM is a network technology based on transferring data in cells or packets of a fixed size.

The district recently set 256Kb as the minimum standard for WAN speed and all sites have been upgraded with new Cisco brand routers positioning them for future bandwidth increases. Some high schools are 384KB and some other schools have arranged for even higher speed connections (e.g., T1, fractional T1) by applying alternative funds to pay the extra costs involved in having higher speeds.

The district employs a 24-hour computer/network operations staff. The district has recently implemented Computer Associates Unicenter products to improve its ability to support WAN and LAN connections.

The district has a 24-hour operational technical command center. Technology staff monitor the wide area network constantly, and according to schools, the response time in the event of a network outage is good. District staff monitors and maintains the WAN/LANs. Network problems are identified and corrected quickly. The district maintains an inventory of spare equipment to replace failing equipment, thus minimizing downtime. Failing equipment is sent in for warranty/contract service. Critical enterprise components are maintained under a vendor contract guarantees 24 hours, 7 days a week support with a four-hour response time.

The district has centralized its help desk services to consolidate all technology-related support. A Call Center Resource Guide provides call center staff procedures of call center operations and basic network troubleshooting guidelines. The Technology Services Administrative and Operational Procedures and Standards Manual include a chapter that defines networking installation, configuration and support standards.

All indications are that the district network is available consistently throughout the district. If there are any concerns, they have to do with bandwidth. Many of the school-based personnel interviewed complained of a slow network, especially in the afternoon. The district has recently upgraded its minimum schools standard to 256KB and as mentioned previously some schools have upgraded to higher speeds. However, increased use of e-mail and Internet traffic, and the introduction of the Gale and Grolier online databases, have further increased bandwidth needs. Initiatives such as Edmin.com and Unicenter will only add to the bandwidth requirements of schools. The district plans to ask the schools to contribute financially to the cost of the increasing bandwidth from existing speeds to T1 speed. T1 speeds are a requirement for high schools and probably for middle schools as well. This is because of the more pervasive use of the Internet in the classrooms. The use of instructional technologies via networks at slow speeds can cause distractions and frustrations that severely cut into learning time. Elementary schools could probably get by on less than T1 speeds without a great interference to instruction. However, the implementation of other network-hungry technologies such as Edmin.com could continue to expand bandwidth requirements in the future.

Appropriate Use of Technology

The district is practicing safe, ethical and appropriate uses of technology. The district is using Internet filtering software called N2H2 Bess to monitor all Internet traffic. The district purchased N2H2 Bess filtering software to block unwanted materials from the Internet. In addition to the software being regularly updated by the vendor, the district also can customize the software using the feedback it receives from users. The N2H2 Bess filtering software is installed at the central network connection

between the district and the Internet Service Provider. Therefore, every computer that accesses the Internet through the district's network is being filtered.

The district has purchased Norton Antivirus software, enterprise version for the district. This software is used to protect the district's computer systems against computer virus attacks. The software runs on both Macintosh and PC platforms and provides for updates of the virus database online. The district has successfully implemented the software. All new installations and virus and software updates are done centrally from one location. Managing virus protection software centrally has great benefits including:

- The district does not have to ensure that all computer systems have the latest updated version of the software. The district has to keep updating only the central computer.
- When a new computer is added to the district, virus software can be added immediately by accessing the central computer. There are no delays on new installations.

In addition to these initiatives the district's safety and copyright policy complies with legal and professional standards.

12 **The district has established and communicated a policy stating appropriate uses of all types of technology resources, including computers, video equipment, software, and the Internet.**

The district encourages e-mail usage.

Documents show that communication between the library media center supervisors and the school media specialists, and the information systems department and the school data clerks occur mainly through e-mail. In addition to these, interviews with school principals also indicated that they are actively using e-mail to communicate with teachers. Several teachers are using e-mail to communicate with student's parents. The fact that the district has an e-mail committee indicates the district's commitment to the increased use of e-mail. The district also provides several e-mail software-training classes for its administrative and instructional staff.

The district has safety guidelines and a copyright policy.

The district makes the safety guidelines and district copyright policy available for the schools. Parents or students may obtain these policies and guidelines from the Department of Technology Services or request them from their schools. In addition to being available as a printed material, the district copyright policy is available on the district's web site.

The district has policies and procedures regarding safe Internet usage for the district; however, it is a school responsibility to enforce and interpret these policies and procedures. In order to help schools with Internet usage monitoring, the district is using Internet filtering software called Bess from N2H2. With the help of the filtering software and supervision of the teachers and media specialists, the district is doing its job to maintain a safe Internet environment for its students.

13 The district supports compliance with the established policy on safe and legal use of technology resources.

The district has implemented Computer Associates Unicenter product to give it the capability to monitor what software is installed on every PC connected to the network. This information will allow the district to identify any unlicensed and unauthorized software on district computers.

The district treats misuse of technology resources in the same manner as any other disciplinary issue. Violations of district policy by students follow standard school disciplinary procedures, while violations by district employees follow standard employee disciplinary procedures.

Management Information Systems

The district's Department of Information Services' mission is to maintain district-wide databases and a network that provides access to the data needed to meet the district's information needs. The department has three major goals.

- To support and provide access to district-wide databases and filter the Internet for all sites;
- To configure, maintain and monitor the equipment to process the data defined in the enterprise databases; and
- To maintain student, financial, human resources and payroll databases.

This section of the report does not address systems used in the Student Nutrition Services and Transportation Services departments. These departments use several specialized software applications that are unique to their departments and are vendor-supported. However, the district's Customer Service and Support department provides the hardware support for the computers that run these applications.

Application Programming Support, Operations Services and Support, and Technical Services and Support are the three main sections of the district's Department of Information Services.

Application Programming Support

This section provides programming support for the core data processing functions of student reporting, finance, human resources and payroll for the district's 179,880 students and 26,000 full- and part-time staff.

The Application Programming Support section of the Department of Information Services is responsible for processing and transmitting Full Time Equivalent (FTE) student data to the Department of Education (DOE) for use in calculating revenue for the district. In order to meet DOE data reporting requirements, the district conducts annual FTE student counts. As part of the Student Information System functions, the section also produces automated grade reporting documents. Schools use an online print sub-system to request a variety of reports and labels from the section.

The Application Programming Support section also does in-house preparation and scanning of over a million documents per year to support data gathering for grade reporting, attendance and testing, as well as surveys performed for Finance and Human Resources/Payroll.

Schools also are able to download various types of data for importing into PC software for customized reports and queries. The section has 14 in-house programmers to support this area and any customized reporting needs.

For the human resources and payroll systems, the section produces payroll checks, payroll advances and transmission of funds electronically to financial institutions. On the finance systems area, the section supports all the financial functions including general ledger, budget, purchasing, auditing, accounts receivable and accounts payable. The section also provides support for DOE reporting requirements for cost reporting as well as other local, state and federal reporting.

Operations Services and Support

The Operations Services and Support section manages the district's 24-hour operational technical command center. It also is responsible for the Information Systems department's hardware including contracting for maintenance support. Controlling of all input and output to the WAN and making sure that all school sites and departments of the district have access to mainframe databases and the Internet are this section's responsibilities.

This section also manages all district-wide servers and the associated operating systems including backup and maintenance. It develops and maintains the district's disaster recovery plan. All physical security of the equipment and files are its responsibility.

Technology Services and Support

The Technology Services and Support section performs the database administration function for all the district-level databases. It also supports the Horizon library system, imaging and data warehouse applications, and the district e-mail system. System performance monitoring and tuning also is its responsibility.

In addition to these sections and their functions, the Department of Information Services is involved in developing new systems currently consisting of three major implementation efforts: Enterprise Resource Planning (ERP) system using Lawson application software, Imaging system using the Kofax application software, and a Data Warehouse.⁴ All three of these projects are collectively known as "Project Insight."

ERPs systems enable an organization to streamline business practices and provide clear audit trails to enhance accountability. A 1997 Performance Audit Review, conducted by MGT of America, Inc., recommended a comprehensive re-engineering of the district's business functions to improve efficiencies and save money. Limits to the functionality of the 30-year-old legacy systems currently used for business functions and the difficulty and cost of maintaining and extending these systems severely hampered the district's ability to make significant improvements to business functions, ultimately leading to a decision to implement ERP software. The cost of the ERP implementation is estimated to be \$31,000,000 over a five-year period and will be used for financial, human resources, payroll and procurement functions. ERP system planning and design began in 2001 with implementation scheduled to begin in July 2002.

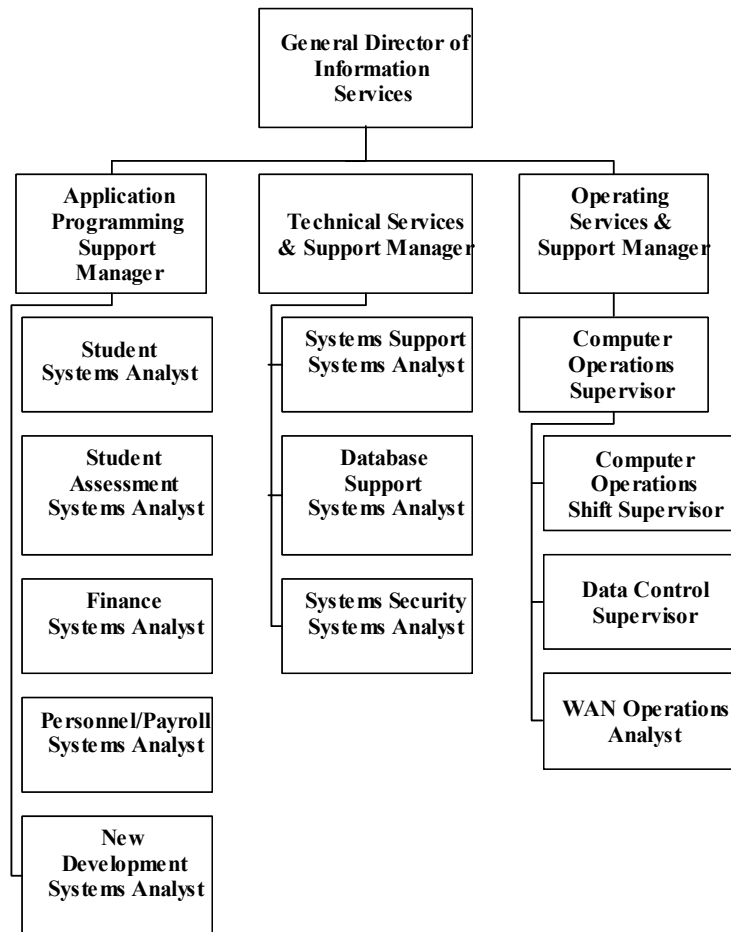
⁴ Project Insight has four components but only three of them related to application development.

14 Segregation of Duties: The district segregates duties to reduce the risk that unauthorized transactions will be entered and not discovered quickly.

At SDHC, the Information Services Department is separated from accounting and other operating departments at the Director level. The Information Services Department is divided into three groups: Applications Programming and Support, Technical Services and Support, Operating Services and Support.

Exhibit 6-6

The District’s Information Services Organizational Structure Appropriately Segregates Duties.



Source: The School District of Hillsborough County.

The Application Programming and Support group has system analysts and programmers who are responsible for developing new applications and for modifying existing applications for all the application users. Modifications to existing applications are developed and tested in a system environment separate from the production environment. The Operating Services and Support group has the authorization to

move any new or changed application to the production environment. Finally, the Technical Services and Support group is responsible for security management functions such as maintaining user IDs and passwords.

In addition to segregating the duties among different groups, the Information Services Department runs several audit reports and checks to identify if there are any unauthorized transactions in its systems.

15 User Controls: The district's user controls ensure authorization prior to processing transactions and ensure all output represents authorized and valid transactions.

There are three major system user groups: school-based data entry clerks, purchase order processors and human resources/payroll processors. One user group is the school-based data entry clerks. Their responsibility includes the input, verification and reporting of student information including attendance, discipline, grades and test scores. The Application Programming Support group checks data entry clerk input. It generates various edit and error reports. Once the edit process is complete, the Application Programming Support group submits the data to the Department of Education.

In the financial system, users can create purchase orders (POs) from their site but not submit them for approval. Only the site administrator or higher are authorized to submit POs. In a school setting, this includes only principals or assistant principals. However, individuals with authorization cannot submit a PO they themselves initiated.

For the payroll system, users can only create payroll for their site. Payroll transmitters cannot transmit a payroll they verified. At the end of each transmittal process the system generates reports. These reports are sent to the people who generated the input for verification. There is an edit process before the final transmission for each main area.

In addition to these transmittal requirements, all schools use a bar-code scanning system for attendance data entry to ensure that student numbers are accurate.

For all system users the district has identified three basic integrity principles.

- Access: All employees must be granted sufficient access to perform their job assignments, but will only receive the minimal level of access required to perform those assignments, based on requests made by their site administrators. The overriding principle of least privilege shall govern.
- Separation of duties: No single employee should have complete control of certain financial and HR/payroll transaction.
- User responsibility: Each user is responsible for all activities performed by his or her user ID.

In addition, the district assigns a password for each user to limit the physical access to the data entry computers. The district has several procedures to keep the password integrity intact. For example, after seven consecutive incorrect passwords are entered for any user ID, that user ID automatically is revoked. User IDs that are inactive for 60 days also are revoked.

16 Application Controls: The district's applications are designed to provide users with reliable data.

The district's Student Information System, Payroll System and Finance System have edit checks to validate data. For example, the Payroll Department receives three reports from the Information Services Department. The first report is the initial employee attendance report. The initial employee attendance report is provided for the departments and schools to review and verify the data that they submitted. If the reviewer identifies an error and edits it, the system will not allow the same person to transmit the report. The second report is employee attendance with possible missing data. Once the departments and schools have made changes to the second report, the Information Services Department prints and distributes the third and final employee attendance report for them. The departments and schools have a chance to review and edit the final report one more time before the final report is submitted to the proper destination.

In addition to these multiple checking procedures, system documentation provides tables of valid code values and their meanings. The district uses standardized forms to collect much of the data that is input into the system. The data entry and transmittal can be traced back to its users because all the users must log in to the system. Once the user is identified the data also can be traced back to its paper form.

17 The district has established general controls to promote the proper functioning of the information systems department, but testing is one area where improvement is needed.

District has written documentation of its operations.

The IS Standards and Procedures Manual contains sections on systems development and maintenance standards, documentation standards, operations policies and access security policies. It also includes specific procedures for job control, job management, printed output, change management, data management (including backups), teleprocessing management, problem management and other topics. It does not include personnel policies as these are covered by district-wide human resources documentation.

There are two areas of application development currently being done in the district. One area involves the maintenance and enhancement of the district's mainframe applications.

For mainframe applications, the district has established a Request for Service (RFS) process that is rigorously followed. Any request that comes to the Application Programming Group is recorded on a RFS form. The group completes about 3,000 RFSs per year.

The RFS process is more a method of controlling work assignments within the IS department than it is a process for managing expectations with users. For example, one completed RFS form shows how the user requested additional changes two different times after the initial changes were implemented.

The other area of application development involves developing new systems, currently consisting of three major implementation efforts: Enterprise Resource Planning system using Lawson application software, Imaging system using the Kofax application software, and a Data Warehouse. All three of these projects are collectively known as "Project Insight." The Project Insight team has been charged with implementing

the new system applications. These systems are intended to replace the district's outdated legacy system. The legacy systems have been in place for approximately 30 years. The software has been required to perform tasks that exceed the system's original capabilities. IBM Global Services, the primary vendor involved in implementing Project Insight, along with the district, has provided a rigorous methodology that includes written specifications and project plans.

Access to key assets are controlled and protected.

Visitors to the Information Services department offices must sign in as they enter. A keypad locked door protects access to computer facilities. Access to mainframe applications and computer networks are protected by user logons and passwords. Daytime shifts have a supervisor physically present. Night shift supervision is accomplished using turnover logs and direct communication with shift supervisors when required.

After a fire resulted in smoke and water damage to computer systems some years ago, the computer room was refurbished to function as a vault to prevent such damage in the future. The district has a written disaster recovery plan. The district has made reciprocal arrangements with the Miami-Dade school district to use their respective mainframes for each other's backup facility.

Access to confidential and sensitive data is controlled both within district operations and in dealings with outside entities. Within the district, employee access to confidential and sensitive data is controlled through user IDs and passwords. Requests for data by external organizations come through the district's Public Information Office or the Assistant Superintendent of Business & Information Technology Services. In either case, the Information Services department utilizes the Request for Service (RFS) process described earlier and requires appropriate authorized signatures. Release of the information to outside organizations is performed through the Public Information Office and does not involve direct contact between Information Services department personnel and the requesting organization.

Lack of written test plans can impact system quality.

The IS Standards and Procedures Manual is a comprehensive and detailed descriptions of operations. However, evidence of IS application development documentation is minimal.

Current development procedures for mainframe application systems do not include the use of written test plans. The district does keep test data files that it uses for regression testing. Systems analysts review program modifications and testing results prior to production release. However, the steps required to perform the tests appear to be limited largely to the institutional knowledge of long-time employees. Test plans ensure that tests are comprehensive and program functionality is not inadvertently changed or broken. Should key long-time employees leave the district, there exists a risk that the knowledge necessary to thoroughly test mainframe systems will not be available to less-experienced employees because that knowledge has not been documented.

Most of the current mainframe development is limited to changes with little impact to core data processing functions (i.e., functions that involve the addition or modification of data). For example, many current requests consist of new or modified reports that will not involve modification of data but simply retrieval of data. Therefore, sufficient quality has been maintained without having test plans. However, legislative and business initiatives will ultimately require changes to core data processing functions. Not having test plans for these key system functions could have a negative impact on the quality and speed with which such changes are accomplished. Further, implementing a culture of using test plans will improve the department's capability to support the ERP and other new systems once they are implemented.

Recommendations

- *We recommend that the district develop written test plans for the core data processing functions of its mainframe applications.*

Action Plan 6-5 provides the steps needed to implement this recommendation.

Action Plan 6-5

Develop Written Test Plans for Mainframe Applications	
Strategy	Institute a culture of using and maintaining written test plans for the core data processing functions of district's software applications.
Action Needed	<p>Step 1: Identify core data processing functions. Core data processing functions are those that impact the collection and alteration of critical school district information.</p> <p>Step 2: Develop a standard test plan template appropriate for the district. Example test plan templates are easily found via the Internet.</p> <p>Step 3: Have systems analysts fill out test plan templates for each core data processing function for which they are responsible.</p> <p>Step 4: Update department procedures to ensure that test plans are used and kept up-to-date as changes to systems are implemented.</p>
Who Is Responsible	Manager, Applications Programming Support
Time Frame	By December 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

18 The district's management information systems provide data needed by administrative and instructional personnel in a reliable and timely manner.

The district provides reliable, accurate and timely data.

One of the primary groups of users responsible for data input and integrity is the school-based data processing clerks. In addition to regular two-day training for new data processing clerks, the district holds an annual data processing clerk workshop to review new features and procedures for all the data processing clerks. The district also provides advanced classes for the data processing clerks. Data processing clerks can access an updated online calendar, which gives them information regarding all the report deadlines and other useful information.

In order to transmit accurate and reliable data to DOE, the Information Services Department provides two types of edit reports to schools. They are the School District Edit Report and the DOE Edit Report. The main School District Edit Report is the class roster. The schools give a class roster report to the teachers so they can verify or adjust the data in the report. Another way the department provides accurate and reliable data is by using the program that DOE runs to catch errors on these reports. Using that program the Information Services Department provides six DOE edit reports for schools so they can check the data. These reports show errors such as invalid characters in the student name.

After schools have responded to these edit reports, the department prints and distributes the latest version of the reports for a final check by the schools before they are submitted to DOE. A review of the DOE edit reports supplied by the district indicates that the district data is generally accurate. The accuracy of the data results largely from using the DOE edit program and the detailed review performed by the school sites.

The Information Services Department provides data and reports to schools.

The Information Services department provides set of reports to all schools through the Student Information System. The Information Services department provides the same data and reports for all schools including charter schools. The schools also can request data and customized reports from the department in addition to the standard reports.

All ad hoc requests for data received by the Information Services department are entered into the Request For Service (RFS) system and forwarded to the system analyst assigned the programming responsibility to respond. Requests from superintendent or principals get immediate attention. Information Services management resolves resource conflicts due to competing requests.

All eight principals interviewed were satisfied with the availability of data for student performance and administrative functions. They also indicated that Information Services department is responding quickly and accurately to requests for new data or new report formats.

The schools and the district are using the reports that are provided to them by the Information Services department in many different areas. For example, health services receive a compulsory immunization school report. It uses this report to monitor all the required immunizations for students. An additional example includes the student attendance reports used by the schools to facilitate their dropout prevention efforts.

19 The district has taken steps to minimize the number of databases that are independent of its centralized computer systems; however the district does not have formal procedures to control those databases that are independent of its centralized computer systems.

A consultant performed a functionality assessment of the Human Resources and Payroll systems during the ERP package selection process. The results uncovered several databases and spreadsheets that are not connected to the district's centralized computer system. The district plans to use the ERP system to perform the functions of the unconnected systems wherever feasible and cost-justified.

The district is identifying and analyzing unconnected databases and when practical and cost-effective, considers implementing changes to its centralized computer system to minimize the need for such databases. Two of the district's high schools, Riverview and Sickles, are using a web-based data management program that they developed to track a wide range of information such as attendance and tardiness. The district identified these systems and is exploring ways to provide the similar functionality to all schools using a central system.

Individual owners of isolated databases may have procedures to control data reliability and accuracy and may have obtained training; however there is no formal, district-level process to ensure these controls and adequate training are in place and occurring. Even though none of the identified unconnected databases

upload data into the district’s main centralized system and no data from these databases are used to report to individuals or organizations outside the district, data reliability and security cannot be achieved without formal procedures, controls and ongoing technical training for those employees who are using and developing these databases.

Recommendations

- *We recommend that the district formalize procedures to control any unconnected program-level databases.*
- *We recommend that the district provide training for developers and users of unconnected program-level databases.*

Action Plan 6-6 provides the steps needed to implement these recommendations.

Action Plan 6-6

Formalize Procedures for Unconnected Program Level Databases	
Strategy	Formalize procedures to control any unconnected program level databases.
Action Needed	<p>Step 1: Assistant Superintendent for Business & Information Technology Services assigns an individual to develop procedures for the district to control any unconnected program-level databases.</p> <p>Step 2: Assigned individual develops written procedures to control unconnected program-level databases including but not limited to areas such as data reliability and security.</p> <p>Step 3: Distributes the procedures to all administrators of identified unconnected databases.</p> <p>Step 4: Publishes the procedures on the district’s web site.</p>
Who Is Responsible	Assistant Superintendent for Business & Information Technology Services
Time Frame	By December 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Provide Training for Developers and Users of Unconnected Program Level Databases	
Strategy	Makes sure that the people who are developing these databases and their users are properly trained.
Action Needed	<p>Step 1: Training & Support Supervisor selects appropriate training courses for the identified unconnected database developers and users.</p> <p>Step 2: Users and developers attend training</p>
Who Is Responsible	Assistant Superintendent for Business & Information Technology Services
Time Frame	By December 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

20 Other Controls: The district has established appropriate controls related to electronic data exchange transactions, other transactions processed through electronic media, and image processing systems.

The district has agreements in place with data exchange transaction providers. The agreements reviewed have appropriate control procedures and require the providers be audited and provide the district with the related reports. The district also has established control procedures for transactions processed through electronic media. The district ensures that all electronic data transactions are processed as intended. The district has a worksheet that lists all electronic data transactions with various providers, provider names, name of the transaction application, and the function of the application.

The district does not currently use an image processing system but one is planned for implementation in 2002.



Personnel Systems and Benefits

The School District of Hillsborough County has developed and maintained effective personnel and benefits systems. With some improvements in technology, implementation of accountability measures, and an increased focus on non-instructional personnel, the district can achieve an efficient, well-rounded and effective Human Resources program.

Conclusion

The School District of Hillsborough County (SDHC) recruits and hires qualified personnel, evaluates employee salaries and benefits regularly, has a comprehensive staff development program for instructional personnel and formally evaluates its employees to improve performance and productivity. The district does not, however, evaluate its personnel practices or efficiently use technology to enhance personnel management and record keeping. Outdated technology and historically low human resources staffing levels have limited the district's ability to consistently use data to meaningfully evaluate many aspects of the Division of Human Resources.

One major area of concern in the Human Resources Division and Staff Development Department is the lack of attention to non-instructional personnel. Non-instructional personnel comprise 41 percent of the district's total permanent staff, however, no staff member in Human Resources is dedicated primarily to overseeing or assisting with the recruitment and retention of non-instructional personnel. Several management training programs exist for instructional personnel and some are required for instructional administrators. Non-instructional supervisors are not required to receive management training or development courses. There is no districtwide mechanism in place for non-instructional supervisors to effectively communicate performance expectations to non-instructional employees. New teachers receive a multi-day orientation program that covers not only benefits and safety issues, but also addresses district policy and procedure and includes specific professional development and training in preparation for their job. Non-instructional employees receive the benefits orientation and safety training and may receive specific job training depending on their department. No other standard orientation is offered.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the personnel systems and benefits, some of which are included in Exhibit 7-1 below.

Exhibit 7-1

The District Has a Number of Notable Personnel Systems and Benefits Programs

- The district performs comprehensive background checks on all employees and has a system in place to identify and investigate criminal and misconduct allegations against current employees.
 - The district has made comprehensive benefits information available online. Employees may also complete annual enrollment and make enrollment changes online.
 - The district supports teachers pursuing National Board of Professional Teaching Standards certification through fee support and training and development programs.
 - The district has an efficient, effective and comprehensive substitute placement and training system.
 - The district use of staff health professionals to review claims saves \$500,000 annually in consulting fees.
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- The district revised its Workers' Compensation Claims Management process in 1997 saving \$4.5 million over the past four years.
 - In 1999 the district became the first school district in Florida to conduct employee benefits enrollment on the Internet.
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Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's personnel systems and benefits using the Best Financial Management Practices and associated indicators adopted by the Commissioner of Education. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, Gibson Consulting Group, Inc. conducted on-site interviews with district level managers and gathered information on the personnel systems and benefits activities. This data included reviewing previous consultant reports, internal reports on recruiting, benefits, evaluations, workers' compensation, staff development, teacher certification, and investigations. To receive additional input, Gibson Consulting Group, Inc. also held focus groups with assistant principals and teachers.

An overview of chapter findings is presented below.

Personnel Processes

1. The district has effective, although manual and sometimes cumbersome, processes for recruiting and hiring qualified instructional personnel. The effectiveness and efficiency of the process for recruiting and hiring qualified non-instructional personnel varies by department. (Page 7-6)
2. The district uses competitive salary and benefit packages to maintain its workforce but does not monitor recruitment and retention of non-instructional staff. (Page 7-12)
3. The quality and comprehensiveness of staff development programs to achieve and maintain high levels of productivity and employee performance among non-instructional employees varies by department. (Page 7-20)
4. The district offers a comprehensive staff development program for instructional employees that advances high quality instruction and high levels of student achievement. (Page 7-23)
5. The district provides staff development programs and mentoring opportunities for school-based administrators. (Page 7-27)
6. The district's system for formally evaluating employees is designed to improve and recognize excellent performance and to identify and address performance that does not meet expectations. (Page 7-28)
7. The district ensures that employees who repeatedly fail to meet the district's performance expectations or whose behavior or job performance is potentially harmful to students are promptly removed from contact with students and that the appropriate steps are taken to terminate the person's employment. (Page 7-31)

Managing Human Resources

8. The district has several means of communicating with employees. (Page 7-33)
9. The district has efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel. (Page 7-35)
10. The district maintains personnel records in accordance with Florida Statutes and board policy; however, a heavy reliance on hard copy records is inefficient. (Page 7-37)
11. The district uses cost-containment practices for its Workers' Compensation Program. (Page 7-38)

12. The district has implemented mechanisms to ensure the performance, efficiency, and effectiveness of the human resource program in limited areas. (Page 7-41)
13. The district periodically reviews the organizational structure and staffing levels of the Human Resources Division to identify reorganization and budget reduction options. (Page 7-44)
14. The district periodically evaluates its personnel practices and adjusts these practices as needed to improve efficiency and service. (Page 7-46)
15. For classes of employees that are unionized, the district maintains an effective collective bargaining process. (Page 7-47)

Fiscal Impact of Recommendations ---

One of this chapter’s recommendations has a direct fiscal impact—the recommendation to downgrade the general director of Employee Relations position. Exhibit 7-2 details the fiscal impact of this recommendation. Downgrading the general director position, eliminating the supervisor position and adding a personnel analyst position will bring the district more in line with its peers and balance spans of control in the division. Based on the actual salaries of those who currently hold the positions, the mean salaries for the new positions, and a benefits rate of 27.65 percent, the district could save \$279,230 over five years.

Exhibit 7-2

One Personnel Systems and Benefits Action Plan Recommendation Has a Fiscal Impact

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> • Downgrade the general director of Employee Relations position to director level with the title of Chief Negotiator. Eliminate the supervisor position and add a personnel analyst position. 	<ul style="list-style-type: none"> • The assistant superintendent may choose to add a different support position, or more than one support position, however, the consultant has used the addition of one personnel analyst for the purpose of calculating the fiscal impact of the change. The general director of Employee Relations position is currently paid \$92,219 with benefits of \$25,499 (\$92,219 x 27.65% benefits rate) for a total annual cost of \$117,718. The midpoint salary for a director is \$82,799 with benefits of \$22,894 (\$82,799 x 27.65% benefits rate) for a total annual cost of \$105,693. The annual cost savings of downgrading the position would be \$12,025 (\$117,718– \$105,693). The supervisor of Employee Relations position is currently paid \$81,102 with benefits of \$22,425 (\$81,102 x 27.65% benefits rate) for a total annual savings of \$103,527. At least one personnel analyst position would need to be added to accommodate workflow. The midpoint salary for a personnel analyst position is \$41,912 with benefits of \$11,589 (\$41,912 x 27.65% benefits rate) for a total annual cost of \$53,501. The total savings for this recommendation would be \$31,026 [(\$12,025 + \$103,527 – \$53,501)/2] for 2002-2003, and \$62,051 (\$12,025 + \$103,527 – \$53,501) per year for 2003-2004, 2004-2005, 2005-2006 and 2006-2007. The five-year savings would be \$279,230.

Source: Gibson Consulting Group, Inc.

Background

The personnel systems and benefits function is critical to the smooth operation of a school district. The Division of Human Resources in SDHC is responsible for recruiting and hiring qualified, competent staff; collective bargaining and employee relations; employee and retiree benefits; employee safety and risk management; and ensuring compliance with district policy and state and federal employment laws. The Instructional Division is primarily responsible for all staff development, and payroll is coordinated with the Division of Business and Information Technology Services. The Human Resources Division serves 20,826 permanent employees and 7,215 temporary and substitute employees.

The Human Resources Division is divided into four departments. The Human Resources Department is responsible for processing vacancies, screening applications, placements, and employment status changes; salary and records administration; and employee evaluations and performance issues. The Human Resources Department is also responsible for contacting and procuring substitutes, ensuring that instructional employees are properly certified, and qualifying non-instructional applicants for positions.

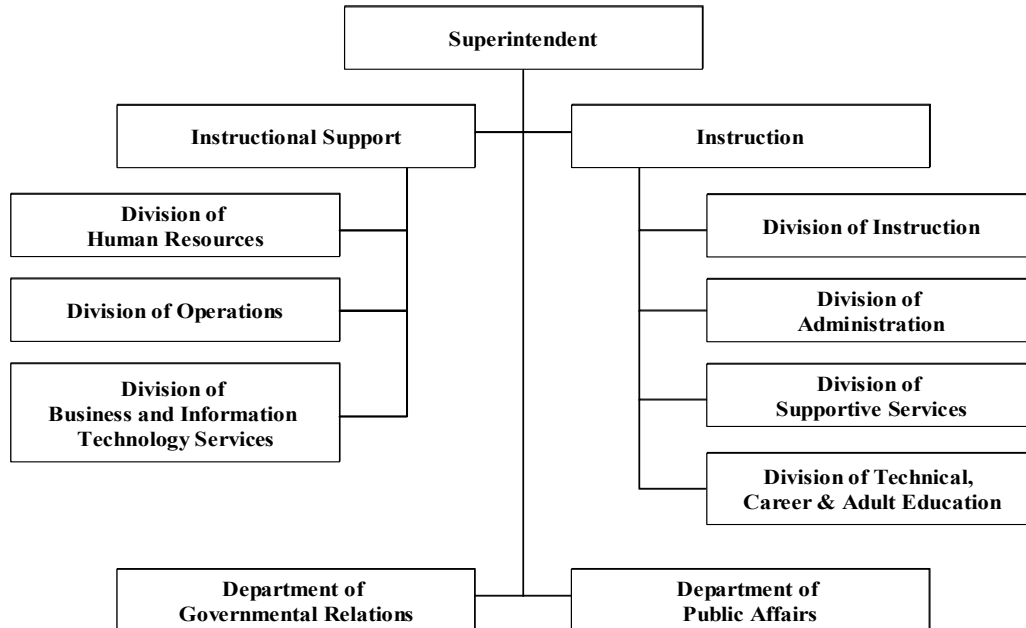
The Professional Standards Department is responsible for performing misconduct investigations, monitoring non-instructional employee performance issues, instructional recruiting, and processing all new hires, which includes performing background and fingerprint inquiries.

The Employee Relations Department is responsible for negotiating and administering collective bargaining agreements, handling grievances and employment lawsuits, evaluating pay equity, responding to Equal Opportunity Employment matters, and other employee relations issues.

The Employee Benefits and Risk Management Department is responsible for employee and retiree health insurance, retirement and optional benefit programs, the self-funded workers' compensation program, and liability and property insurance. The department also includes the district's safety personnel and all environmental and safety activities, including drug testing in addition to administering the Occupational Safety and Health Act (OSHA) and the Omnibus Transportation Employee Testing Act (OTETA). Exhibit 7-3 presents the organizational structure of the district's divisions. Exhibit 7-4 presents the organizational structure of the Human Resources Division.

Exhibit 7-3

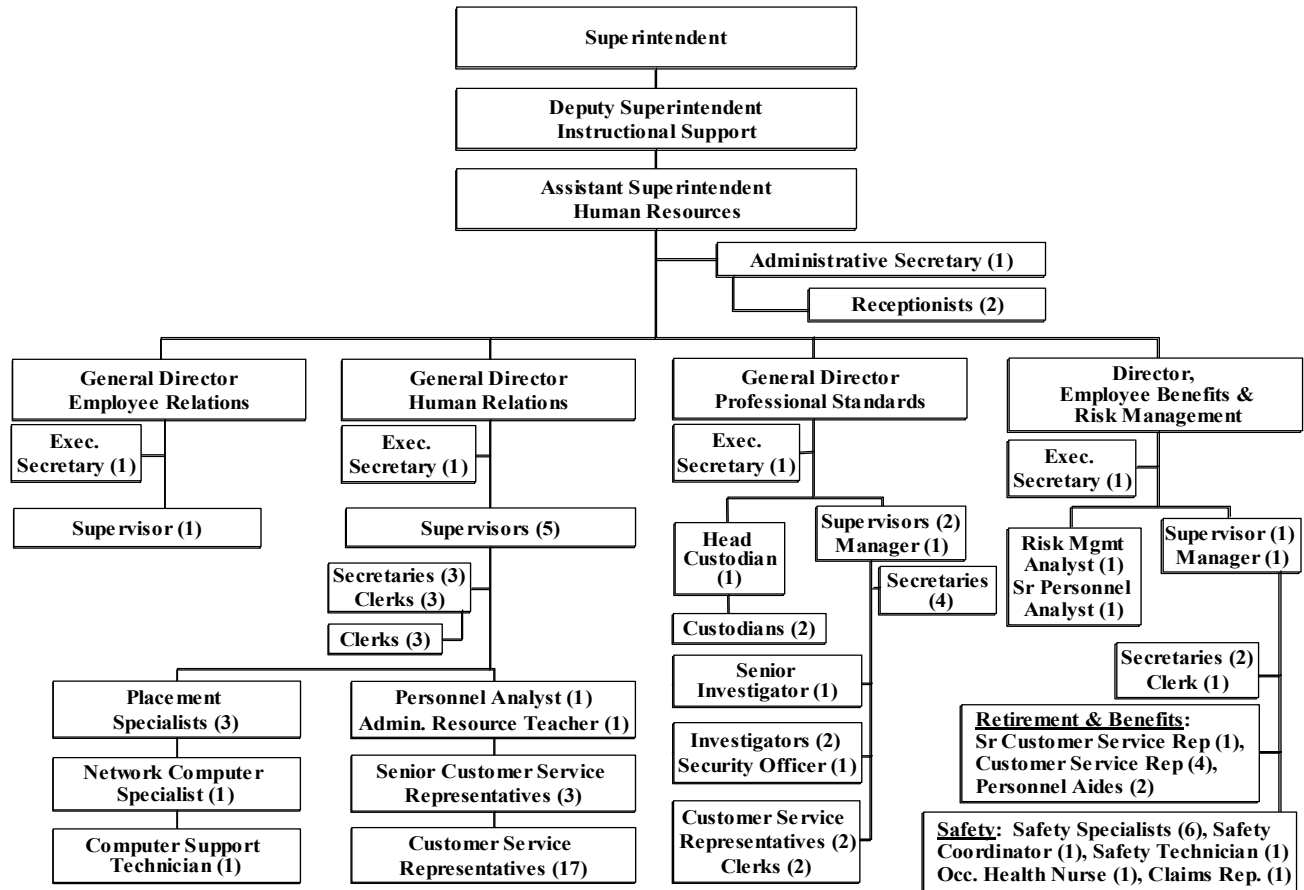
SDHC is Composed of Seven Divisions



Source: The School District Of Hillsborough County District Level Organization Charts.

Exhibit 7-4

The Human Resources Division is Composed of Four Departments



Source: The School District Of Hillsborough County Human Resource Division Organization Charts.

Personnel Processes

1 The district has effective, although manual and sometimes cumbersome, processes for recruiting and hiring qualified instructional personnel. The effectiveness and efficiency of the process for recruiting and hiring qualified non-instructional personnel varies by department.

The district has policies and procedures for advertising positions and qualifying applicants.

The first step in the hiring process is the advertising of a vacancy. Hiring managers, which may be principals, assistant principals or non-instructional supervisors, can request that positions be advertised. When a request is made the Human Resources Department or a personnel placement supervisor, or a customer service representative for non-instructional personnel, determines if the department or campus has unit availability. Unit availability is the verification that the campus or department has been allocated

the position and the funds to pay for that position. The personnel placement supervisor or customer service representative verifies unit availability by checking rosters and a self-contained database program for position control. If the unit is available, the position is advertised on the district's website, on the instructional or non-instructional job line, and through the administrative bulletin. The administrator or supervisor may review the appropriate pool of cleared, active applicants and then interview candidates.

Before a teacher application is ruled active, a personnel placement supervisor and a member of the teacher certification staff verify that the applicant meets state requirements for qualified instructional personnel and that all appropriate documentation is on file. This documentation would include transcripts or teaching certificates and references. Non-instructional personnel are pre-certified for different classes of positions and can only apply for positions for which they certify.

All applications request the disclosure of criminal history, and applicants must certify that all information provided on the application is true and correct and understand that failure to disclose information could lead to discharge. The Office of Professional Standards must clear a disclosure of criminal history before the application is ruled active. Some applicants may not be cleared based on the seriousness of the offense and the disposition of the criminal charges. During new hire processing, criminal background checks through an online connection with local authorities are conducted immediately. New hires are also fingerprinted, and the fingerprints are submitted to the Florida Department of Law Enforcement and the Federal Bureau of Investigation for a complete criminal history. Investigations of criminal history and misconduct are discussed in more detail in section 7.

In cases where personnel placement supervisors determine that a teacher is teaching out-of-field, those teachers are referred to teacher certification staff that maintain documentation and track the teacher's progress towards attaining certification in their field through an internal database program. Out-of-field teachers are also noted on the district's mainframe.

Teachers who meet the standard for qualified non-certificated staff are not considered out-of-field but "experts in field." These teachers are not tracked by teacher certification, but documentation is maintained in the teacher's personnel file to support the qualified non-certificated status.

The review team met with personnel placement supervisors, customer service representatives, teacher certification staff and department directors to discuss these issues. The team also simulated the hiring process and reviewed out-of-field tracking instruments.

The Human Resources Division does not have a formal process to efficiently and systematically update job descriptions and make them easily accessible to personnel.

Job descriptions are maintained in three ring binders in the Human Resources Department. One binder contains instructional positions, and one binder contains non-instructional positions. The Office of Professional Standards also keeps a copy of non-instructional job descriptions. A review of the job description binders verified that no formal process exists to routinely update job descriptions. For example, several of the job descriptions for Human Resources positions were dated July 1987, and instructional job descriptions dated 1977 or earlier were also observed. The job descriptions are not in electronic format, and paper copies have to be requested by employees or supervisors from the Human Resources Department or the Office of Professional Standards.

The general director of Human Resources said that job descriptions are created for new positions and updated as positions are reclassified. Job descriptions are also reviewed for reasonable accommodation for workers' compensation and light duty reasons, but these reviews do not always translate into the job description being updated. The lack of periodic review for physical requirements for necessity and clarity

opens the door to potential district liability with regard to the American's with Disabilities Act. Individual departments are encouraged to keep their job descriptions updated to avoid employee complaints and grievances based on outdated job descriptions, but no control exists to ensure that updates occur.

Job requirements and salaries for all positions are not available in all postings.

Job postings on the Internet and in the administrative bulletin do not always include information on education, knowledge, skills and abilities and compensation. Some of the instructional and professional positions in the administrative bulletin and on the website did include education and certification requirements, and the principal and assistant principal website includes prerequisites. Salary schedules for teachers are available online but must be requested for any other position. All non-instructional positions are posted on a bulletin board at the Velasco Student Services Center, where all new employees must go for processing. Postings at the Velasco Center include job descriptions with detailed education, experience and knowledge, skills and abilities requirements. Salary schedules are also available, and salary ranges are provided on the postings.

The application process is time consuming and confusing.

Most applications must be processed through the Velasco Student Services Center. While the staff at the center is friendly and willing to help, the application process is one of the most criticized functions of the Human Resources Division. Teaching position applications are currently the only ones available on the Internet. Most other applications have to be mailed or retrieved from the Velasco Student Services Center, but applications for custodial and transportation positions can be picked up from those departments. Applicants have to be certified for positions, which often entails testing or detailed review of transcripts and certifications. Applicants also have to be cleared by Professional Standards if any criminal history has been disclosed. During peak hiring times in the summer and before the second semester, application processing takes longer due to the dramatic increase in the number of applicants.

The district creates applicant pools of prescreened individuals who have been certified as qualified for positions and initially cleared by Professional Standards. Some basic information is available to supervisory staff online. Applications for specific individuals can be reviewed at ROSSAC for instructional personnel and Velasco for non-instructional employees. Currently, applicants must call to get the status of their application. The district is working on automating the entire application process, which would include a function for checking the status of an application online. At the time of the review, however, the district had only completed the online application for instructional personnel and has not tied that application to the database being developed to track and display instructional applicant information.

The district has developed recruitment plans to address critical shortage areas among instructional personnel, but does not have formal goals and evaluative mechanisms in place to measure program effectiveness.

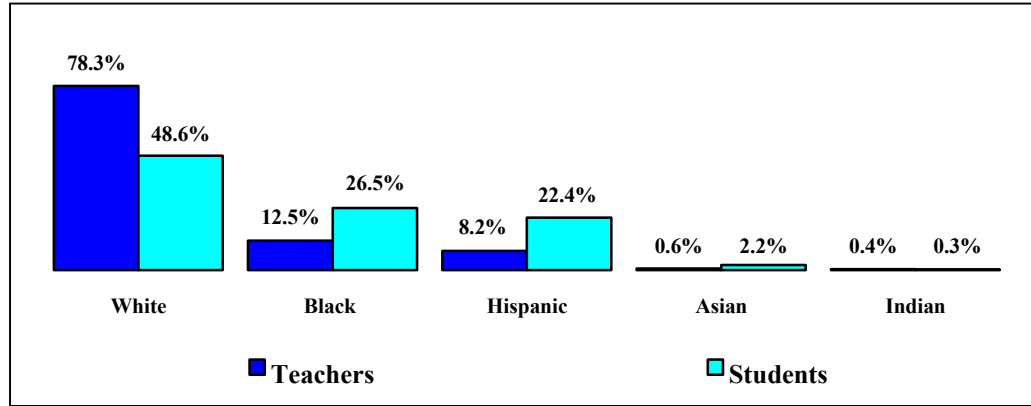
The district is currently suffering critical shortages in the following educational areas: exceptional student education, math, chemistry, physics, technology and industrial education, family and consumer science, orchestra and string music, and reading majors.

In the summer of 2001, the district was released from a desegregation order and granted unitary status. The district has confirmed its commitment to hire a diverse staff. Exhibit 7-5 details teaching staff versus student enrollment ethnicity. The district's recruiter compares these numbers periodically, and, as

a result, is adjusting the recruiting strategy to focus on not only finding more African-American but also more Hispanic candidates.

Exhibit 7-5

Teaching Staff and Student Enrollment Ethnicity



Source: SDHC Ethnic Distribution of Teachers, November 2001 and SDHC Enrollment Counts and Ethnic Percentages, School Year 01-02.

The district has several initiatives in place that may help address the shortage areas. These initiatives include a paraprofessional to educator program in conjunction with the University of South Florida, an emphasis on the Florida Future Educators of America and Teachers of Tomorrow programs, the Transition to Teaching: Teach for Hillsborough seminar, and an ongoing relationship with University of South Florida’s minority teacher intern group. In addition to these, the recruiter usually visits historically black colleges and universities including Florida A&M University, the Tuskegee University, and several colleges in Alabama.

The district uses pre-contract binders, which guarantee a teaching position in the district, for especially promising candidates. Costs for recruiting trips are tracked in addition to the number of interviews and pre-contract binders issued for each recruiting trip. The department does not formally calculate the cost per recruit of each trip to determine which trips are yielding the most candidates for the best price. It does, however, informally assess the value of each trip based on cost and the quality and number of candidates, with extra weighting given to candidates that represent one of the critical education areas or under-represented minority groups.

The recruitment plan details its purpose and gives background on the current teacher shortage and under-represented minority groups. The plan also has 21 objectives, which include developing a recruitment team and recruiting guide booklet, intern visitation programs, on-campus recruitment, a housing relocation program and pre-contract binders. The plan details how each of those objectives might be accomplished and who will participate in the programs.

The 1999-2000 proposed budget for the recruitment plan was \$60,258. The recruiter planned to use business partnerships and the education foundation where possible to offset the costs of some of the objectives, and these were not included in the budget request. The plan does not include concrete goals with measurable outcomes for each objective or a mechanism for reviewing and evaluating the strategies.

The Human Resources Division does not actively participate in the recruitment of non-instructional personnel.

Non-instructional departments are responsible for their own recruiting efforts. Interviews with several human resource personnel and non-instructional supervisors indicated that bus drivers and student nutrition workers are experiencing difficulty in recruiting sufficient numbers of candidates. The Transportation Department uses bus driver referrals, the Human Resources and Transportation websites, the administrative bulletin, the non-instructional job line, and local newspapers to advertise positions. The Transportation Department requested that the Human Resources Division do a salary survey of local competitors for bus drivers to determine if salaries were appropriate. The Student Nutrition Services director indicated that she was having difficulty in recruiting and retaining workers and that the Human Resources Division did not provide enough support and assistance in recruiting efforts. During salary negotiations with the Blue Collar Union, which represents most non-instructional employees, student nutrition services workers' salaries were evaluated for equity and raised to be equal to those of custodial workers. The newly negotiated salaries have been ratified by the union and approved by the school board.

Recommendations

- *We recommend that the district develop a process for periodically evaluating and updating all job descriptions. The district should make job descriptions for all positions available on the district's Intranet.*
- *We recommend that Internet and internal job postings refer applicants to corresponding job descriptions and salary schedules.*
- *We recommend that the Human Resources Division continue to develop online job applications for all positions and provide an online tracking mechanism for applicants.*
- *We recommend that future recruitment plans include measurable goals and a mechanism for evaluating objectives against those goals.*

Action Plan 7-1 provides the steps needed to implement these recommendations.

Action Plan 7-1

Update Job Descriptions Periodically	
Strategy	Develop a process for periodically evaluating and updating both instructional and non-instructional job descriptions. The district should make job descriptions for all positions available on the district's Intranet.
Action Needed	Step 1: The general director of Human Resources (or designee) develops a standard job description format. Step 2: The general director of Human Resources (or designee) develops a timeline for updating both instructional and non-instructional job descriptions. The timeline should be broken down by class of employee or by department and should include assignment of responsibility to a specific person for completion of the updates by the deadlines. Step 3: The general director of Human Resources distributes the timeline to all responsible employees. Step 4: Designated employees begin evaluating and updating job descriptions according to the timeline.

	Step 5: Job descriptions are submitted by the responsible employees to the Human Resources Department to ensure consistency of format and content.
	Step 6: The Human Resources Department submits division job descriptions to the appropriate assistant superintendents for approval.
	Step 7: The assistant superintendents approve the job descriptions.
	Step 8: The Human Resources Department submits job descriptions to the superintendent for final approval.
	Step 9: The Human Resources Department requests that the updated job descriptions are made available on the district's Intranet.
	Step 10: The Human Resources Department updates both instructional and non-instructional job descriptions on at least a tri-annual basis.
Who Is Responsible	General Director of Human Resources
Time Frame	March 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Make Job Descriptions and Salary Schedules Available Online

Strategy	Link Internet and internal job postings to corresponding job descriptions and salary schedules.
Action Needed	<p>Step 1: The general director of Human Resources provides job descriptions and salary schedules to the supervisor of Web Services.</p> <p>Step 2: The supervisor of Web Services places the job descriptions and salary schedules on the Internet.</p> <p>Step 3: The general director of Human Resources reviews the job descriptions and salary schedules for accuracy and then approves the web pages.</p> <p>Step 4: Web Services makes the web pages live and adds the appropriate links to other pages.</p> <p>Step 5: The general director of Human Resources ensures that all job postings in the Administrative Bulletin refer interested applicants to the job description and salary schedule web pages.</p>
Who Is Responsible	Supervisor of Web Services
Time Frame	May 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Online Applications for All Positions

Strategy	Continue to develop online job applications for all positions and provide an online tracking mechanism for applicants.
Action Needed	<p>Step 1: The supervisor of the application center uses the teacher online application as a guide to develop online applications for other district positions.</p> <p>Step 2: The Technology Department integrates the new applications into the application database.</p> <p>Step 3: The Technology Department makes the applications available online.</p> <p>Step 4: The supervisor of Application Center ensures that Internet accessible computers are available in the Application Center, and at other locations applicants frequent, so that most applicants can complete electronic versions of the application.</p>
Who Is Responsible	Supervisor, Personnel Placement—Application Center
Time Frame	March 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Goals for Recruitment Plan	
Strategy	Develop goals and evaluation mechanisms for future recruitment plans.
Action Needed	<p>Step 1: The supervisor of Teacher Recruitment develops and states mechanisms for evaluating each strategy in the recruitment plan.</p> <p>Step 2: The supervisor of Teacher Recruitment formalizes and states goals for each recruiting strategy in the recruitment plan.</p> <p>Step 3: The supervisor of Teacher Recruitment implements the strategies found in the plan.</p> <p>Step 4: The supervisor of Teacher Recruitment evaluates each strategy according to the evaluation method and compare results to stated goals at least annually.</p> <p>Step 5: The supervisor of Teacher Recruitment reports the success of each strategy based on the attainment of goals to the general director of Professional Standards, the assistant superintendent of Human Resources, and the Recruitment and Retention Committee.</p> <p>Step 6: The assistant superintendent of Human Resources reports the success of each strategy to the superintendent and the board.</p> <p>Step 7: The supervisor of Teacher Recruitment revises the recruitment plan based on the success of strategies and input from the general director, assistant superintendent, and Recruitment and Retention Committee.</p>
Who Is Responsible	Supervisor, Teacher Recruitment
Time Frame	December 2002 for Steps 1 and 2 October 2003 for Steps 3 through 6
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The district uses competitive salary and benefit packages to maintain its workforce but does not monitor recruitment and retention of non-instructional staff.

The district develops competitive salary and benefits packages for all employees.

The general director of Employee Relations periodically surveys other districts and private and public sector employers in the area to maintain competitiveness. The latest comprehensive salary comparison was done in May 1999. The district surveyed the seven largest school districts in the state and four contiguous county school districts. Teacher salaries were compared for average salary paid and four benchmark steps: beginning, step 6, step 13 and maximum. The survey included principal and assistant principal positions at elementary, middle and high schools. Ten non-instructional support positions were also ranked. The results of the survey are shown in Exhibit 7-6. The rankings represent highest (#1) to lowest (#11) salary levels by position.

Exhibit 7-6

The District Uses Salary Comparisons to Maintain Market Competitiveness

Position/Level	Average Salary	Hillsborough Rank 1998-99 (out of 11)	Hillsborough Rank 1996-97 (out of 11)
Average teacher salary	\$34,459	7	
Beginning Teacher Salary	\$26,252	4	9
Step 6	\$27,300	9	9
Step 13	\$31,546	7	8
Maximum	\$44,311	4	7
High school Principal	\$75,305	5	3
Middle School Principal	\$68,504	5	3
Elementary Principal	\$65,391	4	4
Assistant Principal High School	\$59,611	3	2
Assistant Principal Middle School	\$50,368	9	1
Assistant Principal Elementary School	\$43,686	11	10
Custodian	\$18,096	6	4
Bus Driver	\$15,915	2	3
Teacher Aide	\$14,227	2	3
Bookkeeper	\$24,522	2	2
Food service	\$11,139	7	7
Electrician	\$38,236	3	4
Mechanic	\$28,396	6	3
Secretary	\$28,699	2	1
Clerk Typist	\$20,787	2	4
Nurses-LPN/RN	\$23,536	8	7

Source: The School District of Hillsborough County Salary Comparisons, May 1999.

In the spring of 2001 the district conducted a salary survey that compared the salaries of four non-instructional positions to the salaries of similar positions in five surrounding school districts, two other public sector employers in the county, and five private sector employers. These positions-- bus driver, student nutrition assistant, custodian and secretary I-- were selected for comparison because they are typically hard to fill positions in the district. The results of that survey are shown in Exhibit 7-7.

Exhibit 7-7

The District Also Compares Non-Instructional Salaries Locally

Organization	Bus Driver		SNS Assistant		Custodian		Secretary I	
	Min	Max	Min	Max	Min	Max	Min	Max
Hillsborough	\$9.02	\$16.98	\$6.75	\$12.72	\$7.08	\$13.35	\$7.81	\$15.02
Manatee	\$10.20	\$15.95	\$8.19	\$12.62	\$8.66	\$13.35	\$9.39	\$14.64
Pasco ¹	\$7.80	\$12.75	\$6.35	\$8.90	\$6.35	\$11.40	\$6.45	\$11.90
Pinellas	\$9.94	\$14.28	\$7.96	\$11.43	\$7.96	\$11.43	\$8.02	\$13.44
Polk	\$9.00	\$13.82	\$6.80	\$11.23	\$7.30	\$12.82	\$7.05	\$15.09
Sarasota	\$9.97	\$14.16	\$7.03	\$9.98	\$8.82	\$12.53	\$9.80	\$13.92
Hillsborough County ²	\$8.05	\$12.10	NA	NA	\$7.38	\$11.09	\$8.93	\$13.42
City of Tampa	NA	NA	NA	NA	\$8.33	\$11.88	\$10.14	\$14.42
Hartline	\$9.50	\$14.00	NA	NA	NA	NA	NA	NA
Greyhound	\$15.67	\$18.44	NA	NA	NA	NA	NA	NA

Organization	Bus Driver		SNS Assistant		Custodian		Secretary I	
	Min	Max	Min	Max	Min	Max	Min	Max
Caspers ³	NA	NA	\$5.50	\$7.25	\$8.50	\$10.50	Varies	
Piccadilly ⁴	NA	NA	\$6.00	\$15.00	NA	NA	NA	NA
Tampa Electric	NA	NA	NA	NA	NA	NA	\$10.06	\$12.58

¹ Experience credit given – one step for every two years experience through Step 5 – start on Step 6.

² Mini-bus Driver

³ Custodians work only overnight hours.

⁴ Servers and cooks start at \$6.00; Servers can reach \$8.00 and cooks can reach \$15.00.

Source: Hillsborough County Schools Salary Comparison, Spring 2001.

The district’s director of Employee Benefits and Risk Management and other human resources administrators participate in a number of committees designed to compare benefit packages. These include the district Employee Benefits User Group, Florida Education Risk Management Association, and a local Professional User Group comprised of Hillsborough County public and private sectors organizations. These groups compare benefits packages and provide training on a number of subjects such as negotiations with health carriers.

In June 2001 health insurance costs were compared to five other school districts. The Tampa Bay Area Governmental Employers sponsored a comparison of benefit costs to Pinellas schools, Hillsborough County, City of Tampa, and City of Clearwater. An independent broker prepared this comparison. The district is participating in a statewide health insurance initiative sponsored by Florida Education Risk Management, a group that includes the unions, the Florida Association of District School Superintendents and the Florida Association of School Administrators.

The results of these comparisons are used to guide the development of salary schedules and benefits packages. These results are not linked to turnover information by positions that would help the district determine if the salaries offered by the entities adequately address employee turnover issues and concerns. The salary comparisons did not include technology positions that have been identified by other divisions as especially difficult to recruit and retain.

The district takes actions to recruit and retain teachers but has not formally evaluated the results of its efforts.

The district has implemented a number of strategies designed to retain teachers. The district provides a 201-day work year for a teacher that is one of the longest in the state. The district participates in the state funded retention program in which eligible teachers receive \$850 if they meet certain criteria. The district also encourages teachers to pursue National Board of Professional Teaching Standards certification, a voluntary certification process. The state of Florida provides financial incentives to National Board certified teachers who meet certain requirements and additional financial incentives to National Board certified teachers who mentor other teachers. In 2000-01 the district had 82 National Board Certified teachers.

The District uses a Teacher Retention/Recruitment Committee to address teacher hiring and retention. This 38-member committee meets eight times a year and is composed of principals, administrators, teachers, union representatives, and community and business representatives. During the year, the committee chairs established subcommittees to identify main issues and tasks needed on the issues identified below. In 2001-02 the committee will focus on teacher retention issues. Issues explored during 2000-01 included the following:

- Contracting out recruiting efforts

- Paraprofessional recruitment
- College recruitment/pre-contract binders
- Management of applicants at school site
- Review of the application process
- Teacher interview day
- Staffing issues – options for continued shortages
- Review of the hiring cycle
- Recruitment incentives
- Beginning teachers – teaching assignments
- Certification issues/Preparing New Educators program
- Expansion of the alternative certification program
- Expansion of reciprocal agreements
- Review of the interview and hiring process

The Human Resources Division also regularly requests input from the Principals Council regarding hiring barriers. Recent suggestions from principals include:

- Allowing principals earlier access to lists of previous temporary teachers and allowing earlier hiring of high performing temporary teachers.
- Improving currency of teacher applicant lists by purging the applicant pool of candidates who are no longer interested or available.
- Limiting teacher transfers to the end of nine weeks/semester periods.
- Generating a list of Do's and Don'ts for principals with respect to professional practices in hiring, transferring and providing references.

The district has not yet begun to monitor or evaluate the results of its efforts to recruit or retain teachers. By not monitoring the results of their efforts the district may not identify the activities that produce the best results or are most cost efficient.

The district is in the second year of an initiative to help paraprofessionals further their education and become teachers. The first year was spent in planning and development of partners. The district has been working with the University of South Florida (USF) and Hillsborough Community College (HCC) to develop a seamless program for employees interested in the teaching profession. Both the state and the universities will offer financial assistance. The district is currently completing a survey of non-instructional employees at all sites that is designed to determine employee interest and preferences as to where, when and how to attain this additional education. For example, employees are being asked to express preferences on the type of institution; whether classes should be taken at the work site, on the college campus or via computer distance learning; and on night or weekends. Interested employees will be invited to a meeting where representatives for USF and HCC will provide information about educational opportunities.

The Human Resources Division does not monitor efforts to recruit or retain non-instructional staff.

Recruiting and retention of non-instructional employees is performed by the individual departments and varies significantly from department to department. Some departments such as Transportation perform

their own recruiting and also mentor and support candidates throughout the hiring process. This department maintains detailed information regarding attendance and turnover. Other departments such as Student Nutrition do their own recruiting but do not provide support to candidates during the application process. This department also does not maintain turnover information on its positions.

The district could incur increased costs by not monitoring the recruitment and retention of non-instructional staff at the district level. Recruiting efforts can be both time-consuming and costly in terms of advertising. The district may continue efforts that do not produce sufficient candidates or the candidates may not be successful in their new jobs. High turnover rates result in increased training costs and often indicate salaries that are not competitive or may indicate personnel or management problems. By not monitoring efforts to recruit or retain non-instructional staff at the district level the district may have difficulty ensuring compliance with state laws and regulations or district policy.

The district rewards performance in selection of supplemental pay positions.

Principals appoint subject area team leaders and mentors from teachers who demonstrate high instructional performance. This process is specifically provided for in the teachers' contract, which requires the posting of vacant supplemented positions and allows ten working days to interview interested teachers (Teacher Contract 1998-2001, section 19.1.5).

Exit interviews are limited to teachers.

The district implemented its own exit interview process with teachers in February 2000 and began participating in the state mandated exit interview program with the 2000-01 school year. Based upon results presented in the state mandated program, 718 teachers left the district in 2000-01, representing 7.1 percent of total teachers in the district. Exhibit 7-8 compares Hillsborough to its peer districts identified for this study. Information from Broward was not included in our analysis due to incomplete information. State teacher exit information indicates that Hillsborough teachers separate at a slightly higher percentage than the state as a whole (7.1 percent compared to 5.2 percent for the state). The district's separation percentage is slightly less than two of its peers (Orange and Pinellas) but more than the other peers (Duval and Palm Beach). The average experience of teachers leaving Hillsborough was identical to the state average. The percent of teachers leaving for salary reasons, lack of opportunity, or for positions outside of education were less than those of other districts except for Pinellas (salary and opportunity) and Orange (salary only).

Exhibit 7-8

The District’s Teacher Exit Information indicates turnover rate of 7 percent.

School District	Number Employed October 2000	Number Separated	Percentage Separated	Average Years Experience	Percentage leaving for Salary Reasons	Percentage Leaving for Lack of Opportunity	Percentage Leaving for Employment Outside of Education
Duval	6,573	228	3.5%	7.0	11.3%	6.6%	18.9%
Palm Beach	8,364	456	5.5%	11.4	10.8%	1.1%	11.0%
Hillsborough	10,102	718	7.1%	9.3	5.6%	0.9%	10.4%
Orange	8,126	601	7.4%	8.8	5.0%	1.2%	11.5%
Pinellas	6,684	548	8.2%	12.2	4.8%	0.6%	11.7%
State	135,683	7,117	5.2%	9.3	7.4%	1.6%	9.5%

Note: This is the initial year of reporting teacher exit information statewide. Information may be incomplete or inaccurately reported in some districts

Source: Florida Department of Education, Teacher Exit Interview Information, 2000-01.

The district also uses an internal exit review process that is more detailed than the state survey. The timing of the internal review, February 2000 to February 2001, does not correspond to the initial reporting dates for the state reporting, July 1, 2000 to June 30, 2001. The district internal report included only 138 exit surveys and did not include involuntary separations or separations due to retirement. If the district decides to continue the internal reporting, it should consider revising the reporting timeline to match that of the state. The district should also reconcile the two reports to ensure accuracy of reporting.

The district has distributed information on exit interviews to each school for review and necessary action but has not formally analyzed the information at the district level to identify unfavorable trends or possible personnel problems at a school or groups of schools. By not analyzing the exit data across the district the district is overlooking the opportunity for the timely identification of retention issues. Once identified, the Teacher Retention/Recruitment Committee or the Human Resources Division could then address these issues.

Exit interviews are not routinely conducted for non-instructional staff and the information is not analyzed at the district level. Exit interviews provide valuable information to the district including reasons for leaving such as dissatisfaction with pay levels, barriers in the work place or possible supervision problems. By not conducting exit interviews the district may not recognize or correct problems in a timely manner or may allow the district to be exposed to litigation.

Internal equity reviews are not routinely performed.

The district does not periodically analyze or compare major classes of positions within the district for internal equity. The last major position review was in 1994 when the district analyzed all clerical positions. Positions are analyzed based upon individual requests by divisions. Effective in January 2002 the beginning salaries of student nutrition personnel will be adjusted to that of beginning custodians. Recently nurse and physical therapist positions were changed to allow the acceptance of experience credits for placement on the respective salary schedules.

Interviews with non-instructional administrators indicated dissatisfaction with starting salaries and frustration with the lack of promotion opportunities for their employees. The ability of the district to

recruit and retain technology positions using traditional promotional processes and the inequity of student nutrition salaries at all levels were cited as examples.

By not conducting periodical internal equity comparisons the district may create inequities between departments and develop situations where departments are unable to retain staff due to transfers between departments. The lack of analysis also encourages a climate where the perceptions exist that certain positions are favored over other positions.

Recommendations

- *We recommend that the district collect turnover information on all major groups of employees in hard to fill positions to determine if the salaries are adequate and to identify job conditions that affect retention of employees.*
- *We recommend that the district expand Human Resources Division's role and responsibilities to include monitoring and evaluation of recruiting and retention efforts for non-instructional personnel.*
- *We recommend that the district evaluate the State of Florida Teacher Exit Information, identify needed improvement, and address needs in an action plan.*
- *We recommend that the district develop a plan to analyze the internal equity of major classes of positions over a three to five year period.*

Action Plan 7-2 provides the steps needed to implement these recommendations.

Action Plan 7-2

Collect Turnover Information for Hard to Fill Positions	
Strategy	Develop a process to collect and evaluate turnover information on all major groups of employees in hard to fill positions.
Action Needed	<p>Step 1: The general director of Employee Relations develops criteria to determine hard to fill positions based upon quantifiable analysis of vacancies and information provided by non-instructional administrators.</p> <p>Step 2: The general director of Employee Relations identifies all major groups of employees in hard to fill positions including supervisory and technical positions.</p> <p>Step 3: The general director of Human Resources develops exit interview questions designed to determine reasons for leaving and any job related problems that contributed to the decision.</p> <p>Step 4: The general director of Human Resources implements a process to conduct and document exit interviews with all employees leaving specified positions.</p> <p>Step 5: The general director of Employee Relations includes representative positions in an annual salary survey of public and private sector employers.</p> <p>Step 6: The general director of Employee Relations distributes the results of the survey to all non-instructional administrators and solicits feedback and suggestions.</p> <p>Step 7: The Human Resources Department staff analyzes the responses from the salary surveys and exit interviews and administrators comments to determine how the district might alter its salary schedules or hiring practices to better fill these vacancies.</p>

	Step 8: The general director of Human Resources develops recommendations to address any non-salary identified needs based upon the results of the exit interviews and administrator comments.
	Step 9: The general director of Employee Relations develops recommendations to address any identified needs based upon the results of the survey.
	Step 10: The assistant superintendent of Human Resources includes these recommendations in the development of new salary schedules and changes in hiring practices.
Who Is Responsible	General Director of Employee Relations
Time Frame	June 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Include Recruitment and Retention of Non-Instructional Personnel in the Human Resources Division

Strategy	Expand Human Resources Division’s role and responsibilities to include monitoring of recruiting and retention efforts for non-instructional personnel.
Action Needed	<p>Step 1: The general director of Human Resources modifies the appropriate supervisor’s of job description to reflect additional duties.</p> <p>Step 2: The supervisor identifies the information needed to effectively monitor recruiting and retention efforts in each major non-instructional group of positions such as bus drivers, student nutrition workers and custodians.</p> <p>Step 3: The supervisor develops a process to gather this information on a timely basis, primarily using information from the new finance and human resources system.</p> <p>Step 4: The supervisor analyzes and reports information to the general director of Human Resources and the assistant superintendent of Human Resources on a quarterly basis for the first year and twice a year on a continuing basis.</p>
Who Is Responsible	Assistant Superintendent of Human Resources
Time Frame	November 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Identify and Address Needs Indicated by Teacher Exit Interviews

Strategy	Identify and address needs determined by analysis of teacher exit information.
Action Needed	<p>Step 1: The general director of Human Resources revises the reporting timeline to match that of the state.</p> <p>Step 2: The general director of Human Resources expands the in district exit interview process to include exit interviews for all non-instructional staff.</p> <p>Step 3: The general director of Human Resources reconciles the two reports on an annual basis to ensure accuracy of reporting</p> <p>Step 4: The general director of Human Resources analyzes exit information to determine opportunities for improvement of the district or individual schools in retention of teachers, using both internal and state information.</p> <p>Step 5: The general director of Human Resources determines if corrective action is needed and develops recommendations to address these needs.</p> <p>Step 6: The general director of Human Resources reports the results of the analysis to the assistant superintendent of Human Resources and as appropriate to the superintendent and the board.</p> <p>Step 7: The assistant superintendent of Human Resources develops an action plan to implement approved recommendations.</p>

	Step 8: The general director of Human Resources continues to analyze exit information annually.
Who Is Responsible	Assistant Superintendent of Human Resources
Time Frame	October 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Analyze Internal Equity of Major Classes of Positions

Strategy	Develop a process to periodically review and evaluate the internal equity of positions in the district.
Action Needed	<p>Step 1: The general director of Employee Relations, using information from instructional and non-instructional administrators, prepares a prioritized plan to analyze the internal equity of major positions in the district over three to five years.</p> <p>Step 2: The general director of Employee Relations analyzes the highest priority positions during the first year.</p> <p>Step 3: The general director of Employee Relations identifies any needed changes in salary structure or career progression.</p> <p>Step 4: The general director of Employee Relations develops recommendations to address these needs and reports the results of the analysis to the assistant superintendent of Human Resources and as appropriate to the superintendent or the board.</p> <p>Step 5: The assistant superintendent of Human Resources includes approved recommendations in the district's development of salary structures or policy revisions.</p> <p>Step 6: The general director of Employee Relations continues to review major groups of employees based upon the plan.</p>
Who Is Responsible	General Director of Employee Relations
Time Frame	July 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

3 The quality and comprehensiveness of staff development programs to achieve and maintain high levels of productivity and employee performance among non-instructional employees varies by department.

The district holds formal benefits orientation and safety training sessions for all new employees, but relies on printed documents and individual supervisors to introduce new employees to district policy and procedure.

The orientation process is important to ensure that new employees are properly informed about district policies and procedures before they commence employment. Most new employees are required to complete a formal orientation for benefits and an OSHA safety-training course. These training sessions are normally completed on the same day an employee goes through processing, and employees cannot begin their assignments until the training courses have been completed. The district has completed a training CD-ROM for benefits orientation and is developing a CD-ROM for OSHA safety training.

According to interviews with Human Resource Division staff, no formal procedure exists for orientation of all personnel to the policies and procedures of the district. Each supervisor is expected to communicate expectations through individual orientations, however, this expectation is informal and the quality and content of that communication will vary between departments and supervisors. Basic information on the policies and procedures is provided in the Blue Collar collective bargaining agreement, and district policies are also available online. There is no process for formal feedback on the orientation sessions.

Non-instructional staff development and training is done as requested.

The Staff Development Department provides training for non-instructional employees and keeps records of all training for all employees. In-service training for all departments must be registered with Staff Development so that it can be included in the in-service database, regardless of which department provides the training. Formal staff development plans; program evaluations and instructional staff development activities are discussed in further detail in Section 4.

Non-instructional needs-assessments are done for individual departments or classes of employees as requested. The results of these needs-assessments are not consolidated into a formal staff development plan with measurable goals and objectives or timetables. Input on current training is solicited, and non-solicited input is welcomed. Departments can also request specific training activities. Staff Development recently completed a training initiative for operations employees based on the request of the Operations Department.

Because non-instructional training and development is adhoc, on an as requested basis, the district may not be recognizing potential problem areas that training could address. For example, operations requested a training program for custodians and crew leaders. Part of this training initiative included training on how cleaning solutions should be mixed and used. Prior to the training, many crew leaders may not have known the importance of using certain chemicals in certain solutions or the impact their use could have on the district's budget. Using the chemicals in the proper solutions could reduce the amount of chemicals needed, as well as reducing potential accidents. Prior to training, the crew leaders may not have recognized that the types of cleaning chemicals used could either extend or reduce the durability and longevity of the surface being cleaned. By not systematically reviewing the training needs of non-instructional personnel, the district is not effectively taking advantage of opportunities to increase productivity and reduce costs.

Mentoring can provide valuable on the job training to employees and is a developmentally oriented relationship which generally involves a seasoned employee who is usually not the employee's direct supervisor and allows employees to receive additional feedback and support on job performance as well as easy access to institutional and technical knowledge.

Recommendations ---

- *We recommend that the district develop a comprehensive orientation program that would cover district policy and procedure, department contacts, collective bargaining agreements, benefits and safety training.*
- *We recommend that the Staff Development Department formalize and expand the needs-assessment, staff development plan, training and mentoring programs for non-instructional employees.*

Action Plan 7-3 provides the steps needed to implement these recommendations.

Action Plan 7-3

Create a Comprehensive Orientation Program	
Strategy	Develop a comprehensive orientation program covering district policy and procedure, department contacts, collective bargaining agreements, benefits and safety training.
Action Needed	<p>Step 1: The director of Employee Benefits and Risk Management meets with the general directors of the Human Resources Division and the assistant superintendents of Human Resources and Administration to discuss additional items to be included in the orientation.</p> <p>Step 2: The director of Employee Benefits and Risk Management develops content for the additional sections.</p> <p>Step 3: The general directors of the Human Resources Division and the assistant superintendents of Human Resources and Administration approve the content for the additional sections.</p> <p>Step 4: The customer service representatives responsible for the benefits and safety training are trained in delivering the additional content.</p> <p>Step 5: The customer service representatives include the additional information in the orientation programs.</p>
Who is Responsible	Director of Employee Benefits and Risk Management
Time Frame	January 2003
Fiscal Impact	The recommendation can be implemented with existing resources.

Expand Staff Development Programs for Non-Instructional Personnel	
Strategy	Formalize and expand the needs-assessment, staff development plan, training and mentoring programs for non-instructional employees.
Action Needed	<p>Step 1: The director of Staff Development instructs staff to include all non-instructional departments in the annual needs-assessment.</p> <p>Step 2: The director of Staff Development requests all non-instructional departments to forward copies of all department level needs-assessments and staff development plans to the Staff Development Department.</p> <p>Step 3: The Staff Development Department uses the results of needs-assessments for non-instructional departments to create a staff development plan for non-instructional employees.</p> <p>Step 4: The Staff Development Department uses the staff development plan to create and update training course offerings for non-instructional personnel.</p> <p>Step 5: The Staff Development Department works with non-instructional departments to develop supervisory training and mentoring programs for non-instructional personnel.</p> <p>Step 6: The Staff Development Department submits the plan and resulting course profiles to the superintendent and the board for approval and budget allocation.</p> <p>Step 7: The Staff Development Department implements the plan.</p>
Who is Responsible	Director of Staff Development
Time Frame	June 2003

Fiscal Impact	There will be costs associated with the training programs, but those costs will depend on the new programs instituted. The length of programs, training materials and populations served cannot be determined until the training programs are established, which will require the needs-assessment and staff development plan processes described in this recommendation. Therefore, this recommendation can be completed using existing resources.
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Source: Gibson Consulting Group, Inc.

4 The district offers a comprehensive staff development program for instructional employees that advance high quality instruction and high levels of student achievement.

The New Teacher Induction Program includes an orientation, benefits briefing, safety and ethics training, classroom strategies, and content specific skills.

New teacher induction is a five-day training program and is customized for three different audiences. Training topics and intensity are tailored for three specific groups: education majors, non-education majors, and experienced, but new to Hillsborough County, teachers. All three groups participate in the first day of training, which is an introduction to the district and its administrators, community and business leaders, and the district level grade and content supervisors for each new teacher's specific assignment. All three groups also participate in the final day of training, which covers safety and ethics issues as well as a benefits orientation and an introduction to the Human Resources Division. Days 2, 3 and 4 differ depending on which strand a teacher is assigned. First year education majors will spend those three days focused on classroom management and instructional strategies. Non-education majors will be trained on lesson planning and assessment in addition to classroom management and instructional strategies. Experienced teachers will spend two and a half hours on the second day completing a classroom management and instructional strategies refresher and will then receive a three and half hour session on strategies for motivating reluctant learners. Middle and secondary experienced teachers spend days 3 and 4 on CRISS training, and elementary experienced teachers spend days 3 and 4 on content training for math, science, reading, writing and special areas.

The district level needs-assessment uses surveys and professional development plans, but the results are not compiled into a comprehensive staff development plan.

A district level needs-assessment is performed through a survey, which includes principals and teachers. The district does not aggregate employee evaluations but uses individual Professional Development Plans, and the responses to the surveys to assess the need for current training offerings or new offerings. The district also performs department and content specific needs-assessments using the same techniques as the district-level assessment. Needs-assessments and training requests are not consolidated; and the results are not used to develop a comprehensive staff development plan with measurable goals and objectives and corresponding timetables. The district does tie all training back to the strategic plan and most activities are measured against the strategic plan and the benchmarks provided there. The department could more effectively evaluate specific programs and training strategies if goals and objectives, consistent with the strategic plan, were developed by the Staff Development Department for all district programs.

A measurable goal for a classroom management training program might be to decrease the number of referrals to the principal’s office by 15 percent for participants. Participants, or their site administrator, could be asked to provide the average number of monthly referrals prior to training and ask for a follow-up average three to six months later. The individual results would then be compiled and a course average calculated. The Staff Development Department could then determine if the classroom management training had been effective. If the training was effective, no changes would be required. If the training was ineffective, immediate opinionnaires and follow-up opinionnaires could provide the department with the information regarding possible adjustments to the program, if the program was continued.

The district completes comprehensive course evaluations for instructional training programs.

In his book *Evaluating Training Programs*, Donald L. Kirkpatrick identified four levels at which training can be evaluated: reaction, learning, behavior and results. Reaction level evaluations use questionnaires and interviews with trainees and may measure only how well the training and message were presented and received, but they may not accurately predict the ability to apply the new skills on the job. The learning level evaluations measure how well trainees learn facts, ideas, concepts, theories and attitudes, and the most common evaluation tool is pre- and post-testing. The learning level evaluation does not have a mechanism for evaluating whether the learned information is subsequently applied. The third level of evaluation is behavior, which uses interviews with trainees and co-workers, and observations of job performance to measure training at this level. The behavior changes observed may not be the ones desired and may not be training related. The final level of evaluation is results. Results are measured by comparing pre-determined training related benchmarks before and after training, but care should be taken to include other factors in the evaluation. Exhibit 7-9 compares training evaluation levels.

Exhibit 7-9

Different Evaluation Levels

	Frequency of Use	Ease of Use	Value of Information
Reaction	Highest	Highest	Lowest
Learning	↑	↑	↓
Behavior	↑	↑	↓
Results	Lowest	Lowest	Highest

Source: Society for Human Resource Management Learning System, Human Resource Development Module.

The district uses opinionnaires after each in-service and makes follow up contacts for specific programs. The district uses this employee feedback on training activities to do program evaluations. All training activities are tied to the strategic plan and its goals. Student outcome measures are incorporated into evaluating the progress of the strategic plan goals.

The district performs comprehensive, results level evaluations for specific training initiatives. Examples of two detailed evaluations of reading initiatives were provided to the review team. The evaluations used data detailing changes in student achievement after the implementation of the initiatives. The evaluation report on the Growing Young Readers program used observation of training workshops, survey of participant satisfaction, observations of classroom implementation, teacher survey of program implementation, parent survey of program implementation, records of program use, and student achievement data as evaluation factors. The results of this evaluation were detailed through 13 commendations and 12 recommendations for the program. The Staff Development Department uses these reports to determine if their training efforts have been successful or to make appropriate changes in focus.

The district has several mentoring programs for instructional personnel.

Mentoring programs are specific to level and content area. The Preparing New Educators (PNE) program requires a support team, which includes a peer teacher, site administrator, and at least one other professional educator. Peer teachers are given special training in how to mentor new teachers. The Human Resources Department identifies PNE participants at the time of employment, and the program targets non-tenured educators, both education majors and non-education majors, and focuses on mastering 12 practice areas. PNE participants may be exited from the program after one coaching cycle if all 12 accomplished practices have been demonstrated; or principals may waive the program for educators who have or are eligible for a five-year professional certificate.

A mentoring program also exists for participants in the Alternative Certification Program (ACP). Members of ACP are also assigned a support team consisting of a peer and the site administrator. In addition, the ACP program has a mentoring component where specially trained mentors are assigned to participants to provide additional support and reflections on classroom observations.

Examples of content specific mentoring programs include the Middle School Mathematics Strategies for the Mathematics Classroom, the Newbies mentoring program for new elementary media specialists, and mentoring programs for middle/secondary reading resource specialists and new foreign language teachers. National Board of Professional Teaching Standards (National Board) certified teachers are also used as mentors.

In-service records are kept for each employee.

Detailed in-service records are kept on each district employee and are available to employees and supervisors through the district's website. The records include subject area totals and individual courses taken by an employee. The records are entered after each district in-service session using course rosters. Non-district courses can also be entered after completion of the appropriate forms with the Staff Development Department. The easy availability of the information facilitates reciprocity with other school districts and decreases the number of requests from other districts for in-service records, reducing staff time spent compiling and sending the records. The course catalog for in-service activities, along with registration forms, is also available on the district's website.

SDHC provides training activities and in-service points to teachers pursuing National Board of Professional Teaching Standards certification.

National Board certification is part of the district's strategic plan, and clearly defined and measurable goals are included in the plan. Teachers who complete National Board certification receive an annual bonus from the state, and National Board teachers who provide mentoring receive an additional bonus. The district has developed a training program tailored to National Board requirements, and staff facilitates and supports the National Board candidates throughout the entire process.

District staff also works with the Classroom Teachers Association (CTA) to provide services to candidates. The district provides specific staff development and resources and has "box development" days. "Box development" days are usually on Saturday and provide candidates the opportunity to complete the various items that are required to be submitted to National Board. The days also provide candidates the opportunity to share ideas and issues with each other and receive input from the union representative, district staff and other National Board teachers. During a focus group, National Board teachers and candidates indicated that support for the program at the campus level varies from enthusiasm to indifference to skepticism. These varying levels of support were attributed initially to a lack of understanding of the process and significance of the designation.

Recommendations

- *We recommend that the district compile needs analyses for instructional and non-instructional employees and use the results to create a staff development plan with measurable goals, objectives and timetables.*

Action Plan 7-4 provides the steps needed to implement these recommendations.

Action Plan 7-4

Create a Districtwide Staff Development Plan	
Strategy	Compile needs analyses for instructional and non-instructional employees and use the results to create a districtwide staff development plan with measurable goals, objectives and timetables.
Action Needed	<p>Step 1: The director of Staff Development instructs staff to compile the results of all needs analyses into a districtwide staff development plan. Staff may use existing department level needs analyses and staff development plans to create the plan.</p> <p>Step 2: The Staff Development Department compares the major elements identified in the districtwide plan with the Strategic Plan to ensure compatibility.</p> <p>Step 3: The Staff Development Department creates evaluation methods for each major element or objective of the plan.</p> <p>Step 4: The Staff Development Department determines realistic goals and objectives for the elements of the plan and timetables for meeting those goals and objectives.</p> <p>Step 5: The Staff Development Plan is updated to include evaluation methods, goals, objectives and timetables.</p> <p>Step 6: The Staff Development Plan is submitted to each department for approval of the components and goals affecting that department.</p> <p>Step 7: The Staff Development Plan is submitted to the superintendent and the board for approval.</p> <p>Step 8: The superintendent and the board approve the plan.</p> <p>Step 9: The Staff Development Department annually evaluates the plan based on the stated goals and objectives and reports the results to department heads, the superintendent and the board.</p> <p>Step 10: The Staff Development Department updates the plan at least biannually.</p>
Who is Responsible	Director of Staff Development
Time Frame	July 2003 for steps 1 through 8 April 2004 and ongoing for steps 9 and 10.
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

5 The district provides staff development programs and mentoring opportunities for school-based administrators.

SDHC provides two training programs for school-based administrators.

The district has two programs that provide leadership training. The Preparing New Leaders (PNL) program is a one-year program for newly assigned administrators, which would include assistant principals, principals and district-level administrators. The Preparing New Principals (PNP) program is a two-year program, which runs continuously, designed to provide leadership training and tools that will prepare participants to perform well when appointed to principal positions. Participation in the PNP program requires the completion of a graduate degree in educational leadership and completion of the program results in a certificate. The district endeavors to appoint only principals who have completed the PNP program or who have completed a similar program in another district. Assistant principals who have yet to complete the program may be assigned as interim principals until successful completion of the program. Exhibit 7-10 details participation and completion rates for the last three classes.

Exhibit 7-10

Preparing New Principals Program Participation and Completion Rates

Class	Enrolled	Graduated	Completion Rate
1998-2000	24	22	91.7%
1999-2001	28	27	96.4%
2000-2002	29	28*	96.6%

*expected to graduate

Source: SDHC Staff Development Department.

There is some crossover of subject areas between the PNL and PNP programs, and PNL may be waived for a PNP participant or graduate, but waivers do not often occur. PNL is repeated when an administrator is assigned to a higher-level position.

Mentoring is provided for campus-based administrators.

The PNL program has a required mentoring component through the assignment of a peer on the support team, which also includes the candidate's immediate supervisor. The Mentor/Protégé program is a two-year course that provides intensive support through leadership development training, communication assessments, career exploration and administrative shadowing opportunities. Protégés are given a variety of diagnostic batteries designed to identify their areas of strength and their developmental needs. Recommendations for in-service programs are made based on the results of these assessments. The Mentor/Protégé program was originally developed to encourage minority, especially African-American, educators to pursue administrative positions. The program is limited to approximately 25 participants and only one group of participants is active during a year. The program is now used to identify high-potential employees and give them opportunities to explore different career paths with the district as well as to provide them with the tools necessary to be successful. Prior to the beginning of a new program, applications for both mentors and protégés are requested through the *Administrative Bulletin*. The sponsor of the program reviews the applications and accepts into the program those protégés who have the most potential.

Principal evaluations include feedback from staff and parents.

The principal evaluation form section on leadership is based on responses to administrator perception inventories, school climate surveys, parent/client input forms, and the districtwide climate survey. Each instrument solicits feedback from different sectors of the school community. Principals receive printouts of the results with comments, but some teachers fear they will be able to determine the source of comments based on handwriting if allowed to view the original forms. Participants in a teacher focus group said that they would prefer that the perception inventories be delivered directly to the central administration office by a member of the teaching staff and not be delivered through the principal's office.

Recommendations

- *We recommend the district develop a control procedure to keep school-based administrators from reading original perception inventories.*

Action Plan 7-5 provides the steps needed to implement this recommendation.

Action Plan 7-5

Develop Control Procedure to Keep Perception Inventories Anonymous	
Strategy	Develop a control to keep school-based administrators from reading original perception inventories.
Action Needed	Step 1: The assistant superintendent of Administration requires perception inventories to be submitted to a teacher representative of each campus, not the school's administrative office. Step 2: The teacher representative delivers the perception inventories to the area director or central administration office.
Who is Responsible	Assistant Superintendent of Administration
Time Frame	January 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Source: Gibson Consulting Group, Inc.

6 The district's system for formally evaluating employees is designed to improve and recognize excellent performance and to identify and address performance that does not meet expectations.

Instructional personnel assessment criteria have been approved by the Department of Education and are shared with instructional personnel, and training is provided to school-based administrators on completing performance evaluations.

The district's Instructional Personnel Assessment systems have been approved by the Department of Education as in compliance with Florida law. Site managers are directed to orient all employees with the performance criteria upon which they will be evaluated annually. Principals are required to purchase and distribute to all instructional personnel the manual developed outlining the criteria upon which

instructional personnel are evaluated. Within these documents are the performance criteria associated with student outcomes. The Department of Testing, Evaluation and Accountability provide data to principals and teachers to assist with this standard. Additionally, all teachers are required to identify and collect evidence of meeting a goal related to student achievement in their Professional Development Plan each year.

Each of the instructional appraisal instruments contains components that reflect an employee's content knowledge in the area of instruction. Content supervisors in the Instructional Division are available to assist school-based administrators with the assessment of a teacher's content knowledge. Although feedback and input from peers, clients and subordinates is solicited and included in principal/administrator evaluations, it is not apparent how district climate surveys, whole school effectiveness surveys, and parent and peer feedback are included in instructional performance evaluations.

Training on performance evaluations for all classes of employees is routinely provided through the Preparing New Principals program, which the district prefers all principals complete before being assigned a position. The general director of Human Resources also provides this guidance as well as supports those personnel who primarily conduct instructional and administrative evaluations. The general director of Human Resources also monitors the training and support of principals evaluating overall unsatisfactory teachers. The supervisor of Professional Standards provides support and guidance to non-instructional supervisors.

Non-instructional personnel are not consistently provided performance criteria in writing, and performance evaluation training is not required for non-instructional supervisors.

The degree to which non-instructional employees are provided with information regarding performance criteria varies from department to department and school to school. There is no standard procedure for ensuring that non-instructional employees are made aware of performance criteria or that the information and expectations are in writing. The Blue Collar collective bargaining agreement does state that all employees in the bargaining unit are to be evaluated using the uniform evaluation form and that each member of the unit shall be informed of the criteria and procedure to be used. Copies of contracts are available to all employees in the bargaining unit, regardless of union membership status.

On request, the supervisor of Professional Standards offers informal guidance and counseling to staff that review the performance of non-instructional personnel. This supervisor also oversees the management of the Career Development process. The district has no formal management training program available to all non-instructional supervisors. The lack of consistency in delivering performance criteria may be attributed to the absence of management training for non-instructional supervisors. Non-instructional training is discussed in detail in Section 3 of this chapter, where a recommendation is included to provide non-instructional supervisors with managerial training.

SDHC has processes to inform poorly performing employees of their weaknesses in writing.

Immediately following the completion deadlines established by contract or procedure, customer service representatives in the Human Resources division monitor annual performance evaluations for instructional personnel. The customer service representatives perform only one follow-up contact after the deadlines pass and then transfer responsibility back to the supervisor or site administrator for ensuring that evaluations are completed and delivered to the central office.

Each of the appraisal systems (administrative, instructional and non-instructional) includes the processes by which poorly performing employees are informed in writing of their weaknesses. These written notices are also filed with district personnel, and the process for ongoing evaluation of performance is

outlined within the negotiated contracts, the Career Development process, the “Assisting Instructional Personnel with Overall Unsatisfactory Performance” documents, and in the HRMD Systems manual. The general director of Human Resources manages files for those instructional personnel whose overall performance is unsatisfactory. Formal notification of poor performance or conduct that may result in disciplinary action is also maintained in the individual employee’s personnel file.

All collective bargaining agreements discuss the evaluation process, documentation required and procedures for dismissal or non-renomination of instructional personnel. All members of the bargaining units, regardless of union membership, are covered by the contracts, and the district makes copies of the contracts available to all personnel who request them.

The results of performance evaluations are not aggregated.

The district issues reports on overall unsatisfactory instructional evaluations. The results of performance evaluations are not aggregated. Analyzing the compiled results of evaluations could assist the district in identifying performance trends and corresponding training needs by department, class of employee and work-site. This tool could assist the Staff Development Department in creating and customizing training programs by offering the data necessary to identify training needs. Managers and school-based administrators would be able to compare areas of strength and weakness between work sites and identify ways to assist each other in improving weak areas. The district would also be able to look at trends in performance reporting and identify campuses and work sites with uncommonly good or bad performance evaluations. The district could then offer training to ensure that evaluators are not falling victim to strictness or leniency errors.

Employees are subject to drug testing and are offered access to an employee assistance program.

The district has a program for random drug and alcohol testing of all bus drivers and other employees in safety-sensitive positions. In addition, all employees are subject to reasonable suspicion drug testing. As part of the Safe Driver Program, the district has recently instituted a policy for automatic post-accident drug testing for accidents occurring in vehicles with a gross weight over 10,000 pounds and applies the reasonable suspicion standard to determine if testing is warranted for other accidents. Pre-employment drug testing is not standard procedure for new hires.

All employees are eligible and encouraged to participate in the Employee Assistance Program, which is designed to support employees with a variety of issues that may affect job performance including alcohol and drug abuse. All employees who elect to participate in the health insurance program also have access to Mental Health/Substance Abuse coverage.

Recommendations

- *We recommend that the district aggregate performance evaluation results and make the data available to district-level and school-based administrators and non-instructional supervisors.*

Action Plan 7-6 provides the steps needed to implement this recommendation.

Action Plan 7-6

Aggregate Performance Evaluation Results	
Strategy	Aggregate evaluation results and make the data available to district-level and school-based administrators and non-instructional supervisors.
Action Needed	<p>Step 1: The Department of Assessment, Accountability and Evaluation creates scannable forms for evaluations. All the different types of evaluations— instructional, administrative and non-instructional—are standardized, so only three forms would need to be created.</p> <p>Step 2: Evaluators complete scannable forms when completing evaluations.</p> <p>Step 3: The MIS Department scans the forms to create raw data files.</p> <p>Step 4: The Department of Assessment, Accountability and Evaluation manipulates the raw data to create reports on performance trends by site, by class of employee and any other appropriate standards.</p> <p>Step 5: Administrators, supervisors and Staff Development personnel analyze the data to determine trends and action plans.</p>
Who is Responsible	Director of Assessment, Accountability and Evaluation
Time Frame	March 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Source: Gibson Consulting Group, Inc.

7 The district ensures that employees who repeatedly fail to meet the district’s performance expectations or whose behavior or job performance is potentially harmful to students are promptly removed from contact with students and that the appropriate steps are taken to terminate the person’s employment.

The district has processes to document and address unacceptable performance.

Procedures for documenting and addressing poor performance differ between instructional and non-instructional employees. The district offers a “Coaching for Improved Performance” through the Preparing New Principals program to assist principals with developing the skills to deal with unsatisfactory teachers. Every year the general director of Human Resources issues a memorandum listing all teachers with overall unsatisfactory ratings and instructions for the steps that need to be taken, including what documentation is required, and who is to receive copies of the documentation. A table that details the follow-up steps to be taken and a checklist to ensure that all required documentation and events are completed are also attached. Required notifications and actions include:

- Letter of Notification;
- Letter of Intent;
- Planning Meeting;
- Action Plan Delivery;
- Classroom Observation (completed by the area director);
- Fall Evaluation;

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- Compilation of review materials and meeting with attorney based on outcomes of observation and fall evaluation;
- Principal Notification of Possible Action (if necessary);
- Teacher Notification of Possible Action (if necessary); and
- Spring Evaluation.

In addition to the written material distributed, the general director of Human Resources holds an annual workshop for principals and support personnel who are assigned teachers with overall unsatisfactory performance. The general director also provides additional assistance with performance issues that do not coincide with evaluations. Documentation regarding this assistance is maintained by staff to ensure consistent responses to managers' questions.

The Career Observation or Career Development process is used to address non-instructional employee performance issues. The Career Observation/Career Development is initiated at the request of a principal or supervisor and after the employee has at least one verbal warning and one written warning or as a result of the employee's evaluation. Career Observation/Development requires performance evaluations every 30 days. The purpose of the evaluations is to notify employees in writing of the performance issues in detail and with examples, specific suggestion for improvement, assistance and counseling that will be provided and the time limits set for improvement. The Career Observation/Development process generally lasts six months.

The general director of Human Resources is assigned the district level responsibility of working with principals to appropriately document poor performance and provide assistance to principals in making and implementing decisions to terminate instructional employees. The general director of Professional Standards is assigned the responsibility for recommending termination of poorly performing non-instructional personnel as a result of unsuccessful completion of the Career Observation/Development process.

To prevent poorly performing employees from multiple job transfers to avoid termination, previous evaluations, Career Observation/Development plans, and corresponding documentation are placed in personnel files which are available for review by site managers when considering an incoming employee transfer. The Career Development/ Observation process for a non-instructional employee remains in effect even if the employee transfers to another location. ESP's on Career Observation and teachers notified of fourth year probationary status or of pending dismissal for unsatisfactory performance may not voluntarily transfer.

All of the disciplinary procedures discussed above also include appeals processes, which are detailed in the respective collective bargaining agreements.

The district has a procedure for identifying and removing employees whose behavior is potentially harmful to students.

Board policy, negotiated contracts, and the Code of Professional Conduct outline the behaviors and performance problems deemed potentially harmful to students. The district performs local criminal records checks in addition to submitting fingerprints to the Florida Department of Law Enforcement and the Federal Bureau of Investigation. Reports indicating criminal history, which include sealed, expunged and adjudicated convictions, are investigated by the Office of Professional Standards before employees can be cleared for hire. In addition to rigorous background checks, the district compares arrest records from county law enforcement agencies with staff rosters to create a "hit list" and investigates the charges not reported by employees. Charges involving sex, drugs and violence usually lead to employees being

immediately removed from work and suspended with pay until the charges are investigated and a determination about continued employment and suspension status can be made.

The Office of Professional Standards investigates all allegations of employee misconduct. Investigators interview the person or persons reporting the misconduct, the person accused of the misconduct and any relevant witnesses. The interviews are taped, and the results of the interviews are compiled into investigative reports. The supervisor and/or general director of Professional Standards, who may request additional information or interviews, then review the reports. The investigative reports are used to determine any actions. When the misconduct warrants law enforcement intervention, the Office of Professional Standards works closely with the agencies to resolve investigations.

Managing Human Resources

8 The district has several means of communicating with employees.

Information regarding employee rights, responsibilities, benefits, working requirements, the evaluation process, grievance procedures and compensation policies is made available to employees.

Copies of collective bargaining agreements are available free of charge to all employees, regardless of union membership. The agreements contain detailed information regarding employee rights, responsibilities, benefits, working requirements, the evaluation process, grievance procedures and compensation policies. In addition, the teacher salary schedule is available online. Employees who work at school campuses are also provided with a Faculty Handbook. The handbook covers area of supervision, general information and procedures including absences, accident reporting, assemblies, field trips and student attendance, among others. The district also prepares a weekly Administrative Bulletin that is available in both paper and electronic format and reports district news by division including calendar, vacancy, staff development and budget related information.

The Employee Benefits Department produces an employee benefit book, "Infoquick," at least once per year that is distributed to all benefit eligible employees. The information contained in the benefits book and more detailed information is available to any interested party on the district's website. The Employee Benefits website not only provides correct and current information regarding employee benefit plans, but is also interactive, allowing employees to enroll and make enrollment changes online. The department has also developed an interactive CD-ROM for benefits that includes all the information found in Infoquick and on the district's website. The director of Benefits and Risk Management stated that a retirement handbook is currently under development to be issued in March 2002 and will include information about state retirement benefits and the district's supplemental retirement programs.

SDHC maintains an Internet/Intranet website that provides detailed information on policies, staffing and school calendars.

The district's policies, staffing information, and school calendars are available on the Internet. Functions of departments and divisions are defined and available on the website and include links to the pages specific to the division/department. The individual department pages provide contact information

including the responsible party's name and telephone number or email address. The administrative bulletin is also made available through the website. A Department of Technology Services supervisor is assigned oversight responsibility with each department or division identifying a Webmaster.

The Staff Development Department has made course offerings and the entire Master In-service Plan available online. Employees who wish to receive more information regarding specific programs can easily access a complete description that includes the course goals, objectives and activities. In addition to being able to research course offerings, interested participants may also register for training online and can review their current in-service points to determine future training needs.

Minimal efforts are made to receive feedback from employees.

The district conducts district climate surveys and has set up a schedule for assistant and deputy superintendents to visit school sites in specific areas. The recommended number of school visits per week is three. The schedule is designed to rotate assignment areas every quarter. Administrators said that feedback is solicited informally on a department/division level. The district's benefits website has an email feedback option, and the Division of Administration has a call center to receive employee feedback. No clear procedure or process exists, however, for the district to solicit feedback from employees. There is a feedback function on the website, but the form is designed for parents and other community members.

Recommendations

- *We recommend the district create a procedure for routinely soliciting employee feedback on specific issues and in general. The procedure should include guidelines and a tracking method for responding to feedback.*

Action Plan 7-7 provides the steps needed to implement this recommendation.

Action Plan 7-7

Routinely Solicit Feedback from Employees	
Strategy	Create a procedure for soliciting employee feedback on specific issues and in general.
Action Needed	Step 1: The assistant superintendents of Human Resources, Administration and Instruction (or designees) develop a procedure for soliciting and gathering employee feedback, considering the district's website or a feedback hotline as mechanisms. Step 2: The assistant superintendents or their designees develop response guidelines, time frames and a tracking system for use, responses and response times. Step 3: The assistant superintendents submit the procedures to the superintendent for approval. Step 4: The superintendent approves the procedures. Step 5: The assistant superintendent of Human Resources implements the procedures for general feedback. Step 6: Feedback for specific issues is solicited by email requests and advertisement in the Administrative Bulletin. Step 7: The district responds to feedback when necessary within a pre-determined time frame.

	Step 8: The assistant superintendent of Human Resources periodically reports use, major issues, responses and response times to the superintendent for all specific issues and general feedback.
Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	October 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Source: Gibson Consulting Group, Inc.

9 The district has efficient and cost-effective policies and practices for providing substitute teachers and other substitute personnel.

The district monitors absenteeism and has taken steps to deal effectively with problem employees or sites.

The Hillsborough County Teacher Tenure Act and the district’s negotiated contracts include absenteeism as a basis for dismissal (Section 4 [a][5]). Teachers and education support personnel accrue four days of sick leave as of the first day of employment each contract year and earn one day of sick leave for each month of employment. There is no limit on the number of sick days a teacher may accrue (Teacher Contract 1998-2001, section 12.3.1 and ESP Contract 2000-2003, section 17.5.1-3). Teachers and education support personnel may charge up to five days per school year for personal leave to sick leave (Teacher Contract 1998-2001, section 12.6.1 and ESP contract 2000-2003, section 17.4.1). Non-instructional staff receives similar leave benefits except that they cannot use sick leave until they earn the leave (Blue Collar Contract 1999-2002, section 21.2.1).

Hillsborough Schools have taken a number of steps to reduce absenteeism for both teachers and non-instructional staff. Principals collect attendance data for their site as part of their School Data Summary. This information is included in their evaluation. The Human Resources Division analyzes teacher absenteeism by site and works with the Teacher Recruitment and Retention Task Force to reduce instructional absenteeism.

The Division of Human Resources has established a working definition of excessive absenteeism as absences that exceed the annual accrual rate of the employee or one day per month per contract year. The division coaches site managers with employees who have excessive absences and also meets with the employees in question after counseling by their site supervisor. This process has been in place for three years.

The district monitors teacher and student nutrition employee absences on a daily basis. The Operations and Transportation divisions monitor their employees’ absences and take corrective action as needed. Administrators monitor the employees directly under their supervision.

The district uses cost-effective methods to identify substitutes and assign them where needed.

The district recruits substitute teachers and student nutrition staff using articles and publications in the *Tampa Tribune*. Job application information is also available on the City of Tampa’s public access television station and on the district’s Web site. Flyers are sent to parents in school newsletters. A staff of three, a supervisor and two clerks, process 60 to 100 applications a day and maintain an automated

substitute system. The district uses an automated substitute system – the Substitute Employee Management System (SEMS) – to both record absences and assign substitutes to cover those positions. SEMS was first installed in the district in 1993 and upgraded in November 1999.

The district had 2,112 substitutes on its rolls at the time of the team’s first site visit in October 2001, compared to 1,324 substitute teachers in the pool this time last year. The total number of substitutes who possess a Florida Professional Teaching certificate was 246. The application process was closed for approximately three weeks as a cost saving measure achieved by the suspension of 10-day training classes. After the freeze was lifted the district hired only substitutes who had been successful interns or who qualified for or held teaching certifications. This decision has allowed the district to continue to suspend both the 10-day and 3-day classes. Through October 2001, the district placed an average of 478 substitutes on a daily basis during the 2000-01 school year. Approximately 77 percent of teacher absences are filled. Inactive substitutes, those who have not accepted an assignment in a specified period of time, are warned and then eliminated from the system.

There are clearly defined procedures for teachers and student nutrition workers to report absences. The procedures are explained in orientation. Each district teacher and student nutrition employee receives a quick reference guide that provides step-by-step instructions on how to register and request coverage for absences. An updated quick reference guide is sent to each school at the beginning of the school year.

Teachers and student nutrition employees are asked to report that they will be absent a day ahead of time but are required to report it at least one hour before the start of their duty. They may report in an impending absence up to 30 days in advance. Employees report their absences to SEMS by telephone using a six-digit PIN number. The system records the absence and begins an automated search to assign a substitute on a first call basis. The system first calls substitutes who appear on the site’s preferred list. If it is not successful, the system then contacts any substitute who has agreed to substitute in the absent employee’s subject and site. If SEMS is still not successful the system will call substitutes who have agreed to substitute in that school regardless of the subject matter requested. Within each group, the social security number, lowest to highest is used to sort substitutes. On the day of our observation there were 76 open jobs.

Substitute teachers receive appropriate training and orientation.

All substitute teachers receive training and orientation. High school graduates who wish to substitute are required to complete a mandatory 10-day training. This training is provided by the Learey Technical Center and is offered approximately once a month. The Staff Development office provides three-day training sessions for substitute candidates with at least 60 or more college credits. All other substitutes receive a Substitute Teacher Handbook and orientation before reporting for duty.

Long-term substitutes are considered temporary employees and can participate in mentoring programs and in-service training. Principals are responsible for ensuring that long-term substitutes receive the support needed to be successful. Long-term substitute teachers may participate in the district’s Preparing New Educators (PNE) program. This program is designed to provide intensive assistance for all newly hired teachers and to support experienced teachers who are having difficulty. Other substitutes may participate in district in-service training, as space is available.

10 The district maintains personnel records in accordance with Florida Statutes and board policy; however, a heavy reliance on hard copy records is inefficient.

Personnel records are maintained in a secure environment with controlled access.

Personnel records are maintained in a secure, locked environment and are only made accessible to others as provided for in Florida Statutes. When copies of files are requested, a file room clerk redacts all privileged data from the copies and completes a checklist. The requesting party, except for records needed to complete official district business, pays for costs for copies. Medical records and sealed or expunged criminal histories are stamped confidential. All records regarding medical treatment conducted in school health clinics and/or related to workers' compensation issues are maintained in separate files and not commingled with any other personnel records.

Official personnel files are in paper format.

Currently, all official personnel file information is maintained in hardcopy format. Campuses also maintain files on their employees, and copies of some documents are forwarded to the central administration center for inclusion in the main file. Current employee composite records are maintained at the central office, and hardcopy records are kept for two years after termination. Records for employees who have been inactive for two years are microfilmed. Employment histories for instructional personnel, including assignments, experience and other pertinent information, are kept on yellow cards at customer service representative desks and are updated using typewriters or by handwriting. Beneficiary and retirement files and forms are kept in a separate location. Grievances and related files are kept in a third location. Misconduct investigations, fingerprint files, certification and DOE correspondence are kept in a fourth location.

There is currently a backlog in the main file room caused by short staffing due to illness and the hiring freeze. Electronic data on personnel, such as payroll information, assignments and benefit elections is being updated more efficiently; hard copies are taking longer than usual. The overtime freeze is making this backlog more noticeable, however the division employees are working an additional one to two hours per week helping in the file room to catch up on the backlog, and the general director of Human Resources has taken advantage of transfer opportunities to fully staff the file room.

Personnel records must be accessed at the central administration center.

Site supervisors can access some demographic, basic employment and payroll information on the district's current information system. Online personnel transactions are completed on the district's current system and, once approved, are uploaded into the mainframe, eliminating the need for multiple input and paper transfers. Supervisors and site administrators wishing to review past performance appraisals and other documents, however, still need to travel to one of the record sites or have the information read to them over the phone by a Human Resources supervisor. The district has recently purchased imaging software and will soon begin implementing it. When the implementation begins, all current employee records will be scanned into the imaging system, as will updates to files. The electronic copies of files can then be made available to site administrators through the district's information system which will eliminate the need to visit the central administration center.

Recommendations

- *We recommend the district focus available resources on the imaging project, which should include a process review to identify ways of reducing paper and duplication of data.*

Action Plan 7-8 provides the steps needed to implement this recommendation.

Action Plan 7-8

Image Personnel Records	
Strategy	Focus available resources on the imaging project.
Action Needed	<p>Step 1: The general director of Human Resources meets with the ERP team, MIS, Human Resources customer service representatives, and file room clerks to determine what records currently being filed are available (or will be available) electronically.</p> <p>Step 2: The general director determines which types of records will need to be imaged and develops written guidelines to reduce paper and duplication of data. The general director distributes the guidelines to all file room staff, customer service representatives and any other affected staff.</p> <p>Step 3: When imaging becomes available, file room staff focus resources on imaging current files based on the guidelines set by the general director.</p>
Who is Responsible	General Director of Human Resources
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented within existing allocated resources.

Source: Gibson Consulting Group, Inc.

11 The district uses cost-containment practices for its Workers' Compensation program.

The district reviews its workers' compensation program annually to cost effectively reduce the frequency and cost of claims and expenses, but still lags in timely reporting of injuries.

The Workers' Compensation program is regularly evaluated to identify opportunities to reduce costs. The Employee Benefits staff meets weekly with an adjuster to review claims and meets regularly with defense counsel. The director of Employee Benefits and Risk Management conducts an annual review of all cases with reserves over \$50,000.

Over the past four years, the Employees Benefit Department has implemented a number of innovative programs. The Integrated Health Services Program, a tailored program designed to combine the delivery of healthcare services to students and employees at work locations, has reduced absenteeism and the cost of medical treatment for district employees. In 2000-01, the first year of operation, the program reduced Workers' Compensation medical treatment costs at participating schools by 50 percent. The Return-to-Work program was modified to include two in-house nurses, saving approximately \$500,000 per year in consulting fees. The revision of the Workers' Compensation claim settlement process in 1997 has reduced the district's liability for claims by \$4.5 million through 2000.

The district's Internal Audit Department conducts periodic audits of the Workers Compensation claims process every year except those years when an external claims auditor conducts the audit. External claims audits are performed at least every three years.

The most recent external review was completed in October 2001. Exhibit 7-11 describes the results of that study. This study compared the workers' compensation loss experience of the district with a peer group of other Florida school districts.

Exhibit 7-11

The District Frequently Evaluates Workers' Compensation Costs

Results

The district does not report claims as quickly as its peers:

- The district reports only 35 percent of its claims on the day of the accident, compared to 70 percent for the peer group.
- Almost 15 percent of the district claims remain unreported after seven days compared to less than six percent for the peer group.
- 8.8 percent of the district's claims remain unreported after two weeks compared to 3.9 percent for the peer group.

District average paid losses are consistently lower than the peer group.

- For the four years included in the comparison (Calendar Years 1997 – 2000) the district's average paid losses were lower than its peers.
- For calendar year 2000 the average total paid loss was \$763 less than the peer group, which represents a paid difference of \$1,229,956.
- District losses show a normal claim development pattern.

District has a lower average incurred loss than its peers for all four years

The district's average medical-only claims are slightly less expensive than the peer group.

The district's average incurred per indemnity claim is higher than its peers, \$2,941 in calendar year 2000.

The district has a lower percentage of indemnity claims than the peer group

District has longer indemnity claim durations each year.

District has a significantly higher percent of expenses payments of open indemnity claims

Source: Benchmark Study, Dimensions Workers' Compensation Analysis, September 10, 2001.

Recommendations resulting from the study included:

- Re-emphasize the importance of prompt claims reporting. Report all claims within 24 hours. Average claim losses increase with each report lag.
- Re-evaluate current policy in which claims are only reported if the injured employee seeks medical treatment.
- Evaluate the feasibility of purchasing a Risk Management Information System (RMIS).
- Expand the onsite clinical audit and review process to include indemnity claims.
- Conduct a claims audit of indemnity allocated expenses.

At the time of this review team's second site visit the district was still developing its action plan to address this report.

The district's Risk Management staff meets with adjusters, case nurses, physicians and attorneys on a monthly basis to control workers' compensation costs. All litigated cases are reviewed with defense attorneys at least annually to resolve cases.

The district has revised its processes based upon the results of analysis and evaluations. In the last four years the district has made the following changes in its programs based upon external and internal reviews:

- Reduced the outstanding liability for claims by over \$3 million by aggressively settling claims as soon as possible. The average indemnity claim duration has dropped from 280 days more than its peers to 70 days more than its peers.
- The return to work process has been brought in-house, eliminating costly consultant fees that will reduce costs by up to \$500,000 annually.
- Banking procedures have been modified to prevent processing of fraudulent claim checks.
- Costs of physical therapy services have been reduced due to advantageous provider negotiations.

The district needs to improve its timely reporting of on-the-job injuries.

Notices are distributed to all site locations at the beginning of each school year reminding staff of the importance of timely reporting of on-the-job injuries. The district’s seven safety specialists visit schools on a periodic basis and emphasize the need for prompt reporting. The recent independent benchmark review conducted by Marsh, Inc. reviewing calendar year 2000 indicated that the district does not report claims as quickly as its peer group and concludes that this delay in reporting creates additional average claims losses of \$860 to \$7,426 per claim based upon the time lag. This conclusion is based upon data from a national general industry peer group. The district reports only 35 percent of its claims on the day of the accident compared to 70 percent for its peer group.

Recommendations

- *We recommend that the district develop an action plan to improve reporting of on-the-job injuries, including penalties or sanctions for delays in reporting.*
- *We recommend that prompt reporting of injuries be made a part of manager and principal evaluations.*

Action Plan 7-9 provides the steps needed to implement these recommendations.

Action Plan 7-9

Develop Action Plan to Improve Reporting of On-the-Job Injuries	
Strategy	Develop action plan to improve prompt reporting of on-the-job-injuries, including employee penalties or sanctions for non-reporting.
Action Needed	Step 1: The director of Employee Benefits and Risk Management reviews October 2001 Worker’s Compensation Analysis report to identify strategies to reduce lag time. Step 2: The director of Employee Benefits and Risk Management develops an action plan to reduce lag time, quantifying estimated cost savings. Plan should include employee sanctions and/or supervisor penalties for delays in reporting. Step 3: The director of Employee Benefits and Risk Management discusses plan with key managers in affected areas such as principals.

	Step 4: The assistant superintendent of Human Resources obtains needed approval for needed changes in personnel policy, labor contracts and/or injury reporting procedures.
	Step 5: The director of Employee Benefits and Risk Management implements action plan.
	Step 6: The director of Employee Benefits and Risk Management evaluates the savings from implementation of the plan on a quarterly basis for two years.
Who is Responsible	Director of Employee Benefits and Risk Management
Time Frame	July 2002
Fiscal Impact	This can be completed with existing resources.

Include Prompt Reporting of Injuries in Manager and Principal Evaluations

Strategy	Improve prompt report reporting of injuries by including it in manager and principal evaluations.
Action Needed	Step 1: The general director of Human Resources develops revised manager and principal evaluations to include prompt reporting of injuries. Step 2: The assistant superintendent of Human Resources reviews and obtains any needed changes in district policy. Step 3: The revised evaluations are implemented in the 2002-03 school year.
Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	September 2002
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

12 The district has implemented mechanisms to ensure the performance, efficiency, and effectiveness of the human resource program in limited areas.

The district uses its strategic plan to provide goals and measurable objectives.

The district’s analysis of the human resource program is limited to the priorities set out in the district’s strategic plan that include the following:

- The district has 10 percent more qualified applicants than vacancies in every academic category by 2004-05.
- The number of teachers who earn the National Board Certification increases annually by 20 teachers to a total of 151, out of a teacher population of over 11,000 teachers.
- The percentage of first year teachers who complete their initial year of teaching is 95 percent or better.
- The districtwide needs-assessment determines in-service required to implement strategies identified in the Strategic Plan.

These goals focus on the recruiting and retention of teachers which has been a major focus of the Human Resources Division. The strategic plan covers only instructional personnel and does not address the non-instructional personnel.

The departments in the Human Resources Division that routinely analyze programs and use benchmarks to evaluate progress are the Employee Benefits and Risk Management Department and the Employee Relations Department. The Employee Benefits and Risk Management Department uses comparative data from other school districts, industry survey, and national comparisons to evaluate the cost effectiveness of the district's employee benefits programs. This department also audits its workers' compensation costs on an annual basis to control costs. The Employee Relations Department uses salary surveys to guide the district in the development of salary schedules and in labor negotiations with the two unions.

By not regularly evaluating the cost of operations throughout the Human Resources Division and considering alternative ways of delivering services, the district limits the effectiveness of a major division.

The district has an opportunity to use the implementation of the new finance and human resources system as an opportunity to formally evaluate the cost-effectiveness of its human resource functions.

In September 2001 the district began the implementation of a new finance and human resources system, the first new system in many years. The district has spent significant time and effort evaluating packages, selecting a system that meets their needs and developing an implementation team and plan that will significantly impact finance and human resources processing. District staff has been assigned to the project team to provide needed functional information. At the time of the review team's second site visit in December 2001, the project team was developing process maps to define how the new system would be configured to work in the district.

Human Resources managers have high expectations for the improvements that will be achieved with the new system. However, no efficiency or effectiveness goals have been established by the Human Resources Division to guide the implementation team in its work. For example, division staff believes that the new system will reduce processing time, but no evaluation has been done to estimate how much time will be saved. The division expects the system to have the employee histories currently maintained for teachers on the "yellow cards" available for all employees, but this expectation is not formally documented.

Another example is that no analysis has been done to determine the cost of hiring a teacher now and using the new system. The savings may be significant in terms of reduction in the amount of customer service representative and/or principal time. Knowledge of the current cost of a teacher hire and estimate of possible savings would improve decision-making during implementation.

Knowledge of costs is especially important in exception processing. School districts often have extensive exception processing for certain groups of employees due to legal requirements, past practices or even the limitations of the legacy system. By understanding the potential cost savings, the division can decide whether or not to change its processing procedures or to require continued exception processing.

There are identified points in the implementation plan for the new system, such as the Process Validation Workshop or the Confirmation of the Future Business Model, that provide opportunities for the Human Resources Division to ensure that the improvements in effectiveness and efficiency that it expects for the new system can be realized and quantified.

Without a formal evaluation, the district may miss opportunities to streamline processing and reduce costs. Without formal goals, the high expectations of managers may not be realized as decisions are made in the rush of implementation.

Recommendations

- We recommend that the district develop efficiency and effectiveness goals for both instructional and non-instructional positions that will be achieved through the implementation of the new finance and human resources system.
- We recommend that these efficiency and effectiveness goals be made a part of the evaluation of the success of the system implementation and drive the structure of the Human Resources Division.

Action Plan 7-10 provides the steps needed to implement these recommendations.

Action Plan 7-10

Use Implementation of New System to Develop Performance Goals Covering Both Instructional and Non-instructional Positions	
Strategy	Develop performance goals for effectiveness and efficiency that can be achieved through the implementation of the new finance and human resources system.
Action Needed	<p>Step 1: The assistant superintendent of Human Resources identifies four to five major processes that require significant amounts of time or labor to process, both internally and externally.</p> <p>Step 2: Each general director or director in Human Resources reviews the time (labor and processing) in any identified processes under their direction. These administrators determine the costs currently associated with each major process.</p> <p>Step 3: Working with Human Resources members of the implementation team, the directors identify possible improvements using the new system. Examples of these improvements would be savings in labor costs, decreases in processing time, improvements in the quality or availability of information for decision-making, or responsiveness to customers.</p> <p>Step 4: The assistant superintendent and administrators in the division use these possible improvements or goals to guide implementation decisions.</p>
Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	April 2002
Fiscal Impact	This recommendation can be achieved using existing resources.

Use Performance Goals to Evaluate System Implementation and Division Structure	
Strategy	Use the performance, effectiveness and efficiency goals to evaluate the system implementation and to drive the Human Resources Division structure.
Action Needed	<p>Step 1: The assistant superintendent of Human Resources uses the goals developed in the previous action plan to evaluate the processes in the new systems.</p> <p>Step 2: The general director of Human Resources participates in specified validation points during the implementation process and identifies barriers to achieving goals or gaps in proposed processing.</p> <p>Step 3: The general director of Human Resources develops recommendations to address these issues.</p> <p>Step 4: The general director of Human Resources reports unresolved issues or outstanding gaps to the assistant superintendent of Human Resources.</p> <p>Step 5: The assistant superintendent develops a plan to respond to these issues and evaluates the division's structure.</p>

Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	October 2002
Fiscal Impact	This recommendation can be achieved using existing resources.

Source: Gibson Consulting Group, Inc.

13 The district periodically reviews the organizational structure and staffing levels of the Human Resources Division to identify reorganization and budget reduction options.

The Human Resources Division periodically reviews staffing levels and service needs and submits reorganization plans to the board for approval.

In 1999, the Human Resources Division underwent a process review to best determine its short and long-term staffing and operation needs. As a result, various practices and uses of personnel have been modified. The general director of Human Resources stated that process redesign has become an ongoing expectation within the division, with annual restructuring plans submitted to the superintendent and the board. Each year staffing of the Employee Benefits and Risk Management Department is also reviewed with the goal of providing appropriate levels of service with properly trained and compensated staff. The results of these reviews are contained in the annual reorganization recommendations. Each year, the assistant superintendent for Human Resources presents to the superintendent a review of the organization structure of the division with recommendations to improve its function.

Human resource staffing levels are low.

The district has received external confirmation from consultant reports that its staffing levels are low to appropriate. Copies of these reports have been provided to the superintendent and the board. There are currently 87 positions in the Human Resources Division servicing 20,826 permanent employees for a ratio of one human resource staff member for every 310.84 district employees or 0.47 human resource staff for every 100 employees. According to the Society for Human Resource Management website, the 2000-01 median human resource staff ratio is 1.0 human resource staff for every 100 employees. The district does not compare human resource staffing levels with other districts.

The division does not perform cost analyses of its activities.

The district does not calculate cost per hire, recruiting yield ratios, recruiting cost analysis, human resource cost per employee or other cost analysis functions to determine if resources are being used in a cost-efficient manner. The district also does not calculate processing time for any of its various activities. The large workload of a relatively small staff may be contributing to the lack of data gathering and analysis. Without concrete data, the division is making decisions based on prior experience and speculation. The experience of the personnel in the division prevents this type of decision making from resulting in negative impacts. However, concrete data would reinforce many of the division's decisions and allow the division the opportunity to identify weak areas and processes and to set quantifiable goals by which to measure progress.

The organization of the Human Resources Division is not balanced.

The Human Resources Division is divided into four departments. Reasonable lines of authority exist and the organizational structure is sensible. Spans of control, which relate to the number of reports to a particular position, are not equitably distributed between the general directors. The general director of Employee Relations supervises two employees, while the general director of Human Resources supervises 42 employees. Three of SDHC’s peer districts have a director level position over employee relations with larger staffs and additional duties assigned to the position.

Recommendations

- *We recommend the district identify key human resource areas and begin tracking information that will provide concrete data for cost and program analyses. Further, we recommend that the district take this initial data and, where warranted, create goals and benchmarks for the division.*
- *We recommend the general director of Employee Relations position be downgraded to a director level with the title of Chief Negotiator. The supervisor position should be eliminated, and a personnel analyst or customer service representative position may need to be added to accommodate the workflow.*

Action Plan 7-11 provides the steps needed to implement these recommendations.

Action Plan 7-11

Track Cost and Benchmark Data for Programs and Processes	
Strategy	Identify key human resource areas and begin tracking information that will provide concrete data for cost and program analyses.
Action Needed	Step 1: Human Resources senior staff meets and discusses areas where performance measurement may be necessary. These areas may include cost per hire; recruitment yield ratios; processing time for new hires, position changes, pay increases, leave requests, applications; orientation costs or benefits costs. Step 2: Human Resources senior staff determines which areas will provide key information for future cost reductions/program changes and begin tracking data. Step 3: The general director of Human Resources (or other appropriate director) reports the data to the assistant superintendent of Human Resources. Step 4: Human Resources senior staff meets and creates goals, with evaluation mechanisms, timelines and benchmarks for the division. Step 5: A report on goal progress is completed at least annually. Step 6: Goals are updated based on division needs at least biannually.
Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	June 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Downgrade General Director of Employee Relations Position	
Strategy	Downgrade the general director of Employee Relations position to a director level with the title of Chief Negotiator. The supervisor position should be eliminated, and a personnel analyst or customer service representative position may need to be added to accommodate the workflow.
Action Needed	<p>Step 1: The assistant superintendent of Human Resources evaluates the division's current vacant and frozen positions to determine the most cost effective and efficient way to realign the employee relations function.</p> <p>Step 2: The assistant superintendent of Human Resources submits his realignment proposal to the superintendent and the board. The proposal should include: eliminating the general director position, creating a chief negotiator position on the director salary schedule, eliminating the supervisor position and assigning any additional support staff determined necessary. The plan should also include any reassignments or terminations of current personnel.</p> <p>Step 3: The superintendent and the board approve the plan.</p> <p>Step 4: The general director of Human Resources (or designee) creates the necessary job descriptions and submits them to the superintendent for approval.</p> <p>Step 5: The superintendent approves the job descriptions.</p> <p>Step 6: The assistant superintendent implements the plan.</p>
Who is Responsible	Assistant Superintendent of Human Resources
Time Frame	December 2002
Fiscal Impact	The assistant superintendent may choose to add a different support position, or more than one support position, however, the consultant has used the addition of one personnel analyst for the purpose of calculating the fiscal impact of the change. The general director of Employee Relations position is currently paid \$92,219 with benefits of \$25,499 (\$92,219 x 27.65% benefits rate) for a total annual cost of \$117,718. The midpoint salary for a director is \$82,799 with benefits of \$22,894 (\$82,799 x 27.65% benefits rate) for a total annual cost of \$105,693. The annual cost savings of downgrading the position would be \$12,025 (\$117,718– \$105,693). The supervisor of Employee Relations position is currently paid \$81,102 with benefits of \$22,425 (\$81,102 x 27.65% benefits rate) for a total annual savings of \$103,527. At least one personnel analyst position would need to be added to accommodate workflow. The midpoint salary for a personnel analyst position is \$41,912 with benefits of \$11,589 (\$41,912 x 27.65% benefits rate) for a total annual cost of \$53,501. The total savings for this recommendation would be \$31,026 [(\$12,025 + \$103,527 – \$53,501)/2] for 2002-2003, and \$62,051 (\$12,025 + \$103,527 – \$53,501) per year for 2003-04, 2004-2005, 2005-2006 and 2006-2007. The five-year savings would be \$279,230.

Source: Gibson Consulting Group, Inc.

14 The district periodically evaluates its personnel practices and adjusts these practices as needed to improve efficiency and service.

The Human Resources Division periodically reviews its operations to find ways to increase efficiency and customer service.

The division reviews its operations to look for efficiencies and better utilization of existing staff in order to reduce overtime and workloads. The division also receives feedback from principals on how the division's services could be more "customer" friendly. In addition to feedback and self-assessments, the

division has undergone reviews by outside consultants aimed at increasing the efficiency of the department. Some recommendations from the outside consultant reviews were implemented, and the division maintains a list of considerations and suggestions and their current status. Exhibit 7-12 details some of the recommended improvements and their status.

Exhibit 7-12

Recommended Improvements and Status

Recommended Improvement	Status
<ul style="list-style-type: none"> • Placement supervisors to renew non-certificated authorization 	<ul style="list-style-type: none"> • Process implemented 12/2000
<ul style="list-style-type: none"> • Simplify the supplement procedure 	<ul style="list-style-type: none"> • New procedure implemented 4/2001
<ul style="list-style-type: none"> • Simplify processing procedures for permanent non-instructional employee becoming teacher 	<ul style="list-style-type: none"> • New procedure implemented 2/2001
<ul style="list-style-type: none"> • Customer service representative’s award experience credits to teachers when it is received 	<ul style="list-style-type: none"> • New process implemented 2/2001 • Not completed, still in process
<ul style="list-style-type: none"> • Automate yellow cards (employment histories on instructional personnel) 	<ul style="list-style-type: none"> • Procedure updated
<ul style="list-style-type: none"> • Revise over/under payment procedures 	

Source: SDHC Human Resources Department.

As a result of an informal efficiency review and customer feedback, the Employee Benefits Department has recently implemented a mini-call center to handle benefits questions. The district’s website also has detailed information on benefits with instructions on how to make changes and the ability to enroll and make enrollment changes online. In response to criticism of the application process, the district is developing an on-line application center where applicants can be walked through the process and where applications can be completed online. Email is a commonly used means of communication, and division staff is responsive to telephone calls.

Employee benefits packages are reviewed annually to identify cost savings.

Each year during negotiations, less costly methods of providing employee benefits are explored. During the most recent negotiations, several plan modifications were implemented which will help to mitigate increases in health care costs to the board and its employees.

15 For classes of employees that are unionized, the district maintains an effective collective bargaining process.

The district clearly assigns responsibility for labor relations.

Florida law encourages cooperation between government and its employees, both collectively and individually. Florida Statutes require school districts as well as other local governments to negotiate with bargaining agents duly certified to represent public employees (447.201). Collective bargaining began in Hillsborough in 1970 after a strike gave rise to the teachers union. The district currently negotiates with two unions, the Hillsborough Classroom Teachers Association, Inc. and the Hillsborough School Employee Federation. One contract is negotiated with the Hillsborough School Employees Federation for

Personnel Systems and Benefits

non-instructional, operational services employees, such as custodians and bus drivers. Two contracts are negotiated with the Hillsborough Classroom Teachers Association, Inc.: one contract for teachers and a second contract for education support personnel, such as clerks and paraprofessionals.

The general director for Employee Relations is the district's designated lead negotiator and is responsible for labor relations. He and the supervisor for Employee Relations are members of the Florida Employment Network (FEN) and attend training and workshops to stay current on the issues. They also attend seminars sponsored by their attorney, Thompson, Sizemore and Gonzalez, P. A.

Roles and responsibilities for the negotiator are clearly described in his job description. The roles of the negotiator, superintendent and school board members are set out in board policy. Negotiation and executive sessions procedures are reviewed with the attorney prior to the beginning of each negotiation process.

District and school administrators have opportunities to participate in the collective bargaining process.

Principals and division administrators are encouraged to provide issues and concerns prior to the beginning of the contract negotiation process. The general director for Employee Relations contacts standing committees, such as the Recruitment/Retention District Committee and the Principals' Council, for specific concerns and issues. The superintendent and the school board then review these issues. If approved they are included in the district's proposals to the unions.

Attorneys experienced in collective bargaining law are included in the negotiation process.

The district contracts with Thompson, Sizemore and Gonzalez, P.A. for legal support in the negotiation process. This firm specializes in employment and labor law and represents employers exclusively throughout the state of Florida. Representative public sector clients include the University of South Florida, the University of Florida, School Board of Volusia County, City of Tampa, and the City of Clearwater. Members of the firm participate in Florida Bar Labor Law Committees and teach labor law at various law schools.

Prior to the beginning of the negotiation process the attorneys provide workshops on current and emerging labor issues. The general director for Employee Relations reviews the proposed negotiating procedures and timeline with the attorneys for appropriateness. The attorneys are also present during school board executive sessions where issues and concerns are reviewed by the board prior to being included in the district's proposals. Attorneys do not attend negotiating sessions unless asked but are available for consultation. Attorneys also review draft contract language before the completion of the negotiation process.

District administrators and attorneys review union proposals for appropriateness and cost impact.

District administrators, including the assistant superintendent for Business and Information Technology Services and the general director for Finance, and appropriate staff review union proposals to verify costs estimated by the unions and to evaluate the advantages and disadvantage of each proposal.

The district keeps records of negotiations.

Salary information and negotiation records with the Hillsborough Classroom Teachers Association, Inc. for the period of 1970 through 1995 are maintained in the Bonaker Warehouse. Negotiation records for

Hillsborough School Employees Federation from 1980 to 1995 are maintained in the warehouse. Records dating from 1996 forward are kept in the office of the general director for Employee Relations.



Use of Lottery Funds

The School District of Hillsborough County has appropriately managed lottery proceeds; however, the program evaluation process should be enhanced.

Conclusion

The Hillsborough County School District (the district) is using all of the best practices for lottery proceeds. As outlined below, the district uses its lottery proceeds in a manner consistent with its definition of educational enhancement, allocates lottery proceeds as required by law, and accounts for the use of lottery proceeds appropriately. The district has an adequate definition of educational enhancement, which provides the public with a clear understanding. However, the district does not provide an evaluation of the impact of lottery fund expenditures on enhanced student education.

During the course of this review, Gibson Consulting Group, Inc. identified two specific district accomplishments in the use of lottery proceeds, as included in Exhibit 8-1 below.

Exhibit 8-1

The District has two Notable Accomplishments in the Use of Lottery Proceeds in the Last Three Years

- The district has a well thought out process of providing district guidance on the development of school improvement plans.
 - The use of the district website to provide a quarterly report on the use of lottery proceeds is an effective device for the provision of a substantial body of information.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's use of lottery proceeds using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. On-site interviews were conducted with district level managers of both the lottery program and the school advisory council process. District materials regarding the lottery process were reviewed. Several area principals were also contacted regarding the procedures used for distribution of lottery proceeds.

An overview of chapter findings is presented below.

Lottery Proceeds

1. The district has defined "enhancement" in a way that the public clearly understands. (Page 8-3)
2. The district uses lottery proceeds in a manner consistent with its definition of enhancement. (Page 8-4)
3. The district allocates lottery proceeds to school advisory councils as required by law. (Page 8-5)

4. The district accounts for the use of lottery proceeds in an acceptable manner. (Page 8-6)
5. The district does not specifically evaluate or report the extent to which lottery expenditures have enhanced student education. (Page 8-7)

Fiscal Impact of Recommendation

The recommendation presented in this chapter can be implemented with existing resources.

Background

Florida law requires that at least 38 percent of the gross revenue from the sales of lottery tickets be deposited in an educational enhancement trust fund. These proceeds are to be used for the benefit of public education. Eligible purposes include the payment of debt service on bonds for school construction. The balance of proceeds is to be used for a variety of public education programs and purposes. The lottery statute further provides that a portion of the revenues distributed to school districts “shall be made available to each public school in the district for enhancing school performance through the development and implementation of a school improvement plan...”

Operating under this statutory framework, the Florida Legislature apportions lottery proceeds to public schools, community colleges, and universities. These proceeds are allocated to the districts on the same basis as the district’s K-12 base funding.

For fiscal year 2000-01, the Hillsborough County School District was allocated \$19.5 million in lottery proceeds, compared to \$13 million for the prior year. This increase in proceeds was primarily associated with a new program to provide a School Recognition Allocation. School recognition proceeds were to be allocated to each school classified as an “A” school and to each school that had improved by one letter grade from the prior year.

Under Florida law and regulations, the district is required to establish policies and procedures defining the use of educational enhancement proceeds and the specific types of expenditures consistent with that definition. The district is also required to use a specific accounting code for the receipt and expenditure of lottery proceeds. Reporting requirements include a quarterly report in an easy to understand format to the public, and an annual report to the Department of Education within 60 days following the end of the fiscal year.

From the district allocation, the law requires funding for both the School Recognition Allocation (SRA) and a School Advisory Council (SAC) allocation. For 2001-02, the School District of Hillsborough County has budgeted \$7.8 million for SRA allocations and \$1.6 million for SAC allocations. Recognition allocations are \$100 per student while SAC allocations are \$10 per student. State law provides for specific directions regarding the uses of these proceeds. Administrative staff at both the school and district level are directed not to override SAC approval of these budgets.

Enhancement of Educational Programs

1 The district has defined “enhancement” in a way that the public clearly understands.

The term “enhancement” is defined for the purpose of appropriating discretionary lottery proceeds allocated by the Legislature to be expended for program activities and services that contribute to student learning and achievement. The program and/or services are as follows:

1. To help sustain programs which were previously funded through state categorical appropriations;
2. To supplement partially funded state categorical programs;
3. To develop and implement school improvement plans as required by the “Accountability” law; and
4. To enhance funding to charter schools.

Annually, the school district holds a public hearing regarding the adoption of the school year budget. The definition of “enhancement” is located in the board agenda item titled “Public Hearing to Adopt the Millage Rates & Budget for fiscal year 2000-2001.”

The district has an appropriate definition of “enhancement.”

Although the components of the district definition are generic, they effectively communicate that the district is using the proceeds for the specified purposes. The current use of the proceeds permits a more specific understanding, which is communicated to the public in district documents. According to district documentation, the district uses the proceeds for school recognition allocation (\$7.8 million), “PREP” programs (\$4.8 million for school health screening, and class size reduction), \$5.1 million for general transportation funding, \$1.6 million for school improvement, and \$0.2 million for charter school enhancement.

The periodic review of the definition of enhancement provides an opportunity for meaningful stakeholder input.

The district requests input from various stakeholders for any changes to its definition of enhancement. Letters are sent to members of the Central Facilitating Team (CFT) and the public is also able to make suggestions via the district’s web site under the “Ask Special Projects” link. The CFT is an advisory committee to the district regarding accountability. The CFT is comprised of school board administrators and teachers, school advisory members, parents, and business/community members. Stakeholder input letters are mailed out annually to those on the CFT committee for review.

During the month of January, letters are mailed to the CFT describing the current definition and use of the lottery proceeds. The letter provides an opportunity for community members to comment on the district’s definition of enhancement.

The district provides procedures relating to use of lottery proceeds to the Department of Education.

The district adopts general procedures for the use of educational enhancement proceeds and specific procedures for the adoption of school improvement plans. These plans and procedures are provided to the Department of Education in August of each year, together with a financial report.

The provided procedures do not constitute a full definition of all procedures, which are used in the distribution of proceeds. The provided information contains a general summary of the procedures and the purposes for which the proceeds are to be used.

2 The district uses lottery proceeds in a manner consistent with its definition of enhancement.

Given the broad definition of “enhancement,” the district faces little problem in using lottery proceeds in a consistent manner.

Expenditures of lottery proceeds are consistent with the adopted definition of “enhancement.”

Both quarterly reports to the public and annual reports to the State indicate that the district uses its lottery proceeds in a manner that is consistent with its definition of “enhancement.” However, the tie between the district’s definition and the specific purposes requires unnecessary translation, and could be improved. The district’s definition of “enhancement” has four components: (1) previously-funded state categorical programs, (2) partially-funded state categorical programs, (3) school improvement plans, and (4) charter schools. The uses of the proceeds include: (1) the school recognition program, (2) the primary education program, (3) the transportation program, (4) the school improvement program, and (5) charter schools. These two definition sets may be tied together. The primary education program supports activities associated with health screening, individualized programs, grade K-3 class size reduction, and staff development for grades K-3. These programs all fit within the definition for previously funded state categorical programs. The transportation allocation meets the requirements of a program not fully funded by the State. The school improvement program, and by extension, the school recognition program are both connected to the general area of school improvement plans offered in the definition. Finally, the charter school allocation directly correlates to the charter school component of the definition.

The district reports on a quarterly basis, to the board and public, how the lottery proceeds are expended, and annually reports to the Department of Education. The quarterly report defines “enhancement” and can be viewed on the district web site.

Lottery proceeds are provided for use in each school's improvement plan.

The district is able to demonstrate that a portion of the lottery proceeds provided to each school is used in conjunction with the school’s improvement plan. The review process used for the school improvement plans is comprehensive. The SAC plans are maintained in the Assessment, Accountability, and Evaluation Department. The School Infrastructure Thrift (SIT) project was established for the ease of schools to track revenue and expenditures for their own SAC dollars.

Allocations are initially set in July, based on an award of 90 percent of the prior-year FTE, with revised allocations set in February based on current year distributions. For fiscal year 2000-01 allocations of \$1,586,956 were made to the district’s schools. The largest allocation was made to Sickles High School (\$26,702), while the smallest allocation was made to James Exceptional School (\$680). Allocations are made for each fiscal year, and proceeds must be encumbered or expended in that year.

Use of lottery proceeds by schools is reported in improvement plans.

The school improvement plans are reviewed and submitted annually to the school board for approval. Beginning with the 2000-01 fiscal year, a comprehensive report on expenditures was provided to the

school board at year-end. This report detailed lottery-funded expenditures of \$1,584,053 among a variety of school expenditure accounts. The most significant items included teaching supplies (\$623,644), salary and benefits (\$146,772), books for existing libraries (\$63,754), travel (\$47,849), other personal services (\$78,133), and computer hardware (\$139,013).

3 The district allocates lottery proceeds to school advisory councils as required by law.

The district allocates proceeds to school advisory councils based on a formula methodology, which meets the specifications of current statutes. The methodology provides for an initial allocation of 90 percent of the proceeds on estimated student counts and a reallocation procedure for the remaining 10 percent of the proceeds, when actual student counts are available.

Approved School Improvement Plans (SIPs) are in place, with discretionary proceeds for School Advisory Councils (SACs).

Florida law requires a system of school improvement and education accountability. One of the critical elements of this process is the adoption of school improvement plans which directs the district to annually approve and require implementation of a new, amended, or continuation SIP for each school in the district. The plan is designed to address the achievement of State education goals and student performance standards. The law also requires the district to address issues relative to budget training, instructional materials, technology staffing, student support services, safety and discipline strategies, and other matters as determined by board policy.

Each school in the district is operating according to an approved SIP. However, due to a change in procedures, most schools are operating on the basis of a carry-over plan from the prior year. Current district procedures provide for the development and adoption of school improvement plans within the current school year. Therefore, a number of plans have not yet been submitted, reviewed, or approved.

Guidelines for the development of SIPs, as well as district financial records clearly indicate that the required allocation of \$10 per student has been made to the individual schools.

SAC lottery proceeds may be spent without impediment.

SAC teams may expend their dollars as appropriated and approved by each school's SAC team. Each prescribed advisory plan includes a section designated as "school advisory council projected budget accountability dollars." Under this structure, a budget based on a local format is adopted by the SAC and submitted as part of the overall plan to the district staff for review, and to the school board for approval. Expenditure requests are monitored against this adopted budget. Approval of these items by the district finance officer is automatic unless the expenditures fall within an area generally prohibited by district accounting policy. In this case, an intervention may be necessary to provide district concurrence with the adopted school budget.

Appropriate guidelines are distributed.

District guidelines and training for SACs are appropriate and comprehensive, given the limited resources available in the Department of Assessment, Evaluation, and Accountability for this purpose. The guideline documents call for the election of a SAC, the use of a "whole school effectiveness model," development of a SIP, conduct of the meeting of the SAC, procedures for use of accountability proceeds,

Use of Lottery Funds

and provisions for use of waivers from school board policy, union contracts, operating procedures, or state statutes.

The board has also adopted a comprehensive set of “Guidelines for School Improvement” for fiscal year 2000-01. The guidelines were issued after a substantial modification of the SIP procedure, which now calls for the election of members in the spring, a needs assessment in the summer, and submission of the plan to the central office in the fall. This process, new for fiscal year 2000-01, has experienced some difficulty in initial implementation, but is designed to increase the usability of the plans during the school year. Under the guidelines, the school improvement plan is to be “developed collaboratively by the SAC and have the approval of the principal and at least two-thirds of the individuals who will be affected by the plan.” The plan is submitted to the Assessment, Accountability, & Evaluation Unit who coordinates review of the plan prior to submission to the superintendent and the board for approval.

4 The district accounts for the use of lottery proceeds in an acceptable manner.

The current accounting system tracks lottery proceed expenditures in an acceptable fashion. Exhibit 8-2 presents the account codes used by the district for lottery-related expenditures.

Exhibit 8-2

The District Uses 24 Account Codes to Track SAC’s Use of Lottery Proceeds

Account Description	
• Salaries/Benefits	• Books – Existing Libraries
• Professional and Technical Services Benefits	• A-V Material (under \$750)
• Travel	• Equipment (over \$750)
• Repairs and Maintenance	• Equipment (under \$750)
• Telephone	• Computer Hardware (over \$750)
• Postage	• Computer Hardware (under \$750)
• Other Purchased Services	• Remodel and Renovate
• Transportation	• Software (over \$750)
• Print/Bind/Reproduce	• Software (under \$750)
• Supplies – Teaching	• Dues and Fees
• Supplies – Office	• Other Personal Service
• Other Materials and Supplies	• Miscellaneous Expense

Source: The School District of Hillsborough County.

Unique funding source code has been adopted.

Lottery dollars are placed in the general fund and are earmarked by specified site, project, and program numbers. This allows schools, SAC teams, and district employees to track revenues and expenditures.

The district has a unique funding code (function 3344) for educational enhancement proceeds. Use of this code permits tracking specific expenditures for SIPs.

Proper accounting for educational enhancement proceeds is in place.

The district can demonstrate that it properly accounts for educational enhancement proceeds. In contrast to a number of other districts, the proceeds are virtually fully expended, and there is internal agreement between various accounting records and state reports as to the total amount provided.

The financial tracking system adequately tracks the expenditure of lottery proceeds.

The district’s financial system has the ability to track the receipt of lottery proceeds and the expenditures within the specific areas designated by the district through its definition of “enhancement.” Additional information is available to measure outcomes of the programs funded by lottery resources. The measurement of outcomes with regard to these proceeds is measured by a variety of resources appropriate to the specific areas in which the proceeds are expended. The results of lottery proceeds invested in SIPs may be measured by the overall achievement level of the individual school, while information regarding district-wide programs for such areas as transportation may be measured through information designed to show the results of the overall program area.

5 The district does not specifically evaluate or report the extent to which lottery fund expenditures have enhanced student education.

The evaluation and reporting of lottery fund expenditures is designed to track minimum state requirements for this purpose. The process is generally acceptable, given the uses of these proceeds by the district. If the district were able to become more flexible and innovative in the uses of these proceeds, evaluation and reporting activities would have to be enhanced.

The district submits the required state reports.

The fiscal year 1999-2000 expenditure level of \$13.2 million compares with revenue of \$12.9 million. The difference is explained by the district’s use of approximately \$250,000 of unexpended proceeds from the prior year. The district submits within 60 days from fiscal year end the Discretionary Lottery Proceeds report to the Department of Education. Exhibit 8-3 compares the allocations and expenditures of lottery proceeds for fiscal year 1999-2000.

Exhibit 8-3

**Reported Expenditures In Agreement With District Allocations
(Amounts in Millions)**

Program or Activity	Amount Allocated 1999-2000	Amount Expended (as reported to DOE)
Accountability	\$1.7	\$1.8
Primary education program	\$5.1	\$5.1
Transportation	\$5.9	\$6.1
Charter schools	\$.2	\$.2
Total	\$12.9	\$13.2

Source: The School District of Hillsborough County.

Quarterly web-based reports are available to the public.

District staff provides lottery expenditure information and where the dollars were being expended to the

board on a quarterly basis. Starting in fiscal year 2000-01, the information has been provided via the district web site: www.sdhc.k12.fl.us/division/business.

Additional information needed for specific projects.

The district does not provide cost analysis for specific projects funded from lottery proceeds. In contrast, projects funded through school improvement programs are described in detail and are evaluated by the SAC. Information regarding district-wide projects is not presented to district advisory committees or the board. Specific cost information with regard to the impact of these programs could provide the district a basis for improved utilization of these proceeds in the future. Projects designed to compensate for under-funded state programs such as transportation would not necessarily be exempt from the cost analysis.

Recommendation

- *We recommend that the district expand data collection and analysis functions for projects specifically financed by lottery proceeds.*

Action Plan 8-1 provides the steps needed to implement this recommendation.

Action Plan 8-1

Provide improved cost analysis for lottery-funded projects	
Strategy	Expand data collection and analysis functions for projects specifically financed by lottery proceeds.
Action Needed	Step 1: Determine projects for which cost analysis should be undertaken. Step 2: Establish information requirements for cost analysis. Step 3: Collect and analyze information. Step 4: Prepare reports summarizing the results of the cost analysis.
Who is Responsible	Assistant Superintendent for Business Information and Technology
Time Frame	2002-03 school year.
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

9

Use of State and District Construction Funds

The School District of Hillsborough County has developed and maintained a substantial facilities funding approach to support anticipated facility needs. Improvements in the consideration of alternatives and the formal incorporation of maintenance factors can improve the future use of construction funds.

Conclusion

The School District of Hillsborough County (SDHC) has demonstrated a substantial commitment to maximizing funds available for construction, renovation, and repair of existing facilities. Funds have been allocated throughout the district for a wide variety of projects. The district has substantially modified procedures to reduce costs of new facilities. However, specific procedures for the consideration of alternatives and the incorporation of life cycle costing into facilities specifications can improve the utilization of state and district construction funds.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the use of state and district construction funds, some of which are included in Exhibit 9-1 below. The effort to reduce unit costs for new schools is discussed at length under Best Practice 3. The district website has significant information with respect to virtually all facets of facilities standards, planning, and financing. The website should serve as value tool to both the general taxpayer and to the facilities professional.

Exhibit 9-1

The District Has Had a Number of Notable Accomplishments in Use of State and District Construction Funds in the Last Three Years

- The district has reduced unit costs for new schools.
 - SDHC has a provision of public information via district internet website.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the five-year facilities work plan, interviewed district-level managers, reviewed documents prepared by the district, and reviewed financing documents and materials furnished by the district.

An overview of chapter findings is presented below.

Facilities Construction Funds

1. The district approves use of construction funds only after determining that the projects are in compliance with the lawfully designated purpose of the funds and the district's five-year facilities work plan, but does not routinely consider alternatives to proposed projects. (Page 9-3)
2. The district uses capital outlay and operational funds appropriately, lawfully, and in accordance with its adopted five-year facilities work plan. (Page 9-5)
3. The district minimizes construction costs by using appropriate measures from the SMART (Soundly Made, Accountable, Reasonable and Thrifty) Schools Clearinghouse Frugal Construction Standards. (Page 9-6)
4. When designing and constructing new educational facilities, the district incorporates factors to minimize the maintenance and operations requirements of the new facilities, but the process needs improvement. (Page 9-12)

Background

The district has adopted an ambitious five-year facilities work plan calling for the expenditure of close to \$1 billion. These funds are designed to be used to accommodate growth, as well as provide for extensive renovations on facilities throughout the district.

The structured approach adopted by the state has provided a basis for the plan and design of efficient school facilities over a sustained period of time.

Five-year facility plans of peer districts were also reviewed. Funding for the district's program is at or above comparable levels established for other districts.

The district relies on a variety of funding mechanisms to finance the facilities program. The primary sources include Public Education Capital Outlay (PECO), funds from the district's share of a sales tax supported bond issue, proceeds from Certificates of Participation (COPs) supported by a "one mill" ad valorem tax, Classrooms First bond proceeds, effort index grants, School Infrastructure Thrift (SIT) awards, and proceeds from Qualified Zone Academy Bonds (QZAB). A complete list of the district's facilities funding mechanisms is shown in the Exhibit 9-2.

Exhibit 9-2

Sources Of Funds For The Five-Year Facilities Work Plan (Amounts In Millions)

Source	Funds
Two Mill revenues	\$160.6
Public Education Capital Outlay and Debt Service Trust Fund	\$99.9
Capital Outlay and Debt Service Funds (from State Motor Vehicle License Revenue)	\$14.1
School Construction Sales Surtax Bond Issue	\$293.6
Proceeds from Certificates of Participation	\$347.1
Proceeds from Qualified Zone Academy Bonds	\$19.3
Classrooms First Bond proceeds	\$47.0
Effort Index Grants	\$22.4
Class Size Reduction	\$6.2
School Infrastructure Thrift Awards	\$57.6
Special Appropriations	\$8.1
Impact Fees received	\$7.8
Total	\$1,083.7

Source: Five-Year Facilities Work Plan, October 1, 2001.

Overall, the district's five-year facilities work plan calls for:

- Funding for major repair and renovation projects (\$402.4 million) over the five-year period 2001-02 through 2005-06;
- Additional facilities or new facilities (\$483.3 million);
- Elimination of relocatable classrooms over the five-year period; and
- Elimination of leased facilities.

The projected impact of the facilities program is the elimination of all overcrowding by 2005-06, together with the provision of necessary facilities for district-projected growth.

Facilities Construction Funds

1 The district approves use of construction funds only after determining that the projects are in compliance with the lawfully designated purpose of the funds and the district's five-year facilities work plan, but does not routinely consider alternatives to proposed projects.

The construction and renovation effort of the district is clearly governed by the adopted five-year work plan for school facilities. The plan contemplates a continuation of the high rate of growth of district's student population, elimination of many of the relocatable school facilities used by the district, and renovation of many existing facilities. In addition, the plan has been modified to incorporate efforts designed in conjunction with the proposed plan for ending mandatory school district desegregation.

Construction funds are used for lawfully designated purposes as determined by the assistant superintendent of Business and Information Systems.

The initial determination of the source of funds for individual projects is made by the operations division, which has substantial expertise in the funding requirements of individual programs. The district's finance division staff is involved in the review process when issues of funding sources arise, and have specific responsibility for the determination of appropriate use of funds. The district's assistant superintendent of Business and Information Systems reviews the five-year facilities work plan to determine that approved uses of funds are in compliance with lawfully designated purposes. The finance director specifically reviews the award of construction funds by purpose in the Consolidated Annual Financial Report (CAFR) to assure compliance with the lawfully designated purposes of these funds. Analyses of the CAFR and the five-year facilities work plan indicate that facilities funds are being used for appropriate purposes, and the extent of carryover funds is appropriate within the context of the needs identified in the five-year facilities work plan. Board items routinely provide evidence of the source of funds used for each project. Given the overall expertise of the operations staff and the results of past reviews, the district process is adequate to assure that construction funds are used for lawfully designated purposes.

The school board uses state funds in a timely manner.

The reservation of state funds for renovation projects effectively uses these funds in a timely manner, as the projects are undertaken and completed. Projects in the five-year facilities work plan are planned by funding source well in advance of the receipt of the funds as documented in detailed project expenditure reports.

Alternatives to specific construction projects are not routinely considered.

The district does not routinely prepare an analysis of alternatives that includes estimates of cost and other considerations. A review of the information submitted to the board does not reveal specific consideration of alternatives at the time of board deliberations. For instance, no consideration is given in the approval of specific projects to the potential for renovation or expansion of existing facilities as a cost savings alternative. A recent evaluation report concerning the use of an extended school calendar indicates that the district has considered this alternative as a potential policy change in a general manner under certain circumstances. Given the pace of new school construction, modifications regarding attendance boundaries are a routine practice in the district. However, there is a lack of evidence that the district uses either the program evaluation of year-round school or changes in attendance boundaries for the consideration of alternatives to specific construction projects. Routine examination of the cost differentials between modernization and the opening of new facilities is not undertaken. Alternatives which could be considered on a routine basis include extended day schedules, year round schools, and revised grade level configurations.

State funding allocations are not used for high cost educational facilities.

State funding allocations from the Public Education Capital Outlay Trust Fund (PECO) and the School District and Community College District Capital Outlay and Debt Service Trust Fund are not used when the total cost per student station exceeds the amount specified in the provisions of Florida statute. Current practice in the district is to reserve these funds for renovations and use locally generated funds for additional student stations.

Two mill funds are used appropriately.

The district school tax (Section 236.25, Florida statutes, as amended), defined as the “two mill” tax, is used for a combination of construction and maintenance projects. A review of the statutory provisions indicates that the district-adopted projects are within the lawfully designated purposes as shown in Exhibit 9-3. The specific amounts budgeted for 2000-01 are shown in Exhibit 9-4.

Exhibit 9-3

Comparison Of Statutory Provisions To Specific District Purposes For Two Mill Funds

Statutory Provision	District Budget
New construction and remodeling projects	Site purchases
Maintenance, renovation, and repair	Maintenance and operations needs
School buses, and other motor vehicles	Bus purchases
New and replacement equipment	Enterprise Resource Program
Debt service for lease purchase agreement (maximum 75%)	Debt service for certificates of participation (COPs)
Repayment of loans	Short-term Loans
Cost of environmental requirements	Included in maintenance and operations needs
Relocatable or leased facilities	Included in maintenance and operations needs

Sources: Section 236.25 Florida statutes; The School District of Hillsborough County, Two Mill Budget Sheet.

Exhibit 9-4

Use Of “Two Mill” Funds For 2001-02

Element	Amount (in millions)
Projected revenue	\$ 81.4
Projected interest	.7
Total revenue	\$82.1

Element	Amount (<i>in millions</i>)
Projected expenditures	
Certificates of Participation (COPS)	\$ 39.7
Other debt service	3.2
Information Systems	8.5
Bus purchases	5.3
Site purchases	5.8
Relocatable classroom	3.0
Maintenance and Operations Project	14.1
Reserve for emergency	2.4
Total projected expenditures	\$82.0

Source: The School District of Hillsborough County, Two Mill Budget Sheet, September 24, 2001.

Recommendation

- *We recommend that the district implement procedures for the routine consideration of alternatives to new construction projects.*

Action Plan 9-1 provides the steps needed to implement this recommendation.

Action Plan 9-1

Consider Alternatives to New Construction	
Strategy	Implement procedures for the routine consideration of alternatives to new construction projects.
Action Needed	<p>Step 1: Adoption by the SDHC school board of a specific policy to consider alternatives prior to the adoption of new construction projects.</p> <p>Step 2: Include in the need determination an analysis of modernization and scheduling alternatives. Alternatives include, but are not limited to revision of attendance boundaries, use of extended-day schedules, and conversion of under-utilized properties.</p> <p>Step 3: Provide an analysis of alternatives to the SDHC school board as a portion of facilities recommendations.</p>
Who is Responsible	Assistant Superintendent for Operations
Time Frame	2002-03 school year
Fiscal Impact	Can be implemented within existing resources. Specific savings cannot be estimated.

Source: Gibson Consulting Group, Inc.

2 The district uses capital outlay and operational funds appropriately, lawfully, and in accordance with its adopted five-year facilities work plan.

The five-year facilities work plan has been prepared in conformance with state law and meets standards for appropriate funding levels, use of adequate information, and compliance with legal requirements. As indicated in Exhibit 9-2, the district uses a wide variety of funding sources in support of capital outlay (expenditures for sites, buildings, and equipment). Facility construction funds are expended only after inclusion in the five-year facilities work plan and specific board authorization.

The district uses capital outlay funds in accordance with Florida law and for approved facilities construction projects.

The district is in compliance with the procedural requirements regarding the use of capital outlay funds and their relation to the five-year facilities work plan. The five-year facilities work plan provides a detailed schedule of each repair and renovation project to be undertaken. Board documents confirm appropriate approvals of facilities projects. Taxes levied under the provisions of Section 236.25, *F.S.* are expended in a manner that conforms to the requirements of law. Specifically, funds from the two mill tax authorized under 236.25(2) *F.S.* are expended for construction, renovation and repair of school plants together with the associated interest cost of the obligations issued to obtain funds for these purposes.

Facilities needs are determined through use of state growth projections and the Florida Inventory of School Houses (FISH).

A review of the five-year facilities work plan indicates that the district does utilize state growth projections and the FISH. The information presented in the work plan (Schedule 2a—locations, capacities, and planned utilization rates of current educational facilities of the district) displays FISH satisfactory student stations by school, FISH capacity, and current and projected utilization rates. Individual school growth projections are based on a combination of district and state information. Projections are made by for each school based on a three-year history and related factors. For the purposes of the five-year facilities work plan, the district projection is modified to fit the Department of Education (DOE) projection by type of school. Under these projections, the five-year facilities plan provides facilities to maintain existing student utilization levels while accommodating substantial growth in student population. The current five-year facilities plan projects 87 percent utilization of facilities in 2005-06 compared to 90 percent in 2000-01 despite an increase in total students of 20 percent.

The district maximizes local revenue alternatives.

As indicated in Exhibit 9-2, the district relies substantially on local revenues for the financing of the five-year facilities work plan. Local revenues account for almost 75 percent of projected five year expenditures. These revenues include local property tax revenues, certificates of participation backed by local property tax revenues and bond issues supported by a half-cent sales surtax adopted by the county for a variety of purposes.

3 The district minimizes construction costs by using appropriate measures from the SMART (Soundly Made, Accountable, Reasonable and Thrifty) Schools Clearinghouse Frugal Construction Standards.

The 1997 session of the Florida legislature established a major new invite for the improvement of school construction in the State. This imitative resulted in the establishment of SMART and associated standards and incentives. The School District of Hillsborough County has incorporated these standards into prototype designs for elementary, middle and high schools that are now used as the foundation for all new construction within the district. As a result of this effort, the district has been recognized through recommendations by the SMART Schools Clearinghouse for ten awards for construction savings over the period 1998-99 through 2001-02. These schools and the amount of the award are shown in Exhibit 9-5.

Exhibit 9-5

SDHC has Received Ten New School Construction School Infrastructure (SIT) Awards Over The Past Four Years

School Year	School	Award Amount	Approval Date
1998-99	Clark Elementary	\$874,715	7/13/99
1998-99	Pizzo Elementary	\$858,483	7/13/99
1999-00	Bevis Elementary	\$1,624,688	9/28/00
1999-00	Davidson Middle	\$2,449,237	9/28/00
1999-00	Pride Elementary	\$1,235,856	9/28/00
1999-00	Randall Middle	\$2,382,038	9/28/00
2001-02	Chiles Elementary	\$942,132	10/25/01
2001-02	Lillian Symmes Elementary	\$1,208,156	10/25/01
2001-02	McKittrick Elementary	\$1,198,958	10/25/01
2001-02	Braulio Alonso High	\$4,504,533	10/25/01
Total		\$17,278,796.00	

Source: State of Florida, SMART Schools Clearinghouse: School Infrastructure Thrift (SIT) Awards New School Construction – Single Project.

These SIT awards accounts for 13.7 percent of all awards recommended for the state. In comparison to their peer districts, the district has received a higher level of SIT award funding than any other district over the past several years. Exhibit 9-6 presents awards received by SDHC and peer districts over the past four years.

Exhibit 9-6

Hillsborough Has Received Funding Recommendations For School Infrastructure Thrift (SIT) Funds a Level Above That of Peer Districts

District	Number of Awards	Award Amounts (in Millions)
Hillsborough	10	\$17.3
Broward	10	\$13.5
Palm Beach	2	\$5.2
Duval	3	\$4.6
Orange	6	\$3.0
Pinellas	6	\$1.6

Source: State of Florida, SMART Schools Clearinghouse: School Infrastructure Thrift (SIT) Awards New School Construction – Single Project.

SMART school guidelines were evaluated.

The district has minimized construction costs through a series of efforts including the utilization of the SMART Schools Clearinghouse. In 1998, the district undertook an effort to provide the board with recommendations for reducing the cost of new schools. This review included a through review of the standards provided through the SMART Schools Clearinghouse. The review was entitled “District Educational and Program Specifications. Specific recommendations for prototype schools were developed using the SMART construction standards as well as inputs from a large advisory group of public and private members. The plan presented to the board included recommendations for the distribution of pace among various functions as well as cost saving measures to be incorporated into future facility plans. As presented in Exhibit 9-7, the district established budgets by board action for new schools well below (between 85 percent and 89 percent) the SMART Schools per-student station cost.

Exhibit 9-7

Substantial Savings Realized From Specifications Review

Type of School	Estimated Savings	Percent of SMART School Costs
Elementary	\$1,148,400	89%
Middle	\$2,252,355	85%
High	\$6,336,000	85%

Source: Board Agenda Item, "Approval of recommendations for new school cost reductions." May 5, 1998.

SMART School Designs are submitted for review.

The continuing application of these cost savings measures is indicated by the degree of savings achieved in recently completed schools. Exhibit 9-8 shows that in four schools completed during 2000, savings of \$18.3 million were achieved. For each of these schools a SMART school design information form was completed and the SMART Clearinghouse has recommended each school for an award.

Exhibit 9-8

Substantial Savings Achieved from Cost Reduction Efforts

School	Allowed Cost (<i>in millions</i>)	Actual Cost (<i>in millions</i>)	Savings
Alonso High School	\$42.5	\$32.2	\$10.3
Chiles Elementary	\$10.4	\$8.2	\$2.2
McKittrick Elementary	\$11.1	\$8.3	\$2.8
Symmes Elementary	\$11.9	\$8.9	\$3.0
TOTAL	\$75.9	\$57.6	\$18.3

Source: SIT Award Application Forms for 2001-02.

Prototype specifications include review of the SMART School Design directory.

Since the 1998 study, the original plan has been transformed into detailed prototype specifications for school which are available through the district's website. One of the sources for changes in these prototypes is a continuing review of the SMART School Design form. An example of the contents of these educational specifications is shown in Exhibit 9-9. As indicated by the dates of adoption, the specifications are under continuous review and modification.

Exhibit 9-9

Areas Included in High School Prototype Educational Specifications

Area	Date of Current Specification
High School Philosophy	June 1, 1998
Design Guideline	August 9, 2001
General Education	
Language Arts	June 28, 1999
Mathematics	June 28, 1999
Social Studies	June 28, 1999
Science	January 22, 2002
Driver Education	June 28, 1999
Drop Out Prevention	June 9, 2000
Health Education	June 28, 1999
Foreign Language Skills	October 30, 2000
Computer Skills	August 10, 2001
Reading	June 28, 1999
Art	August 10, 2001

Area	Date of Current Specification
Instrumental Music	June 28, 1999
Vocal Music	June 28, 1999
Physical Education	January 18, 2002
<i>Exceptional Student Education (ESE)</i>	
Educable Mentally Handicapped (EMH)	June 28, 1999
Trainable Mentally Handicapped (TMH)	June 28, 1999
Severely/Profoundly Mentally Handicapped (SPMH)	June 28, 1999
Severely Emotionally Disturbed (SED)	June 28, 1999
Autistic	June 28, 1999
Physically Handicapped	June 28, 1999
Visually Handicapped	June 28, 1999
Emotionally Handicapped Classroom (EH)	June 28, 1999
Specific Learning Disabled Classroom (SLD)	June 28, 1999
ESE Special Classrooms (for EH and SLD Resource)	June 28, 1999
ESE Central Service Area	March 4, 1999
<i>Vocational Education</i>	
Agricultural Mechanics	January 18, 2002
Environmental Horticulture	January 18, 2002
Environmental Horticulture – Agriscience and Biotechnology	January 18, 2002
Business Technology	June 28, 1999
Sales Merchandising	January 29, 2002
School Store	January 29, 2002
Diversified Cooperative Training (DCT)	June 28, 1999
Work Experience	June 28, 1999
Child Care Assisting	June 28, 1999
Food Production	July 6, 1999
Life Management Skills	August 10, 2001
Nutrition and Food Choices	June 28, 1999
Home and Family Management	June 28, 1999
Technology Studies	June 28, 1999
Communications Technology	October 28, 1999
Principles of Drafting Technology	June 28, 1999
Production Technology	July 1, 1999
Principals of Electronics	June 28, 1999
Cosmetology	June 28, 1999
Health Science	June 28, 1999
Criminal Justice Assisting	June 28, 1999
Teacher Assisting	June 28, 1999
Civil Engineering Assisting	June 28, 1999
Carpentry and Cabinet Making	August 27, 1999
Automotive Service Technology	August 27, 1999
Ventilation, AC and Refrigeration Technology	August 27, 1999
Electrical Trades	August 27, 1999
Introduction to Engineering Design	December 7, 1999
Digital Electronics	December 7, 1999
Principles of Engineering	December 7, 1999
Computer Integrated Manufacturing, Eng Design and Development	December 7, 1999
<i>Core Spaces</i>	
Media Center	January 29, 2002
Administration	July 3, 2001
Student Services (Guidance)	October 24, 2000

Use of State and District Construction Funds

Area	Date of Current Specification
Food Service	January 18, 2002
Auditorium	November 8, 1999
Custodial	July 1, 1999
Athletic Facility	January 18, 2002

Source: The School District of Hillsborough County.

In addition to the educational specifications, the district maintains continuously updated design and construction standards at a detailed level. Exhibit 9-10 provides the areas covered by these specifications. These specifications were developed with the minimization of construction and maintenance costs, and include relevant features from the SMART Schools Clearinghouse.

Exhibit 9-10

The District has Adopted Detailed Design and Construction Standards

Document Number	Grade Level	Document Title	Document Dates
00100	E/M/H	Regulations for Institutional Food Service Facilities	01-29-02
00200	E/M/H	Submittal Summary	10-05-01
00300	E/M/H	Current list of School Board Members	01-17-02
00310	E/M/H	Project Sign	07-23-01
00400	E/M/H	Bid Tabulation Form for Bid Projects	02-04-97
00410	E/M/H	Bidding Procedures for CM Projects	05-23-01
00500	E/M/H	Forms	11-01-01
00510	E/M/H	MBE Participation Worksheet	01-08-02
00600	E/M/H	Hazardous Materials Specification	03-31-99
00700	E	Project Review Checklist	01-29-02
00710	M	Project Review Checklist	01-29-02
00720	H	Project Review Checklist	01-29-02
00800	E/M/H	Color Selection Process	03-03-00
00900	E/M/H	Pay Request Schedule	11-08-01
00910	E/M/H	Direct Purchase Procedures	05-25-99
02000	E/M/H	Plant list	07-01-99
02100	E/M/H	Bicycle Rack	08-11-98
02200	E/M/H	Termite Treatment	12-03-01
02300	E/M/H	School Bus Statistics	01-17-02
02400	H	Athletic Field grading and sodding requirements	01-18-02
02700	E/M/H	Through-walk drain detail	09-18-90
02800	E/M/H	Chain link fencing specification	06-02-98
02900	E/M/H	Irrigation requirements	12-05-96
07500	E/M/H	Roofing package	06-21-01
08700	E/M/H	Door Hardware	04-26-01
08710	E/M/H	Key vault	11-06-00
09500	E/M/H	Ceiling Requirements	09-27-00
09510	M/H	Gymnasium flooring specification	01-06-00
09520	M/H	Gymnasium floor striping	02-02-01
09600	E/M/H	Carpet specification	01-22-02
09650	E/M/H	Resilient flooring	05-25-00
09700	M/H	Weight Room flooring material	11-13-92
10100	M/H	Shadehouse Details	09-23-01
10200	E/M/H	Television/VCR bracket	08-07-00
10400	E/M/H	Signage	08-07-00
10410	E/M/H	Building Plaque	06-12-98

Document Number	Grade Level	Document Title	Document Dates
10500	E/M/H	Fire Extinguishers	07-10-00
10510	H	Postal Mailboxes	01-27-97
10800	E/M/H	Toilet accessories	11-09-01
11000	M/H	Book detection system	01-29-02
11400	E/M/H	Kitchen equipment	08-15-01
11420	E/M/H	Cooler/Freezer specification	06-22-98
11500	M/H	Technology Education equipment	01-17-02
11510	E/M/H	Art equipment	01-15-02
11520	E/M/H	Science equipment	01-18-02
11530	M/H	Family and Consumer Sciences equipment	08-21-00
11540	M	Agribusiness equipment	09-02-97
11560	E/M/H	P.E. and Athletic equipment	11-09-01
11580	E/M/H	Instructional Aids	10-30-01
11600	E/M/H	Kiln Room design requirements	08-20-93
11700	E	Computer Lab Layout	07-01-01
12304	E/M/H	Casework specification	12-10-96
12310	E/M/H	Casework details	08-08-01
12410	E/M/H	Library shelving specification	01-29-02
12500	E	Circulation desk for the Media Center	11-20-00
12510	M/H	Circulation desk for the Media Center	07-09-01
12600	E/M/H	Owner Provided Furniture and Equipment	04-20-01
12700	M/H	Gymnasium Bleacher requirements	12-10-96
12800	M	Computer Table	08-14-97
15000	E/M/H	Mechanical Systems - Criteria for Design	07-09-01
15010	E/M/H	Water Treatment Specification	06-16-94
15400	E/M/H	Piping diagram for domestic hot water	08-25-93
15410	E/M/H	Grease trap requirements	06-04-96
15440	E/M/H	Plumbing Fixture Standards	10-29-01
15510	E/M/H	Cooling tower requirements	02-23-93
15900	E/M/H	Test and Balance Specification	03-02-98
15975	E/M/H	HVAC Controls Specification	05-25-00
15976	E/M/H	DDC Input-Output Summary Table	05-19-99
16000	E/M/H	General Electrical and Lighting Notes	01-25-02
16600	E/M/H	Emergency Generator requirements	01-06-00
16700	E/M/H	Communications-Electronics requirements	06-04-01
16710	E/M/H	Security pull cord	01-24-91
16720	M/H	Media Center door alarm	07-09-01
16740	E	Closed circuit TV system requirements	10-24-00
16750	M/H	Closed circuit TV system requirements	08-21-00
16760	E/M/H	Computer Network Design Guideline	01-09-02
16770	E/M/H	Telephone System	01-09-02

Source: The School District of Hillsborough County.

4 When designing and constructing new educational facilities, the district incorporates factors to minimize the maintenance and operations requirements of the new facilities, but the process needs improvement.

In the planning process described above, the district has invested significant effort in attempting to create efficient facilities especially in terms of basic construction cost. The relative availability of funds for new construction or renovation contrast with a relatively tight operating budget. This system encourages the district to build facilities with minimal demand on operating funds wherever possible. For instance, the availability of funds to renovate older facilities throughout the district serves as an effective mechanism to minimize future maintenance and operations requirements. In a similar fashion, avoiding future maintenance costs for new educational facilities permits greater investment of scarce operating funds in educational programs. Under these conditions, consideration of maintenance and operations costs of new facilities is a significant element in the design and construction of new facilities.

Maintenance and operations requirements are incorporated into the design of new facilities.

The district has adopted detailed design and construction standards, as well as educational specifications with regard to the construction of new facilities. The construction standards have incorporated features related to the minimization of maintenance and operations as well as construction costs. For instance, the 39 specifications associated with roofing include significant detail with respect to insulation, materials, drains, expansion joints, flashings, and construction processes.

As indicated in Exhibits 9-9 and 9-10 the comprehensive nature of both the design and construction standards as well as the educational specifications provide adequate evidence that factors designed to minimize maintenance and operation requirements of new facilities. The educational specifications and design and construction standards are both periodically updated, as needed, according to district documentation.

A comprehensive system for life cycle analysis is not in place.

In 1998, the district undertook a major project to review specifications for schools. This project included numerous district staff, but also included architects, engineers, and contractors. The effort reviewed existing specifications and recommended reductions at a detailed level for future school construction projects. This effort included many of the elements of a life cycle cost analysis. However, the effort stopped short of a comprehensive system.

Under a life cycle cost analysis, it is necessary to determine:

- The reasonably expected fuel costs over the life of the building that are required to maintain illumination, water heating, temperature, humidity, ventilation, and all other energy-consuming equipment in a facility; and
- The reasonable costs of probably maintenance, including labor and materials, and operation of the building.

Standards for the computation of life cycle costs must consider specific elements such as:

- The orientation and integration of the facility with respect to its physical site;
- The amount and type of glass employed in the facility and the directions of exposure;
- The effect of insulation incorporated into the facility design and the effect on solar utilization of the properties of external surfaces;

- The variable occupancy and operating conditions of the facility and subportions of the facility; and
- An energy consumption analysis of the major equipment of the facility’s heating, ventilating, and cooling system; lighting system; and hot water system, and all other major energy consuming equipment and systems, as appropriate.

SDHC’s life cycle analysis falls short in meeting these needs and should be improved.

Recommendation

- *We recommend that the district incorporate more comprehensive life cycle costing as part of their overall prototype specifications by type of school.*

Action Plan 9-2 provides the steps needed to implement this recommendation.

Action Plan 9-2

Improve life cycle cost specifications and include in prototype designs	
Strategy	The district should incorporate life cycle costing as part of their overall prototype specifications by type of school.
Action Needed	<p>Step 1: Utilize current information as to design, systems, materials, construction processes and labor techniques that when used as part of the planning process, and if approved and implemented, will reduce future maintenance and operating costs.</p> <p>Step 2: Identify specific factors that are proven reasonable related to the maintenance and operations costs of new facilities.</p> <p>Step 3: Incorporate the results of the life cycle analyses in design, construction, equipment selection, and furnishings into specifications for prototype design operational costs.</p>
Who is Responsible	Assistant Superintendent for Operations
Time Frame	2002-03 school year
Fiscal Impact	Can be implemented within existing resources. The magnitude of savings may be significant, but cannot be determined at the current time.

Source: Gibson Consulting Group, Inc.

10 Facilities Construction

The School District of Hillsborough County (SDHC) has an efficient school planning and construction operation. Serious problems with overcrowding are effectively addressed, schools are generally delivered on time and within budget, and sites are acquired in a timely fashion.

Conclusion

SDHC effectively addresses the twin problems of serious overcrowding and deteriorated facilities. Projects are well managed and largely within budget and on schedule. Sites are acquired in a timely fashion at reasonable prices and construction quality is generally good based upon inspections of recently built schools. During the course of this review, Gibson Consulting Group, Inc. has identified a number of district accomplishments in the area of facilities construction, some of which are included in Exhibit 10-1 below.

Exhibit 10-1

The District Has Had a Number of Notable Accomplishments in Facilities Construction in the Last Three Years

- Five years ago, 57 schools in SDHC were critically overcrowded (utilization above 120 percent). Today that number has been cut to 19 schools, and by the end of the current five-year plan, the district anticipates it will be reduced to zero. This was accomplished even as the population of the district has increased by 18,000 students over the last five years and continues to grow at the rate of about 3,500 students a year.
- The Division of Planning and Construction manages an \$800 million, five-year school planning and construction program with a staff of only 24 managers, professionals and administrative support personnel. This compares very favorably to staffing levels at other large school districts across the nation.
- By diligently applying frugal construction standards and management practices, the district has qualified for over \$20 million in School Infrastructure Thrift (SIT) awards from the state over the past five years. In fact, 90 percent of all new construction projects within the district were accomplished at or below state average prices.

Source: Gibson Consulting Group, Inc.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's facilities construction program using the Best Financial Management Practices adopted by the Commissioner of Education and the associated indicators. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, Gibson Consulting Group, Inc. conducted on-site interviews with district-level managers and gathered information on the facilities construction activities such as the district's facilities construction activities policies and procedures. To receive additional input, the consultant visited several schools, spoke to school architects employed as consultants by the district and interviewed school principals and community residents. An overview of chapter findings is presented below.

Facilities Work Plan

1. The district has not established facilities planning procedures that include a broad base of school district personnel, parents, construction professionals, and other community stakeholders. (Page 10-5)
2. The district has not established authority and assigned responsibilities for facilities planning but some community input is solicited during the creation of the five year facilities work plan. (Page 10-8)
3. The five-year facilities work plan provides budgetary plans and priorities but does not contain strategies to create small community-based schools. District priorities are not based on a master plan or input from a facilities planning committee, however it is influenced by a comprehensive document called, "Plan for Maintaining a Unitary School System." (Page 10-9)
4. The five-year facilities work plan is based on a thorough demographic study and enrollment projections. (Page 10-12)
5. The five-year facilities work plan is based on an evaluation of physical conditions but the district needs to better evaluate the ability of facilities to meet educational needs. (Page 10-13)
6. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction. (Page 10-14)
7. District planning prioritizes construction needs. (Page 10-15)
8. The district can demonstrate that the construction program complies with the current laws of Florida. (Page 10-16)
9. For all projects with dates of construction contracted after July 1, 2001, the district can demonstrate that the construction program complies with the Florida Building Code. (Page 10-17)
10. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan. (Page 10-20)

Educational Specifications

11. The district develops descriptions and educational specifications for each project. (Page 10-20)
12. Educational specifications for new construction, remodeling, and renovations include a description of activity areas but the process needs to be updated to match current best practice. (Page 10-24)
13. The architectural design fulfills the building specification needs as determined by the district but some shortcomings are evident. (Page 10-26)
14. New construction, remodeling, and renovations incorporate effective safety features. (Page 10-28)

Acquisition of School Sites

15. The district begins school site selection well in advance of future need based on expected growth patterns. (Page 10-28).
16. The board considers the most economical and practical locations for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties. (Page 10-30)

Construction Costs

17. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program. (Page 10-31)
18. The district has considered, and where possible implemented, the general requirements recommended in the SMART Schools Clearinghouse Frugal Construction Standards. (Page 10-32)

19. The district minimizes construction costs through the use of prototype school designs and frugal construction practices. (Page 10-33)
20. The district secures appropriate professional services to assist in facility planning, design, and construction but does not do so in every case. (Page 10-34)
21. The district can demonstrate that funds collected for school projects were raised appropriately. (Page 10-35)

Timely Completion of Projects

22. District planning provides realistic time frames for implementation that are coordinated with the opening of schools. (Page 10-36)
23. For each project or group of projects, the architect and district facilities planner develop a conceptual site plan and building specifications. (Page 10-37)
24. The district follows generally accepted and legal contracting practices to control costs. (Page 10-37)
25. The district has assigned one person with the authority and responsibility to keep facilities construction projects within budget and on schedule. (Page 10-38)
26. The board minimizes changes to facilities plans after final working drawings are initiated in order to minimize project costs. (Page 10-38)
27. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project. (Page 10-39)
28. The district requires appropriate inspection of all school construction projects. (Page 10-39)

Construction Program

29. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function. (Page 10-40)
30. The district does not conduct comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance. Some post occupancy evaluations are done but not for every project. (Page 10-42)
31. The district does not routinely analyze building evaluations to determine whether facilities are fully used, operating costs are minimized, and changes in the district's construction planning process are needed. (Page 10-43)
32. The district analyzes maintenance and operations costs to identify improvements to the district's construction planning process but feedback loops from maintenance to construction need to be strengthened. (Page 10-44).

Fiscal Impact of Recommendations ---

One of this chapter's recommendations, a wireless wide area network be piloted at 22 schools that lie within the proximity of the district administrative offices has a direct fiscal impact. The fiscal impact of this recommendation over the next five years is \$1,675,000.

Exhibit 10-2

One Facilities Construction Action Plan Recommendation Has Fiscal Impacts

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none">Gibson Consulting Group, Inc. recommends that the district consider one viable option for improving Internet access and use in SDHC’s school facilities – a wireless wide area network. It is recommended that the wireless wide area network be piloted at 22 schools that lie within the proximity of the district administrative offices. The program should be expanded if successful so that most of the school buildings in the district can have high-speed access to the Internet and the district-wide network. This option provides schools the bandwidth they need for true connectivity without the high recurring costs that the telephone company charges.	<ul style="list-style-type: none">If the wireless WAN option is practically feasible, it will yield a benefit equivalent to \$1.9 million over the next five years with an initial investment of about \$225,000. More important, it will enable schools to realize the full benefits of Internet and intra-district network connectivity, which they do not now enjoy.

Source: Gibson Consulting Group, Inc.

Background

The Planning and Construction Department is responsible for all major facility improvement projects for the district. The department consists primarily of two functional areas, project management and project inspection. Project management includes pre-construction, construction, and post-construction activities. On-staff architects, deemed “project coordinators”, oversee the activities of program definition, needs assessment, design services, and construction administration activities. Design services are assigned to outside consultants, typically an architect. Construction services are assigned to a construction manager.

Project inspection is a dual faceted function. Each member of the inspection staff is credentialed by the State for the purposes of insuring compliance with the applicable building codes. Each inspector also serves as a quality control and contract compliance agent for the District.

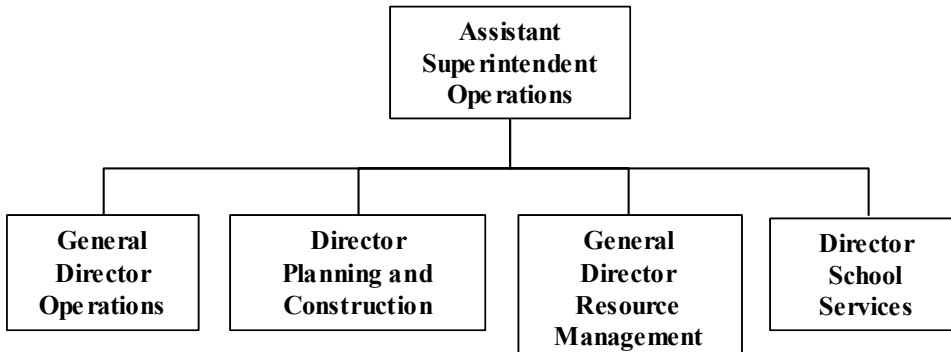
The present departmental organization is the result of two former departments having been combined. There was previously an Engineering Department that provided on-staff engineering support, and oversaw all construction activities. In addition to administering the contract for construction, the department was responsible for compliance with all building codes.

Although nearly all construction is currently undertaken using the construction management process, prior to approximately five years ago, competitive bidding was used to select the general contractor. The hard-bid procedure often attracted less qualified bidders, and resulted in a more contentious process, and lower quality results. Construction management has proven a much more effective delivery method.

SDHC is in the process of effecting minor organizational refinements to achieve implementation of the new Florida Building Code and to assume certain duties previously assigned to the director of Maintenance.

Exhibit 10-3

Facilities Construction Organizational Chart



Source: The School District of Hillsborough County.

Facilities Work Plan

In creating its five-year work plan, the district considers many rational criteria such as overcrowding, condition of buildings, age of facilities and legal mandates. Community input is solicited in a variety of ways and local communities have a say in the development of particular schools. In the area of site acquisitions, all property owners in the area are given an opportunity to comment. Furthermore, the board meetings to discuss the five-year work plan are open to the public who are free to comment on it at that time.

Despite these measures, however, the actual five-year work plan is not designed to be informative for most local citizens. It is more of a technical document that lists various projects and their projected budgets. It does not contain an introduction or a philosophical statement as to the district's desired goals and objectives. Such information, presented in a way that local citizens can understand and evaluate is more likely to elicit true and meaningful community participation in the five-year planning process.

1 The district has not established a facilities planning committee that includes a broad base of school district personnel, parents, construction professionals and other stakeholders.

The district does not have a facilities planning committee but community input is solicited at various levels.

SDHC does not meet this best practice because it does not have a facilities planning committee. This committee is important because it provides for stakeholder, offers accountability to the public, and gives the district's plan more credibility because it has received support from members of the general community.

The Division of Operations solicits wide community input through a variety of means in the planning of school facilities and facility improvements. For example, new site acquisitions require that all local residents be individually notified.

Facilities Construction

While preparing the plan, the Division of Operations consults with maintenance personnel, unit Area Directors, a Citizens Advisory Committee and a Diversity Roundtable. However, the plan is largely developed on the basis of various objective criteria such as enrollment projections, educational priorities and existing facilities conditions. In this regard, the district does not consult with a standing committee that is broadly representative of the community brought together for the specific purpose of planning.

Again, while it is clear that SDHC does not meet this best practice, school district staff who are responsible for the preparation of the five-year facilities work plan:

- Have access to knowledgeable facilities planning, design, and construction professionals.
- Have access to accurate information regarding local land use and growth restrictions.
- Are responsive to needs expressed by the business community.
- Address the feasibility and cost-effectiveness of alternative program solutions.
- Meet regularly to review the status of work on the long-range plan for the previous year, to consider any changing parameters, and to make recommendations to the school board for adjustments to the long-range plan.

A facilities plan includes a schedule of all major repairs, renovations and new construction projects.

In compliance with Florida Statute 235, the district has adopted a five-year work plan. Gibson Consulting Group, Inc. has reviewed various versions of the work plan and its supporting documentation including the board agenda item describing the plan. This plan includes a schedule of all major repairs, renovations and new construction projects planned, and information about the use and elimination of portable classrooms in the school district. The school board approves the five-year work plan annually with an additional year added as each year is completed.

All projects are evaluated against pre-established criteria.

In order to develop the five-year work plan, the district has established procedures to evaluate enrollment projections relative to current capacity, budget realities, non-construction alternatives and required legal mandates. One of the reports that the district prepares graphically denotes how many of the following criteria apply to each proposed project as part of the five-year facilities work plan:

- Provides for infill and redevelopment
- Investment in African-American neighborhood
- Investment in Hispanic neighborhood
- Supports Unitary Status Plan
- Preserves historic structure
- Co-located with other public facilities
- Part of approved development
- Found consistent with comprehensive plan pursuant to interlocal agreements
- Provides for growth

Facilities plan maintained as Excel files.

The five-year plan is prepared and updated manually and input into various Excel files. While this process is less efficient for the purposes of running reports than a database application would be, there is no evidence that the district has been unable to prepare and submit all legally mandated reports relating to

the five-year plan. The district will soon maintain its five-year plan information online in a system set up by the Florida State Department of Education (DOE). Outside professionals are involved in five-year planning process.

The district has hired the consulting firm Wilson Miller to develop population projections and also research growth factors such as housing development. The district also receives this kind of information from the planning commission that it factors into decisions regarding the construction of new schools.

SDHC does not have a standard measure of its building conditions.

Lacking a standard index that can be used to measure the condition of each school building, SDHC does not have the ability to do across-the-board comparisons of its building assets. This makes it more difficult to plan a district-wide repair versus replacement strategy. Without a standard index of school facility conditions, it is also more difficult to graphically demonstrate the extent of problems with school buildings and objectively document progress that has been made as a result of capital expenditures. The district, as part of the five-year facilities plant survey, collects the basic information required to create a standard index of school facilities. The index is a way of organizing facility information in a manner that makes it easier for the lay-public and policy makers to understand.

Recommendations

- *We recommend that the district create a facilities planning committee to ensure community and stakeholder involvement in the district’s facilities planning process and that the newly established committee prepare a vision statement and develop short- and long-term facility planning goals that specifically address the vision. The noted goals should be tied to the research relative to the importance of the learning environment affecting educational outcomes. In preparing the five- year facilities work plan, we further recommend that the district prepare an introduction that addresses how the work plan will address the stated goals. The facilities work plan should be realistic in noting the projects sought to be achieved but also honest in terms of the actual resources that will be needed to realize the vision of the district. The unfunded portion of the work plan should be clearly noted.*

Action Plan 10-1 provides the steps needed to implement this recommendation.

Action Plan 10-1

Improving Community Participation In Five Year Planning Accountability	
Strategy	Create a facilities planning committee to ensure community and stakeholder involvement in the district’s facilities planning process and that the newly established committee prepare a vision statement and develop short- and long-term facility planning goals that specifically address the vision.
Action Needed	<p>Step 1: Assign responsibility for implementing the above strategy to the superintendent.</p> <p>Step 2: Establish a facilities planning committee that includes a broad base of school district personnel, parents, construction professionals, and other community stakeholders.</p> <p>Step 3: Prepare a procedure that will enable the newly formed committee to participate fully in the creation of five-year facilities work plans.</p> <p>Step 4: Obtain approval of the committee by the board of education.</p>
Who Is Responsible	Superintendent

Time Frame	December, 2002
Fiscal Impact	The recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The district has not established authority and assigned responsibilities for facilities planning but some community input is solicited during the creation of the five-year facilities work plan.

The facilities plan incorporates some community input but there is no standing community planning committee.

The adopted plan contains budgetary plans and priorities. Internal processes are consistent with this best practice by virtue of professional staff having access to the needed resources including community input for effective planning - but this is mostly at the project level. No standing committee of community representatives has been established for the purpose of preparing a five-year facilities work plan.

The facilities plan is prepared and submitted by the assistant superintendent for Operations.

The assistant superintendent for Operations and the deputy superintendent for Instructional Support oversee the development and submit the district's five-year work plan for board approval. The board has not delegated any authority for this function to a community-based facility planning committee though, as noted earlier, there are opportunities for community input.

Comprehensive assessment by district staff precedes and is the basis for plan preparation.

District staff responsible for preparing the five-year facilities plan is diligent in:

- Properly evaluating existing facilities;
- Assessing planning goals and objectives;
- Reviewing educational programs from the perspective of facility design; and

Preparing comprehensive guidelines and educational specifications for use by the architect.

The district's website maintains a list of current project assignments coded by inspectors. Inspectors are assigned to specific geographic regions. Project coordinators meet and review the status of their projects with area directors and food service managers for each area.

Duties within the division are regularly re-evaluated.

Management meets every week to review ongoing procedures, board agenda items, etc. which is another forum in which changes can be implemented. The district has recently completed a reorganization plan for the Planning and Construction Department in order to ensure compliance with the new Florida Building Code.

Planning operations are efficient.

The district staff responsible for planning is also responsible for implementing the plan. A staff of 24 persons is responsible for executing an \$800 million five-year facilities work plan. Efficient and effective

management of the planning and construction operation is possible because the Division of Operations has hired qualified professionals and delegated the appropriate authority to them. This has not precluded senior managers from being involved in important decisions that require their input.

The recommendation associated with best practice number 1 above will address the problems raised in the above discussion.

3 The five-year facilities work plan provides budgetary plans and priorities. District priorities are not based on a master plan or input from a facilities planning committee, however it is influenced by a comprehensive document called, “Plan for Maintaining a Unitary School System.”

District's current plan was last updated and approved in September 2001 is not associated with a master plan but is based on its “Plan for Maintaining a Unitary School System.”

The district's current five-year work plan was submitted by the assistant superintendent for Operations and the deputy superintendent for Instructional Support on September 4, 2001 and approved by the board on that date. It is not associated with a master plan but is based on its “Plan for Maintaining a Unitary School System.”

The five-year facilities work plan identifies sources of funds and itemizes costs.

The Five-Year Facilities Work Plan identifies sources of funds and itemizes the costs of facility needs such as site purchase, new construction, remodeling, renovation, the long-term use of portables, site improvement and deferred maintenance.

For every project, the school board approval represents a “not-to-exceed” cost. Budget estimates in the plan are reliable to the extent that such order-of-magnitude numbers can be reliable. Accuracy of estimates in the five-year plan vary as should be expected from a budgeting document whose numbers cannot have the same accuracy as estimates based on actual project scopes. The district does use the Consumer Price Index (CPI) to adjust project costs in the out years. The escalation factors used by the district are prepared in Tallahassee and made available to them by the DOE's Office of Educational Facilities. Actual project costs may vary from the amounts shown in the five-year plan, but are not a concern because each individual contract must be brought back to the board for approval. A more important measure is the district's compliance with its budgets after projects are contracted - in this area, the district has a good record given its change order record for new schools of about two percent. For major renovation projects, change orders are about five percent. This is in accordance with information provided to Gibson Consulting Group, Inc. by SDHC. By way of comparison, New York City sets aside an eight percent of construction costs as a change order contingency for new schools and 12.5 percent for major renovations based on its past experience with actual change order costs incurred on these kinds of projects.

District has a strong rationale for its prioritization decisions.

There is an understanding that the five-year plan is driven by the availability of funds and not by the extent of needs. Given the funding realities, there will always be some needs that cannot be met. This makes the district's prioritization of needs very important. The district has developed a rational system to

Facilities Construction

prioritize projects. Generally speaking, older schools that have had no work done within the last 20 years get priority.

Part four of the five-year plan lays out fiscal resources. Part five and seven of the plan shows projects that will not be funded.

Priorities have shifted from new construction to renovation and maintenance.

A few years ago, the focus of the district in its five-year planning exercise was on creating the required number of student stations to address the gross overcrowding that the district was facing. Today, that focus has shifted somewhat and there is a greater emphasis on maintaining and preserving existing schools.

By the end of the current five-year plan, all overcrowded schools will be eliminated even allowing for growth of about two percent per year. It is true that the district does not undertake routine examination of the cost differentials between modernization and the opening of new schools. However, this problem is largely mitigated by that fact that, in prioritizing its work on older schools, the district has scheduled a major renovation at each of its schools that are 30 years old or older – but have not had a major renovation in the past 10 years. The district looks to spend no more than 50 percent of the cost of new construction at these facilities as a way of ensuring that existing schools are not renovated to the point where it would have been more appropriate to build a new school. In deciding how much work to do and create project budgets, the district does not include any square footage built after 1990 toward these calculations.

The district's budget priorities are also affected by policy changes such as integration strategies, elimination of sixth and seventh grade centers, indoor air quality and other parameters. All of these are factored into decision making when creating new projects.

The district reviews and amends its five-year plan at least once every year. Sometimes, the plan is reviewed and amended during the middle of the year, which makes it easier to prepare the final document in time for the plan's annual adoption in October.

The facility condition index – what it is and why it can be a useful tool for SDHC.

SDHC does collect required information about the condition of its physical plant through its five-year plant survey. However, this information does not adequately provide comparative information of its various school facilities in a way that lay persons and policy people can readily understand. Such an understanding is critical to their ability to judge the effectiveness of the district's prioritization decisions. Because of this realization that conditions information alone is insufficient to present a clear picture regarding the physical status of hundreds of school facilities, school districts and others responsible for building asset management across the country often use an index called the Facility Condition Index or FCI. According to Physical Planning Technologies, an Ontario based engineering company, "The Facility Condition Index is a standard benchmark in the building industry that is used to objectively assess the current and projected condition of a building asset. By definition, the FCI is defined as the ratio of current year required renewal cost to current building replacement value. Building condition is often defined in terms of the FCI as follows:

- Good - 0 to 5 percent FCI
- Fair - 5 to 10 percent FCI
- Poor - greater than 10 percent FCI

The purpose of the FCI is to provide a means for objective comparison of building condition as well as allowing senior decision makers to understand building renewal funding needs and comparisons."

The Ohio School Facilities Commission also uses the FCI to measure the comparative condition of the State’s school facilities. The Ohio measure is somewhat different than the general industry standard noted above. For example, in computing the FCIs for Columbus Schools, they used a methodology that divides the total current building replacement value by the current cost to repair and renew the school facility.

Under this system, the Ohio School Facilities Commission (OSFC) recommends that school buildings with an FCI below 66.66 percent be renovated, and those with an FCI of 66.66 percent and over be replaced.

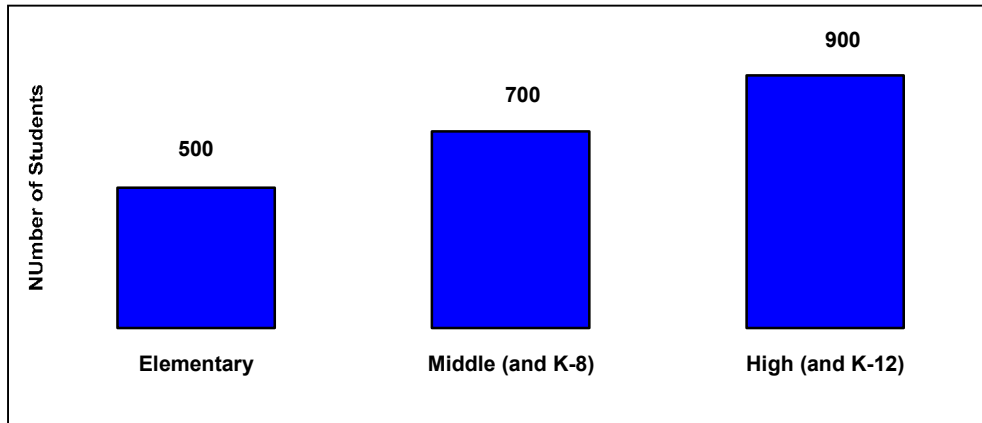
The district does not have plans to address the recent small schools requirement.

It is the public policy of the State of Florida to build small schools, beginning July 1, 2003. Section 235.2157(2), *Florida Statutes*, requires all plans for new educational facilities to meet small school standards established by the Legislature. The Legislature has found that smaller schools reduce discipline problems and crime, truancy and gang participation, dropout rates, and improve teacher and student attitudes and student self-perception. The Legislature also found that student academic achievement equal to or superior to that of students at larger schools, and that smaller schools increase parental involvement in their child’s education. The Legislature also found that smaller schools can provide these benefits while not increasing administrative and construction costs. Exhibit 10-4 shows a comparative chart to illustrate the school sizes that the Florida Legislature has set for school districts.

The small schools legislation includes a provision to use a school-within-a-school concept to fulfill the requirement (*Florida Statutes* 1013.43(1)-(4)). Hillsborough County is using this concept in its current new schools even though these requirements do not become effective until July 1, 2003.

Exhibit 10-4

Recommended School Sizes



Source: Section 235.2157 (2), *Florida Statutes*.

Appropriate authority is delegated to qualified staff.

In the area of staffing its planning efforts, the district is efficient in its planning and construction area. A staff of 24 persons is responsible for executing an \$800 million five-year work plan. This staff-to-work ratio compares very favorably to other school districts (need peer district data here). Management of the planning and construction operation is made efficient and effective because the Division of Operations has hired qualified professionals and delegated the appropriate authority to them. This has not precluded senior managers from being involved in important decisions that require their input.

The Planning and Construction Department has a new reorganization proposal to address the requirements of the new Florida Building Code.

Recommendations

- *Using existing information about its school facilities conditions, we recommend that SDHC develop an FCI for every school facility and that it use this index as one tool in its capital planning prioritization efforts. We also further recommend that SDHC publish its FCI indexes on its website which should be periodically updated to reflect the changes brought about by capital improvements.*

Action plan 10-2 provides the steps necessary to implement these recommendations.

Action Plan 10-2

Prioritize Capital Work and Create an FCI for every School	
Strategy	Create a Facility Condition Index (FCI) for each building in the school district to help with prioritizing capital work needed.
Action Needed	<p>Step 1: With the help of a consultant establish a Request for Proposals (RFP) for the procurement of prioritization software.</p> <p>Step 2: Purchase and implement the software.</p> <p>Step 3: Train district personnel on the use of the prioritization software</p> <p>Step 4: With the help of a consultant establish a RFP for the evaluation of each of the buildings in the school district.</p> <p>Step 5: Enter each FCI from the above evaluation into the prioritization software.</p> <p>Step 6: Use the prioritization software to help in the decision process of scheduling capital work.</p>
Who Is Responsible	Assistant Superintendent for Operations
Time Frame	October 2003
Fiscal Impact	Cost of building evaluations is not included because the law already mandates such surveys in order to keep the FISH database updated. Information needed to create FCIs is already being collected.

Source: Gibson Consulting Group, Inc. and the School District of Hillsborough County.

4 The five-year facilities work plan is based on a thorough demographic study and enrollment projections.

The district estimates facilities needs based upon enrollment projections.

The district regularly updates its enrollment projections, which are then compared to available capacity to determine building utilization rates. The district ensures that new construction does not result in creating an inventory of student stations that is in excess of the Capital Outlay Full Time Equivalent (COFTE) students projected by the DOE. COFTE projections used by the district do not include pre-kindergarten students and are based on cohort projections from the annual live births rates within the school district.

The district’s budget supports the funding of demographic and planning studies.

The district has hired a planning consultant, Wilson Miller to assist with demographic and planning analyses required to support the projects in the five-year facilities work plan. The district also employs its own staff to gather information about current and projected enrollments. Factors considered include data provided by the Florida Department of Education, district boundaries and city/county comprehensive plans.

Enrollment projections consider a variety of factors.

In computing enrollment projects, the district considers factors such as land use, geographical limitations and developable land, local ordinances that regulate growth, as well as economic conditions such as projected private and public development.

Using its estimates for enrollment projections, the District has been very successful in addressing the overcrowding problem. Five years ago, 57 schools were considered “critically” overcrowded – that means they had utilization rates in excess of 120 percent. Today the number of critically overcrowded schools has been reduced to 19. This is despite the fact that the district as a whole grew by about 18,000 students during this same period.

5 The five-year facilities work plan is based on an evaluation of the physical condition of facilities to meet educational needs.

Fish Data is the basis for physical condition evaluations.

The report is used in conjunction with facility site reviews as the basis for evaluating the physical condition of facilities. The district has conducted independent assessments at four schools to verify the accuracy of FISH data that was deemed to be very reliable in the area of inventories.

Physical inspections supplement the use of FISH data.

Every school building is evaluated every year for compliance with safety requirements. This includes checks for fire, sanitation and casualty (cracked sidewalks, etc.) compliance. Structural inspections are not conducted annually and this may be something the district should consider.

All inspection reports are on paper - this may be worth computerizing for easy follow-up and compliance reviews. All safety violations are categorized as imminent hazard, serious and other. The safety category determines how quickly the problems are fixed.

Special precautions are taken to ensure safety during construction. The primary mission here is to separate school and construction operations. If there is an imminent hazard, work is stopped until the problem is fixed. Six inspectors are assigned to verify safety compliance.

Other routine checks include Asbestos Hazard Emergency Response Act (AHERA) inspections as required by law every three years and also tests for indoor air quality (IAQ), radon, lead and hazardous wastes.

Input from maintenance influences selection of capital projects.

Maintenance and operational feedback do influence the materials specified. Feedback loops are stronger in some areas such as Heating, Ventilation and Air Conditioning (HVAC) than in others. For example, there is little feedback with regard to architectural features and roof systems.

Uniform checklists are used in some areas.

The best practice discussion about site acquisition confirms that SDHC uses checklists to confirm that site acquisition conforms to State Requirements for Educational Facilities (SREF). Other items such as acoustics and equipment are also based on required legal mandates. For example, state law requires that three separate HVAC systems be considered for each new school and the most efficient system be selected. This is also true in the area of fire safety where legal mandates govern.

Some areas do not use life cycle costing.

In the area of aesthetics, there is no uniform checklist. This creates a situation where inexpensive materials with higher life-cycle costs are sometimes used in order to save on initial costs and qualify for SIT awards. One example of this is the use of high-maintenance stucco exteriors instead of brick. With capital construction intended to last a longtime, it is often shortsighted to make material selections and other design decisions such the selection of electrical, mechanical and plumbing systems based on initial cost. Sometimes, it is better to select materials that may have a higher initial cost when such expenditures can be justified by lower life-cycle cost. The current system of rewarding school districts with SIT funds purely on the basis of first costs serves as a disincentive to use the life-cycle costing approach. In the case of SDHC, Gibson Consulting did not find any pervasive effort to cut costs by building inferior quality schools but the district admits that when financial pressures mount, there is the possibility that life cycle costing will give way to lower initial costs.

Automation of Florida Inventory of School Houses (FISH) data.

Managers from SDHC have attended training sessions about Florida Inventory of School Houses (FISH) conducted by the DOE. According to the rules now in effect, the responsibility to update information in the FISH database has shifted from the state to the district. In the past, inspectors from the state visited schools once every five years to produce the inventory. The next survey must be conducted by SDHC in 2003. In the meantime, to verify the reliability of existing FISH data, SDHC staff conducted an assessment of four schools - Alonzo High School, Childs Elementary, McKittrick Elementary and Simms Elementary. Out of the four schools evaluated, only one room at one school was mislabeled. Given the small size of the schools surveyed, it is not possible to extrapolate that FISH data district-wide is accurate. However, as responsibility for maintaining accurate information shifts to the district, the value of larger surveys to verify accuracy of existing data is questionable.

FISH data maintained by the district contain three main components of information. The first, school inventory, is highly accurate as demonstrated by the above review. The second is the physical condition information input as a result of the field survey and the third is the five-year work plan. Reliability of condition assessments decreases as the survey ages, but the district has overcome this problem by not finalizing the specific scope of work to be done on major renovations, relying instead, on rule-of-thumb order-of-magnitude estimates. Budgets are firmed up when the actual scope of work is developed during the design phase.

6 When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.

The district evaluates alternatives to minimize the need for new construction.

Three primary alternatives to new construction have been reviewed and implemented as appropriate to reduce the need for new construction. The five-year facilities plan only provides new construction in

areas where the implementation of available and appropriate alternatives still leaves an unmet need for additional capacity. In some cases, alternatives were evaluated as recommended by this best practice but not implemented. In cases where the district has chosen not to implement an alternative to new construction, it is able to justify its reasons for doing so.

Double Sessions Schools: The district has employed this methodology in several instances but based upon its experience and the needs of its community, this is not an option that the district actively pursues any more. Double session schools have been tried without success at several locations including Bloomingdale High School, Sickles High School and Gaither High School.

Year Round Schooling: SDHC has evaluated the feasibility of year round schooling and concluded that it is not a viable financial option at this time. The study by SDHC also looked at the experience of several other school districts that had attempted year-round schooling. These include Marian County, Palm Beach County, Seminole County and Orange County. All these school districts had negative experiences with the concept. SDJC's committee concluded that various negative factors dominant so-called modified school calendar programs. The report states that, "The basic rationale for multi-track programs of assistance in relief of overcrowding financial concerns is not only not being realized, it is often increasing costs."¹

Redesigning district boundaries and "sending areas": These measures are aggressively pursued by SDHC to reduce the need for new construction. This has resulted in schools throughout the district being very highly utilized. In the 2001-2002 school year alone, there have been ten different boundary changes approved which will become effective in the fall of 2002 to maximize the availability of space to students. Further, starting in 2004, the district's unitary status plan will go into effect, which will maximize the district's ability to utilize available capacity. Under this plan, parents will be able to send students to schools within one of seven expanded "zones" and free bussing will be provided to transport students to any school within their respective zones.

7 District planning prioritizes construction needs.

District has an equitable, objective and comprehensive prioritization system.

All projects in the five-year facilities work plan are given estimated budgets. They are also prioritized in accordance with a number of factors with highest priority projects completed first. The district's prioritization criteria for the construction of new schools include overcrowding to determine areas where the need for new space is the greatest. In the area of renovations, the physical condition of schools and the age of school buildings are taken into account. The district has a policy that requires older school buildings that have not had any major renovation within the past twenty years to be included for renovation in the five-year facilities work plan. FISH reports are used to determine physical condition and other inventory data within these buildings in order to determine the priority order in which renovations will occur. Site selection is also done from a perspective of relieving overcrowding at as many existing schools as possible. The assistant superintendent of operations also provides a full accounting of the use of all capital funds to the Board.

¹ Modified School Calendar Report, June 1995 presented to the School Board, School District of Hillsborough County, Florida by Coordinating Committee, Modified School Calendar Task Force

8 The district can demonstrate that the construction program complies with the current Laws of Florida.

The district submits the required annual reports to the Department of Education

Gibson Consulting Group, Inc. has verified that all required reports are submitted including Financial Reports that are required to get reimbursements and awards from the state. These include:

- Survey for Validation (s. 235.15, *Florida Statutes*)
- Project Implementation Information for projects over \$200,000 (SREF 4.1 (97))
- Certificate of Occupancy (s. 235.26(c), *Florida Statutes*)
- Certificate of Final Inspection for projects over \$200,000 (s. 235.26 (c), *Florida Statutes*)
- Project Priority List for use of CO&DS bond funds (section 9(d), Article X11, state constitution)
- Twelve-month PECO Capital Outlay Projection and Request for Project Encumbrance Authorization (s. 235.14, *Florida Statutes*)
- Report of Cost of Construction (s. 235.435(6)(d), *Florida Statutes*)
- Florida Inventory of Schoolhouses Update (S. 235.014, *Florida Statutes*)

Additionally, the following Optional Reports are also submitted:

- Letter of Transmittal, Facility Space Chart, and Life Cycle Cost Analysis for projects with department plan review assistance (SREF and s. 235.26, *Florida Statutes*)
- Capital Outlay Bond Issue Form for participation in CO&DS bond sale
- PECO Reversions report which identifies all uncommitted PECO funds that are “not under the terms of a binding contract”

Projected cash disbursements for projects funded from lottery proceeds

The district’s construction process complies with the Florida Building Code and uses criteria that comply with the Florida Building Code to identify instructional areas or teaching stations and also the number of students assigned to each teaching station.

The district builds frugal and efficient schools and the cost of construction does not exceed the amount legally allowed peer student station.

Not only does the district build schools whose costs are within the legal limits per student station, but also they almost always spend less than the state limits and qualify for reimbursement (SIT awards) for frugal construction practices. District financial transactions are routinely audited by the state. In a report done by the district, SDHC sets forth the S.I.T. Award/Distribution summary. This report shows how much was earned by each school and the manner in which these funds were expended.²

² S.I.T. Award/Distribution Summary, School District of Hillsborough County, February 8, 2002

9 For all projects with dates of construction contracted after July 1, 2001, the district can demonstrate that the construction program complies with the Florida Building Code (FBC).³

District will comply with code provisions that become effective March 1, 2002.

Three steps have been taken by the district in preparation for compliance with the new Florida Building Code that will become effective on March 1, 2002.

- the district has identified the projects that come under the new building code
- the district has hired or has on staff qualified personnel to oversee meeting the new building code
- the district has reorganized to effectively meet the new building code requirements.

Architects are legally bound to produce code-complying designs and the district verifies that this is being done. This best practice refers to legislation, which will become effective on March 1, 2002. At the commencement of planning for each project the architect is charged with the responsibility of code compliance. Employees are properly licensed or certified as required by code and acquire the appropriate continuing education credits they need. Departmental reorganization to implement the Florida Building Code will start January 1, 2002. The proposed organizational structures are described below.

Compliance with the new FBC will be achieved with the establishment of a semi-autonomous FBC office within the Department of Planning & Construction. The office will have two basic responsibilities: 1) Examination of design and construction documents prior to construction to insure compliance with all applicable codes, and 2) Inspection of all construction activities to insure adherence to the approved documents and compliance with all applicable codes.

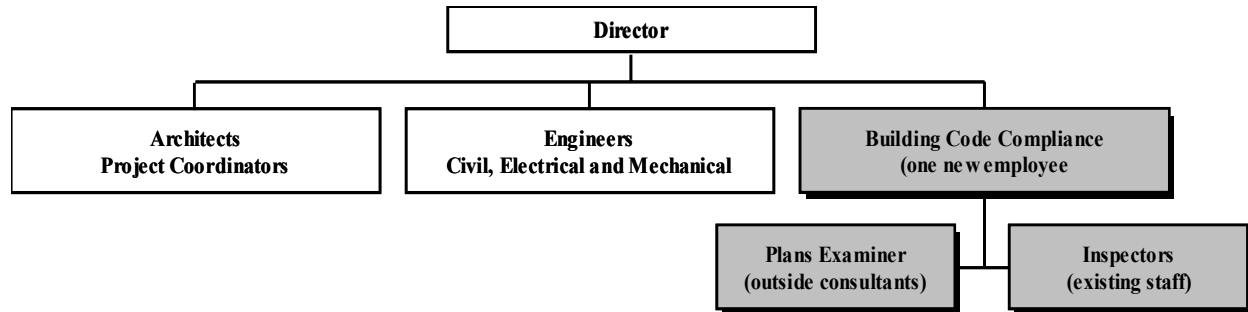
The process of plan review is very time-consuming and specialized in nature. Project coordinators are trained to be generalists and are hired for their managerial skills. It is not a good investment to use project coordinators who already carry a significant workload for plan examination. This will keep them in the office instead of at important job meetings or supervising the work of consultants and construction personnel. Recognizing these issues, even though the existing Project Coordinators can qualify to be plan examiners by virtue of their licensure as registered architects and professional engineers, the district has decided its interests will be better served by assigning these duties to independent consultants, on a project-by-project basis.

The director will serve as the interim ex officio Building Codes Administrator as required by the FBC. The manager of the Building Code Compliance office would be a new position, and should eventually assume this duty.

³ Please note date for compliance with the new Florida Building Code has been changed to March 1, 2002.

Exhibit 10-5

Planned Organizational Structure of the Building Code Compliance Office



Source: The School District of Hillsborough County.

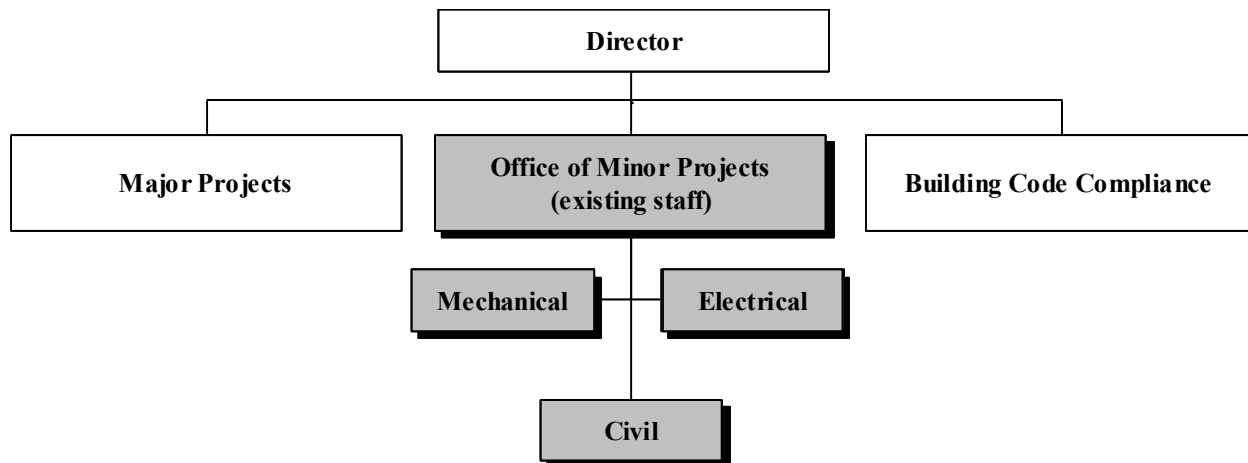
Reorganization –minor projects.

Implementation of the new FBC will require closer monitoring of all maintenance, food service, and alumni/parent projects to assure compliance. These new requirements can be best accomplished with a single entity responsible for all projects subject to the FBC requirements, regardless of scope or complexity.

SDHC proposes the establishment of an Office of Minor Projects (OMP) within the Department of Planning & Construction. The OMP would oversee all aspects of all scheduled minor capital outlay projects, including budgeting, scheduling, consultants, procurement. The establishment of the OMP would be accomplished with existing resources and staff.

Exhibit 10-6

Planned Organizational Structure of the Office of Minor Project Department



Source: The School District of Hillsborough County.

Reorganization–facilities management.

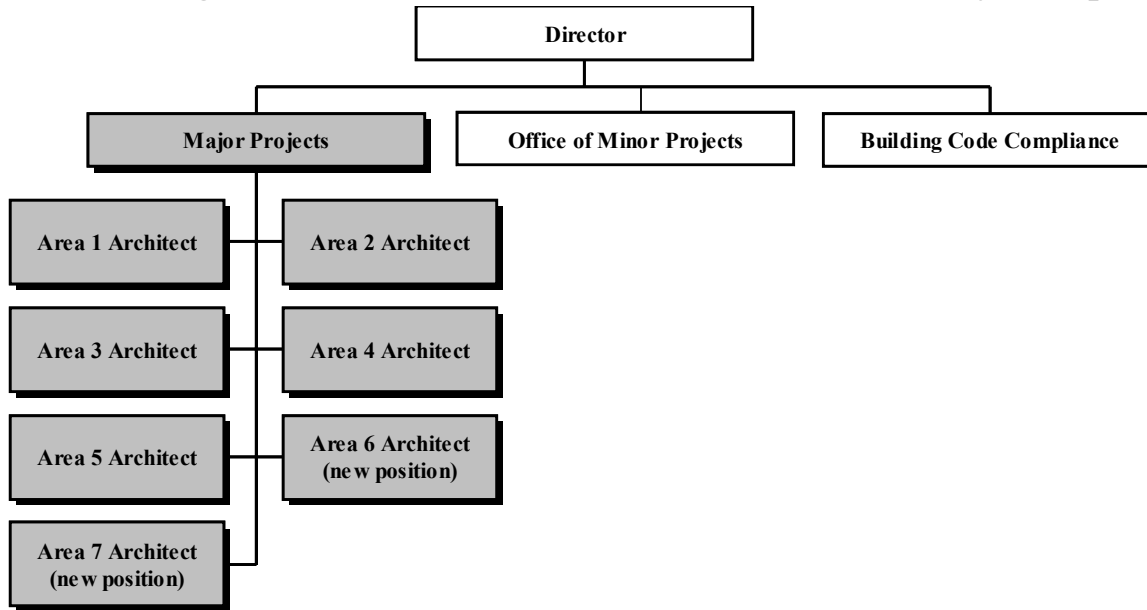
The district has determined that the efficient management of its inventory of facilities can be better assured by creating a “clearinghouse” function wherein all capital improvements would be coordinated.

Accordingly, SDHC proposes the consolidation of all major facility efforts under the purview of the Planning & Construction Department.

This will be accomplished by the alignment of the Project Coordinators with the Administrative Areas for the management of existing facilities. Project Coordinators would be responsible for the condition and utilization of the facilities in their assigned Administrative Areas. This will include scheduled renovations, additions, portable locations, wetlands maintenance, warranties, FISH, etc.

Exhibit 10-7

Planned Organizational Structure of the Office of Minor Project Department

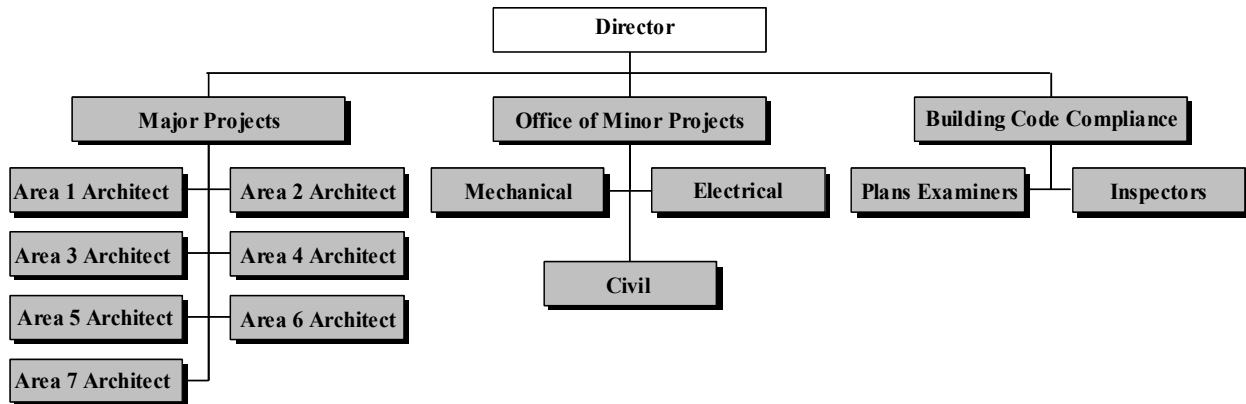


Source: The School District of Hillsborough County.

The following chart illustrates the resulting functional organization of the Department after the planned reorganization.

Exhibit 10-8

Planned Organizational Structure of the Planning and Construction Department



Source: The School District of Hillsborough County.

10 The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.

School board holds regular open hearings, timely notice is given and a clear explanation of each construction project is given.

All board hearings contemplating the five-year plan and any action to be taken about it are public and the community is encouraged to participate in board meetings on all aspects related to the five-year facilities work plan. Agenda items include details about the construction program and the application for and the receipt of SIT awards. In addition, public meetings are scheduled for each renovation project to get input before any work starts. Public meetings are also initiated for site selection. Additionally, information about the five-year work plan is posted on the district web site. Public meetings and community input is also solicited for related matters such as the creation of proposed attendance boundaries for new schools.

Educational Specifications

In order to better understand the district's effectiveness at meeting this goal, the following discussion provides information about the connection between educational specifications and how it's development affects a school district's ability to meet student education needs. When school planning, design and construction are driven by clear educational objectives it will be possible to create learning environments that work for each learner. The key is to set forth all goals and objectives as early in the development process as possible. These will serve as benchmarks to gauge the validity of each decision that is made during the process of planning, designing, constructing and running a school.

11 The design of a school facility has a measurable impact on educational outcomes. The district develops descriptions and educational specifications for each project.

During the development of educational specifications, much of the decision-making regarding the eventual design of the school occurs. Educational specifications are the documents that detail the purpose for which an educational facility will be used. In the area of creating educational specifications, SDHC tends to use two types of processes. The first type is individually created for magnet schools and is more in tune with the best practices discussed above. The second is a more generic specification that is used and re-used for each new facility. While this process has some advantages in that many of the decisions are made in advance in accordance with the district's prior experience and priorities, it is problematic insofar as creating schools that are tailored to the special and particular educational needs of a given community.

Given that schools built today must remain viable for at least the next decade during which time no significant investments can be made in the capital plant, the district needs to emulate some of the most successful processes that are available nationally and internationally for defining and creating its schools. The district has done a commendable job in this regard for its specialized and magnet programs. Schools

deserving special mention in this category are the Performing Arts Magnet Program at Blake High School and the various technical and career programs at Tampa Bay Technical High School. Given that SDHC has expressed its vision in terms of being within the top one percent of all schools nationwide, and the high quality of its overall school facility planning and construction operation, the district is well positioned to apply the above-discussed and well established principles of school planning to its facilities program as a whole. Gibson Consulting Group, Inc. spells these out in the recommendations at the end of this section.

A thorough project description is developed for each project.

Each project includes a rationale, a determination of the size of the facility and that it meets the space requirements of current laws of Florida; a determination of the grade level the facility will serve; a determination of whether the new facility will serve all parts of the district on an open enrollment basis or will be a “magnet” school or a special school; a map has been prepared that shows the location of the planned facility within the community and the proposed attendance area of the school; construction budget meets the state averages or requirements of current laws of Florida relative to cost per student station; the source of funding for the project; planning and construction time line; durability and maintenance costs; an estimate plan for the time of construction; the date of completion and opening.

District tailors a standard Educational Specification for each project.

The district uses a standard educational specifications template that is tailored for each project. The standard specification is posted on the district web site. The completed educational specification is distributed to the architect and designers. It is developed in collaboration with user groups. Authors of the final document are the users but their ability to customize the end product is severely limited. The process is a typical, traditional educational specification model. Using information from the five-year work plan, maintenance records, and enrollment data, scope of work or schedule of spaces are prepared for each project.

The district’s educational specifications contain many standard components. Planning and construction staff researches specific district needs regarding all projects and makes whatever adjustments they can to the prototype plans. The district has a strong and innovative technology group that helps identify ways to incorporate the latest technology into buildings. Good coordination between the Planning and Construction group and the Technology group has resulted in the elimination of stand-alone computer labs – which has been a significant cost savings to the district.

District pays attention to future teaching methods and management styles in specialized schools, but needs to expand such efforts to all schools.

Some attention has been given to providing flexibility in order to accommodate future teaching methods and future management styles. In the course of several site visits, Gibson Consulting Group, Inc. was able to see that specialized programs such as the performing arts program at Blake High School and the various hands-on programs housed at Tampa Bay Technical High School are well supported by the facilities in which they are housed. As for the non-specialized schools, the district to do more toward creating the kinds of school facilities that are more responsive to the established education research. The district has begun to take some steps in that direction in one important area - technology. For example, SDHC has recognized that the flexibility and mobility offered by wireless laptop computers benefits modern-day schools far more than the old system of putting a limited number of fixed computers in every classroom and relegating most serious computing activity to a lab.

School-community relationships are addressed.

Gibson Consulting has verified many instances where SDHC's school planning process allows for parent and community participation. Examples include cooperation with the PTA on the issue of a play court cover at Dale Mabry HS, meetings with the public on the design of Plant High School, and involvement of the Middleton Alumni Association during the design of that high school. However, these partnerships do not always rise to the level of meaningful community participation as defined by the best practice literature and research in this area. SDHC also coordinates with other agencies like, parks, libraries, cultural affairs, etc.

The needs and design implications of advanced technology such as computers, integrated networks and satellite transmissions and reception are not fully identified in the school building design standards which preclude them from taking full advantage of the educational benefits of Internet connectivity.

Research shows that schools that have developed educational programs that tap into the vast resources of the Internet have measurably enhanced student outcomes. In Hillsborough County, the advances made over the past few years to bring Internet connectivity to a majority of its classrooms have not yet yielded significant and measurable improvements in student performance. In fact, classroom connectivity is more of a theoretical than practical reality. Consider this. A majority of schools have Internet connectivity at a paltry 256kbps. Users must then share this bandwidth across the school. It is easy to see how simultaneous use by even 30 students in one computer lab will reduce the available bandwidth to levels far below those available in most homes running off a 56kbps modem. Add to this, the district's goals of providing wireless access to students via laptop computers and it becomes immediately evident that available bandwidth limitations make any kind of Internet-based educational program impractical and nearly impossible. Given these limitations, the district is hard-pressed to implement its educational objectives at the school level and is also unable to effectively distribute other content via the wide area network or provide services such as distance learning or distributed media.

One solution to this problem is to buy more bandwidth from the telephone company. The best, most suitable and most reliable way to get the level of bandwidth that each school needs to have inter-school and school to district connectivity is for each school to have a T3 fiber connection. Today, however, a T3 connection running at 150 mbps will cost the school about \$2,400/month in telephone company connection fees - a recurring amount that the school district will be hard pressed to pay. The next option is to get a T1 connection at 1.5 mbps (a pipe that is 100 times smaller than a T3 connection). This will cost each school about \$465/month. A third option is to get multiple T1 lines - say three or four - which will provide 6mbps but cost about \$1,800/month. All of the above options come with recurring monthly fees that the district has currently decided it cannot incur.

Information Services has established a track record of reviewing new technologies and innovative methods of integrating technologies into the school district. Increasing WAN bandwidth initiatives that are in the process of being reviewed include; Wireless WAN connections, DSL, Cable Modems and lobbying legislature to reduce tariff rates of dedicated leased lines. The "Leased Wireless WAN Internet Access" RFP release December 11, 2000 was recalled for several reasons including; wireless standards being developed, requirement for centralized filtering, security and available funding. The strategic direction of increasing WAN bandwidth is to utilize high-speed wireless connections thus avoiding the high reoccurring monthly costs in combination with existing redundant low-speed leased lines for high availability.

Recommendations

- *We recommend that SDHC consider one viable option for improving Internet access and use in SDHC's school facilities – a wireless wide area network. It is recommended that the wireless wide area network be piloted at 22 schools that lie within the proximity of the district administrative offices. The program should be expanded if successful so that most of the schools buildings in the district can have high-speed access the Internet and the district-wide network. This option provides schools the bandwidth they need for true connectivity without the high recurring costs that the Telephone Company charges.*

Today, the district already buys an OC-3 connection running at 150 mbps at its district headquarters located at 901 E. Kennedy Blvd. There are a total of 22 school buildings located within the proximity of the Kennedy Blvd. HQ. That means, if the district can find a way to share this bandwidth with the 22 schools without using the telephone company wiring, it can not only achieve up to 10 mbps speeds at each school (40 times the bandwidth currently available at each school) but also do so without incurring any per-school fees.

Exhibit 10-9

SDHC Wireless Wide Area Network-Cost Analysis

Number	Option	First Cost	Recurring Cost	Bandwidth	Payback
1	Current	None	\$64,000/year	256kbps	None - recurring expense
2	T3 Line Per School	None	\$686,400/year	150,000kbps	None - recurring expense
3	T1 Line Per School	None	\$122,760/year	1,500kbps	None - recurring expense
4	4 T1 Lines Per School	None	\$491,040/year	6,000kbps	None - recurring expense
					Less than six months.
5	Wireless (IEEE 802.11g or 802.11a)	\$220,000*	\$15,000/year**	10,000kbps	when compared to option four

*Current estimate of \$6,000 per site provided by vendors for the 11mbps equipment has been inflated to account for the higher anticipated cost of the 54 mbps equipment

** Allowance for maintenance - adjustment of antennas, etc.

Source: Gibson Consulting Group Inc. and the School District of Hillsborough County

With the IEEE 802.11g standard that was recently approved, it is now possible to wirelessly transmit data at the rate of 54mbps over the airwaves. Furthermore, the transmissions occur over unlicensed 2.5 or 5 GHz channels, which means no federal bureaucracy to deal with and no licensing fees either. As for first time installation costs? As it turns out, the new standards will permit low cost installations of rooftop antennas and permits hi-speed transmissions over long distances. That means the cost of installing a wireless wide area network could run between \$176,000 and \$220,000 (\$8,000 to \$10,000 per site) and allow schools that are farthest from the HQ building to enjoy the same bandwidth as schools located near the Kennedy building.

Exhibit 10-9 shows how this one time cost for installation will be recouped in a matter of six months when compared to multiple T1 lines (the most appropriate comparison).

Of course, the financial benefits of the wireless option make a compelling argument for utilizing this approach. However, the most important reason for adopting this approach is that it will finally make the dream of true inter-building and Internet connectivity a reality. Collateral benefits include the ability to easily hook up existing portables into the system wirelessly and, over the long term, provide high-bandwidth connections to individual students in their homes who live within the proximity of neighborhood schools. The millions of dollars

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of e-rate and district monies that have been spent by SDHC to date will finally be able to realize clear and measurable educational benefits once a high-speed wide area network is in place using wireless connectivity.

Action Plan 10-3 provides the steps needed to implement these recommendations.

Action Plan 10-3

Increase Bandwidth Of Wide Area Network (WAN)	
Strategy	Continue to evaluate emerging technologies to increase available bandwidth throughout the WAN and implement those that are cost effective.
Action Needed	Step 1: Create an RFP for increased bandwidth following E-Rate requirements and district requirements. Step 2: Perform a cost analysis of the responding vendor solutions. Step 3: Develop plan for reviewing cost-benefits of WAN infrastructure. Step 4: Select vendor and establish pilot programs. Step 5: Implement successful programs.
Who Is Responsible	Assistant Superintendent for Business and Information Technology
Time Frame	December 2002
Fiscal Impact	If the wireless WAN option is practically feasible, it will yield a benefit equivalent to \$1.9 million over the next five years with an initial investment of about \$225,000. More important, it will enable schools to realize the full benefits of Internet and intra-district network connectivity, which they do not now enjoy.

Source: Gibson Consulting Group, Inc. and the School District of Hillsborough County.

12 Educational specifications for new construction, remodeling, and renovations include a description of activity areas.

Educational specifications are comprehensive but some areas need to be updated.

Comprehensive educational specifications should include information about a number of issues affecting a facility to be built. The comprehensive educational specifications should:

- Describe the number of areas to be constructed, their size, their spatial relationships to one another, their purpose, and the staff who will utilize the space.
- Address curriculum, staffing, and support services.
- Show the results of the number and size of areas required for each purpose, based upon an analysis of current space requirements, master schedule, planned course offerings, staffing patterns, and planned student groupings.
- Describe space relationship requirements for the separation of large-and small-group areas and for convenient student and staff circulation.
- Address instructional support and co-curricular facilities.
- Identify specific space for instructional support and pupil services programs, general support services, and special programs such as exceptional and vocational education that meets legal requirements.
- Identify and describe environmental variables such as acoustical needs, visual needs, thermal requirements, and special aesthetic concerns have been identified and described.

- Identify utility needs, including water, sewer, drainage, electrical, gas, compressed air, telephone, fire alarm, conduit cable for advanced technology, closed caption television, energy management systems, and satellite dish, have been identified.
- Identify storage requirements for individual activity areas and teaching stations along with extra storage space for year-round educational programs.
- Identify display areas for chalkboards, tack boards, and display cases.
- Identify the number, kind, and size of furniture and equipment items have been identified for each activity area.
- Include emergency shelter accommodations where required.
- Include a planned expansion (portables) strategy has been included.

Gibson Consulting Group, Inc., identified a number of weaknesses with the district's educational specifications. These weaknesses consisted of:

Generic standards could inhibit customization.

The number and size of areas required for each purpose is derived as the result of an analysis of current space requirements, master schedule, planned course offerings, staffing patterns, and planned student groupings. Some of these govern more than others. For example, there isn't as much of an opportunity to respond to how one particular school is dealing with curriculum in a given space to the extent that the requirements of that particular space are already spelled out in the generic design standard. To some extent this level of standardization is good in that it ensures equity. Generic standards also inhibit the consideration of non-traditional ways to meet needs such as extended day schedules, year round schools and revised grade configurations.

Sustainable design issues need higher visibility.

Environmental variables such as acoustical needs, visual needs, thermal requirements, and special aesthetic concerns are identified and described as part of the project development process. However, the district needs to elevate sustainable design to a status of higher importance than is currently the case.

Utilities are well coordinated.

All utility needs, including water, sewer, drainage, electrical, gas, compressed air, telephone, fire alarm, conduit cable for advanced technology, closed caption television, energy management systems, and satellite dish are reviewed during planning and design and implemented as appropriate during construction. Some of this requires coordination with other departments.

Site plans show locations of future portables and utilities. Locations for future portables are shown on drawings for new schools. A tie-in location for systems is provided.

It must be noted here that the district is pursuing an aggressive strategy to reduce portables because of the hurricane compliance requirement. Existing portables must either be retrofitted or removed. Hurricane compliant portables will be very expensive and so the district needs to come up with new strategies to deal with temporary needs.

District has adopted a Wireless standard to maximize availability of technology but new schools are not required to be "wireless ready"

SDHC has recognized the value of wireless networking as a way to bring computers with network and Internet capability to more student stations than would have been possible under the older, hard-wired standard. The district has been very proactive in this regard, getting competitive proposals from many

leading vendors through its RFP process to implement wireless technologies. Today, however, new schools are not being built with full wireless readiness. The move to build wireless-ready schools is consistent with the district’s policy.

Recommendations

- *We recommend that the SDHC Planning and Construction Department work closely with the Department of Information Technology to make its new schools wireless enabled. This recommendation could be implemented alongside a new policy to remove all classroom computers (except for a teacher’s desktop or laptop) and replace with roving laptop carts. This will recapture valuable space in the classroom that the teachers can use to reorient the physical organization of the room in a variety of learning configurations.*

Action plan 10-4 provides the steps needed to implement these recommendations.

Action Plan 10-4

Consider wiring needs in future plans	
Strategy	In keeping with existing policies, design all schools to be fully wireless enabled
Action Needed	Step 1: Prepare a performance specification for wireless-enabling new schools. Step 2: Include the specification in all new school construction bids.
Who Is Responsible	Assistant Superintendent for Business and Information Technology and Director of Planning and Construction
Time Frame	December 2002
Fiscal Impact	Wireless enabling may add between \$10,000 - \$40,000 to the cost of each new school project. However, with good up-front planning, wireless schools may actually be less expensive than wired schools because of the potential to reduce the number of hard-wired data outlets and dedicated computer stations.

Source: Gibson Consulting Group, Inc. and the School District of Hillsborough County.

13 The architectural design fulfills the building specification needs as determined by the district but some shortcomings are evident.

There are eight indicators associated with this best practice. Architectural plans are prepared with the following positive attributes and shortcomings with regard to these indicators. Additional detail is provided in the follow-up discussion about some of these indicators.

1. The district can demonstrate that the architect has drawn a schematic layout of buildings, parking, roads, and physical education playground areas to demonstrate that the sizes of these facilities meet educational and service activity requirements with the limitations noted earlier in this chapter, provides for future expansion, and conforms to the state’s standards specified in current Laws of Florida.
2. There is a description of how students, staff and visitors will arrive at and depart from the school. Parking requirements are defined, and there are provisions for emergency vehicles and service access. There is a provision for access by disabled persons. Bus loading and unloading is separate from other vehicular traffic.

3. Circulation patterns, both within classrooms and between activity areas are provided but planning in this area can be improved by adopting some of the design principles embodied in award-winning designs around the country discussed earlier. Such principles will improve the quality of the design by improving student circulation without necessarily costing more money.
4. There are descriptions of the public address, closed-circuit television, and telephone and security systems. In the area of computer networking, schools need to be designed up-front with the new wireless standards in mind (please see discussion and recommendation included under best practices 3, 5, 11 and 12)
5. Safe school design concepts and security considerations are incorporated in the buildings' design and communications systems but please see the discussion about small schools under best practice number 3, which is another very effective manner in which to address safety and security in schools. This, as noted earlier, is an area of weakness within SDHC and recommendations to address it have been provided under best practice number 3.
6. Joint use of the facility by the community, other educational or governmental institutions is considered but here, again, a more comprehensive and holistic approach to educational specifications creation (best practices 3, 11 and 12) will improve the district's ability to forge such partnerships and joint use agreements
7. Joint use design concepts to accommodate security energy conservation and citizen safety are included but these areas can also be improved by following the recommendations outlined under best practices 3, 5, 11 and 12.
8. Currently, except in the case of specialized magnet schools, educational specifications for district facilities do not fully match the district's educational program goals as expressed by teachers, parents, site administrators, maintenance, safety and district administrators

Architects' plans undergo multiple reviews.

Architects' plans conform to the stated requirements. Instructional supervisors who are invited to review the drawings verify plans. This gives them an opportunity to review educational specifications against the actual drawings. This kind of review is done program by program. These reviews are performed during the schematic, design development and after preparation of construction documents. Computer labs are integrated into media centers – a response to a reevaluation of the benefits of independent computer labs. Architects prepare schematic layout of buildings, parking, roads, and physical education playground areas. A schematic Design Brochure is prepared for all major projects and there is ample opportunity for the client groups to verify acceptability of the design though, as noted above, and in previous sections, the standardized approach limits the ability of constituents and stakeholders to have significant influence over the end product.

Joint use agreements are considered and entered into saving the county money.

The district considers joint use agreements. Examples include placement of the Middleton High School auditorium for use by the public during non-school hours; the Pizzo/USF joint use of the administrative area; Egypt Lake Elementary's dual use with the Public Library.

The district enters into Interlocal Agreements in many situations. Other examples include the inclusion of a community health center in concert with the county health department at Lanier Elementary and the construction of a community library in the Elementary "O" school.

These kinds of shared arrangements do save the county money. For example, by having the local community and school share a library, the Egypt Lake school design saved the county about \$500,000. Similarly, by sharing parks, parking areas and equipment with other county agencies, the county has realized measurable savings. The use of such arrangements needs to be expanded.

14 New construction, remodeling, and renovations incorporate effective safety features.

Safety requirements are well documented and enforced.

Safety procedures are clearly spelled out in code requirements that architects are legally required to comply with in the design. The district’s in-house procedures ensure compliance with safety requirements and are thorough and well documented. District staff addresses all issues such as indoor air quality and potential safety hazards carefully. Improved HVAC systems and changed construction materials ensure low volatile organic compound (VOC) emissions; Science and tech labs have emergency fume evacuation systems. All rooms in new schools are designed with cross ventilation in compliance with state law. Code Analysis/Safety reviews are done on all renovations by the Architect/Engineer. Site Safety Inspection Report is prepared for all construction projects. Facility Safety Reports are incorporated in the Site Assessment Report and issued to the Architect for incorporation in the project.

Acquisition of School Sites

15 The district begins school site selection well in advance of future need based on expected growth patterns.

The district successfully utilizes a thorough, rational and consistent process for acquiring sites. Timely delivery of schools is aided by timely acquisition of sites.

A review of procedures and several specific site selection examples indicates that this is an area of strength in the district. This is further documented by the thorough and complete process it uses to acquire sites as described below. This process has resulted in the district being able to obtain sites in a timely manner so that school delivery dates are not compromised by delays in acquiring sites. The district had hired a planning consultant firm to help with population and enrollment projections that are useful to determine the locations where future sites should be acquired.

Exhibit 10-10

The New School Site Acquisition Process is Timely

School	Site Proposed	Site Acquired	Year Opening Originally Anticipated	Certificate of Occupancy	Classes Actually Began	Conclusions
<i>High Schools</i>						
Alonso	1998	1999	8/01	6/01	8/01	
Middleton	1998	1998-02 ¹	2011	7/02	8/02	> 5 years
Freedom	1999	1999	2009	8/02	8/02	> 5 years
South County Career Center	1998	1999	2002	7/02	8/02	
D.W. Waters Career Center	1999 (Proposed change from office to school)	1915 (Site was owned by district)	2002	5/02	8/02	> 5 years

School	Site Proposed	Site Acquired	Year Opening Originally Anticipated	Certificate of Occupancy	Classes Actually Began	Conclusions
Middle Schools						
Randall	1998	1999	2007	5/00	8/00	> 5 years
Davidson	1996	1998	2005	7/00	8/00	> 5 years
Martinez	1998	1998	2006	3/02	8/02	> 5 years
Farnell	2000	2000-021	2009	7/02	8/02	> 5 years
Liberty	1999	1999	2006	7/02	8/02	> 5 years
Memorial	1998 (for conversion to middle school)	2000 Initial site of 9.5 acres already owned and developed	2001	8/00	8/00	
Elementary Schools						
Westchase	1995	1997	2004	12/98	1/99	> 5 years
Pride	1998	1999	2006	8/00	8/00	> 5 years
Bevis	1998	1998	2006	8/00	8/00	> 5 years
Symmes	1999	1999	1995	8/01	8/01	
McKittrick	1999	1999	2006	8/01	8/01	> 5 years
Chiles	1996	1996	2010	8/01	8/01	> 5 years
Bryant	2000	2000-021	2004	7/02	8/02	
Cimino	2001	2001	2010	7/02	8/02	> 5 years
Ippolito	2001	2001	2009	7/02	8/02	> 5 years
Oak Grove	1998 (for conversion to elementary school)	Already owned and developed	2004	8/01	8/01	> 5 years

Source: The School District of Hillsborough County

Site selection activity is separate from the rest of the project development process precisely because it is a long-lead item and could potentially impact project delivery. SDHC ties its site selection activities to future need based on expected growth patterns and even has a land banking program so that sites can be available when needed. That is why SDHC has had no projects delayed as a result of site acquisition not being completed on time.

District’s site selection criteria.

There are five indicators associated with this best practice. The following discusses the district’s compliance with the indicators. This is further documented by a description of the procedures that the district follows to acquire sites.

- a. The district does not utilize a facilities planning committee to review potential sites because it does not presently have such a committee. However, the superintendent’s staff and the Board Attorney review all sites. Additionally, neighborhood meetings are conducted to review the appropriateness of each site. Each site is also subject to a Consistency Determination by the County Administrator.
- b. The district can demonstrate that the site acquisition met the requirements of Section 235.054, 235.19 and 235.193, *Florida Statutes*, and Section 1.4(2), State Requirements for Educational Facilities (SREF) and followed basic acquisition procedures (see detailed process below).

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- c. The district can demonstrate that site selection criteria were established prior to the identification of potential sites and include future consideration of construction and operational costs.
- d. The district can demonstrate that the site selected meets the previously established selection criteria.
- e. The district can demonstrate that environmental studies are conducted and the property is certified as free of environmental hazards before purchasing.

Appraisals and due diligence reports ensure compliance with applicable laws.

The district can demonstrate that site acquisition meets the requirements of Sections 235.054, 235.19, and 235.193, *Florida Statutes*, and Section 1.4(2), and followed basic acquisition procedures. Checks and balances are in place as due diligence reports are prepared by the district and reviewed by the Board. These are spelled out in the detailed site acquisition procedure described above. Additionally, the district also obtains appraisals and prepares interlocal agreements where opportunities for sharing facilities and land are identified.

Land banking has helped to make sure that sites are available when needed.

Using a vigilant system of land banking, the district has generally managed to keep its site acquisition process from interfering with its ability to deliver schools on time. As shown in Exhibit 10-9, our review of 21 school construction projects found that the district completed site acquisition for 16 of these projects more than 5 years prior to the originally anticipated school opening date. In addition, we determined that the site acquisition process did not contribute to delays in school opening for the remaining 5 school construction projects. However, as sites become scarcer and good sites in districts where schools are most needed become very difficult to find, the district will need to depend even more on innovative strategies like building smaller schools and sharing facilities.

Environmental clean up is always done prior to site acquisition.

The district is diligent in conducting phase I environmental assessments to ensure that all potential environmental problems are identified prior to purchase. Sites will not transfer to district ownership unless the owner has completed all required clean-ups. In rare cases where the transfer must be made before the clean up is complete, the district requires the seller to place clean-up funds in an escrow account.

16 The board considers the most economical and practical locations for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.

In selecting sites for new schools, the district has shown that it considers all-important factors such as the ability to obtain sites without resorting to eminent domain, and potential obstacles to development. In one recent example, for Middleton High School, over 200 sites were obtained and only one property had to be acquired via eminent domain. Discussions with adjoining counties occurs whenever appropriate though this is not a major factor in a large district like SDHC which has enough students to fully populate every school it builds. When necessary, the district has meetings with Southwest Florida Water Management District and other agencies as a routine part of its site acquisition process.

By following the above-listed comprehensive process for site selection and acquisition:

- The district's determination of the most economical and practical locations compares favorably with its established criteria and its ranking of potential sites.
- The district properly anticipates and evaluates obstacles to development.
- The board determines that it is or is not willing to pursue condemnation to acquire selected sites.

Construction Costs

The district has been very successful in keeping initial construction costs low. Careful attention to frugal construction practices has allowed SDHC to qualify for about \$20 million in SIT awards over the past five years. The major concern in this area is that the focus on initial construction expenditures that the SMART schools initiative encourages works counter to the goal of constructing buildings that have the best overall life cycle costs. For example, sometimes, the district uses high-maintenance materials such as stucco instead of highly durable and low maintenance materials such as brick and stone to save money up front. Not only will this strategy end up costing the district more in the long run, but it also affects the quality and aesthetics of the facility throughout its life. However, given the financial incentives to think short-term, it is hard to fault the district for trying to get as much state funding as possible.

17 The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.

District has clearly stated goals and measurable objectives

The district's five-year facilities work plan clearly sets forth what the program intends to achieve. It sets forth the projects intended to be accomplished, a rationale for their inclusion, the dates when the projects will begin and be complete and the cost of the project. These are all measurable objectives and the district is successful at accomplishing them as demonstrated by their track record of completing schools on time, and within budget.

The district uses appropriate performance and cost efficiency measures and benchmarks such as gross square feet per student, dollars per gross square foot and change order costs and qualification for S.I.T. awards to evaluate the program and uses these in management decision-making

The district regularly evaluates the performance and cost of the program and analyzes potential cost savings of alternatives, such as outside contracting and privatization. In fact, a majority of the services provided by the Planning and Construction Department are already privatized. Construction costs represent the most significant portion of monies spent by the district relative to facilities. The district realizes that controlling construction costs is of primary importance. Toward this goal, they have instituted several internal and external checks and balances to control construction costs. Among the accountability mechanisms, the district employs the at-risk Construction Manager (at-risk CM) model that combines good management with the benefits of competitive bidding. Internally, all contracts need to be ratified by the board of education and further, projects that exceed their budget need additional board approvals. In the area of consultant costs, the district employs state mandated Consultant Contracting Negotiations Act (CCNA) regulations to select consultants. Another method the district uses to keep costs down is the direct purchase of materials.

The district continually assesses the reliability of program performance and cost data. Staff meets every week to assess performance and changes are made to keep both individual projects and the program as a whole on track. When necessary, the department is reorganized to improve its effectiveness and efficiency as was done recently in response to new requirements of the Florida Building Code related reviews.

18 The district has considered, and where possible implemented, the general requirements recommended in the SMART Schools Clearinghouse Frugal Construction Standard.

Approximately \$20 million in S.I.T. funds awarded to SDHC in last five years.

SMART Schools applications are submitted by the district for every new school they build. As a result, they have received \$20 million in S.I.T. awards from the state over the last five years (\$16 million in the last two years). The SMART schools program does not apply to renovations though the concepts and principles for frugal construction embodied in the regulations are applied by the district to all projects. Among the criteria that the district considers are low energy use HVAC systems, low maintenance materials, etc.

Every school built by the district since the inception of the SMART schools program except for one has been rewarded with thrift funds. The only school that did not qualify was Pizo Elementary that was located on a university campus and needed to include facilities related to the university.

The district has a written policy that encourages the design team to comply with the district's SMART school design philosophy and develop practical design solutions that are functional and cost effective.

Partnering during construction helps to reduce costs.

Recognizing that sometimes project costs go up due to miscommunications within the project team, the district encourages partnering sessions at the beginning of every major project and, occasionally, throughout the duration of the project. Construction managers also hold team luncheons on site during construction.

All projects have single-point accountability.

With a view toward expediting problems that may arise anytime during the life of a project and particularly during construction, the district establishes a single point of contact and authority for every project in the form of its project coordinator. Project coordinators may call upon other district resources as needed and do have support of inspection personnel as needed. More serious problems are elevated to higher levels and senior management gets involved in these issues with a view toward speedy resolution and on-budget, on-time delivery.

Educational specifications are frequently updated.

Educational Specifications are updated frequently to minimize the number of built-in items, and to make the classrooms as generic and therefore as versatile as possible. However this procedure does not rise to the level of established best practice relative to the creation of educational specifications (please see discussion and recommendations provided under best practices 3, 5, 11 and 12).

Some facilities are shared but no regional multi-use facility has been constructed.

The use of a regional facility in lieu of separate facilities for each school can increase opportunities for interaction between the school and community residents and provide a better quality of common facility than would be possible if it needed to be replicated at each and every school site. The school district reported that it has explored using regional multi-use facilities, but has not found this alternative to be cost-effective. Consequently, the school district has not built any regional multi-use sports/music/drama complexes to be shared by several middle and high schools. However, there are ongoing efforts with Hillsborough County Parks Department to share ball fields, and cooperation in allowing them to construct their buildings on school board land for after school care.

Green Architecture principles are stressed.

The school district held a Green Architecture Seminar for Architects and Construction Managers to heighten awareness of Green Architecture principles. Current designs are checked to ensure that principles are being upheld. In the HVAC area for example, every new school design must consider at least three options.

19 The district minimizes construction costs through the use of prototype school designs and frugal construction practices.

SDHC uses prototypes wherever they are appropriate.

SDHC uses prototypes wherever they are appropriate. Proof of the district's frugal construction practices is evidenced by the amount of money it has received in SIT awards. For example, recently opened Alonzo High School will receive \$5 million in SIT awards. In fact, the district has qualified for about \$20 million in SIT awards over the past five years.

There are at least three applications of the elementary school prototype and three applications of the middle school plan. SDHC has calculated that based upon the difference in fees to design new schools as opposed to reusing prototype designs, a savings of between \$2 to \$3 million in architect fees can be attributed to using prototypes. Altogether, there have been about 12 prototype reuses. Often, due to programmatic issues, designs tailored to the district's needs are required. This is advantageous because prototypes may not always be the most economical solution. The economies of prototypes are evident when they can be reused with as little site-based customization as possible. Changes in the architectural design result in corresponding changes to mechanical, electrical and plumbing design and after a point, the benefits of using the prototype design are lost. The district has also found that the extent of deviation that will be required from a prototype design when specialized programs are being considered makes them not economically viable – again because of the extensive changes in design that will be required. In other words, prototypes are offered as a complete pre-packaged solution and their value gets diluted as they get customized because of the increased cost and time for design.

A good example of where a prototype solution would have been inappropriate is the design of the performing arts school at Blake High School. It is one of several very specialized programs in the district that is supported by the kind of high quality facilities needed to sustain the high quality of the educational program. In interviews with the school principal and a comprehensive site assessment, Gibson Consulting Group, Inc. concluded that the design of Blake High School is a good model to follow in all cases where the school has very specialized needs.

20 The district secures appropriate professional services to assist in facility planning, design, and construction but does not do so in every case.

The following discussion relates to the district's present use of the eight indicators associated with this best practice:

- a. The district can demonstrate that procedures for selection were in compliance with ss. 287.055 and 235-211, *Florida Statutes*, and that the committee screened written applications in order to select an appropriate number of professionals to be interviewed and that selected candidates were interviewed.
- b. The district appoints a selection committee to find appropriate professionals for each construction project who are familiar with architecture, design and construction, and engineering.
- c. The district can demonstrate that interviewers considered experience and adequacy of technical personnel and availability of particular individuals for the project, proximity of the candidate's office to the district, thoroughness, creativity within the context of sound construction practices and wise expenditures of public funds, adequacy of supervision, business procedures and record keeping on the job, financial responsibility, suitability of size and type of organization and methods of operation, willingness of the candidate to make changes in plans at various points in the process, ability and inclination of the candidate to protect the district's interests in his or her dealings with the contractor, minority business enterprise, and that references were contacted.
- d. The district can demonstrate that finalists were evaluated based on interviews; visits to examples of their work; interviews with previous clients; examination of typical documents such as plans, specifications, and change orders; and visits to the architects' offices.
- e. The district can demonstrate that the contracts with professionals include all of the district's requirements, meet the requirements of current law, and clear the amounts and methods of compensation, and compensation does not encourage overbuilt or extravagant project costs.
- f. The selection committee reviews and evaluates the performance of professionals at the completion of the project and the findings are referred to the board and to the professionals for use when making future selections.
- g. The district needs to bring on professionals earlier in the process than they currently do. Gibson Consulting Group, Inc. has found that many of the larger school projects done by SDHC would have benefited from having specialized consultants on board early to guide the project through the planning and design phases. The quality of schools being built by SDHC can be improved by appointing professionals either as architects themselves or to supplement the architectural team.
- h. In the area of applying frugal and life cycle cost analyses to site selection, educational specifications and facilities list, the district often has to balance competing goals. For example, SIT awards are based on first cost which may serve as a disincentive to spending more up front to save from a life-cycle standpoint. The following discussion earlier in this chapter from best practice number 10 is relevant here.

With capital construction intended to last a longtime, it is often shortsighted to make material selections and other design decisions such the selection of electrical, mechanical and plumbing systems based on initial cost. Sometimes, it is better to select materials that may have a higher initial cost when such expenditures can be justified by lower life-cycle cost. The current system of rewarding school districts with SIT funds purely on the basis of first costs serves as a disincentive to use the life-cycle costing approach. In the case of SDHC, Gibson Consulting did not find any pervasive effort to cut costs by building inferior quality schools but the district admits that when financial pressures mount, there is the possibility that life cycle costing will give way to lower initial costs.

The district’s consultant selection process is an effective hybrid of objectivity and subjectivity.

The district’s process for using professional services to assist in planning, design, and construction is an effective hybrid of objectivity and subjectivity. The state statute encourages objectivity. However, the district spends time interviewing and hearing presentations from applicants. There are approximately 50 local design firms that the district has worked with. SDHC does allow outside firms to partner with local firms and tries to assign innovative thinkers to the new schools it builds.

Consideration of past performance is an important step of the selection process and is accomplished by oral testimony of District staff. Selection Committee recommendations are presented to the board in the form of an Order of Priority for subsequent negotiations.

21 The district can demonstrate that funds collected for school projects were raised appropriately.

Systems are in place to apply funds collected only toward eligible project costs.

The following is a description of the system in place to ensure that revenue is spent only for eligible expenses. Projects are always assigned to a source of funds by their scope of work (as opposed to receiving revenue and trying to find a way to spend it). The accountant within the Operations Division is familiar with each fund’s criteria for expenditures and ensures that projects are not assigned incorrectly. Therefore, when a new project is requested, the accountant will first look for an appropriate source of funds. In order to assign a project number to a new project, that new project number must be entered into the school district’s “system master” file. Entering a project into the “system master” file requires that specific funds be listed for which the project number will be valid. This then puts an edit on the project’s number so that in any financial transaction the use of an invalid (i.e. incorrect) fund will automatically be rejected as an error.

In 1995-96 the district had no limit to transfer capital outlays toward operating budgets. Since then, the state has passed a law that allows 25 percent of the amount of capital outlays to be transferred for operations. The district has consistently remained within this state limit. In fact, capital transfers have declined steadily and are expected to fall to 10 percent. This target will be difficult to meet because of the current economic downturn.

- a. The district can demonstrate that when local bond referendum proceeds are used, the scope of each project is spelled out in the bond resolution.
- b. The district can demonstrate that if local sales-surtax revenue is used to finance certain projects, the scope of each project was spelled out in sales-surtax referendum resolution advertisement.
- c. The district evaluates in writing the advantages and disadvantages of alternative methods for funding and financing construction projects when developing its capital-planning budget. This is also spelled out in the above discussion of the district’s process for ensuring that funds are only used toward eligible projects. The five-year capital outlay plan includes a section 4 on which all funding sources enumerated and tied to the costs of the projects in section five. Section 7 provides a comparison between revenue and estimated project expenses. As a separate but supporting activity, SDHC also creates project-funding sheets for each fund source. Each of these sheets summarizes each project within a funding source and includes a bottom line comparison between project costs and available revenues for that fund source.

Timely Completion of Projects

When it comes to completing projects on time, the district has an impressive record. Seventeen of the last eighteen schools built over the last five years opened on time. The only late project was delayed due to weather factors outside the district's control.

22 District planning provides realistic time frames for implementation that are coordinated with the opening of schools.

Most projects are completed on time. Tasks for achieving all phases of each project are incorporated.

Project schedules are developed to insure project completion in advance of the date of intended occupancy. "Realistic time frames" are achieved by soliciting input from each project's stakeholders during the development of the project schedule. "On time" at SDHC is a simple concept, meaning that the construction activities are completed according to project schedules.

The district's policies and procedures are generally in compliance with generally accepted architectural planning and financial management practices. Most of its projects are completed on time and within budget. Master schedules for schools are prepared by working backwards from the intended school opening date. Only one school – West Chase Elementary - opened late and this was due primarily to weather factors. Seventeen out of the last 18 schools built by the district opened on time. Further, the opening of schools coincides with the school calendar.

Schedules are published, included within the Construction Manager and Architect/Engineer agreements and updated regularly during construction. Project schedules include all tasks that are needed to complete the project on time. Status reports to the board are made periodically.

The Plan contains an accountability component and budget updates are provided periodically.

Status reports to the Board are made periodically. The school board approves each design phase of the project.

The board considers alternative delivery methods.

The board has considered alternative delivery methods including design/build and turnkey (please see discussion about Job Order Contracting in Chapter 11). Reports to the Board are made periodically. The school board approves each design phase of the project. The district regularly evaluates the performance and cost of the program and analyzes potential cost savings of alternatives, such as outside contracting and privatization. In fact, a majority of the services provided by the Planning and Construction Department are already privatized. Construction costs represent the most significant portion of monies spent by the district relative to facilities. The district realizes that controlling construction costs is of primary importance. Toward this goal, they have instituted several internal and external checks and balances to control construction costs. Among the accountability mechanisms, the district employs the at-risk Construction Manager (at-risk CM) model that combines good management with the benefits of competitive bidding.

23 For each project or group of projects, the architect and district facilities planner develop a conceptual site plan and building specifications.

Architects work with the district to develop and refine alternatives.

Each architect is required to develop three alternative solutions at the site planning level. These are presented to a committee who make the final decision about which scheme will be selected.

Usually, the architect develops conceptual site plans even before the site is acquired to make sure it works. For example, at Mary Bryant Elementary and Farnell Middle School the architect was brought in to do schematic layouts to ensure that the two schools would fit on the proposed site. This is a good practice, because it ensures that the sites being acquired are suitable for the proposed schools. It also ensures that the district does not expend substantial sums of money to make an unsuitable site that it has already acquired workable. Knowing early if a site is suitable means that the district can focus its efforts elsewhere if there are significant problems with a site and thereby save both time and money.

Architects develop building specifications for each construction project with input and direction from Planning & Construction. Each project has a set of specifications tailored for that project. As district standards are updated, architects are alerted and the specifications updated as appropriate. Tailored specifications take current bid climate into account when selecting materials and techniques. During the course of developing the project, the architect and district work together to ensure that the cost of construction, energy conservation, life cycle costing (see previous discussion on this subject under best practice 20) and operating costs of the various designs are considered. The district follows generally accepted and legal contracting practices to control costs.

24 The district follows generally accepted and legal contracting practices to control costs.

Privatization and innovative bidding systems are considered.

The contracting practices used by the district such as the at-risk CM system is a good way to control costs. Since most of the work is already done by the private sector, there isn't much scope to privatize any more. All contracting is done according to legal practices. The district obtains sealed bids that are opened in the project coordinator's presence. After confirming and evaluating the bids, they are presented to the board with Guaranteed Maximum Price (GMP) requests. As a further check, project coordinators review requested bid awards within each discipline. Further, the accounting department reviews all documents to be sure they are in order prior to and during construction. All contracts are further reviewed by board attorneys and approved by the board.

The board uses generally accepted bidding procedures and the contractor submits required documents.

Bids are opened at the exact time advertised and inspected to conform that all required documents are in order. The district submits all selected contracts to the board for approval and award. Negotiated contracts comply with applicable law. Or example, all consultants are selected in accordance with the state mandated Consultant Contracting Negotiations Act (CCNA). Legal counsel at the district reviews

all contracts and the district awards contracts to the lowest responsible bidder selected pursuant to s. 287.055, *Florida Statutes*. Contractors are also required to submit a signed owner-contractor agreement, a workers' compensation insurance certificate, a payment bond and performance bond.

25 The district has assigned one person with the authority and responsibility to keep facilities construction projects within budget and on schedule.

Project coordinators serve as single point for project accountability.

Authority and accountability for construction project starts with the deputy superintendent for Instructional Support – one person everyone has to go out to – in terms of alterations to the master document which lists all project budgets.

One assigned project manager manages each project from inception through completion. The district ensures that project managers have the requisite experience and qualifications for this position. The project manager reports to the Director of planning and construction who is responsible for implementing the five-year facilities work plan and the project manager is held accountable for keeping facilities construction projects within budget and on time. Staff includes five project coordinators responsible for on-time, on-budget project delivery.

The project manager is supported by a staff of support professionals in the various specialty areas like site acquisition, finance and construction inspection. The actual design of projects is performed by outside consultants under the supervision of the project manager.

Principals monitor and review projects with the area director not in a technical role but to ensure that published schedules are being adhered to and that schools are prepared to coordinate their efforts in the administrative and organizational areas to ease any construction-related inconveniences. Sometimes top people have to meet with the community.

26 The board minimizes changes to facilities plans after final working drawings are initiated in order to minimize project costs.

District's change order costs are below industry averages.

The district recognizes that changes made late in the project life cycle are expensive. It has established a goal of limiting change orders on projects after construction to no more than five percent of the construction budget for new schools and 10 percent for school renovation projects. These are reasonable industry standards. However, over the past five years, the district's actual record for change orders on new schools stands at two percent and for renovations it stands at five percent.

The district has a system for deductive change orders when owner controlled insurance program is in effect or when the owner purchases materials.

The district will not approve change orders that will exceed the approved budget, compromise educational specifications or exceed industry standards. Change orders are also reviewed by project managers prior to submission to ensure that they will not extend the completion date beyond the date projected, unless unforeseen circumstances occur.

27 The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.

Payments are based upon work completed, architects and project managers review and approve all payments, and retainages are applied to all construction contracts.

The architect recommends payment based on the percentage of work completed. All payments to contractors must first be reviewed and approved by the architect. The district withholds 10 percent retainage on all payments made to contractors. Architects must sign off on payment requests before they are paid. The retainage is usually released to the contractor upon declaration of the project being substantial completed. Terms of retainage are spelled out in the general conditions of the construction contract and the contract for the CM. Monies are also retained after substantial completion to cover punch list. A punch list represents smaller items of contractually required work that have not yet been completed to the owner's satisfaction. The value held is usually equal to three times the value of outstanding work. This gives the contractor a financial incentive to finish the work quickly. Final payment is not released until the punch list is complete and the project is board accepted. The district's project manager in charge of the project must concur with all payments made.

In order to ensure that contractors are only paid for work actually done, monthly pay application meetings are held on site and are attended by the project coordinator, architect, and construction manager.

28 The district requires appropriate inspection of all school construction projects.

District inspectors who are certified and licensed by the state monitor construction on a day-to-day basis.

Inspectors are certified and licensed by the state. Inspectors on behalf of the state also monitor construction on a day-to-day basis. The district has six full-time inspectors. Each inspector spends 40 hours a week at various sites. Projects under construction are visited at least once a week and often once a day. Additionally, on larger projects, architects have full-time on-site monitoring responsibility.

The district can demonstrate that it provides and requires competent continuous inspection by a certified Uniform Building Code Inspector that the inspection complies with Ch. 235, *Florida Statutes*, and the State Requirements for Educational Facilities. Projects are also monitored by the project architect and engineer and often by a designated "Clerk of the Works." A certificate of substantial completion is issued and Certificate of Occupancy obtained before the building is occupied. If a facility fails inspection, the contractor must first perform required corrective work before a certificate of occupancy will be issued.

District contract documents do not require a quality assurance or quality control plan to be submitted by contractors

Currently, the district does not have a process that would require contractors to review and manage quality control. For large construction projects, it is a good idea to require contractors to submit a Quality Assurance/Quality Control plan. This will permit the district to monitor that the contractor is observing

required measures as outlined in the plan to construct the building in accordance with industry standard protocols for quality and manufacturer's guidelines.

Recommendations

- *We recommend that every contractor submit a brief Quality Assurance and Quality Control plan for major capital projects. This will help the district monitor performance and demand adherence to quality compliance against a specific and contractually mandated document.*

Action Plan 10-5 provides the steps needed to implement this recommendation.

Action Plan 10-5

Quality Assurance and Quality Control	
Strategy	Institutionalize a program of Quality Assurance and Quality Control for major capital projects.
Action Needed	Step 1: Review professional literature on these topics. Step 2: Evaluate programs presently in use by other districts. Step 3: Consider revising standard agreements to require specific performance by the architects, contractors and construction managers.
Who Is Responsible	Assistant Superintendent for Operations
Time Frame	October 2003
Fiscal Impact	The recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc. and the School District of Hillsborough County.

Construction Program

29 **The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.**

Comprehensive building orientation for new users is routinely done.

Orientation to new facilities is provided at the earliest possible date. The scheduling of such training is dependent on the availability of the occupants. As shown in Exhibit 10-11, our review of 21 recently completed school construction projects found that the district completed the new facility orientation for each project in the month preceding the school class start date. In new schools, the staff reports to work approximately two weeks prior to opening day. It is during this interval that training is scheduled. Training sessions are often recorded on video for the staff's future use. The district provides customized orientation programs for maintenance personnel and school staff. The district has a comprehensive new facility orientation program which provide users with a good understanding of the building design and

function. Responsibility for the orientation program is shared by the department of planning and construction, the architect and the contractor.

Exhibit 10-11

The District Routinely Conducts New School Orientations Prior to the Beginning of Classes

School	Certificate of Occupancy	Classes Actually Began	Orientation
High Schools			
Alonso	6/01	8/01	6/01
Middleton	7/02	8/02	7/02
Freedom	8/02	8/02	7/02
South County Career Center	7/02	8/02	7/02
D.W. Waters Career Center	5/02	8/02	7/02
Middle Schools			
Randall	5/00	8/00	7/00
Davidson	7/00	8/00	7/00
Martinez	3/02	8/02	7/02
Farnell	7/02	8/02	7/02
Liberty	7/02	8/02	7/02
Memorial	8/00	8/00	8/00
Elementary Schools			
Westchase	12/98	1/99	12/98
Pride	8/00	8/00	8/00
Bevis	8/00	8/00	8/00
Symmes	8/01	8/01	8/01
McKittrick	8/01	8/01	8/01
Chiles	8/01	8/01	8/01
Bryant	7/02	8/02	8/02
Cimino	7/02	8/02	8/02
Ippolito	7/02	8/02	8/02
Oak Grove	8/01	8/01	8/01

Source: The School District of Hillsborough County

Contractors and sub-contractors brief school personnel regarding occupancy issues. Often videos of training sessions are prepared in following areas:

- HVAC
- Food Service
- Elevators
- Fire Alarm
- Intercom

Training is always targeted. For example fire alarm and intercom training is given to maintenance department staff and food service equipment training is given to food service personnel. The school principal gets a general orientation and key staff gets a walk thru of each building before occupancy. Training and orientation meetings are scheduled at the time of substantial projection completion. Orientation/training is specified on all projects.

The district does not conduct comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance. Some post occupancy evaluations are done but not for every project.

Post occupancy evaluations are done and utilized but not on all buildings

The district does not routinely conduct comprehensive evaluations that examine building operations and performance at the end of the first year of occupancy for each new facility. However, the district does conduct inspections on some of the new school construction projects to determine if any work under warranty requires service.

The district also does not routinely perform additional evaluations at appropriate intervals during the first three to five years of operation as called for by this best practice. This prevents the district from having a complete store of relevant and useful data that could inform the design of new buildings. Currently, the district does not have sufficient objective data about the quality of its construction program from both a technical perspective and from the perspective of the user community.

The district agrees that all projects need POEs and has indicated that it has plans to develop and implement the necessary controls to ensure that post occupancy evaluations will be completed as required. The district is planning to use the Internet so the facility user community can complete query forms. This system could be used to poll hundreds of teachers. In the past, POEs were manually conducted. The district hopes to move into an automated procedure.

Some areas like energy, water use and safety are monitored on a regular basis. There is not a comprehensive evaluation performed but district hopes to do its POEs online soon. While annual safety inspections are routinely scheduled, other systems are looked at more randomly – but always if there are problems. Some standards are modified as a result of field inspections, but formal process to conduct thorough POEs will improve this function.

30 The district does not routinely analyze building evaluations to determine whether facilities are fully used, operating costs are minimized, and changes in the district’s construction planning process are needed.

The district does conduct some post occupancy evaluations whose information is fed back to the planning and construction department for incorporation in future projects. Individual departments such as safety, HVAC and low-voltage systems also conduct their own independent assessments of buildings on a periodic basis. However, these efforts do not rise to the level of a formal, structured process that is applied across the board. Neither is it so complete that meaningful feedback into the educational specifications process is possible. While some feedback does get back to the architect and construction manager to be used in the next planning cycle, the process is not sufficiently rigorous to ensure that all-important data is routinely fed back into the design process. As mentioned in best practice number 30 above, some changes to facilities to be built in the future come about as a result of post occupancy evaluations, but a more thorough and comprehensive system is needed.

Recommendations

- *We recommend that Post Occupancy Evaluations should be routinely done on all major capital projects. Formal systems to submit POE data to the planning, construction and maintenance departments should be designed. Only by having a successful POE system in place will the district have the information it needs about the effectiveness of its existing processes for planning and designing schools. It will also obtain valuable feedback from its maintenance personnel that can be incorporated into improved design standards.*

Action Plan 10-6 provides the steps needed to implement this recommendation.

Action Plan 10-6

Post Occupancy Evaluations	
Strategy	Implement routine post occupancy evaluations on all major capital projects.
Action Needed	Step 1: Review professional literature on this topic. Step 2: Evaluate current practices of other districts. Step 3: Identify goals and objectives of the survey. Step 4: Develop topics and queries to be included. Step 5: Select mechanism of delivery Step 6: Develop statistical methods for assessing data.
Who Is Responsible	Assistant Superintendent of Operations
Time Frame	October 2003
Fiscal Impact	To be determined

Source: Gibson Consulting Group, Inc. and the School District of Hillsborough County.

31 The district analyzes maintenance and operations costs to identify improvements to the district’s construction planning process but feedback loops from maintenance to construction need to be strengthened.

Major systems design is influenced by feedback from maintenance and operations but this process needs to be strengthened

As noted in the discussion and recommendation for best practice number 30 above, the district collects, maintains and analyzes records of costs of maintenance and operations for each facility but this information does not always flow back effectively to the planning and construction program so that they can be an effective aid to future capital planning.

Energy, water and safety are regularly evaluated. The district has a computerized maintenance system that allows them to monitor usage trends. For instance, concerns regarding the fire alarm at Blake High School were voiced. The project coordinator, the construction manager, and the electrical sub-contractor met to address the concerns. The problems were analyzed and corrected.

In the coordination between Construction and Maintenance, some component areas work better than others. For example, mechanical people give better feedback than those working on other systems.

Unlike some of the architectural areas such as with building materials and roofing, there is a built-in process for feedback in the mechanical area where every new school must be designed with three alternate mechanical systems that the representatives from maintenance get to review and select from. During this process, they are able to reject or modify systems that have been problematic in the past. Maintenance changes are also captured in the building standards that are used by the engineers designing new schools.

The district can identify improvements made to its construction planning process based on its analysis of maintenance and operations costs. For example, air-conditioning systems are constantly evaluated and recommendations made to the Planning and Construction Department. Communications and Electronics personnel provide information to the Planning and Construction department regarding preferred intercom and fire alarm specifications.

The recommendation associated with best practice number 30 above will address the problems raised in the above discussion.

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Major systems design is influenced by feedback from maintenance and operations but this process needs to be strengthened

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In the coordination between Construction and Maintenance, some component areas work better than others. For example, mechanical people give better feedback than those working on other systems. Unlike some of the architectural areas such as with building materials and roofing, there is a built-in process for feedback in the mechanical area where every new school must be designed with three alternate mechanical systems that the representatives from maintenance get to review and select from. During this process, they are able to reject or modify systems that have been problematic in the past. Maintenance changes are also captured in the building standards that are used by the engineers designing new schools.

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Recommendations

- *Recommendation and action plan set forth for best practice number 30 above apply to this best practice.*

11

Facilities Maintenance

SDHC has established and successfully implements effective maintenance and operations procedures. These are in compliance with appropriate standards, applicable state laws, and are consistent with the five-year facilities work plan.

Conclusion

The district has established and successfully implements effective maintenance and operations procedures. These are in compliance with appropriate standards, applicable state laws and consistent with the five-year facilities work plan. At the school level, custodians who report to the school principal are responsible for day-to-day cleaning and routine maintenance. Custodial duties include daily cleaning of rooms, sweeping and vacuuming, emptying trash, restrooms cleaning and sanitizing, touch-up painting on an as-needed basis including removal of graffiti and seasonal stripping and waxing of floors. Custodians replace fluorescent tubes but not other parts of the fixtures like ballasts and often have a part time person responsible for yard work and minor emergencies. These duties are spelled out in the policy and procedures book for custodians. District maintenance personnel perform maintenance work that cannot be done by the custodian. The district employs 380 skilled trades people and clerical staff. The district spends a total of \$34.5 million to maintain about 21 million square feet of space (about \$1.64 per square foot).

Preventive maintenance programs are effective but the district needs to develop a program to prolong the life of the roofing systems using a periodic maintenance cycle in the same way it now does with heating, ventilating and air conditioning systems (HVAC). Although the school district has 176 schools and dozens of aging facilities and equipment pushed to perform well beyond their expected useful life, SDHC has no maintenance backlog. Such an accomplishment has required careful planning, an excellent tracking system, good accountability and timely performance by maintenance crews.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the facilities maintenance, some of which are included in Exhibit 11-1 below.

Exhibit 11-1

The District Has Had A Number Of Notable Accomplishments In Facilities Maintenance In The Last Three Years

- Despite having a very large and aging school plant, the district has no backlog of maintenance work requests.
 - The user community is generally satisfied with the quality of work done by the custodial and maintenance departments.
 - To handle maintenance emergencies, an Emergency Response Team was created. This process has allowed the various maintenance areas to schedule work and utilize time more efficiently.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's facilities maintenance using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, Gibson Consulting Group, Inc. conducted on-site interviews with district level managers and gathered information on the facilities maintenance activities set forth in policies and procedures. To receive additional input, Gibson Consulting Group, Inc. conducted focus groups of principals, school custodians and maintenance personnel. Several schools were also visited and school personnel interviewed for the purposes of determining the quality of the district's maintenance operations.

An overview of chapter findings is presented below.

Maintenance and Operations Functions

1. The district's Maintenance and Operations Department mission, organizational structure, and operating procedures are established in writing but the district does not have an overall policies and procedures manual. (Page 11-5)
2. The district has not established maintenance standards in its short- and long-term plans for providing appropriately and equitably maintained facilities within budget and in accordance with the district's five-year facilities work plan and annual budget. (Page 11-9)
3. The district clearly identifies and communicates performance standards and expected outcomes to maintenance and operations staff. (Page 11-12)
4. The district ensures that maintenance and custodial standards are regularly updated to implement new technology and procedures. (Page 11-13)
5. The district obtains and uses customer feedback to identify and implement program improvements in most areas. (Page 11-13)
6. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program though these are stronger in some areas than in others. (Page 11-15)

Budget for Facilities Maintenance

7. The district does not accurately project cost estimates of major maintenance projects, but this inaccuracy is mitigated by the fact that whenever proposals come in under budget, district staff notifies the board so that the board can make alternative uses of those funds. (Page 11-17)
8. The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations. (Page 11-19)
9. The board keeps a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations. (Page 11-20)
10. The maintenance and operations department regularly evaluates maintenance and operations activities to determine the most cost-effective method of providing needed services. (Page 11-20)
11. The district minimizes equipment costs through purchasing practices and maintenance. (Page 11-22)
12. The district uses proactive maintenance practices to reduce maintenance costs on most systems but is notably deficient in the area of roof maintenance. (Page 11-25)

Maintenance Program Goals and Outcomes

13. The Maintenance and Operations Department regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and processes. (Page 11-26)
14. The Maintenance and Operations Department regularly reviews the staffing levels of the maintenance and operations program to maximize the efficient use of personnel. (Page 11-26)
15. The Maintenance and Operations Department obtains qualified staff by using appropriate hiring practices. (Page 11-27)
16. The Maintenance and Operations Department has a written job description for each position within the department. (Page 11-27)
17. The district provides appropriate supervision of maintenance and operations staff. (Page 11-28)
18. The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety. (Page 11-29)
19. The district provides Maintenance and Operations Department staff the tools and equipment required to accomplish their assigned tasks. (Page 11-29)

Computerized Maintenance Management System

20. A computerized control and tracking system is used to accurately track work orders, but inventory control is not automated. (Page 11-30)
21. The Maintenance and Operations Department has a system for prioritizing maintenance needs uniformly throughout the district. (Page 11-31)

School Equipment and Facilities

22. District policies and procedures clearly address the health and safety conditions of facilities. (Page 11-31)
23. The Maintenance and Operations Department identifies and implements strategies to contain energy costs but additional opportunities to implement savings are available. (Page 11-32)
24. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness. (Page 11-32)
25. The school district complies with federal and state regulatory mandates regarding facility health, safety, and energy efficiency conditions. (Page 11-33)
26. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code. (Page 11-33)

Fiscal Impact of Recommendations ---

This chapter's recommendations do not have a potential fiscal impact.

Background ---

In the early 1970's, SDHC established four maintenance areas that were geographically located throughout the county to serve all of the facilities in their respective areas. The four areas, Air Conditioning, Sites & Utilities, Grounds and Clock and Bell Departments serviced schools countywide.

Facilities Maintenance

A designated person at each school site/facility hand wrote the maintenance requests; emergencies were called into the appropriate maintenance areas or the other departments. These maintenance requests were then mailed through the school mail to the department.

Maintenance unit clerks assigned the maintenance requests to the proper trade areas and the work was completed in the order in which it was received. The maintenance managers would review the completed requests, and the maintenance requests were filed at the area offices.

As the school system grew, the maintenance request procedure became very antiquated and did not serve the schools or sites efficiently. In the late 1980's, SDHC began a conversion to an automated maintenance request system. The schools sent handwritten or typed maintenance requests to the appropriate maintenance area and the unit clerks entered the maintenance requests into a computer data base system. The unit clerks would assign the maintenance requests to the appropriate trade workers. The completed maintenance requests were returned and entered into the computer as to what work was done, materials used, and labor hours spent. This enabled each maintenance area to generate a report that would allow them to analyze type of work, materials used, and man hours spent.

In the mid 1990's SDHC implemented a maintenance request system that allowed the schools to input the maintenance requests through an on-line system. The maintenance requests were automatically printed at the maintenance areas and were automatically issued a sequence number. A unit clerk would assign the maintenance requests to trade workers. Clerks began prioritizing the maintenance requests.

In 1999, SDHC reorganized the maintenance structure into three regional maintenance areas in charge of routine maintenance for elementary and middle schools.

Maintenance East, West and Central handle elementary and middle school requests. The Air Conditioning unit handles heating and AC related requests. The Grounds Department handles play courts, grounds and fencing. Sites and Utilities unit handles garbage collection around county, water supply and drainage system. The Special Projects unit deals with emergencies, some renovations and also all maintenance needs of high schools. A new division was created called Special Projects which performs the high school maintenance on a rotating basis and is the emergency response area for any site in the district. These are priority 1 emergency conditions that need to be handled expeditiously. Two maintenance teams maintain high schools by spending one week at each high school on a rotational basis over an eight-week period. There are two renovation teams maintaining all schools, repairing items such as ceilings, flooring, and relighting. These crews started as night crews working from 2:30 p.m.–1:00 a.m. This schedule was changed back to days, 8:00 a.m.–6:30 p.m. approximately two months ago.

SDHC implemented a New Maintenance Request System in December 1999, whereby the maintenance requests were generated at the school site on-line. The unit clerks now print the maintenance requests, prioritize the tickets, and assign the maintenance requests to the various trade workers to complete. When the completed maintenance requests are returned, the unit clerk enters what work was done, materials used, and labor hours spent into the maintenance request system.

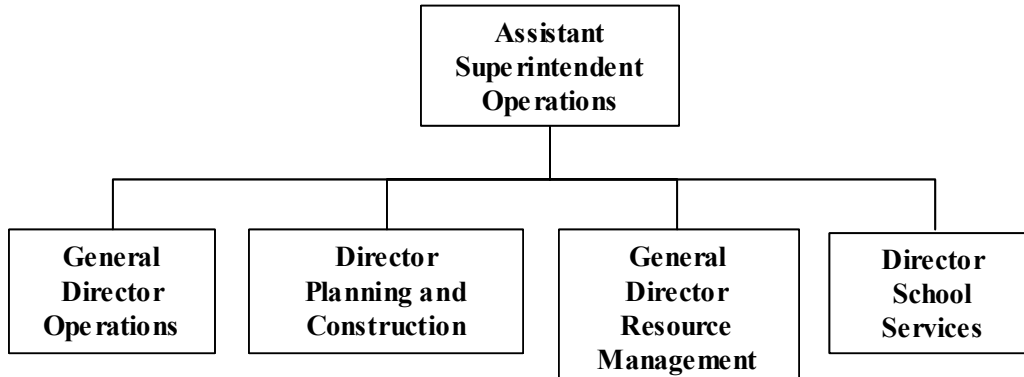
Throughout the last several years SDHC has experienced staff shortages and various reorganization programs that have reduced the work force. To compensate for the reduced number of employees the district has gone to contracted services for major maintenance services and projects. These projects would take too much of the district maintenance worker's time and are better served by contractors. SDHC has also dealt with staffing shortages by changing job descriptions from specific trade areas to multi-trade workers for a more diversified capability of performing repairs. The district's budget does not, however, always allow them to be able to replace costly items, which is a growing concern due to the age of some schools.

The district's operating budget for maintenance for this fiscal year is \$34,535,338.

The district feels that at the present time its organizational structure is working well and allows them to complete all of the maintenance requests for the school system using the above- mentioned methods. SDHC is working to implement a new inventory system that will allow for greater accountability of materials and labor.

Exhibit 11-2

The Assistant Superintendent of Operations Oversees Maintenance and Custodial Functions



Source: The School District of Hillsborough County

Maintenance and Operations

1 The district’s Maintenance and Operations Department mission, organizational structure, and operating procedures are established in writing but the district does not have an overall policies and procedures manual.

The district has a written vision and mission statement and a published organizational chart.

The department’s mission and organizational structure are in writing. The mission of the maintenance department is: Maintain all district facilities to the highest possible standards responding in a proactive manner while ensuring cost effectiveness. The department’s vision is: By maintaining an environment for education to flourish, providing services and ensuring all educational facilities are safe, clean and effectively maintained we will better the stage surrounding the forum of education. The department also has a published organizational chart that is approved by the board that is in accordance with the five-year facilities work plan.

Most operating procedures are established in writing but SDHC does not have a department-wide policies and procedures manual available to school personnel and to the public.

Various departmental operating procedures such as maintenance and operations budget criteria and personnel staffing policies are prepared in writing. However, the following four areas are highlighted because they need to be improved.

Replacement and selection of equipment: A detailed equipment replacement schedule has been prepared but the department does not have a routine written procedure for equipment replacement and selection

Purchase of equipment, supplies and equipment: The District has in place policies that govern how equipment, supplies and materials are purchased. These policies are written in the School Board Policy Book. The policies are developed by the Purchasing Department and department personnel are required to strictly adhere to them. For the most part, maintenance managers have been responsible for making sure that the purchasing policies are followed by each of the units that report to them. The director oversees the managers in this area by reviewing purchase orders and invoices that are being paid. However, as evidenced from the recent grounds scandal, there are areas of weakness that need to be addressed in order to assure that district funds are expended effectively, efficiently and for lawful purposes.

Written maintenance procedures are available to school personnel and to the public: Every school gets a packet of information that describes the services of the maintenance department and each school principal also gets an opportunity to discuss the quality of the maintenance and custodial services through annual surveys. Although the district currently has no system to notify the public regarding maintenance procedures, the district's files and records of procedures and practices are maintained, procedures are readily available for review by the public and staff. Procedures are updated on a regular schedule and employees are included in the process, and the district has a written standard for cleanliness that is included in the custodial service standards. To improve public access to the district's maintenance records and procedures, the district is considering posting some of the key provisions of its maintenance procedures on its website.

Allegations of Impropriety: During this review, a series of reports appeared in the local print media, concerning SDHC's Facilities Maintenance Department. Those reports have alleged improprieties within its Grounds Department. As part of this review, Gibson Consulting Group, Inc., reviewed the district's practices to determine whether the alleged improprieties may have been caused by a weakness in policies, procedures, or management structures.

The allegations include criminal conduct, contracting irregularities, diversion of work to relatives, misdirection of materials and supplies by maintenance department employees and falsification of employee work and leave records. The allegations, which are in some cases disputed or flatly denied, precipitated an extensive investigation of the Grounds Department, concluded in the later part of 2001, which implicated former and current employees of the district and contractors. Investigations were conducted by the SDHC Internal Auditing Department and by a local law firm experienced with previous human resource work for the district. The investigators developed detailed information about the alleged irregularities and produced written reports based on interviews of district employees and vendors and existing documentation of Grounds Department financial transactions. Interview information and documentation developed in the investigations has been forwarded to the appropriate law enforcement agencies for review and possible action.

According to these internal investigations, specific findings included:

- Over \$427,000 in potential misuse of funds including overpayments to a tree service contractor, the purchase of a motorized lift which was never used for its intended purpose and equipment that could not be located.
- Substantial overstocks of hazardous chemicals, which were never used, because after purchase the chemicals were determined to be inappropriate for the expected use (The district may have to incur additional substantial expense to dispose of these items).
- Instances of duplicate invoices, overcharges and subsequent payments.
- Contracted vendors performing work outside the scope of bids and the inability of the contractor or the district to verify that invoiced work had been completed.
- A failure of department employees to obtain quotes for products and services in excess of district thresholds.
- Obvious conflicts of interest in 2 separate instances; one involving a district contractual relationship with an employee of the Grounds Department, the other contracting with a blood relation of the Supervisor of Grounds.
- Lack of a good audit trail due to missing hard copies of maintenance requests.
- Falsification of employee timesheets including misreporting time worked and leave taken.

To correct the weaknesses identified by these investigations, the district's Internal Auditing Department (IAD), in their September 12, 2001 Final Report, made five recommendations. Although the district reports that it has started implementing the IAD recommendations, it will not have fully complied with the recommendations until after the district completely installs the new Enterprise Resource Planning System (ERP), which is an electronic management system designed to provide the needed additional controls. Also, before the district implements the IAD's recommendation for restitution, it plans to wait for the conclusion of any related law enforcement investigations.

The recommendations of the IAD are:

- Restitution - The Human Resource Department should review the possibility of restitution for any misappropriated or misused funds from employees and vendors, past and present.
- Budget Oversight – Diligent supervisory review should be exercised so that budget funds efficiency is maximized.
- Hazardous Chemicals – Increased management oversight is necessary to assure that unnecessary, inappropriate or excessive amounts of chemicals are not purchased and held in inventory.
- Purchasing/Quote Controls – Were found lacking and need to be strengthened.
- Purchasing Guidelines – Some internal controls are being ignored but should be adhered to.

Subsequent to Gibson Consulting Group's fieldwork, the district contracted with Ernst & Young, an independent accounting firm, for a forensic evaluation and analysis of the district's maintenance operation and capital outlay programs. One of the biggest issues Ernst & Young was asked to review was an allegation that the district was wasting \$100 million. In its report, *School District of Hillsborough County: Forensic Evaluation and Analysis*, Ernst & Young confirmed many of the district's findings, but was unable to identify \$100 million in waste. The firm also determined that while there may have been substantial deficiencies in many aspects of the district's capital construction and maintenance programs, the district has either remedied those deficiencies or taken steps to improve future performance. More information about Ernst & Young's report and its findings is available from the district.

Also during the review of the Facilities Maintenance Department, Gibson Consulting Group, Inc., determined that there is no single, overall procedures manual for the Department as a whole. Units are left to operate independently, and are unlikely to be fully coordinated with each other. By not fully

delineating the tasks and responsibilities of various individuals and units uniformly across a department, it is more difficult for managers outside a particular unit to determine when policies are violated or abuses occur in another unit. This may have been the case with the alleged violations within the grounds division.

Recommendations

- *The recommendations of the Internal Auditing Department, relating to Facilities Maintenance Department operations, shall be implemented in all facets of its operations.*

Action Plan 11-1 provides the steps needed to implement the IAD recommendations

- *The Facilities Maintenance Department shall develop a department-wide policies and procedures manual, which clearly spells out the duties and responsibilities for each unit when expending and accounting for equipment, materials, supplies, labor and the expenditure of school district funds.*

Action Plan 11-2 provides the steps needed to implement the recommendation to develop a department-wide policies and procedures manual.

Action Plan 11-1

Implement the Recommendations of the Internal Auditing Department	
Strategy	The Facilities Maintenance Department will implement the five recommendations of the Internal Auditing Department, increasing the overall accountability of the department.
Action Needed	<p>Step 1: Assign responsibility for implementing the above to the Assistant Superintendent of Operations. While actual management and implementation of the recommendations may be delegated to subservient managers, the responsibility for completion shall remain with the Assistant Superintendent.</p> <p>Step 2: Meet with all responsible managers to develop the implementation strategy.</p> <p>Step 3: Develop a feedback process to assure the recommendations are actually being implemented.</p> <p>Step 4: Develop a review process designed to inform administrators and the public the recommendations have been implemented and are actually in-place</p> <p>Step 5: Submit periodic feedback to the Internal Auditing Department relative to the success or difficulty in implementing the changes.</p> <p>Step 6: The IAD will conduct continuing internal reviews to assure implementation of the recommendations and compliance with all other district policies.</p>
Who Is Responsible	Assistant Superintendent of Operations
Time Frame	January 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Action Plan 11-2

Prepare A Department-Wide Policies and Procedures Manual	
Strategy	The Facilities Maintenance Department will prepare a department-wide policies and procedures manual that clearly spells out each unit’s responsibilities, provides guidance regarding the inter-relationship of the various units and the accountability measures that must be followed by all department personnel. The department will ensure that these policies and procedures are available to the public.
Action Needed	<p>Step 1: Assign responsibility for maintaining the above strategy to the Assistant Superintendent of Operations. Delegation to others is desirable; however, the responsibility for completion will remain with the Assistant Superintendent.</p> <p>Step 2: Meet with all appropriate management personnel to develop a strategy for preparing the manual.</p> <p>Step 3: Prepare a vision statement and goals related to the School District’s vision and goals.</p> <p>Step 4: Empower sub-committees to prepare sections of the manual to be brought back to the main committee.</p> <p>Step 5: Prepare the complete manual for Superintendent’s staff approval.</p> <p>Step 6: Prepare a plan to make the policies and procedures manual available to the public – perhaps on the district web site.</p> <p>Step 7: Submit the manual at a School Board meeting for approval.</p> <p>Step 8: Implement the manual at the management level.</p>
Who Is Responsible	Assistant Superintendent of Operations
Time Frame	January 2003
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The district has not fully established maintenance standards in its short-and long-term plans for providing appropriately and equitably maintained facilities within budget and in accordance with the district’s five-year facilities work plan and annual budget.

The Maintenance Department has not completely established short and long term goals and objectives consistent with the mission statement.

Consistent with the department’s goals and objectives and mission statement, the maintenance department has established long-term priorities that are spelled out in the five-year facilities work plan.

Generally, the facilities maintenance function serves to adequately maintain all facilities, and with the exception of roofing systems (66 school facilities are reported to have leaking roof systems), there is no backlog of maintenance requests in any area. The district’s approach to maintenance and the prioritization of maintenance requests assures that resources are applied uniformly across all schools, which ensures that each school is treated equitably and that work is done in accordance with the urgency of the need. However, there are 66 facilities that have noted leaking roof systems that has become a concern for the district. To deal with leaking roofs, the district has developed a reasonable process for dealing with this issue.

Facilities Maintenance

The Facilities Maintenance Division has established and published appropriate standards that are expressed as expectations for the maintenance of its facilities. These were implemented in June of 1999 and are continuing in use today.

The district's five-year plan is prepared with the expectation that all schools will be maintained equitably by virtue of including and prioritizing schools in accordance with their needs. Maintenance managers review the maintenance history of each school in order to recommend projects and it is their responsibility to ensure that no one school is neglected.

In the area of projecting its long terms needs, the following presents what SDHC is doing in three important areas:

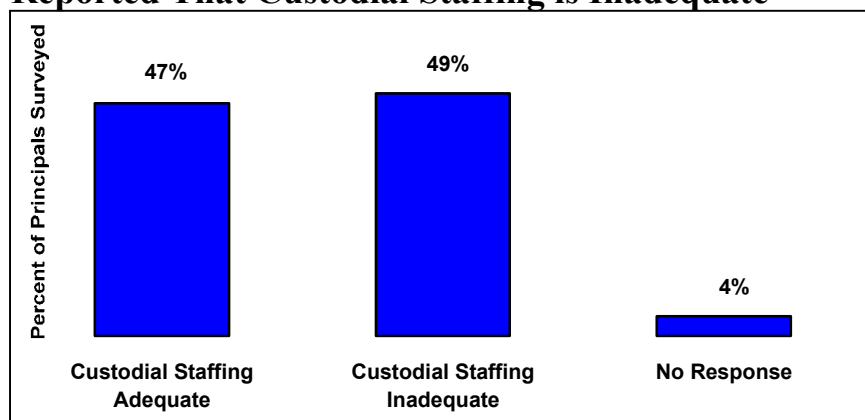
Staffing: The District puts forth a reorganization plan for facilities maintenance to the School Board on an as-needed basis. Usually this is done annually and SDHC has done this consistently over the past three years to evaluate staffing and proper usage of staffing. The one area that needs to be looked at more thoroughly is the issue of custodial allocations because of the dissatisfaction expressed by some principals over the current allocation formula. As the physical plant continues to age and the area of new schools continues to grow, the district has decreased maintenance staff. Recently, the district lost numerous employees due to budget cut backs. Some of the shortfall has been met by hiring outside contractors but a cost-benefit analysis is needed to determine if it is more cost efficient to have a fully trained in-house workforce. In its most recent custodial survey, principals were about evenly divided in their opinion as to whether their schools had adequate custodial staff. Forty-nine percent (49%) of responding principals felt that custodial staffing was inadequate and 47% felt that custodial staffing was adequate. Exhibit 11-3 shows the results of this survey. Exhibit 11-4 demonstrates considerable satisfaction with the quality of custodial services, however.

Budget: The District provides an annual budget to Facilities Maintenance as well as the five-year plan that outlines the district's priorities and cost for Facilities Maintenance over the projected five-year period.

Equipment: The District has a long-term plan for HVAC equipment including tracking of equipment repair history and life cycle of the equipment. However, they do not have a system in place that does the same for roofs. The same is true for custodial and maintenance equipment. However, the district has recently prepared detailed equipment replacement schedules

Exhibit 11-3

About Half of Those Surveyed by the District Reported That Custodial Staffing is Inadequate



Source: The School District of Hillsborough County.

Short- and long-term goals and objectives are stronger in some areas than in others.

While the department has developed short-term goals for some activities, such as HVAC maintenance, it has not established short- and long-term goals and objectives for others such as roofs. For example, maintenance personnel visit all schools on a set schedule to inspect HVAC equipment and perform required preventive maintenance such as the replacement of filters whereas they do not do the same for roofs.

The department offered the five year work plan as support documentation for its goals and objectives. However, while this may be a valuable tool in funding and completing required day-to-day and long-term maintenance projects, it does not substitute for written goals and objectives. We recommend that the district establish short- and long-term goals for the department and develop a plan to implement the goals. As we mentioned in the previous section, short- and long-term plans require the inclusion of a written comprehensive projection of the following needs: Staffing; Budget; Equipment; and Physical condition assessments and repair/replacement needs of district facilities including, but not limited to, paint, roofs, HVAC equipment (tracking age and repair history), grounds (including paving), electrical service, and plumbing.

The district must reassess above-mentioned needs (staffing, budget, equipment, etc.) and assure that they are actually addressed by and included in long term plans. The five-year project lists, report summaries and capital outlay budgets simply do not address these issues as a comprehensive plan.

Recommendations

- *We recommend that the district develop comprehensive short- and long-term goals and objectives for the maintenance department.*

Action Plan 11-3 provides the steps needed to implement this recommendation.

Action Plan 11-3

Develop Goals and Objectives for the Maintenance Department	
Strategy	Develop program goals and objectives.
Action Needed	<p>Step 1: Complete a written situation analysis to determine the district’s future needs in 5, 10 and 20-year increments. This analysis should address the step 1 needs in relation to projected capital outlay revenues, workforce needs and expenditures.</p> <p>Step 2: Coordinate the mission and vision statements of the maintenance department with the situation analysis.</p> <p>Step 3: Develop district-wide goals focused on the provision and maintenance of appropriate learning environments and develop linkages to the district’s future capital outlay budgets and overall strategic plan.</p> <p>Step 4: Develop additional long-term goals where needed. All long-term goals should reflect the district’s vision statement and set the direction for facilities maintenance.</p> <p>Step 5: Develop the short-term (five-years) measurable objectives and annual priorities the district must achieve in order to meet the long-term goals. The objectives and priorities should show how goals will be met and how progress toward goals will be measured.</p>

	Step 6: Develop strategies that provide an action plan for accomplishing each objective. The strategies and, at a minimum, the action plans must identify staff responsible for implementing them and a time frame for their completion.
	Step 7: Develop measures by which the department will be able to assess whether it has reached its goals.
	Step 8: Present the program goals and objectives to the appropriate superintendent.
	Step 9: The superintendent makes changes deemed necessary and approves the goals and objectives.
	Step 10: Publish and disseminate the results to program staff and the public.
Who Is Responsible	The Assistant Superintendent of Operations, with support from the maintenance department administrators.
Time Frame	January 31, 2004
Fiscal Impact	This can be implemented with existing resources.

3 The district clearly identifies and communicates performance standards and expected outcomes to maintenance and operations staff.

Individual standards and performance reviews establish accountability.

The district has developed work standards using Means Manual (an industry benchmarking standard) as a basis. This is monitored to see what each employee does and to determine whether their performance is consistent with the standards for that particular trade. These are communicated in evaluation meetings. Employees are involved in establishing standards. Accountability is achieved by periodically reviewing the productivity of the program as a whole. Individual accountability is established by means such as signing in and out at each school site and an annual review of performance. The deputy superintendent has also created a guideline document entitled, “Dr. Hamilton’s Expectations” which is recognized by the district managers and staff as a benchmark for what is expected of them. For example, each manager must discuss his or her management work hours. Gibson Consulting Group Inc.’s review has determined that most senior managers work more than 40 hours a week to get the job done. Each manager is also expected to prepare in writing the work standards for each type of operation. For example, under carpentry work standards, a manager might report that new doors are expected to be installed within two hours and cabinet door locks are expected to be installed within 30 minutes. These standards would then be utilized to monitor a particular employee’s productivity. Managers are also expected to discuss their work schedules, techniques for evaluating employees, budget standards, standards for equipment use and inventory control and their methods for controlling the cost of maintenance work.

Although the district does not have a formal complaint tracking system, it does follow up on all requests for assistance from the principals. Since these requests are electronically recorded, it is easy for the district to monitor its responsiveness to client requests and no request or complaint is closed out until it is resolved to the satisfaction of the client.

4 The district ensures that maintenance and custodial standards are regularly updated to implement new technology and procedures.

System-by-system updates to standards are maintained.

There is constant change and innovation in the facilities management arena and it is important for employees of the district to keep up with the changes in order to maximize their resources. Keeping current means not only that the district updates its specifications for materials and equipment, but also ensures that its employees receive the latest training and that its managers subscribe to the important trade journals and attends important professional conferences. It is also important for the district to determine how well their procedures are benefiting end users and use feedback from surveys to improve their operations. The department subscribes to various trade publications and the publications are available to the employees.

At SDHC, upgrades are performed on a system-by-system basis. For example, phone systems are upgraded on a regular basis as new versions of the operating software are released, ensuring that the most current technology is available and in use. This is also true with the programmable intercom system. This ensures that they are operating under the most current version that may have programming options not available before. Technology training is offered by sending personnel for training and vendors are also encouraged to come in and demonstrate their equipment. The district trains in-house staff in each trade area each such as HVAC. These staff members then train others, thus spreading the information to all relevant staff in the district. Often videotaped seminars are available for the benefit of staff that is not able to attend the in-service sessions.

All employees are licensed per legal mandates.

Training in areas requiring licensing is maintained and up to date. Out of a staff of 382 persons in its maintenance department, there isn't a single employee who does not possess the legally mandated licenses. Gibson Consulting Group, Inc. has verified that the district maintains good records regarding licensure requirements for various positions, which it then correlates to individual employees.

5 The district obtains and uses customer feedback to identify and implement program improvements in most areas.

The district has procedures to conduct a self-analysis on an annual basis, which is used to improve service delivery.

The district uses customer feedback through various survey instruments (see below) to conduct a self-analysis to improve the performance and productivity of the maintenance department. Customers are surveyed annually using a written instrument to determine the strengths and weaknesses of the maintenance department service and to identify major maintenance needs.

The maintenance and operations department communicates with maintenance personnel and customers in order to efficiently assign, schedule and complete work. This is done through use of the New Maintenance Request System (NMRS) that records all maintenance requests and tracks it through satisfactory completion.

The district uses annual customer satisfaction surveys

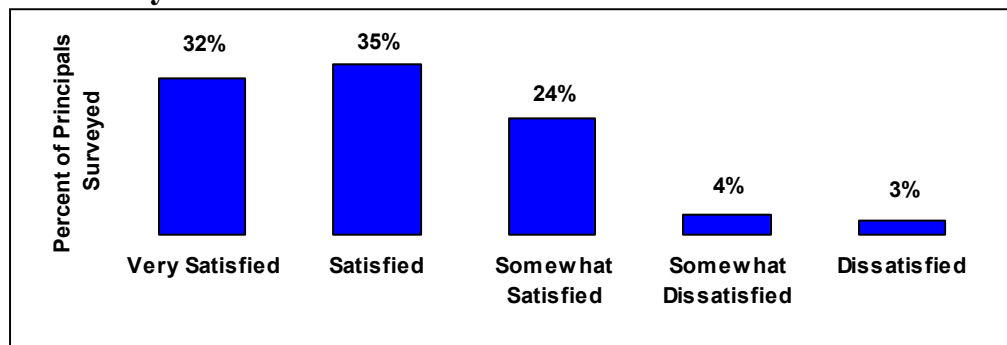
It is important for the district to survey customers to measure the effectiveness of its service delivery and to use the results of the survey to improve its service. This allows the district to identify areas of weakness and make corrections that are responsive to the needs of its users.

SDHC uses three types of annual customer satisfaction surveys. The first is the custodial services survey, the second is the maintenance quality survey and the third is a maintenance evaluation card that principals can send in any time. Findings from these surveys are used to improve procedures and implement program improvements. For example, based partly on customer satisfaction surveys, work may be done by in-house versus using contract personnel if it serves client interests better as was the case with the relocatables (pg. 31) retrofit program.

Although about half the principals reported that custodial staffing is not adequate, about 91% of the district's maintenance clients are either somewhat satisfied, satisfied, or very satisfied with custodial operations. Only about seven percent of the maintenance clients were either somewhat dissatisfied or dissatisfied. Another two percent of respondents did not express an opinion.

Exhibit 11-4

District Survey Indicates Principals Generally Satisfaction with Custodial Performance



Source: The School District of Hillsborough County.

Clients' requests for improved services must be measured against backdrop of prompt responses by SDHC and general satisfaction of clients with service delivery.

Though there are areas where clients feel that there is room for improvement, there is no backlog of maintenance work. That means all received work orders are scheduled to be completed within the district's noted completion timetables. This is a notable achievement because the district has to deal with 176 school facilities many of which have systems and equipment that have exceeded their expected useful life. It is only through good preventive maintenance efforts and prompt responses to problems noted by the clients that SDHC is able to work without accumulating a significant backlog of incomplete work.

6 The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program though these are stronger in some areas than in others.

Accountability mechanisms are stronger in some areas than in other areas.

There are three important requirements that need to be fulfilled in this area. First, the district needs clear standards and expectations to be set forth within each program area. In addition, the district needs to measure itself against the standards. Finally, the district needs a proactive plan to improve operations to narrow the gap between expectations and achievement.

In terms of standards and expectations, some program areas of the district are stronger than others. For example, the district has established a clear standard for response time to maintenance requests. The schools themselves electronically generate these requests, which means they can be easily tracked. The district's ambitious targets for fulfilling these requests are also clearly noted and the district does in fact fulfill a vast majority of its requests on time. This was verified during a review of documentation provided by the district, interviews with managers and maintenance staff, interviews with school custodians and interviews with school principals. At a specific program level, the district has established a high standard of maintenance for its HVAC systems and is successful in keeping the systems running even though many of them are significantly past their useful life and need to be replaced. The district is also strong in maintaining its low voltage systems and keeping them updated. Some of this is legally mandated as in the case of fire alarm systems.

The district is also strong in the area of energy management. However, as noted earlier, more energy-conscious practices such as those called for in the previously mentioned LEED guidelines of the Green Buildings Council will further improve the district's record in the area of energy conservation and management. For the most part, SDHC has a clear energy management plan, measures itself against the plan and makes improvements as needed.

District lacks an effective roof maintenance strategy.

“Roof inspections can find potential leaks and related damage before they become problems. The cost to replace a roof is measured in dollars per square foot and the cost to inspect a roof is measured in pennies per square foot. Thus, inspection is a cost effective technique to prolong the life of a roof”.¹

The above statement is echoed in dozens of reports by the professional community about the importance of keeping well maintained. The problem with poorly maintained roofs is not only the excessive amounts that will then be needed to do capital repairs, but also that a leaky roof can cause very expensive damage to interior finishes and furnishings. Another problem with moisture penetration attributed to badly maintained roofs is that it can cause serious health problems in the form of asbestos contamination and mold. SDHC's maintenance department has one notable area of weakness in its lack of an effective roof maintenance strategy. It is estimated that SDHC's roofing asset is worth about \$94 million. Despite having millions of square feet of roofing at hundreds of locations, there is not a system-wide plan for their upkeep and maintenance. Though the district's policy of renovating its older buildings first does create a priority of sorts, roofs are not necessarily well suited to this form of prioritization. The problem with not

¹ Information about roof maintenance policies and practices can be found at <http://www.facilitymanagement.com/articles/artroof.html>. The US Department of Education's National Clearinghouse for Educational Facilities (NCEF) website also is a good source for more information this issue. Please see their website at http://www.edfacilities.org/rl/roof_maintenance.cfm.

having an effective preventive maintenance system in place for roofs is that repairs are not done until there is an actual leak - too late to prevent expensive damages from occurring.

After this review began, SDHC started a process that may ultimately result in the creation of a reasonable, cost-efficient program designed to prolong the life of the districts roofing systems. Private industry firms report successes of deferring replacement of commercial structure roofing for up to 12 to 14 years as a result of a focused program that satisfactorily maintains roofing systems. There are many variables, other than cost, to consider when reviewing such claims and the district is identifying and attempting to quantify those variable and the potential cost benefits as this review is being written. Their first step has been to prepare and announce a request for proposals that will result in the creation of a comprehensive baseline condition inventory of all existing roof systems. As the district proceeds, they will be able to identify existing short- and long-term maintenance needs, anticipated useful lives of existing roof systems, develop a roof replacement schedule and evaluate the effectiveness and utilization of installer/contractor/manufacture warranties as they may apply to the various systems.

Recommendations

- *We recommend that SDHC adopt a district-wide roof management strategy that includes a preventive maintenance plan.*

Action Plan 11-4 provides the steps needed to implement this recommendation.

Action Plan 11-4

Adopt District-wide Roof Management and Preventive Maintenance Strategy	
Strategy	SDHC will adopt a district-wide roof management strategy that includes a preventive maintenance plan.
Action Needed	<p>Step 1: Prepare a comprehensive, detailed inventory of existing roof systems which includes condition assessments.</p> <p>Step 2: Develop a roof maintenance and management plan that best meets the needs identified in the inventory.</p> <p>Step 3: Prepare a cost-benefit analysis that identifies initial investments as well as life-cycle cost savings and all collateral benefits of implementing a maintenance plan. Identify adverse effects (disruption of classes, damage to building and equipment, etc.) of not implementing a maintenance plan.</p> <p>Step 4: Identify start-up costs.</p> <p>Step 5: Present program for funding approval.</p> <p>Step 6: If approved, implement roof management program.</p>
Who Is Responsible	General Director of Operations
Time Frame	Implement by April 2003. Program will be ongoing.
Fiscal Impact	Program development can be completed within existing resources. Long-term savings are probable but dependent on results of inventory and district's ability to implement appropriate maintenance activities.

Source: Gibson Consulting Group, Inc.

Budget for Facilities Maintenance

7 Although the district has experienced some problems accurately estimating the costs of major maintenance projects, most of these problems are limited to projects with relatively small budgets and do not pose a substantial risk to the district.

Major maintenance projects are included in the five-year plan.

The district's cost estimates are based on its past experience with similar projects, current estimating cost standards, and market conditions. The cost impact of inflation in maintenance projects is projected for five years. Projects that are beyond the scope of routine maintenance work are included in the five-year capital plan. These maintenance projects represent approximately 1% of the total estimated expenditures for construction, renovation, and remodeling projects conducted by the district. Out-year projects in the five-year plan have their cost estimates adjusted in accordance with the Consumer Price Index (CPI).

While major maintenance projects are typically included in the district's five-year plans, the estimated projects costs were reasonably accurate only about one-half of the time (16 of 32 projects) for projects completed during Fiscal Year 2001-02. Most of the maintenance projects (13 of 16) that had inaccurate estimates appeared in small projects (\leq \$100,000) and the dollar value of these deviations were not material when compared to the district's overall construction budget. It is important to note that, by their very nature, maintenance and renovation projects are somewhat problematic to accurately estimate without incurring expenses that would be considered excessive when compared to the overall costs of the project.

Of the three large projects costing more than \$100,000, the district materially underestimated the costs for one project. The project involved an HVAC replacement, and the project's completed costs increased 47.4% over the planner's initial estimate of \$600,000. The major reason for the increase in cost was that the proposed project design was changed and required substantial new duct work. The district expected these 32 maintenance projects would cost \$4,562,025, but the actual costs to complete these projects were \$4,568,030. We concluded that the net affect of these inaccuracies were offsetting during the 2001-02 Fiscal Year.

Exhibit 11-5

Costs of Major Maintenance Projects

Completed Major Maintenance Projects	Planner's Initial Estimate of Cost	Bid Price	"+/-" Value of Change Orders	Misc. Expenses*	Actual Project Cost	Actual Project Cost as a % of Initial Estimate
Durant - Telephones	\$40,000	\$40,714	\$0		\$40,714	101.79%
Sickles - Telephones	\$40,000	\$42,689	\$0		\$42,689	106.72%
Ballast Point - renovate fire alarm	\$100,000	\$71,169	\$0	\$10,769	\$81,938	81.94%
Foster - renovate fire	\$100,000	\$110,540	\$6,718	\$18,705	\$135,966	135.97%

Facilities Maintenance

Completed Major Maintenance Projects	Planner's Initial Estimate of Cost	Bid Price	"+/-" Value of Change Orders	Misc. Expenses*	Actual Project Cost	Actual Project Cost as a % of Initial Estimate
alarm & intercom						
Meacham - renovate fire alarm	\$100,000	\$14,756	\$2,333	\$3,840	\$20,930	20.93%
Tampa Bay Tech - renovate fire alarm	\$250,000	\$255,050	\$0		\$255,050	102.02%
Wilson Middle - renovate fire alarm	\$100,000	\$41,486	\$32,694		\$74,180	74.18%
Alafia - renovate intercom	\$100,000	\$110,479	\$1,617	\$9,194	\$121,245	121.25%
Apollo Beach - renovate intercom	\$100,000	\$74,950	\$0	\$9,769	\$84,719	84.72%
Dover - HVAC	\$480,000	\$437,830	(\$190,864)	\$217,195	\$464,160	96.70%
Clair-Mel - HVAC	\$280,000	\$220,200	(\$61,805)	\$85,871	\$244,266	87.24%
Cleveland - HVAC	\$360,000	\$317,000	(\$74,562)	\$105,422	\$347,860	96.63%
Bellamy - HVAC	\$320,000	\$288,375	\$0	\$26,046	\$314,421	98.26%
Mort - HVAC	\$600,000	\$819,000	(\$259,380)	\$324,799	\$884,419	147.40%
Ruskin - Lift Station Replacement	\$90,000	\$67,787	\$0		\$67,787	75.32%
Pinecrest - Lift Station Replacement	\$45,000	\$33,497	\$0	\$560	\$34,056	75.68%
Cork - Lift Station Replacement	\$45,000	\$35,445	\$0	\$976	\$36,420	80.93%
East Bay - Fencing	\$40,000	\$41,528	\$0		\$41,528	103.82%
Mango - Painting	\$110,000	\$66,000	\$0	\$8,815	\$74,815	68.01%
Lithia - Painting	\$100,000	\$67,800	\$0	\$10,713	\$78,513	78.51%
Riverview - Roof	\$70,000	\$42,160	\$64	\$27,098	\$69,321	99.03%
Lanier - Remodeling	\$120,000	\$135,330	\$0		\$135,330	112.78%
Tampa Bay Tech - Field Repair	\$50,000	\$67,022	\$0		\$67,022	134.04%
Plant City - Field Repair	\$40,000	\$45,207	\$0		\$45,207	113.02%
Jefferson - Renovation	\$234,675	\$266,510	\$0		\$266,510	113.57%
Webb - Ceiling/lights/renovation	\$84,675	\$84,388	\$0		\$84,388	99.66%
Riverview - ceiling/lights	\$84,675	\$78,969	\$0	\$7,970	\$86,939	102.67%
Lanier - Restroom Renovation	\$10,000	\$6,000	\$0		\$6,000	60.00%
Broward - Lintels	\$40,000	\$11,302	\$0		\$11,302	28.26%
McLane Roofing	\$160,000	\$69,000	\$0	\$7,153	\$76,153	47.60%
Shaw - Remodeling	\$168,000	\$177,047	\$0		\$177,047	105.39%
Boyette Springs - Painting	\$100,000	\$97,135	\$0		\$97,135	97.14%
Total	\$4,562,025	\$4,236,366	-\$543,185	\$874,895	\$4,568,030	100.13%

*Misc. Expenses include professional services, direct purchases, legal ads, etc.

Source: School District Hillsborough County

A principal reason for accurately estimating the cost of maintenance projects is to enable the board to allocate scarce district resources for priority district needs. When the board is aware of the expected costs of these projects, it makes choices in the allocation of resources that necessarily require approving higher priority project and not approving lower priority projects. When the actual bid for a project is less than the planned amount, the board could choose to allocate the unused resources to other pressing district needs. As shown in Exhibit 11-4, district planners expected those maintenance projects would cost \$4,562,0025, but the actual bids amounted to \$4,236,366, freeing \$325,659 for the board to use in meeting other district needs.

Based upon interviews with district staff, whenever the district receives proposals costing less than the expected amount, district staff notifies the board in a subsequent board meeting. Staff also recommends possible uses to the board for any funds necessary to accomplish the proposed work, and the board selects proposed alternative uses to make the best use of those funds. As shown in Exhibit 11-4, the district made changes in the projects that effectively reduced the cost of those projects by \$543,185, but added other work that increased the costs another \$874,895, for a net change in the planned work of \$331,710.

Thus, while the district makes accurate estimates of maintenance project costs in only about one-third of the projects (12 out of 32), its manages its overall maintenance program to ensure that costs are reasonably close to total planned costs. As shown in Exhibit 11-4, while the board approved \$4,562,025 for those 32 projects, their total cost was \$4,568,030, or \$6,005 (about 0.13%) over the total planned expenditures.

8 The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.

Funds from different sources specify how they can be used.

Maintenance monies are funded from three separate sources; the General Operating Fund, the Public Education Capital Outlay Trust Fund (PECO) and a portion of the ad valorem property taxes known as 2 mill money. Exhibit 11-6 below details the funding for the district’s maintenance budget.

Exhibit 11-6

Maintenance Budget Funding Sources

Funding Source	Amount
PART 1 – General Operating Fund	\$13,155,132
PECO – Public Education Capital Outlay put in for certain specific projects. District makes recommendations and the state approves it.	6,221,778
2 MILL – Local property tax assessed against real property within the county	15,158,428
Total Annual Budget	\$34,535,338

Source: School District of Hillsborough County.

The School Board has adopted a policy and procedure manual that complies with the state laws concerning unlawful use of budgeted monies by the School Board adopted at a regular meeting after public hearings. The budget is adopted by special line items, which complies with the Florida Statutes.

SDHC, on an annual basis, adopts a 5-year plan that is sent to the State of Florida for approval. This 5-year plan addresses the long-term goals for maintaining and operating district facilities.

SDHC has a Preventative Maintenance Program for HVAC equipment. These monies are specifically budgeted for preventative maintenance in this area. The budget also has specified replacement dollars for fire alarm, intercom, and telephone systems. The budget also has specific dollars set aside for other preventive and recurring maintenance tasks. The School Board of Hillsborough County approves the budget at a regularly scheduled School Board meeting.

The Budget Department and Purchasing Department can access the purchase orders that have been expended from each of the Facilities Maintenance Departments. These reports indicate how the monies have been spent. The feedback is given to the Directors of the Facilities Maintenance Departments to show usage of the budgeted items.

The budget for custodial services is developed from the custodial formula that is used to allocate custodial units at each site. The formula takes into account the present school enrollment, the square footage of the site, the acreage, and any other factors that the district is made aware of by the site supervisor.

The five-year plan includes input from the district's Safety Department. This input comes from their annual safety inspections. Monthly updates are given to the Director of Maintenance. Funds to correct problems noted in the five-year plan and uses of 2-mill monies, allocated through the annual School Board budget, are expended in compliance with legal requirements.

9 The board keeps a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.

Maintenance reserve and general reserve are available for emergencies.

About 15 percent of the PECO and 2 Mill funds are held in reserve. Additionally, the district holds a general reserve whose use is allowed only for un-funded items and emergencies. The district has found that these funds are sufficient based on past experience and are not used by the district for recurring expenses. The funds are approved by the Board in accordance with all applicable laws and the responsibility to utilize the funds for eligible purposes only is assigned to the Assistant Superintendent for Operations. Such funds may be used for unforeseen maintenance needs and emergencies to ensure that the district's mission of maintaining its facilities is not adversely impacted.

10 The maintenance and operations department regularly evaluates maintenance and operations activities to determine the most cost-effective method of providing needed services.

In-house versus outside contracting is routinely evaluated but alternative contracting methods should be given further consideration.

Costs of general support services provided by the department of maintenance are clearly related to and consistent with their noted objectives. The maintenance department has also established reasonable cost-effectiveness measures for all related activities.

In addition to the legally mandated practice of competitive bidding, the district also periodically evaluates the most cost-effective delivery mechanism. These reviews are not done on fixed schedule but are more ad hoc in nature. Gibson Consulting Group, Inc. has verified that these analyses are used appropriately

though SDHC should explore additional opportunities for privatization. The district decides to complete tasks with in-house or private sector contractors after studying factors such as in-house and overtime costs. The district regularly decides if a private contractor should be called in for projects normally assigned to in-house staff and often chooses in-house staff for projects that have previously been completed by external contractors.

Outsourcing questions are mostly asked for large projects where the economies of scale will justify outside contracting. That means in-house staff must handle all “routine” maintenance requests. However, since the district responds to thousands of work-order requests annually, there may be a potential to outsource some of these operations.

An annual review of costs for services to determine if other delivery methods are more cost effective should be an ongoing regular function of the department. The development of the aforementioned benchmarks and accountability measures will facilitate these evaluations.

Recommendations

- *We recommend that the district review alternative service delivery methods to accomplish day-to-day maintenance activities.*

Action Plan 11-5 provides the steps needed to implement this recommendation.

Action Plan 11-5

Review alternative methods of accomplishing routine maintenance tasks.	
Strategy	Provide the most cost-effective and cost-efficient maintenance program possible for the district.
Action Needed	<p>Step 1: Review alternative methods of accomplishing maintenance activities that may serve to reduce paperwork, supervision and costs.</p> <p>Step 2: Research in cooperation with the purchasing department, alternative methods that other school districts are using to reduce the internal demands on the maintenance department.</p> <p>Step 3: Prepare a needs assessment of specific tasks that would be included in an alternative program.</p> <p>Step 4: Finalize the assessment of tasks and assign a cost to each.</p> <p>Step 5: Analyze the alternatives, such as privatization, considering costs and timely completion vs. the current method.</p> <p>Step 6: Implement the best alternative for the District</p>
Who Is Responsible	General Director of Resource Management
Time Frame	June 2003
Fiscal Impact	Can be accomplished within existing resources.

Source: Gibson Consulting Group, Inc.

11 The district minimizes equipment costs through purchasing practices and maintenance.

The Operations Division has responsibility for three aspects of equipment purchases. First, the division has responsibility for purchasing the supplies and equipment used to make repairs by the maintenance and custodial staff. These purchases include parts like ballasts, compressors, pumps, bulbs, roofing material, paint, etc. Second, the division has responsibility for purchasing the equipment needed by the division to carry out their responsibilities. Equipment purchases are diverse and include items such as trucks, lifts, cranes, garbage trucks, vacuum cleaners and welding machines. Finally, the division provides the budget and in some cases the specifications for the furniture and equipment purchased as part of a construction project in new, expanded, or renovated schools. Examples of these items include computers, copiers, classroom equipment and major contractor installed equipment such as chillers, trash compactors, and food service equipment.

The district regularly conducts cost comparisons to determine whether purchasing practices have minimized costs and considers inflationary costs for equipment.

Purchasing practices and results are compared with surrounding counties to determine that they are minimizing purchases for facilities maintenance. The purchasing department benchmarks costs. Any increase above the cost of living index is researched as to whether the best price for the district has been obtained. This process dispels the assumption that all commodity prices rise at the level of the cost of living index and results in identifying many items that have actually experienced deflation.

When evaluating available budgets and pricing the district tracks items individually to determine if they should expect costs to increase or decrease. When preparing furniture and equipment budgets for new construction projects they have managed to hold budget constant for three years because of the deflation in prices of many of the items on the essential furniture and equipment lists.

When making a life cycle cost analysis the standard formulae, which consider price adjustments, are used. In addition, deflationary pressures are considered. The district used low end electronics as an example. Due to the decreasing costs for new VCR's and TV's the district has established a replacement fund for these items and redirected their repair staff from repairing these items to repairing items that make more economic sense to repair. They then replace older VCR's and TV's rather than repairing them because it is more cost effective.

The district has estimated the maintenance equipment needs for the next four years and has considered pertinent factors, such as inflation, in the development of the estimates. Exhibit 11-7 details the necessary budget by responsibility area.

Exhibit 11-7

Estimated Equipment Needs Over the Next Five Years

Responsibility Area	2003	2004	2005	2006	TOTAL
Maintenance East	\$ 42,500	\$ 15,396	\$ 30,792	\$ 100,000	\$ 188,688
Maintenance Central	52,041	36,382	14,309	29,341	132,073
Maintenance West	34,601	40,979	40,584	14,309	130,473
Sites/Utilities	216,150	185,150	97,500	19,000	517,800
Grounds Dept.	285,000	310,694	257,191	216,388	1,069,273
Air Conditioning	63,059	22,300	30,000	54,573	169,932
Special Projects	17,347	43,000	35,347	52,601	148,295
Resource Management	32,000	34,000	14,000		80,000

Custodial Operations	74,150	90,000			164,150
Furniture Refinishing		40,000	40,000		80,000
Mail Service	28,000	28,000	56,000	56,000	168,000
Totals	\$844,848	\$845,901	\$615,723	\$542,212	\$3,665,164

Source: School District Hillsborough County

The district makes volume purchases wherever cost effective.

Volume purchases are made to help minimize costs for facilities maintenance. Whenever possible, the district projects needs over at least a six-month period and uses this projection to buy in bulk quantities.

Bulk purchases in several other areas as well. For example, the district has negotiated an exclusive provider contract with Compaq computers for the district’s technology needs. When purchasing computers and related equipment, the Division of Operations participates in this buying arrangement. When trucks and other major equipment pieces are replaced, they use loan proceeds to aggregate purchases and buy off of bids, thus maximizing the price advantage received for trucks, vans, etc.

The district’s maintenance and operations departments consider equipment operating and maintenance costs when buying new equipment.

Facilities maintenance does consider operating and maintenance costs when buying new equipment. One example would be the purchase of vehicles. The district budgets for the operating costs of these vehicles on an annual basis. The cost would include gas, tires, and any daily maintenance. They seek vehicles that are economical to operate, have multiple purposes, and excellent repair records. Another example would be chainsaws; they budget for chain replacement and chain sharpening.

The district also provides specific standards for equipment that the maintenance department must support. Whether specifying copy machines, computers, HVAC controls, telephones, air conditioners, etc., they seek to restrict the range of brands and types of equipment to reduce the number of types of equipment for which technicians must be trained. This also reduces the required inventory of spare parts that must be maintained and increases the volume of parts that can be purchased to leverage discounts. The district seeks to avoid purchases of exotic equipment on the “cutting edge.” This avoids the premiums that are generally demanded for the newest products and provides a track record to evaluate.

The district considers refurbishing or repairing equipment along with new purchases and selects the most cost effective method.

Facilities maintenance does consider refurbishing and repairing equipment before making new purchases. An example of this would be with telephones. The department routinely refurbishes telephones at a much lower price than purchasing new telephones. Whenever the district replaces a system (intercoms, fire alarms, security) any parts that are still usable are removed from the old systems. These parts are then used to repair any similar systems that are still in operation in the district. Another example is when doors are replaced during renovations the door hardware (door closure, door knobs, hinges, door locks) are taken off. These parts are then used to repair or replace any similar doors in the district. Another example is the district has a furniture refinishing department. This department takes older and broken furniture, refinishes it, and makes the furniture available to be put back into service at the schools and other sites.

The purchasing group may need to be supplemented to maximize effectiveness of the new just-in-time system.

In the past, the district warehoused most parts and equipment needed for maintenance. Now, under a new system adopted by the district, very few parts are warehoused. Other than parts used regularly, all

purchases are done on an as-needed basis. This system saves warehousing costs, but it places greater demands on district staff that must ensure quick and efficient purchasing. The district does consider economies of scale in its buying decisions. Recently, when the district needed to buy thousands of heat sensors and smoke detectors, a national bid process was used and the bid was also published on the Internet. The maintenance department is concerned that with the move to a just-in-time system the purchasing department staff is inadequate to handle the increased workload since they are replacing bulk purchases to create an in-house inventory with multiple requests for individual parts and supplies.

Current purchasing system leaves open the possibility of abuses.

Given the sheer volume of purchase orders, the district has been unable to keep adequate track of all purchases or to develop sufficient checks and balances in the system to prevent fraud and misuse of funds. During the course of this review, a series of reports appeared in the local press, concerning abuses in the maintenance department. In response to these reports, Gibson Consulting Group, Inc. inquired into the practices surrounding the issues reported. Accordingly, Gibson Consulting Group, Inc. reviewed the records relating to the recently reported incidents of approximately \$427,000 in alleged misuse of funds, overstocking of hazardous chemicals, and overpayment to vendors.

These weaknesses in the purchasing practices were due in part to lack of any systematic reconciliation of purchase invoices and receiving reports. Blanket purchase orders are particularly troubling since they do not allow actual purchases to be monitored in sufficient detail and do not raise red flags automatically when misuses occur. While blanket purchase orders are more efficient and reduce paperwork and central approvals, they do not allow purchases to be monitored at the same level of detail as individual purchase orders for individual items. This problem is compounded by the lack of an automated inventory control system to record and track items that are purchased. The extent of purchasing done by the maintenance department is so large that the district is at a disadvantage when these transactions do not go through an operation specifically set up to handle them.

Recommendations

- *We recommend that the district review staffing levels of the purchasing department to assure an adequate staffing given recent allegations of impropriety and change in the methods of procuring needed supplies.*

Action Plan 11-6 provides the steps needed to implement this recommendation.

Action Plan 11-6

Review staffing levels in the purchasing department.	
Strategy	Maintain and effective, responsive, accountable purchasing department assuring adequate support exists to manage assigned tasks.
Action Needed	Step 1: Determine established existing staff levels in purchasing department. Step 2: Review staffing levels of peer districts with similar levels and types of purchasing activity. Step 3: Develop comparative analysis and determine adequacy of existing purchasing staff. Step 4: Report findings to superintendent.
Who Is Responsible	Assistant Superintendent of Operations
Time Frame	June 2003
Fiscal Impact	Can be accomplished within existing resources.

12 The district uses proactive maintenance practices to reduce maintenance costs on most systems but is notably deficient in the area of roof maintenance.

The maintenance department is participating in new construction design.

The maintenance and operations department and the facilities planning and construction operation should to establish stronger ties to better evaluate the costs inherent in maintaining specific facility designs. This will enable the district to implement strategies that reduce labor and long-term maintenance costs. Today, in the case of new school construction, the maintenance department should function as a partner on the development team working with the district construction team and the design professionals to analyze alternative system designs for ease of maintenance. Maintenance representatives can be used to recommend systems and designs that are compatible with existing district equipment and have elements which facilitate maintenance tasks. The district is now expanding maintenance's limited role to allow for more input in the capital construction process.

The district has implemented proactive maintenance policies.

The district does have effective preventive maintenance plans that are implemented to reduce long-term maintenance costs and service outages in some areas such as HVAC and life safety systems. The special projects section does periodic preventive maintenance assessments for all high schools. This means that all high schools are visited on a regular basis, which gives the district an opportunity to anticipate and correct maintenance problems before they become crises. This sort of proactive preventive maintenance procedure is not in effect for middle and elementary schools. The lack of such periodic reviews at the middle and elementary level is offset in some areas such as low voltage systems, safety and HVAC systems, which do have their own preventive maintenance schedules. Therefore, fire alarms and air conditioning systems are likely to be taken care of before major problems occur.

This kind of preventive maintenance program is not in place for one of the district's largest systems – its roofs. As discussed in section 6, (pages 11-14 to 11-16) having the roofs on a system of preventive maintenance could save the district substantial dollars in life-cycle costs. Anticipating and fixing roof problems before they become serious helps to minimize collateral damage, reduces the likelihood of air quality issues and limits disruption of the educational process.

The district has a school-based process in place to ensure that policies and procedures are followed for disposal of surplus furniture and equipment.

Maintenance Program Goals and Outcomes

13 The Maintenance and Operations Department regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and processes.

The maintenance department regularly reviews the program's organizational structure. Staffing levels are reviewed to minimize administrative layers and processes. Regular policy and procedure meetings are held and the department is reorganized to maximize its effectiveness whenever needed. In conducting its staffing reviews, the district uses feedback from staff.

The program structure includes reasonable lines of authority and spans of control given the responsibilities of each organizational unit. The district periodically evaluates its organizational structure to determine staffing levels. The district reports organizational structure review findings in writing and distributes these findings to school board members. All major organizational changes must have board approval. These reports are in the public domain and accessible to the public.

14 The Maintenance and Operations Department regularly reviews the staffing levels of the maintenance and operations program to maximize the efficient use of personnel.

The maintenance and operations departments do review staffing levels on a regular basis. They also review how personnel are classified and used to maximize the effectiveness of the employees. The district can demonstrate that its custodial staff and other school-based maintenance personnel have appropriate staffing formulas and ratios. The district submitted a document that provides the formulas for school-based personnel. As schools are expanded, as programs and hours of operations grow, or as new schools are added, these formulas are applied and the staff grows. If enrollments decline, the square footage decreases (as when relocatables are removed), or programs are closed (as when night schools are closed) the same formulas drive a decrease in the resources allocated to the site. The district's staffing review findings are in writing and school board members review and approve any changes and the public has access to these materials.

Some other factors also need to also be considered. Gibson Consulting Group, Inc. interviewed custodians and principals about the number of custodial staff assigned to their school. In those interviews, we were told that the staffing formulas the district uses are based upon the number of students at a particular school, not on the amount of work custodians have to do. For example, one principal of a recently constructed high school told us that when her school lost 800 students, she lost 2.5 custodial personnel, even though a new wing added more square footage to her building.

The district's formulas do not automatically provide for adjustments for district level maintenance workers. For example, the maintenance department is responsible for communications and electronics, but the vast proliferation of computers and copiers has not been accompanied by a similar increase in repair staff. The district does have a formula for air conditioning mechanics, but it has not been applied since 1986. The district is presently working on a plan to address this issue but it has not been finalized, approved by senior management, or submitted to the Superintendent and the School Board for approval.

Over the past three years there have been significant changes in how existing personnel are used. The crew that once built relocatables was converted to a set of teams to perform minor renovations. Further changes in the building code led the district to re-deploy those teams into the field as maintenance teams for the high schools and for emergencies. Additionally, employee classifications were changed from specific trades (e.g. plumber) to multi-trades workers at different levels. This allows employees to work in more than one area when their skills permit and increases efficiency.

Outsourcing rather than growing the internal workforce to respond to growth and aging issues is a current consideration of the district. Outsourcing is particularly cost effective in areas where the work is seasonal and expands and contracts regularly. Alarm systems that are prone to be affected by seasonal lightening strikes are an example of work that is somewhat seasonal. In addition, this work requires regular training and retraining, and it is generally advantageous to allow vendors to carry this cost.

The Maintenance and Operations Department obtains qualified staff by using appropriate hiring practices.

Human Resources pre-qualifies all candidates.

The human resources department has established procedures for attracting qualified applicants. The Maintenance department is not permitted to hire anybody that is not pre-qualified by the Human Resources department. Vacancy notices are created and posted on bulletin boards, published in local periodicals and announced on the district web site. The maintenance department is subject to the same district-wide hiring practices as the rest of the school district.

Personal procedures ensure that adequate personnel and professional references are obtained and contacted.

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Personal procedures ensure that adequate personnel and professional references are obtained and contacted.

16 The Maintenance and Operations Department has a written job description for each position within the department.

Each position within the department has a written job description. The job descriptions that have been developed by SDHC properly reflect the needs of the department and are reviewed and updated periodically to address changing requirements and actual practices. The district has created a multi-trades job description to give maintenance managers greater flexibility to deploy staff where they are most needed. These multi-trades descriptions are somewhat generic and employees do not have a say in the

way they are written. However, each employee is reviewed annually by his or her supervisor and is afforded an opportunity to give feedback at that time. The maintenance trades workers focus group seems generally satisfied with this process.

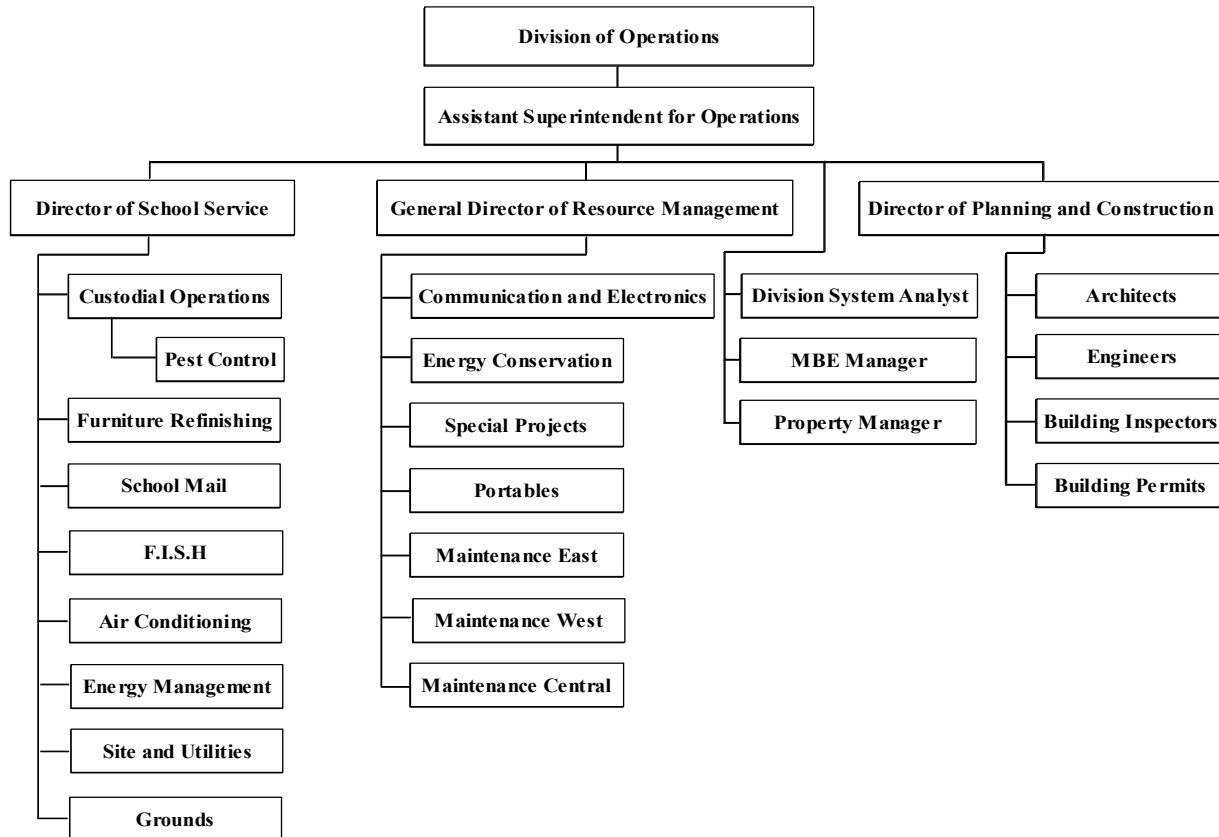
17 The district provides appropriate supervision of maintenance and operations staff.

Levels of supervision are well-established.

Organization charts for the maintenance department establish levels of supervision. Job descriptions describe the authorities and responsibilities of each position. The maintenance staff is generally pleased with the feedback they get from their supervisors. Similarly, custodians also stated that they are pleased with the level of supervision they get from principals. Evaluations are performed in accordance with board procedures and employees have the opportunity to review their performance appraisals according to established procedures.

Exhibit 11-8

Organizational Chart of the Division of Operations



Source: The School District of Hillsborough County.

18 The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.

Maintenance and operations staff receives adequate training.

The maintenance and operations department provides professional development and training programs based on identified needs and relevant trades. Annual planned training programs are implemented for appropriate trades personnel, support and supervisory personnel and administrators. The district's staff development office offers related training which staff is encouraged and, in some cases, required to attend.

Pre-service and in-service training programs are made available to operations personnel. Vendors conduct training related to new equipment at school sites. Vendors are also called in to demonstrate new products and services. Staff also requires in-service training, which is provided as required by the licensing authorities.

Written training goals and expected outcomes are established in the areas of safety, trades enhancement, cross-trades utilization, interpersonal team skills, district policy awareness and department procedures.

The maintenance and operations director works closely with the curriculum development department to ensure a planned, sequential program for personnel skills development

The program includes technical training as well as personnel interaction strategies. Training is individualized to fit skills/trades/group needs and assist employees in meeting work standards. Managers are also afforded the opportunity to participate in interpersonal skills training. This type of training is mostly voluntary.

Instructors used for staff training are from appropriate trade/instructional areas. Outside professional trainers are used when appropriate. Vendors are often used to provide training of their specialized equipment and master custodians are used to train junior staff. Custodians and other skilled trades-people can also refer to published training manuals.

Training programs provide an opportunity for staff feedback and evaluation.

Apprenticeship programs exist to recruit candidates who have no prior technical experience. In the multi-trades area for example, incoming multi-trades workers have an opportunity to start as apprentices and work their way up the ranks through an on-the-job training program.

19 The district provides Maintenance and Operations Department staff the tools and equipment required to accomplish their assigned tasks.

Maintenance workers are given the tools and equipment they need.

Both maintenance managers and staff interviewed noted that were satisfied with the district's ability to procure the required tools and equipment needed to do their jobs. The district has established standards for the tools and equipment needed for the various trades people. In some cases, where equipment is not available in-house, the district has been willing to rent them on an as-needed basis.

Computerized Maintenance Management Systems

20 A computerized control and tracking system is used to accurately track work orders, but inventory control is not automated.

The new maintenance request system is an electronic system to log and track requests.

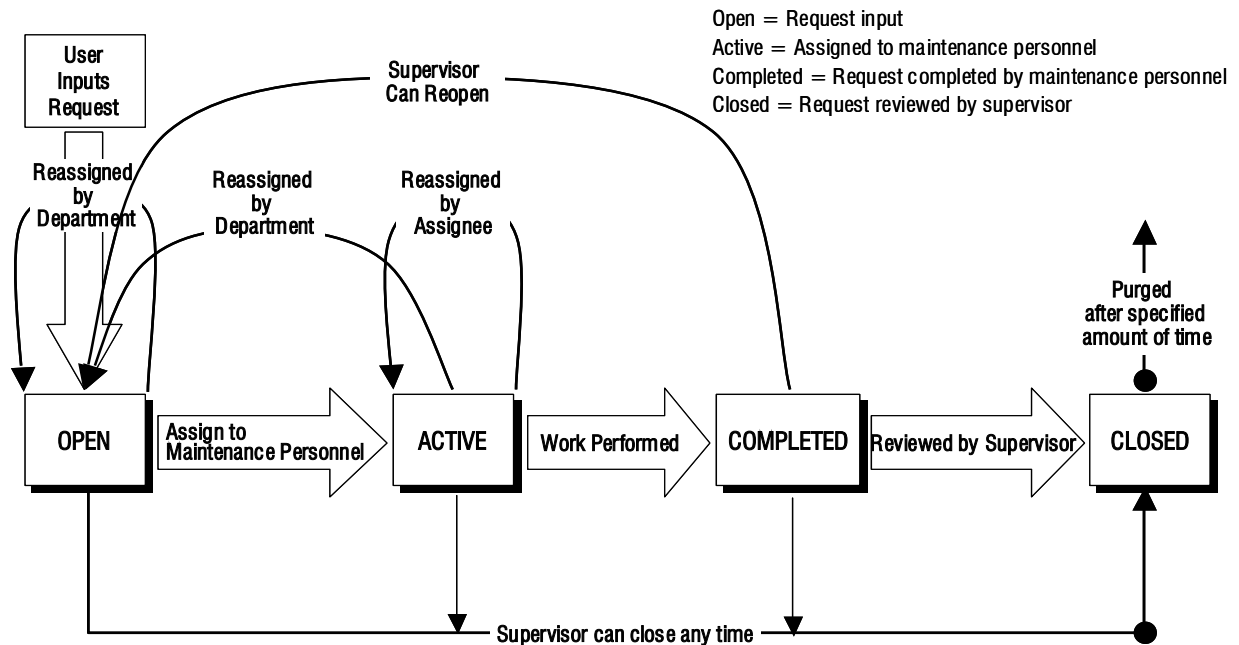
SDHC has a computerized work order tracking system that is used to increase management capability. The system, known as the New Maintenance Request System (NMRS), is a web-based method of electronically reporting requests from school sites for maintenance and repair. The system uses email as a method of transmitting notifications and receipts to all persons involved in each maintenance request. The core features of the NMRS include new maintenance requests, administration, history tracking, reporting, exporting, and purchase order tracking.

The maintenance department uses NMRS to analyze information to determine if maintenance requests are being addressed in a timely fashion and in accordance with departmental guidelines for responses to various priorities

Work order reports are routinely produced to analyze and improve performance.

Exhibit 11-9

New Maintenance Request System Process Flow



Source: The School District of Hillsborough County.

Using the NMRS, work orders are tracked, but inventory is not. Because it does not have automated inventory records, the district does not have a system to automatically reorder parts. According to the district, its current system requires be too much hand counting to be efficient. However, there is no indication that this has caused serious problems with the delivery of goods and services, though some non-standard items do end up with long lead times.

21 The Maintenance and Operations Department has a system for prioritizing maintenance needs uniformly throughout the district.

Effective system is in place to prioritize maintenance requests.

All requests for maintenance are assigned one of three priorities: High, medium, and low. This determines the order in which work is done and also how soon it will be done. Emergency requests are responded to immediately. Gibson Consulting Group, Inc. has verified through several site visits to schools as well as through interviews with principals and custodial personnel that the system of priorities established by the district is working well.

Principals and custodial staff indicated that they are satisfied with the timeliness of the district's responsiveness to emergency requests. Supervisors have cell phones and beepers so that emergency requests do not go unnoticed. Workers are dispatched promptly to deal with emergencies. School principals noted that they are satisfied with the maintenance department's response time on both emergency and routine requests for assistance.

School Equipment and Facilities

22 District policies and procedures clearly address the health and safety conditions of facilities.

Routine inspections performed and corrective work is done promptly.

The district has established written health and safety standards. In accordance with these written health and safety standards, the district routinely performs a number of inspections and does related corrective work in various health and safety areas. These include inspections for Indoor Air Quality (IAQ) and the use of materials that improve IAQ. Every three years, the district inspects facilities for asbestos compliance as required by the federal Asbestos Hazard Emergency Response Act. In addition, the district has contracted with a private company to inspect all fire alarms on a fixed schedule. In the area of energy efficiency, each school is given an annual energy budget based on historic energy use patterns.

In the safety area, every building is inspected every year to verify compliance with fire, sanitation and casualties. Asbestos, lead, radon and hazardous waste inspections are also done as required by law. Since most safety categories require emergency fixes, they are done via maintenance contracts or with the use of in-house maintenance workers. Larger projects that do not require immediate attention are included as part of the five-year facilities work plan and recorded in the Florida Inventory of School

Houses (FISH) database. The district has in place many provisions to ensure that costs are contained and legal contracting procedures are followed for safety-related work as with all other contracts.

23 The Maintenance and Operations Department identifies and implements strategies to contain energy costs but additional opportunities to implement savings are available.

District has an effective energy management policy.

Prior to the commencement of each school year, the district's Maintenance and Operations Department gives each school an energy budget, which is based upon the schools five-year experience adjusted for such factors as the presence of relocatable classrooms or the addition of more facility space. To better monitor the use of energy, each school's energy budget has two components: kilowatt hours and dollars. Using both kilowatt hours and dollars to control energy costs, each can determine whether its energy costs are attributable to consumption, which is controllable, or price level, which is not controllable. To assist schools to minimize consumption, the district has tips on how schools can conserve energy and the temperature at which thermostats should be set. The district even offers an incentive program where schools get to keep a share of saved energy dollars.

One hundred three of the district's 170 schools (over 60%) have achieved their targets at least once. The district has saved about \$2.8 million on energy costs over the past five years even as the cost of energy has gone up.

24 The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.

Energy management plan serves as district wide blueprint.

The district has a written energy system management plan in place. The maintenance department generates routine reports to verify the energy management system is working.

The district's energy management plan is well publicized and distributed to the user community. It is an incentive based plan and has had good results. While the plan provides guidelines to the user community, building designers also have guidelines for the kind of equipment they should specify. Buildings are regulated with electronic energy management systems. Energy Star compliance is an important determinant in specifying equipment. Maintenance routines keep systems operating as designed – particularly HVAC systems that are routinely inspected and maintained.

25 The school district complies with federal and state regulatory mandates regarding facility health, safety, and energy efficiency conditions.

Health and safety criteria are set forth and implemented by the Safety Department.

Health and safety criteria are set forth and implemented by the safety office. The district's Safety department is responsible for creating and monitoring safety procedures. Examples include Environmental Protection Agency guidelines, Occupational Safety and Health Administration's Hazardous Communication Standards, federal and state regulations hazardous materials plans, Asbestos Hazardous Emergency Response Act rules, other mandated environmental and safety issues (i.e., Refrigerant Use and Disposal, Florida Department of Labor and Employment regulations).

Safety officers regularly visit school sites and make recommendations for corrective action whenever required. Contractors and consultants doing business with the district must comply with the all local, state and federal laws. The district also has in-service training on safety that is offered to staff by the safety office. In the area of energy conservation, policies are set forth in writing and aggressively pursued by the district.

As we pointed out earlier, the district's energy policies have resulted in savings of about \$2.8 million over the past five years.

26 The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.

The district is ready to use the Florida Building Code (FBC).

Effective March 1, 2002, Florida adopted the Florida Building Code. The Florida Building Code establishes statewide standards for facility construction. To prepare its managers to implement the code, the district has ensured that all managers attend training for the Florida Building Code.

Because most of the relevant services are contracted out, consultants are required to be familiar with the new building code requirements too. To increase access to the code, the Maintenance Department has placed a copy of the Florida Building Code on its main server so that maintenance managers have access to the building code on any of the maintenance computers.

In addition, SDHC has developed a procedure to complete required inspections with in-house staff. Every site has been issued a blanket building permit for maintenance that will enable work done on site to be in compliance with the permitting requirements of the new code. The district has also created a system for the permitting project to be electronically recorded and for the renewal of permits.

12

Student Transportation

Overall, the School District of Hillsborough County (SDHC) has effective and efficient student transportation services. Current best practice initiatives in the district include automating routing and scheduling of transportation services, improving driver recruitment/retention and improving maintenance support operations.

Conclusion

The School District of Hillsborough County has a successful Transportation Department that safely transports thousands of students every day. The department does an effective job of delivering students on time, training drivers, controlling costs, and responding to community needs. The review team has identified four major areas of cost-savings and improvements that are detailed later in this report.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the Transportation Department, some of which are included in Exhibit 12-1 below.

Exhibit 12-1

Notable Accomplishments

- The department effectively incorporates technology into transportation operations and management. The district actively uses the Internet in responding to parents and the community about student transportation issues including bus schedules, late buses and complaints. The department has also committed to ensuring communication equipment and video cameras are on all buses to improve safety and reduce discipline problems.
 - The school board adopted staggered school start times to help ensure that the district's buses can serve as many students as possible, achieve cost savings and provide for more efficient student transportation services while providing flexibility to adjust bell times.
 - The department responds to bus breakdowns or accidents in a timely and efficient manner with personnel, equipment and necessary communications.
 - The Transportation Department has implemented an effective shop safety and inspection program in addition to a monthly meetings initiative. Corrective actions are taken to eliminate maintenance deficiencies.
 - The overall cleanliness and safety of maintenance facilities is commendable.
 - The basic shop operations and maintenance support in the Transportation Department are efficient and bus drivers express confidence in the maintenance program.
 - Performing student transportation services in a coordinated manner minimizes hardships to students by effectively and efficiently transporting the student population.
-

Source: SDHC Transportation Department.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's transportation system using the Best Financial Management Practices and associated indicators adopted by the Commissioner of Education. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, the review team conducted on-site interviews with district level managers and staff and gathered information on Transportation Department activities.

An overview of chapter findings is presented below.

Student Transportation Services

1. The Transportation Department plans, reviews and establishes bus routes and stops to provide efficient student transportation services for all students who qualify for transportation. (Page 12-5)
2. The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting those operations are handled safely and promptly. (Page 12-12)
3. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs. (Page 12-16)
4. The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus. (Page 12-18)
5. The district provides student transportation services for ESE students in a coordinated manner that minimizes hardships to students and accurately reports ESE students who receive state funding. (Page 12-21)
6. The district ensures that staff acts promptly and appropriately in response to any accidents that occur. (Page 12-24)
7. The district ensures that appropriate student behavior is maintained on the bus at all times. (Page 12-28)

Student Transportation Functions

8. The school district has a process to ensure that a sufficient school bus fleet is economically acquired and will be available to meet the district's future transportation needs. (Page 12-29)
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies. (Page 12-33)
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel. (Page 12-36)
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other student transportation functions. (Page 12-37)
12. Staffing reviews are conducted and appropriate changes are made. (Page 12-38)
13. The district maintains an inventory of parts, supplies, and equipment needed to support student transportation functions but could better balance the concerns of immediate need and inventory costs. (Page 12-39)

Managerial Oversight

14. The district provides management oversight to ensure that all student transportation functions run smoothly and are fully accountable to the public. (Page 12-42)
15. The district has established an accountability system for student transportation and regularly tracks and makes public reports on its performance in comparison with established benchmarks. (Page 12-42)
16. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning. (Page 12-44)
17. The district monitors the fiscal condition of student transportation functions by regularly analyzing expenditures and reviewing them against the budget. (Page 12-45)
18. The district provides the Florida Department of Education with regular, accurate and timely counts of the number of students transported as part of the Florida Education Finance Program. (Page 12-46)
19. The district has reviewed the prospect for privatizing student transportation functions, as a whole or in part. (Page 12-46)
20. The district periodically reviews the organizational structure and staffing levels to minimize administrative layers and processes. (Page 12-47)

Fiscal Impact of Recommendations

Four of this chapter’s recommendations have fiscal impacts. These recommendations are to reduce the number of hazardous riders receiving transportation; discontinue courtesy rider bus service; pursue Medicaid reimbursement; and reduce the repair parts inventory.

The district has a high number of students receiving transportation services due to hazardous conditions; there are opportunities to improve the program and reduce the number of riders provided transportation by at least 20 percent. A 20 percent reduction would result in an annual cost savings of \$944,000 or \$4.8 million over five years.

Eliminating courtesy bus service will produce a cost savings of \$1.9 million annually, or \$9.5 million over five years.

Until discovered by the review team, the district was not processing Medicaid funding for ESE students. Recent procedural changes correcting this deficiency should generate revenue for the district of \$300,000 annually or \$1.5 million over the next five years.

The current repair parts inventory is high; establishing a repair parts inventory supported by demand data would result in a cost savings of at least \$114,000 initially and \$5,700 each subsequent year, or \$136,800 over five- years.

Exhibit 12-2

Four Student Transportation System Action Plan Recommendations Have a Fiscal Impact

Recommendation	Five Year Fiscal Impact
• Reduce the number hazardous riders receiving transportation	• Net savings of \$4,270,070
• Discontinue courtesy rider bus service	• Net savings of \$9,500,000

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none">• Pursue additional Medicaid reimbursement	<ul style="list-style-type: none">• Net recoveries of \$1,500,000
<ul style="list-style-type: none">• Reduce the repair parts inventory	<ul style="list-style-type: none">• Net savings of \$136,800

Source: Gibson Consulting Group, Inc.

Background

Among the most important functions or responsibilities of any school district is transporting our nation's children. Each day during the school year, the district's buses move thousands of students from towns, cities and rural areas to and from school. The primary mission of the School District of Hillsborough County (SDHC) Transportation Department is to transport all qualified students to school and return them to their point of origin or other designated location in a timely, safe and cost-effective manner. This is accomplished by maintaining a fleet of buses; employing, training and supervising bus drivers and bus driver attendants; ensuring that bus routes are efficient and that buses run on time; reducing and eliminating vehicle breakdowns; enforcing accident prevention and safety programs; ensuring special requirements are responded to in a timely and effective manner; and ensuring successful staff support of the transportation mission.

The district's student enrollment for 2001-2002 is 179,880 and the Transportation Department provides bus service for 83,240 students to 167 schools, special and adult centers and other district educational facilities. Though a majority of its students live in Tampa, in smaller towns, or in the suburbs, there are a significant number of students who reside in rural areas of the county. The Transportation Department carries regular and Exceptional Student Education (ESE) students' daily and must meet and resolve a myriad of challenges to accomplish its mission.

The general director of Transportation is the principle staff representative for SDHC for all school bus transportation matters. She reports to the assistant superintendent for Administration. Her primary assistant is a director of Transportation, however a Fleet Maintenance manager, a Transportation manager and other key staff members provide valuable staff assistance and support.

With a current budget over \$40 million; the Transportation Department has 1,248 buses and approximately 1,091 bus drivers. Current estimates project that buses in the district will travel over 25 million miles transporting students during the 2001-2002 school year. The transportation function is conducted from a central facility and two satellite locations. The two additional facilities provide bus maintenance and repairs from their respective locations.

Student Transportation Services

1 The Transportation Department plans, reviews and establishes bus routes and stops to provide efficient student transportation services for all students who qualify for transportation.

Route planning staff uses a systematic approach to create and update bus routes emphasizing bus occupancy without compromising safety.

At the beginning of each school year, or when new students enter a school after the school year has begun, principals, administrators, parents, ESE staff, routing coordinators and other interested parties generate requests for student transportation. Ultimately, the Transportation Department processes these requests to provide transportation services for all regular and ESE students. Seven area routing coordinators perform routing and scheduling for all regular students authorized transportation services. Four ESE coordinators provide transportation routing and scheduling for ESE students by dividing the seven areas among them. Each routing coordinator and ESE coordinator performs routing and scheduling of regular and ESE students who are authorized transportation services. Other department staff assists the coordinators in completing regular and ESE routing and scheduling responsibilities.

When a request is received, route coordinators determine where the student lives in relation to current routes. After verifying the accuracy of student information, the student is assigned a pickup point along a given route for transportation to and from the assigned campus. According to route coordinators, the process is mostly manual with limited computer assistance using wall maps on display in the offices of route coordinators and conducting computer routing and systematic reviews. Under this system, very little change is made in the methodology for routing and scheduling from year to year. Additionally, since there are seven areas for route and ESE coordinators who perform the same basic functions in each area, there is some duplication of effort that could be reduced or eliminated. Also, the district is no longer under court ordered busing of students to achieve racial integration of its public schools and this reduces routing and scheduling pressure on the district.

The Transportation Department has begun implementation of Edulog software. Edulog is a software program designed to create an efficient system of bus routes and schedules within the guidelines of existing transportation policies. The objective is to design routes and schedules with the least number of buses and the shortest travel distances while still meeting the needs of the eligible student population. The 1997 MGT of America performance review recommended immediate implementation of the system. The study anticipated that implementation of an automated routing system would be accomplished with existing staff and generate an initial savings beginning in school year 1998-99 of \$873,000. Subsequent savings from 1997-98 to 2001-02 anticipated that \$3.49 million in cost savings would be achieved. The district's decision to implement the automated system incrementally, has not allowed these cost savings to be recognized according to the MGT of America timetable.

Aware of challenges and difficulties encountered by other school districts in Florida with initiating the new system, the general director of Transportation is proceeding with a cautious and deliberate process. Visits to other school districts, including peer Pinellas County, revealed that it is not practical to cease immediately with the old system and implement the new. The general director estimates that that the district is at least two-years from full implementation of the automated system.

Student Transportation

The Transportation Department began the process by initiating a pilot program using Edulog automated routing and scheduling software. The pilot began in August 2001 in Area Three. Once Area Three has successfully implemented automated routing and scheduling, the remaining six areas are scheduled for subsequent implementation.

Area Three currently provides transportation services using 91 buses to transport regular students and shares 53 buses equally (or 26 buses) with Area Two for a total of 117 buses. The average school bus has a capacity of 65 students. The district calculated that it spends \$538 per student provided transportation. Previous studies conducted by the consultants and reported in technical literature on automation of district transportation systems that change from a manual to a computerized routing system have shown a five to fifteen percent reduction in the number of routes needed. *School Bus Fleet Magazine* and The Southeastern States Pupil Transportation Conference recommend automating bus routes as an important step in improving student transportation service and reducing the number of routes.

Area Three is not considered a suitable candidate to generate an immediate cost saving due to automation of routes. The general director of Transportation presented data showing Area Three to be a high student population area with the highest projected growth in student population. Edulog automation of bus routes in Area Three should offset increased student population demands. While Area Three may not achieve initially any cost savings, it should achieve a cost avoidance because it will be spending less on transportation than in the past. In addition, the general director and other key staff in the district anticipate reductions and cost savings in the other six areas as they become automated and benefit from other networks such as magnet schools, ESE reductions and more efficient networking of buses.

The initial phase of the implementation is designed to ensure a smooth transition from a manual to an automated process. By focusing on Area Three, routes can be determined more accurately by updating current maps and include growth, new roads and subdivisions. The other six areas will benefit from actions taken in Area Three and should result in greater efficiencies and subsequent cost savings.

The general director reported that by fall 2002, the next phase would include a minimum of two clusters of regular education programs to be added to the system. Next will be magnet transportation to include transfer ramps. The final phase will include transportation for ESE students. During each phase-in period, operating dual systems is anticipated. To ensure safe, appropriate transportation for all students, each area and program will continue to run the existing method for routing and scheduling for comparison with the automated system. When assured that the system is responsive, final conversion will be completed. It is projected that the automated system should be implemented and completed in the other regions within two years.

The district's implementation plan should consider "lessons learned" in Area Three with emphasis on how to take maximum advantage of opportunities to reduce the two-year projection for full district wide operation of Edulog. The sooner the automated system is in place, the sooner cost savings and other efficiencies are realized. Therefore, it is to the district's advantage to review transportation automation planning with a view to accomplish earlier implementation opportunities and reduce the two-year completion plan.

Route planning staff responds promptly to complaints or suggestions received from campus staff, parents, or the general public about current or proposed bus routes or bus driver performance.

The Transportation Department keeps on file all current complaints or suggestions received from parents, campus staff, or the general public about current or proposed bus routes or driver performance. A review of data compiling the "Driving Complaint Form" and "Observation Report" entries reveal a well-kept and

current system on complaints and suggestions. The director of Transportation and route planning staff use these reports as management tools to improve transportation services. They also serve as guidelines for route coordinators to improve and modify bus schedules and routes.

Route planning staff maintain a detailed schedule and map that is readily available for all bus routes and can be used to provide guidance to substitute drivers or others about start time, route, bus stops, students, landmarks, route hazards, railroad crossings, and arrival times.

The Transportation Department has an effective system, which ensures a copy of all routes, with directions, is available to assigned bus drivers and substitute bus drivers. The schedule and map for each bus provide an easy to read and understand graphic of the route. In addition, there are entries for each stop the bus is required to make along with stop and proceed times for each stop. The schedules also reflect any special requirements or conditions (if any) for each schedule. Route coordinators routinely review and update route cards with changes as they occur. Drivers receive instruction on the how to read and understand the map and schedule for each route. The importance of maintaining and meeting prescribed scheduled times is emphasized to drivers. In addition, parents are provided pertinent information about the bus their child is assigned, including the route and pickup point. This information about routes and schedules is posted on the district's website and in transportation newsletters and flyers.

Route planning staff does not regularly review areas within two miles of the school to identify and document where hazardous walking conditions exist.

The district is not in full compliance with Florida Statute 234.021. The statute is designed to protect public elementary school students in grade 6 or below. It provides guidelines for hazardous walking conditions and each district develops its own plan. A hazardous walking condition checklist is used to determine which students qualify for transportation services due to hazardous walking conditions. The district maintains a hazardous walking condition report listing streets, roads, highways or other hazardous walking conditions. Transportation staff reported during the onsite review that on a weekly basis these listings are reviewed for subsequent reports that are submitted to the Florida Department of Education. The reports examined validate that students, to include Kindergarten students living within two miles of assigned schools, are provided transportation due to hazardous conditions. The Transportation Department has on file any modifications to hazardous routes and changes are posted as they occur.

The manner in which the district develops criteria to determine if students qualify for transportation due to hazardous walking conditions is flawed. The number of hazardous walkers provided transportation in SDHC is high in comparison to peer districts. Transportation staff reported that the high numbers of students transported are due to changing characteristics of communities (such as new housing construction, new roads and other variables) that cause hazardous walking conditions. However, the transportation staff and route coordinators who implement and supervise the program report that as conditions improve, some students are allowed to continue using transportation assets. They also reported that some students who may have been given "temporary hazardous condition classification" may not be removed from the list when it is determined they no longer qualify for transportation

Exhibit 12-3 presents the number of hazardous walkers in SDHC and its peer districts. The district had 8,785 hazardous walkers, or 10.8 percent, in 1999-2000. That number increased to 9,015 in 2000-2001. The Transportation Department would like to reduce those numbers if there is no compelling reason for students to be provided hazardous condition transportation.

Exhibit 12-3

SDHC Has the Largest Percentage of Hazardous Riders when Compared to its Peers

School District	Eligible Students Transported	Number of Hazardous Walkers	Hazardous Walkers as Percentage of Total Riders
Hillsborough	81,121	8,785	10.83%
Pinellas	44,038	2,257	5.13%
Orange	60,652	2,964	4.89%
Duval	53,761	2,355	4.38%
Broward	67,190	1,449	2.16%
Palm Beach	56,762	248	0.44%
Peer Average	56,480	1,854	3.28%

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

During a site visit, the review team found a number of inconsistencies contributing to the high number of students provided transportation due to hazardous conditions. They include:

- Route coordinators sign verification on walkways parallel to roads in which the traffic volume is less than 180 vehicles per hour, per direction between approximately 6:00 a.m. and 9:00 a.m. and 2:00 p.m. and 4:00 p.m. However, safety office personnel verify traffic volume.
- Examination of a random sample of applications found students that should be removed from the program because the hazardous conditions no longer exist; however, transportation is still being provided. District staff indicated that on many occasions they had reported that students in the program no longer qualified because the hazardous condition no longer existed. The review team verified from a number of applications kept on file, that continued transportation of unqualified students does exist.
- The district does not have a system to critically evaluate student riders in the program and take action to remove them when they do not qualify for bus transportation. Due to the significant number of hours needed to evaluate traffic volumes, an annual evaluation is not being accomplished for all of the 9,000 hazardous walkers.

Reviews of transportation records, interviews with route coordinators and safety personnel and an evaluation of the district's "Hazardous Conditions Checklist" indicate that a significant reduction of the current 9,015 could be achieved. The review team recognizes that total elimination of the program is not possible. However, the district has the highest number of hazardous riders among its peer districts and the highest hazardous walking ridership in the state. Also, records examined during the site visits showed students recommended removal from the program are still being transported. Because of the above circumstances, a conservative estimate is that hazardous walking ridership could be reduced by at least 20 percent.

The Transportation Department recognizes the problem and agrees that the number of hazardous walkers could be reduced. However, the department indicated that without the total support of key district officials and the school board to counter parental objections, little progress could be made in modifying the program.

At this time, the district is reluctant to provide its benchmark percentage reduction for hazardous condition transportation and cost savings. During site visits, discussions were held with key leadership in the district on this issue. There were no serious challenges or objections to the 20 percent goal to reduce hazardous riders as a recommendation. However, all are cognizant that the possibility exists to exceed or

fall short of the recommended 20 percent goal. Therefore, the district should conduct a conscientious effort to achieve a 20 percent reduction and if the goal is exceeded or falls short, then the benchmark should be adjusted accordingly.

Due to the above facts and circumstances, the district could establish a reasonable goal to achieve a 20 percent reduction in the number of hazardous riders. Because the current program has significant flaws to include: incorrect verification process; ineligible students not removed from the program; lack of an adequate system to check and purge flaws in the program, the 20 percent reduction could be accomplished resulting in a cost savings of \$944,000 annually and a corresponding reduction in bus inventory.

The district should take immediate action to eliminate the courtesy rider program.

The District should eliminate its courtesy rider program. The number of courtesy riders in 1999-2000 for the district was 3,222 students or 3.9 percent. For 2000-2001 courtesy riders increased to 4,691 students or 5.4 percent. This increase of 1,469 students reflects a growing trend in the district that if unabated will become prohibitively expensive. Students in the program are transported as a courtesy; it is not a requirement. Hillsborough County has a higher percentage and number of courtesy riders than peer districts as shown in Exhibit 12-4. The numbers of students who are provided transportation as courtesy riders is 1.8 percent higher than the peer average of 2.1 percent.

Exhibit 12-4

SDHC Has the Highest Number of Courtesy Riders When Compared to Its Peers

School District	Eligible Students Transported	Number of Courtesy Riders	Courtesy Riders as a Percentage of Total Riders
Pinellas	44,038	1,800	4.09%
Hillsborough	81,121	3,222	3.97%
Orange	60,652	2,258	3.72%
Broward	67,190	1,887	2.81%
Duval	53,761	149	0.28%
Palm Beach	56,762	2	0.00%
Peer Average	56,480	1,219	2.16%

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The transportation staff believes that the most significant obstacles to reducing or eliminating the courtesy rider program are parents’ objections and subsequent political pressure. The review team could not verify if this belief was founded. However, the impact of these beliefs was evident during discussions with supervisors and staff both within and outside the Transportation Department and could lead to reluctance in eliminating the courtesy rider program.

The district must pay all costs to provide funding to transport courtesy riders. The Transportation Department estimates the cost of transportation service at \$538 per courtesy rider student. Transporting 4,691 courtesy riders costs the district \$2.52 million annually. Over the five-year budget cycle this amounts to \$12.6 million. Providing courtesy rider service is not required. Transporting courtesy riders incurs the same costs and obligations as transporting regular students. Because the district is not required or compelled to provide courtesy rider service, the program should be eliminated.

The school board has adopted staggered school start times to help ensure that the district’s buses can serve as many students as possible and maximize the district’s average bus occupancy.

The district is on a three-tiered system for school bus operations. In response to prior challenges with staggered school start times; the district has implemented corrective action to ensure that district buses serve as many students on time as possible. This process of using a three-tiered system has improved bus occupancy and transportation operations.

Each year, bell times are re-evaluated to accomplish the most appropriate educational and most feasible transportation times for students. Each school is evaluated on an individual basis and uses input from principals and administrators. Any changes are reflected in the proposed bell times for the school year. These reports are kept on file and are provided to the board to assist in decision-making. The recommended bell times are approved by the board and made official policy. This evaluation ensures that bell times do not have any monetary impact on the district. The review team examined existing staggered school start times for the district and determined that they were reasonable and that school schedules were optimized and using a three-tiered system allowed buses to provide service for students in a timely manner.

Recommendations

- *We recommend that the district fully implement the EDULOG automated routing and scheduling program and reduce the two-year for full operation.*
- *We recommend that the district reduce transportation services provided to students due to hazardous conditions by 20 percent.*
- *We recommend that the district eliminate or minimize bus service for courtesy riders in the district.*

Action Plan 12-1 provides the steps needed to implement these recommendations.

Action Plan 12-1

Fully Implement Edulog Automated Routing and Scheduling Software	
Strategy	Develop benchmarks to fully implement and fund Edulog automated routing and scheduling within two-years.
Action Needed	Step 1: Assign responsibility of the program and development of benchmarks to a senior member of the administrative staff with sufficient authority to get the job done. Step 2: Review other Florida school districts automated routing system implementation plans and “lessons learned”. Step 3: Determine if milestones and objectives can be accomplished within the desired time frame. Step 4: Develop realistic milestones for each geographical area of the district scheduled for automation. Step 5: Evaluate the costs/benefits of the automation implementation process as they occur.

Action Needed	<p>Step 6: Place special emphasis on pilot initiatives in Area Three and determine the effectiveness of process, procedures, activities and “lessons learned” in Area Three and use them in expediting automated routing/scheduling in the remaining areas with the goal to compress or reduce the two-year time projected to fully implement district-wide automation.</p> <p>Step 7: Periodically review the progress and make adjustments as required.</p>
Who Is Responsible	Assistant Superintendent for Administration
Time Frame	April 30, 2004
Fiscal Impact	This recommendation can be completed with existing resources.

Eliminate Transportation of Students Who No Longer Qualify for Hazardous Condition Transportation

Strategy	Reduce the number of hazardous riders by an estimated 20 percent by discontinuing services to students who no longer qualify for this transportation because the hazardous conditions have been resolved.
Action Needed	<p>Step 1: Review guidelines of Florida Statute 234.021 and ensure that:</p> <ul style="list-style-type: none"> • Policies and procedures of the district are in compliance with the statute. • Procedures are revised as necessary in determining hazardous ridership qualification. • Personnel conducting evaluations and supervising the program are aware of their duties and responsibilities. <p>Step 2: Modify and correct district procedures and policies as required.</p> <p>Step 3: Evaluate and determine student eligibility.</p> <p>Step 4: Eliminate those students who do not qualify for transportation.</p> <p>Step 5: Provide the necessary required reports to DOE and continue to control the program.</p>
Who Is Responsible	Assistant Superintendent for Administration
Time Frame	August 2002
Fiscal Impact	In 2000-2001, the district had 9,015 hazardous riders. Reducing this number by 20 percent would result in the district transporting 1,803 (9,015 X 20%) less students. The transportation cost per student is \$538. Assuming that transportation costs remain constant, a 20 percent reduction in hazardous riders would result in a cost savings of \$970,014 (1,803 students X \$538 per student) per year for 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2006-2007. The five-year savings would be \$4,850,070 (\$970,014 per year X 5 years). NOTE: Discussion on input from the district on this plan is on page 12-10 of this chapter.

Eliminate the Courtesy Rider Program

Strategy	Strategies to reduce the costs of the courtesy rider program should be phased in such a manner so as to cause minimum impact on students who are currently provided transportation.
Action Needed	<p>Step 1: The School Board adopts policy to eliminate the courtesy rider program.</p> <p>Step 2: Conduct comprehensive evaluation of the program and determine benchmarks and milestones to reduce the cost of the courtesy rider program.</p> <p>Step 3: Determine a day or timeframe (preferably beginning or ending of the school year) to discontinue the program.</p> <p>Step 4: Ensure that the Public Affairs Office of the district is involved in the process and informs the community on “why” and “how” the program will be eliminated over time.</p>

	Step 5: Provide the superintendent and school board after-action reports.
Who Is Responsible	Assistant Superintendent for Administration
Time Frame	August 2002
Fiscal Impact	The district transports 4,691 courtesy riders at a cost of \$538 per student. Assuming the transportation cost per student stays constant, eliminating this program would result in a cost savings of \$2,523,758 (4,691 students X \$538 per student) per year for 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2006-2007. The five-year savings would be \$12,618,790 (\$2,523,758 per year X 5 years).

Source: Gibson Consulting Group, Inc.

2 The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting those operations are handled safely and promptly.

The district has an effective process for responding to bus breakdowns and it is clear who should be notified and when.

The district has effective procedures for responding to bus breakdowns. The driver's handbook has a section devoted to actions that bus drivers are to take in case of emergencies, accidents or breakdowns. Procedures call for drivers to notify the radio room in the Transportation Department and indicate if there are any serious injuries (if an accident) and other pertinent circumstances. In case of accident or breakdowns, the radio room promptly notifies the responsible police jurisdiction and district officials including the general director of Transportation, affected principals, the superintendent and other key staff.

If buses breakdown, service trucks and route coordinators are notified immediately. In addition, the radio room has five maintenance vehicles at its disposal that are dispatched in the county. Four additional maintenance vehicles, two each at the other maintenance facilities, with mechanics who are on call, assist in providing prompt service for any bus breakdowns. Each facility has sufficient buses to transfer students from a disabled bus and proceed with transporting them to or from school. Buses suffering a breakdown are either repaired on the spot, or, if necessary, towed to the nearest maintenance facility for repair. Procedures and notifications regarding responding to bus breakdowns are clear and identify who is to be notified and address the roles expected of bus drivers, operations staff, transportation maintenance personnel and school site personnel.

The district has an effective process for bus drivers to report their intention to miss work as soon as possible and for operations staff to respond to these absences with substitute drivers or other solutions.

Route coordinators are challenged daily with driver absenteeism and must respond with substitute drivers or other solutions. During site visits, the review team observed the process of driver intentions to miss work. Also, policies and procedures on absenteeism contained in the driver's handbook were examined, route coordinators were interviewed and their daily records examined.

The Driver Handbook provides instructions for drivers to follow if they intend to be absent from work. When route coordinators receive driver intent, the route coordinators must take steps to fill the vacancy. Normally, substitute drivers are assigned to fill vacancies. However, since a shortage of substitute drivers

in the district exists, promptly fill all vacancies is difficult. Additionally, route coordinators often do not receive sufficient notice of absences.

The review team observed route coordinators being informed by bus drivers near the end of the day of anticipated bus driver absenteeism the following day. Route coordinators reported that on a daily average, they expect 15-20 of the 1,081 bus drivers to be absent due to illness, family emergency or other reasons. Since substitute drivers are in short supply, route coordinators frequently spend considerable time in the evening balancing demands for student transportation with available bus driver supply. Quite often, the solution is to have bus drivers make extra runs or make double bus runs.

Bus driver shortages are a national problem and most school districts are experiencing them. Low pay, lack of competitive benefits packages and nine-month employment are the most common complaints cited by bus drivers in a recent *School Bus Fleet* magazine article focusing on the problem nationwide in other bus fleets. Under the circumstances, the district performs a commendable job of meeting transportation demands caused by driver absenteeism.

The district effectively responds to bus overcrowding situations. Responses address the immediate situation, and when appropriate, also provided for longer-term solutions, such as redesign of affected bus routes.

An examination of transportation records revealed that overcrowding of buses occurred during the first week of school and was promptly corrected. Route coordinators and bus drivers reported that there are times during the school year that overcrowding may occur due to bus driver shortages. When shortages occur, drivers perform double trips to resolve the situation. The district is in compliance with Florida Statute 234.051 policy on overcrowding and takes immediate steps to correct overcrowding when it occurs. Exhibit 12-5 shows the distribution of buses and bus drivers.

Exhibit 12-5

Number of Buses, Bus Drivers, Substitute Bus Drivers and Bus Attendants

Number of Buses in Daily Service	Substitute Bus		
	Bus Drivers	Drivers	Bus Attendants
1,095	1,081	151	293

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The director of Transportation, route coordinators and bus drivers all indicated that some overcrowding on buses during the first week of school is expected because students may take the wrong bus, be on the wrong route or have not applied for student transportation. All children are transported and any problems associated with temporary overcrowding are resolved in about a week. As a result, there is tremendous emphasis to remedy overcrowding within the first week of school and as they occur during the school year. After reviewing transportation records, no indications of overcrowding situations existed during the site visits.

Operations staff does not maintain records on the number of students who ride longer than the state ride time standard.

The district has an effective program to determine bus arrival times at each stop and has a school bus daily log that details school arrival times. However, records are not maintained on the number of students exceeding established ride times. The district provided data indicating that 93 percent of its bus routes run on time. However, seven percent of buses are not running on time, resulting in some students riding

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longer than state ride standards (not to exceed 50 minutes for elementary students and 60 minutes for middle and high school students). The district could not provide at the time of the onsite visits the actual number of students affected.

Transportation staff reported that since they have reduced excess ride times to seven percent of routes, the issue is being addressed and under control. However, the district is not tracking the number of students experiencing longer ride times. The director of Transportation indicated that efforts are being made to compile data on the number of students who ride longer than the state ride time standards and to minimize or eliminate the problem.

The district needs to implement procedures to determine the number of students who exceed ride times. Failing to account for the number of students does not meet requirements as set forth by DOE. The director of Transportation and her staff should develop accounting procedures to determine the number of students exceeding ride times and develop a plan to minimize or eliminate long ride times.

The school board has adopted a policy regarding the circumstances under which a bus driver may discharge a student at any stop other than the one the student usually uses.

The school board is very clear in letting transportation staff and bus drivers know that under no circumstances are they allowed to discharge any student at any other stop except the one designated for the student unless they have received written permission from the parents or legal guardians and authenticated by the principal of the school to which the student is assigned. The consulting team reviewed the bus driver handbook, bus driver orientation materials, workbooks and a video; all of these mediums make it clear to transportation staff and bus drivers that pupils are allowed to leave the bus only at their designated stops.

The district does not have an effective process for campus staff to request and pay the costs of transportation for activity trips for both educational and extracurricular purposes.

The district has processes and procedures for school staff to request transportation for activity trips for educational and extracurricular purposes. However, there is no documentation to show that costs for those transportation services are being fully reimbursed. It appears that there is misunderstanding regarding the reimbursement process.

The basic criteria for activity trips for educational and extracurricular purposes are outlined in Chapter 8:00 Auxiliary Services of paragraph 8.11 of board policy. The entire process from requisition to payment is covered.

The director of Transportation provided information that field trips are considered educational and are reimbursed. Activity trips on the other hand, refer to a broad range of activities for extracurricular purposes and according to the director of Transportation are not reimbursed. The Assistant Superintendent for Administration explained that for the most part, activity trips are provided for schools in the district that cannot afford reimbursement. Historically, it was pointed out that many of these schools in poor sections of the district would not be able to have activity trips unless they were free. The district provided 598,832 miles in activity trips at a cost of \$2.14 per mile as shown in exhibit 12-6. In view of the circumstances that this is a considerable expenditure, the School Board should review current policy of no reimbursement for activity trips and determine if costs for these trips should be reimbursed. Exhibit 12-6 details the performance indicators for activity trips for SDHC and its peer districts.

Exhibit 12-6

Performance Indicators for Activity Trips Compared to Peer Districts

School District	Total Miles	Annual Activity Trips	Percentage of Activity Trips	Cost per mile
Orange	16,269,529	804,625	4.95%	\$2.35
Palm Beach	11,288,180	534,548	4.74%	\$2.90
Duval	19,806,497	813,439	4.15%	\$1.96
Pinellas	11,316,410	320,457	2.83%	\$2.70
Hillsborough	23,964,030	598,832	2.50%	\$2.14
Broward	20,323,782	363,782	1.79%	\$3.14
Peer Average	15,800,879	567,370	3.68%	\$2.61

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The district notifies bus drivers about forthcoming activity trips and outlines expectations and responsibilities for drivers who are to cover activity trips. These trips are assigned on an equitable basis and all drivers may volunteer.

Operations staff maintains records for activity trip miles as a percentage of all bus miles.

The operations staff maintains records for activity trips and keeps them on file for a period of five years. They record the total mileage and number of miles for each activity or extracurricular activity trip.

Recommendations

- *We recommend that the district determine the number of students who are currently exceeding state ride times, minimize the number and resolve long ride time situations.*
- *We recommend that the district review policy for activity trips and determine if costs for these trips should be reimbursed.*

Action Plan 12-2 provides the steps needed to implement these recommendations.

Action Plan 12-2

Determine and Minimize the Number of Students Exceeding Ride Times	
Strategy	Establish procedures to determine the number of students who exceed ride times and develop strategies to minimize that number.
Action Needed	Step 1: Conduct inventory to determine the number of students who exceed ride times. Step 2: Correct problems contributing to excess ride times. Step 3: Director of Transportation provides the assistant superintendent for Administration a quarterly report of students exceeding ride times and corrective actions to minimize and eliminate the problem. Step 4: Develop additional measures as required to ensure continued efficiency and effectiveness in reducing and eliminating excess ride time issues.
Who Is Responsible	Assistant Superintendent for Administrative Services.
Time Frame	May 2002

Fiscal Impact	This recommendation can be completed with existing resources.
Determine Reimbursement for Activity Trips	
Strategy	Eliminate inconsistencies for reimbursement of activity trips and develop a disciplined process to ensure reimbursement.
Action Needed	<p>Step 1: Review polices and procedures for activity trips reimbursement. Ensure the district is in compliance.</p> <p>Step 2: School Board conducts review of current policy reimbursement for activity trips and determines if costs for these trips should be reimbursed</p> <p>Step 3: If School Board directs reimbursement for activity trips, then plans and procedures are implemented to ensure reimbursement.</p> <p>Step 4: Ensure that reimbursement occurs.</p>
Who Is Responsible	Assistant Superintendent for Administration
Time Frame	May 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

3 The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.

The Transportation Department places significant effort on recruiting and retaining bus drivers and attendants in order to meet student transportation needs. In spite of these efforts, the turnover rate is a cause of concern in the district. The Transportation Department, in defining bus driver and attendant turnover rates, includes resignations, retirements and terminations. Records reflecting these data were available. The review team conducted focus group surveys of bus drivers and attendants. Survey results were consistent with factors determined by the Transportation Department for personnel turnover. The turnover rate is a concern in the district and the Transportation Department is working to resolve the primary causes of driver and attendant turnover. Though the district assesses its turnover rate, it does not appear that it makes changes to practices that may be the cause for turnover. The major reasons for driver and attendant turnover as determined from the onsite focus group survey, transportation staff personnel and bus drivers are:

- Lack of a competitive benefits package.
- Low pay scale.
- Lack of a monetary incentive awards program.

The review team found that the Transportation Department has a unique program to notify the public of job opportunities in the Transportation Department as drivers of attendants. The Transportation Department uses local newspapers, newsletters, magazines, flyers, the Internet, radio, television and other mediums to recruit. In addition, the Transportation Department explores what surrounding districts are doing and improves their offerings to meet local competition. Information on wages are compared and used to make the district offering more competitive. Exhibit 12-7 displays the results of a salary survey conducted for bus drivers and completed by the Employee Relations Department.

Exhibit 12-7

SDHC has the Fourth Lowest Starting Salary for Bus Drivers

Organization	Bus Driver	
	Min	Max
Manatee	\$10.20	\$15.95
Sarasota	\$9.97	\$14.16
Pinellas	\$9.94	\$14.28
Hartline	\$9.50	\$14.00
Hillsborough	\$9.02	\$16.98
Polk	\$9.00	\$13.82
Hillsborough County**	\$8.05	\$12.10
Pasco*	\$7.80	\$12.75

* Experience credit given – one step for every two years experience through Step 5 – start on Step 6.

** Mini-bus Driver

Source: SDHC Salary Comparison, Spring 2001.

The Transportation Department has bus drivers attend job fairs and assist in recruiting qualified personnel. Senior Transportation Department staff attends community events and seek qualified applicants.

For 1999-2000, the district had 1,039 buses in operation and 1,037 bus drivers transporting 81,121 students. Although the district has been able to provide bus drivers in sufficient numbers to meet transportation requirements, it is a challenging task because the district experiences difficulty recruiting and retaining sufficient drivers substitute drivers and bus attendants. The consequences of shortages includes doubling and tripling of routes, which can affect ride times of students, increased accident rates due to driver stress, which can in turn affect retention. Also, in focus groups bus drivers indicated that stress are a factor contributing to loss of bus drivers.

Exhibit 12-8 shows the physical size, population density, student enrollment and number of campuses served, buses in daily service and number of maintenance facilities for SDHC and its peers.

Exhibit 12-8

**Transportation Comparative Information
SDHC and Peer Districts**

School District	Size in Square Miles	Population Density	Student Enrollment	Bus Served		
				School Centers	Buses in Daily Service	Maintenance Bus Facilities
Broward	1,211	1,037	241,036	213	1,095	4
Hillsborough	1,053	792	159,479	177	1,039	3
Duval	776	867	126,354	152	953	0
Orange	910	744	144,057	163	892	2
Palm Beach	1,993	433	149,664	147	563	5
Pinellas	280	3,042	111,786	138	534	4
Peer Average	1,034	1,225	154,579	163	807	3

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The district does not have a financial incentives program for bus drivers and attendants. The Transportation Department has discussed bus driver and attendant recruiting challenges with the Human Resources Department. It has communicated that it urgently needs district support of recruiting

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initiatives. These initiatives include competitive benefits packages, pay increases and incentive packages. Human Resources staff acknowledged that benefits, pay raises and other incentives are needed to improve bus driver and recruiting and retention; however, the department stated that funding is not currently available. Because of these challenges, the district should anticipate continued shortages of bus drivers and attendants.

The district is taking a number of innovative actions to recruit and retain the bus drivers and attendants it needs by more fully exploring what the competition is doing and responding to the challenge. The district is working to resolve what should be contained in the benefits package to make it more acceptable to drivers and attendants.

4 The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.

Overall, the district has satisfactory training program for bus drivers and bus driver attendants.

Well-trained competent bus drivers are required daily to support transportation requirements. The district has a program to train bus drivers to meet standards and maintain acceptable student discipline on buses. The most serious challenges are instances where potential bus drivers undergo training and then do not accept subsequent employment. The Transportation Department has records on the number of bus drivers who undergo training and do not take jobs as trained drivers. In an effort to counteract this, the transportation staff critically evaluates potential drivers and makes every effort to train only those recruits who show promise to complete initial training and accept employment as bus drivers. In spite of challenges, the Transportation Department is doing a creditable job meeting driver-training responsibilities.

Transportation staff provides the initial training required for prospective bus drivers to receive a commercial driver's license.

The district is obligated to meet all requirements for initial training of bus drivers. Conditions of employment are satisfactory completion of initial driver training and a commercial driver's license. Transportation staff provides initial training for individuals applying and qualifying for employment. The training consists of 56 hours of structured training including a "behind the wheel" qualification. The initial driver-training program is unpaid. Driver training participants also have the opportunity to earn a commercial driver's license if they do not already have one. The district experiences problems with bus driver applicants completing training, qualifying for a commercial driver's license and then not accepting employment. The feasibility of implementing a contract provision that if a individual completes the driver training program and does not complete six months employment as a bus driver, then the district would be reimbursed by the individual for all training related expenses. The General Director of Transportation and Assistant Superintendent of Administration though receptive to this suggestion, voiced concern that it may be counterproductive since considerable difficulty is encountered seeking applicants to the training program. However, they would examine the possibility of a bus driver reimbursement policy for those individuals who receive training and then not accept employment as bus drivers. The training curriculum consists of the following:

- Discipline adopted for bus drivers and bus attendants

- Safety
- Driver's handbook orientation
- Behind the wheel training

In addition, the Transportation Department provides periodic in-service training, including required annual training, for bus drivers, substitute bus drivers, and bus attendants. In-service training covers topics to keep licenses current and addresses other needs and concerns. A two-day pre-planning session is held in July each year. Transportation staff also has professional days for bus drivers and attendants to give them the opportunity to discuss their needs and concerns. Instruction is also given to bus drivers, substitutes and attendants for special needs students and includes wheelchair locks and other ESE requirements.

The student transportation office provides periodic opportunities for bus driver supervisors to meet and interact with bus drivers and bus attendants to hear grievances and assess current needs and concerns.

Route coordinators supervise bus drivers and attendants. In their role as supervisors, route coordinators have frequent contact with drivers and attendants. Bus driver supervisors have many opportunities and means to meet and interact with bus drivers and attendants in order to assess current needs and concerns and hear grievances. Pre-planning conferences, counseling sessions, and *TranScript*, the newsletter published by the Transportation Department, provide communication mediums for supervisors, bus drivers and attendants.

The general director of Transportation has a minimum of two meetings each year with all bus drivers and bus driver attendants to hear their concerns and assess current needs. In addition, there are pre-planning conferences, professional study days and meetings between route coordinators, bus drivers and bus driver attendants throughout the year. All of these mediums provide bus drivers and attendants with opportunities to present supervisors and management with their concerns.

The Transportation Department provides regular, direct oversight of basic bus handling skills, safe driving practices and pupil management techniques of all school bus drivers at least annually.

The Transportation Department requires bus drivers to re-certify. Bus driver supervisors are expected to ride with each bus driver annually to assess their driving performance skills. The transportation's safety department also administers a physical reflex test. The district ensures that all bus drivers receive annual physical exams as required by statute and maintain records of these examinations. Any driver who does not complete the physical exam is suspended from driving responsibilities until the physical exam is completed. The review team examined copies of medical reports and found them to be up to date and in accordance with state requirements.

The school board has adopted and enforces a safe driver policy that establishes when or if school bus drivers with traffic violation charges are able to continue driving.

The board approved an updated Safe Driver Plan in February 1998, providing two levels of disciplinary action in accordance with the classification of drivers under the Omnibus Transportation Employee Testing Act of 1991. The plan, jointly administered by the Transportation Department and the Employee Benefits and Risk Management Department, outlines categories of violations, points assessed and administrative actions to be taken against drivers up to and including termination.

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Bus drivers are required to report to their supervisors any traffic violations, including, but not limited to, speeding, driving under the influence, or other motor vehicle violations. The Transportation Department maintains close coordination and cooperation with the City of Tampa Police Department, Hillsborough County Sheriff's Department and other police jurisdictions in the county.

The Transportation Department is also involved in the Florida Department of Education's Bus Driver Records Reporting System, which provides automatic computerized access to all driver records. The system provides the information on traffic violations, citations, or any convictions in the state. The Transportation Department is provided weekly notices from this database. The Transportation Department also submits routine requests during the months of August, January and June. As a result of these initiatives, the Transportation Department has in place a system to review the driving records of bus drivers allowing them to identify "at risk" drivers and make decisions regarding their continued employment.

The school board has adopted and enforces a policy on alcohol and substance abuse; consistent with federal law requiring testing that covers bus drivers and other student transportation staff who perform in safety-sensitive functions.

The Omnibus Transportation Employee Testing Act of 1991 (Public Law 102-143) requires alcohol and drug testing of safety-sensitive employees in the aviation, motor carrier, railroad, and mass transit industries. The district has a drug-screening program that includes random testing of bus drivers, mechanics and support personnel. Written policies, orientations and briefings communicated drug and alcohol programs to employees and are enforced. The School District of Hillsborough County has the following drug and alcohol-testing program in place.

- Prior to the first time a driver performs safety-sensitive functions (such as operating a bus), the driver must submit to testing for alcohol and controlled substances. The employee agrees that when hired, he/she may be randomly tested throughout their employment with the district.
- The district performs pre-employment, return to duty, reasonable suspicion, random and follow-up drug and alcohol testing for bus drivers.
- Failure to comply with drug and alcohol screening may result in disciplinary action up to and including dismissal.

The district has an employee assistance program for staff to receive assistance with any admitted substance abuse issues. It provides for counseling and provides the opportunity for those employees with a substance abuse problem to receive help and work towards rehabilitation.

The Transportation Department keeps results of its alcohol/drug program by calendar year. For the period January 2001 to December 2001, the district conducted 693 urine screens for drugs and 135 breath alcohol tests for a total of 808 tests. Of this number, three tested positive and according to policy, were released from employment.

5 The district provides student transportation services for ESE students in a coordinated manner that minimizes hardships to students and accurately reports ESE students who receive state funding.

Transportation staff and ESE staff communicate and consult regularly about student transportation services for ESE students.

Transportation staff and ESE staff work together to communicate, plan and execute transportation services for the ESE student population that compliments the individual education plan (IEP) process. Transportation liaisons attend weekly ESE meetings. The ESE meetings often include discussions of IEPs for students to include transportation requirements. As a result of this process, input is available from the transportation representatives and the department receives sufficient time to develop any special transportation services required for ESE students. In addition, the ESE director, general director of Transportation and the director of Transportation meet at least quarterly, or more often if required, to discuss and resolve any major problems. The relationship between the departments and their cooperation in arranging transportation services for ESE students is exemplary.

The district ensures that ESE students ride a regular school bus whenever possible and appropriate.

The director of ESE provided data reflecting that the district has in excess of 25,000 students in the ESE program. Of that number, only 2,663 ESE or 3.3% students were provided special transportation services. The other 22,337 ESE students qualifying for transportation services were transported with the regular student population. The peer district average is 5,070 or 8.8% of ESE students transported. The district is considerably below its peers in providing ESE transportation service. According to the director of ESE and the general director of Transportation, the objective of the district is to mainstream ESE students whenever possible. The district also has a mechanism for ESE staff to consult with student transportation staff and then communicates to them all transportation decisions that are approved during the individual education plan meetings for particular students.

Regular counts of students are coordinated with ESE staff. Interoffice memoranda are submitted to the assistant superintendent of Administration and the director of ESE providing pertinent information on transportation service for ESE students. The memoranda include students transported on the basis of weighted and non-weighted funding and the number of buses or private vehicles transporting ESE students. Transportation staff collects and provides the information for this report, which is used in preparing the Florida Education Finance Program and electronically submitted to the Department of Education.

Transportation staff record the number of ESE students transported who qualify for state supplemental funding and calculate it as a percentage of all ESE students transported.

There are a number of students in the district who require special transportation and are eligible for state supplemental funding. In order for the district to receive supplemental funding, they must meet state ESE requirements. Exhibit 12-9 shows the five areas that must be met to qualify for funding.

Exhibit 12-9

State of Florida Requirements for Awarding Supplemental Funding for ESE Students

Qualifications for Awarding Supplemental Funding for ESE

1. The School assigned is located in an out-of-district location.
2. An aide or assistant is required due to the disability of the student or specific need.
3. A medical condition exists that requires special transportation that is verified or specifically requested by a physician. This is usually a prescription signed by the physician.
4. Special medical equipment is required such as wheelchair, positioning of special devices, canes, walker, tracheotomy or other special medical equipment.
5. Student must have a short day less than other students because of disability.

Source: Florida Department of Education.

Transportation Department records and documents revealed that the district is submitting requests and receiving supplemental funding for ESE in a timely fashion. The Transportation Department has full time staff responsible for ESE supplemental funding actions.

Transportation and ESE staff began to identify ESE students who qualify for Medicaid funding for certain approved bus runs makes claims for reimbursement for transporting in October 2001.

During the initial site visit in October 2001, the review team found that the district was not receiving Medicaid funding for qualified ESE students. The review team brought this to the attention of the Transportation Department and they have subsequently determined the number of students currently eligible to be 911 students and have submitted claims calculated at \$300,000. Medicaid is processing the first installment and payment is expected upon completion of Medicaid actions. The finance office though having some initial challenges with the regional Medicaid office, is persisting with administrative requirements to ensure reimbursement. In addition, subsequent years have been calculated at a rate of \$300,000 yearly for a five-year period, which amounts to \$1.5 million. The district has a contract with Deloitte Consulting, to manage and provide the necessary computations and data to submit for Medicaid reimbursement. Exhibit 12-10 shows current and projected reimbursement.

Exhibit 12-10

Medicaid Reimbursement for Eligible ESE Students

	2001-02	2002-03	2003-04	2004-05	2005-06
Projected Revenue	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Cumulative Total	\$300,000	\$600,000	\$900,000	\$1,200,000	\$1,500,000

Source: SDHC Transportation Department.

The Transportation Department maintains sufficient school buses and equipment suitable to accommodate students with special needs. For any students who cannot be accommodated on a school bus, suitable alternative arrangements are made.

The Individual Education Plan (IEP) is the determining factor for the type of transportation necessary to accommodate students with special needs. The IEP is reviewed annually to determine the validity of transportation provided and whether or not it should be continued. The policy of the district is to transport as many students as possible on regular transportation buses. To this end, a significant number

of ESE students use regular transportation assets. The district is in full compliance with federal, state and district guidelines to provide the least restrictive constraint for special needs students requiring transportation.

The Transportation Department reported that it contracts private vehicle transportation for students who cannot be accommodated by a school bus. There are currently two students who are Medicaid eligible and who do not travel on the ESE transportation network. These students have a contract for reimbursement and travel to and from school by automobile provided by parents who are reimbursed for mileage. There are no other students who are Medicaid eligible who travel to and from school by any other means such as medic-van or other means. The agreement stipulates the nature of special requirements, safety, insurance and cost. The decision to use special contracts is made on a case-by-case basis by ESE and transportation staff. As stated earlier, the number of students currently qualifying for this service is two.

Recommendation

- *We recommend that the district develop a procedure to ensure prompt filing of Medicaid reimbursement claims.*

Action Plan 12-3 provides the steps needed to implement this recommendation.

Action Plan 12-3

Develop a Procedure for Filing Medicaid Reimbursement Claims	
Strategy	Develop a procedure to ensure prompt filing of Medicaid reimbursement claims.
Action Needed	<p>Step 1: Develop a procedure for filing Medicaid reimbursement claims. The procedure would include identifying and documenting students, approval of the number of students by affected departments, claim preparation, and any other necessary steps.</p> <p>Step 2: Identify and document the following:</p> <ul style="list-style-type: none"> • Number of ESE students provided transportation. • Number of students qualified for Medicaid reimbursement. • Procedures for submitting Medicaid requests for payment. <p>Step 3: Ensure that the Transportation Department and director of ESE agree on the number of students qualified.</p> <p>Step 4: Prepare claims for Medicaid reimbursement.</p> <p>Step 5: Modify accounting procedures and processes in response to any Medicaid changes.</p> <p>Step 6: Implement reporting systems as required and provide monthly report to the Superintendent.</p>
Who Is Responsible	General Director of Transportation in coordination with the Director of ESE and Assistant Superintendent for Business and Information Technology Services.
Time Frame	May 2002
Fiscal Impact	Medicaid reimbursements are estimated at \$300,000 for 2001-2002 and \$300,000 each year for 2002-2003, 2003-2004, 2004-2005, and 2005-2006. This results in five-year cost savings of \$1,500,000.

Source: Gibson Consulting Group, Inc.

6 The district ensures that staff acts promptly and appropriately in response to any accidents that occur.

The student transportation office equips all school buses with two-way communications devices, and staff monitor communications at all times when buses are in service.

The Transportation Department has an effective system in place to monitor communications at all times buses are in operation. All school buses are equipped with two-way communications that allows effective communication with the radio room. The radio room maintains a radio transmission log on which it records communications received from buses. Worksheets are also kept that record actions taken responding to buses with breakdowns, accidents or other problems. A towing record log is maintained and includes pertinent information regarding possible reason for towing.

The district has instituted a system for bus drivers to covertly communicate a special problem where police assistance is needed through coded signals. For example, if an unauthorized person is attempting to commandeer or hijack a bus, the bus driver has been trained to contact the radio room in what may seem to be a routine call that the bus is in trouble. Radio room personnel are trained to recognize the distress call in the transmission and take appropriate action.

There are not adequate procedures in place to ensure bus drivers are conducting pre- and post-operations maintenance inspections of buses.

The Transportation Department requires that all bus drivers inspect their buses prior to each bus run and maintain records of inspections. The review team determined that the Transportation Department could not verify inspections are actually taking place because the majority of buses are not garaged at transportation facilities. Transportation staff can only review a weekly form completed and turned in by bus drivers indicating inspections taken place. Under these circumstances, transportation staff cannot determine with any degree of certainty that the inspections are being done.

All bus drivers are required by state law to conduct daily inspections of their buses. The pre-operations inspection prior to operating the vehicle focuses on the mechanical operations of the bus including the exterior, lights, interior and mechanics. The post-operations inspection includes walking through the bus while checking each seat for sleeping children, forgotten books, lost lunches or any other items. The driver also completes a daily pupil count of the students transported.

The pre- and post-operations inspections are recorded daily and turned in to the supervisor weekly. Each driver is provided a form listing the items that are to be checked. If a driver discovers a deficiency during the pre-inspection, it should be immediately brought to the attention of maintenance personnel who may be able to make repairs prior to the route. If repair is not possible, the driver is provided a spare bus in order to complete the run.

The pre- and post-operations inspections are dependent on the diligence of the bus drivers conducting the inspections, because the majority of buses are not parked at one of the three maintenance facilities in the district. Until recently, buses were parked at other locations including bus driver residences. The general director of Transportation has implemented a policy that buses not garaged or parked at one of the three maintenance facilities are to be parked on the school property nearest the bus driver's residence. The implementation of this policy is designed to increase bus security and take advantage of improved lighting and other advantages by having the buses on public property. Under this arrangement, the

majority of bus drivers are to depart their residence, go to the nearest school, secure their buses, perform pre-inspections and then begin their routes.

Consolidation of buses should improve the capability of supervisors to ensure that bus drivers are performing pre- and post-inspections. This initiative to have buses consolidated is a first phase to improve on pre- and post operations maintenance checks by bus drivers. It also alerts bus drivers that supervisors have placed these inspections as a high priority and conducting these inspections are a condition of employment.

The general director of Transportation and route coordinators are in agreement that verification of pre and post operation inspections by bus drivers has been a challenge to enforce under the old system. They feel strongly that the problem should be alleviated if not eliminated by having buses parked at consolidated parking facilities in the district thereby providing them opportunity to conduct unannounced and random checks to ensure the inspections are being done.

The district has put into place a process to ensure improvement in conducting pre and post maintenance checks by bus drivers. Complimenting the bus driver pre- and post- inspections is an additional inspection of buses by the Maintenance Department every 20 days. Qualified maintenance personnel inspect each bus in the fleet inventory. The review team inspected records at each maintenance facility, discussed the process with maintenance supervisors and observed mechanics performing these inspections. If a bus misses its scheduled 20-day inspection, the bus is immediately reported to the route supervisor. Action is taken not to allow the bus to operate until the maintenance inspection is accomplished. The Transportation Department has a system requiring that bus drivers conduct daily inspections as required by the state. The general director of Transportation and her staff are aware of challenges associated with verification and enforcement and are taking positive steps to remedy the situation.

The district clearly communicates to drivers what steps should be taken in the event of an accident or other emergency and drivers follow these procedures.

The Transportation Department ensures that school bus evacuation drills are coordinated with school staff and are conducted regularly. School bus evacuation drills are covered in the driver handbook. Records of evacuation drills conducted are kept on file in the transportation office and staff personnel review them to determine any areas of needed improvement.

Emergency evacuation procedures and actions that need to take place in the event of an accident are clearly defined in the state handbook. The district provides bus drivers with additional guidance for evacuation of buses, emergency procedures, accidents or other situations. In compliance with State of Florida DOE Rule 6A-3.017 school bus drivers in the district are instructed in procedures for conducting school bus emergency evacuation drills and at least two evacuation drills are conducted during each school year. ESE bus drivers are provided detailed evacuation procedures for the students that they transport.

Drivers should check for injuries, immediately report to the radio room the situation, assist at the scene and assist any emergency personnel responding to the scene. The driver is also required to complete an emergency accident report. All drivers receive training on the procedures to follow in case of accident or other emergency during initial training. Annual refresher training is provided in addition to publications by the district and the emergency transportation procedures found in the driver handbook. Detailed instructions on parental notification in case of any accident or emergency involving students are also provided.

The district maintains complete records of all accidents that occur and promptly reports all qualifying accidents to the school board and the Florida Department of Education.

The Florida Department of Education’s definition of a bus accident is one in which damage is \$500 or more and includes complaints of injury to driver or passenger. The Transportation Department’s definition of an accident or incident involving a school bus is any contact made by a vehicle with a person, object, or vehicle, no matter how minor. Any vehicle accident or incident must be reported immediately. Because of the differences in how an accident is defined, there are more accidents reported and documented in the district than there are submitted to DOE.

The district has a system in place to ensure that accidents are reported immediately and that those meeting the state definition are reported to the Florida Department of Education. For the 1999-2000 school year, 37 accidents qualified for reporting to the Department of Education. Exhibit 12-11 provides a glimpse of the school bus accidents in the district for miles driven and those accidents considered preventable or non-preventable. The following chart shows the number of accidents recorded by the Transportation Department over a five-year reporting period since school year 1996-97.

Exhibit 12-11

Number of School Bus Accidents

School Year	Number of Buses	Miles Driven	Preventable Accidents	Non-Preventable	Total
1996-97	973	19,137,680	70	121	191
1997-98	1048	21,195,734	73	109	182
1998-99	1073	23,253,788	79	128	207
1999-00	1022	23,156,422	74	125	199
2000-01	1012	TBD	26	54	80*

*Data for 2000-01 is incomplete since it does not include the entire year.
 Note: Preventable accidents are those that a driver could have reasonably prevented. No-preventable accidents are those in which a driver is not at fault.

Source: SDHC Transportation Department.

Exhibit 12-12 is a comparison of the district with its peers and shows that the district accident rate is lowest in comparison to its peers.

Exhibit 12-12

SDHC Bus Accidents Compared to Peer Districts

School District	Number of Accidents Reported
Broward	99
Duval	150
Orange	82
Palm Beach	66
Pinellas	N/A*
Hillsborough	37
Peer Average	74

*Not reported.

Source: Florida Department of Education, School Bus Accident Facts, 1999-00.

The Transportation Department rigorously enforces its accident policy. The director of Transportation conducts a review monthly of all reported accidents and makes a determination if the accident was preventable or not. The district also reviews any driving violations or convictions related to the accidents

and assess points against drivers as warranted. Analysis of the cause of accidents is reviewed and action taken to include providing remedial driver training, informing drivers about safe driving issues, and revising policies and procedures as appropriate.

Recommendation

- *We recommend that the district continue efforts to consolidate buses at schools and other selected locations to improve security.*
- *We recommend that the district improve process to monitor and ensure that drivers perform pre and post operations bus inspections.*

Action Plan 12-4 provides the steps needed to implement these recommendations.

Action Plan 12-4

Consolidate Bus Parking to Improve Security

Strategy	Consolidate buses at schools and other selected locations to improve security.
Action Needed	<p>Step 1: Determine if consolidation locations are appropriate and institute additional security measures at these locations.</p> <p>Step 2: Continue use of school security to assist in routine checks of consolidated bus locations.</p> <p>Step 3: Conduct frequent evaluations of the program and institute improvements as required (improved lighting and fencing if required).</p>
Who Is Responsible	Assistant Director for Administration.
Time Frame	May 2002
Fiscal Impact	This recommendation can be completed with existing resources.

Ensure That Pre- and Post-Inspections Are Conducted

Strategy	Improve the process to monitor and ensure that drivers perform pre and post-operations bus inspections.
Action Needed	<p>Step 1: Develop a procedure for supervisors to randomly visit bus consolidation locations to ensure that pre- and post-operation inspections occur.</p> <p>Step 2: Ensure bus drivers are aware that pre and post inspection forms completed by them and provided to their supervisors are receiving a critical assessment to determine if they are being accomplished. In addition, emphasize to bus drivers that supervisors are conducting unannounced and random checks at consolidated bus facilities to ensure required state pre and post operation inspections by bus drivers are being done.</p> <p>Step 3: Notify drivers of the new procedure and emphasize that it is a state law that these inspections are accomplished.</p> <p>Step 4: Organize supervisors and schedule them to randomly visit consolidated parking sites and to observe pre- and post-operation inspections by bus drivers.</p> <p>Step 5: Discipline drivers who fail to conduct the state required inspections.</p>
Who Is Responsible	General Director of Transportation
Time Frame	June 2002

7 The district ensures that appropriate student behavior is maintained on the bus at all times.

The school board has adopted a district policy emphasizing that student discipline on school buses is subject to the same rules governing student discipline on campuses.

The school board has established policies, procedures and standards of expected conduct for all students provided transportation services. These standards of conduct stipulate expected behavior on the bus and outlines parent responsibilities. The superintendent, with the full support of the board, also sends a letter to all parents or guardians letting them know what student behavior are expected on buses. The letter points out that the “safety of students must come first, and students who are disruptive on the bus will lose their privilege to ride the bus.” School bus policy emphasizes expected appropriate behavior and states that violations of the standards will not be tolerated.

The “Standard of Conduct for Pupils Riding School Buses” is sent to all parents and clearly lists 19 standards of behavior. Parents or guardians have four listed responsibilities applicable and are required to sign the form and return it to the child’s school.

Students who do not follow acceptable standards of conduct on the bus will be subject to similar disciplinary actions as those administered for classroom school misconduct. When a driver observes or suspects that standards are not being followed, a written referral is submitted to the school principal or designee. The principal determines if the student is violated standards and the disciplinary action that will be taken. Disciplinary action may include suspension of bus privileges, or in extreme cases, expulsion from the bus. If a student is suspended or expelled from the bus, parents are responsible for providing transportation.

School staffs provide feedback to the Transportation Department on action taken for student disciplinary infractions and this information is made available to bus drivers. In addition, school staff, exceptional education staff and transportation staff consult on ways to resolve chronic or acute student discipline problems occurring on school buses for involving regular or exceptional students to include parental notification.

Two-way communication with the radio room and video cameras are innovative tools the district uses to improve student behavior on buses. All buses have radio communications and a majority of buses are equipped with video cameras to record the actions of those students who are discipline problems. When students are aware that their actions are being recorded by video, bus drivers and transportation supervisors report the number of discipline problems has been significantly reduced. Currently there are efforts in process to ensure that all buses are equipped with cameras.

The transportation staff and school consult on way to resolve chronic or especially acute student discipline problems that occur on school buses. The process includes when necessary, parents ESE personnel, transportation staff who focus on interventions, strategies and discipline in solving discipline problems.

During the 2000-2001 school year, the district reported a total of 11,322 incidents on school buses that were written up by bus drivers and referred to principals for action. Of that number, 5 students were expelled, 2,822 students received suspended bus privileges, and 6,389 were given other type disciplinary/referral action

The student transportation staff regularly includes discussions of the basic principles of pupil management as instructional topics at in-service training sessions for bus drivers.

Well-trained bus drivers who understand the basic principles of pupil management can better support and execute the transportation mission. This is accomplished in training sessions for bus drivers. In addition, route coordinators in their supervisory role, cover basic principles of pupil management with bus drivers on a regular basis. Also, the *TransScript* publication by the Transportation Department routinely covers this topic by providing tips for effective pupil management.

Student Transportation Functions

8 The school district has a process to ensure that a sufficient school bus fleet is economically acquired and will be available to meet the district's future transportation needs.

The district has a 15-year replacement policy for buses.

The School District of Hillsborough County adopted a 15-year bus replacement policy in 1996. The district has determined appropriate standards for making decisions on repairing versus replacing aging vehicles and has a plan that meets replacement needs, and anticipates district growth. The transportation staff monitors the projected elementary student enrollment data, school construction projects; school choice options, and studies county projections to ensure adequate transportation is available to meet district needs. The district plan is sufficient to accommodate projected growth and school board program decisions. The district maintains bus purchase records that support the 15-year replacement plan.

The district's current 15-year replacement policy is currently working, however this decision was made in 1996 with little or no cost analysis, fleet data or analysis of other important variables. The district could conduct a cost assessment to determine if the current replacement plan is best or if the data may suggest a change to optimize efficiency.

According to the Fleet manager, the 15-year replacement policy in the district considers that there has not been a change of Federal Motor Vehicle Safety Standards since 1977. Independent studies conducted in California and Washington in the mid-1980's reached the conclusion that after 12-years of use, the annual operating costs of buses began to increase significantly and continued annually. At ten years of age, the resale value of a conventional school bus is approximately one-seventh of its original purchase price. Therefore, the subsequent five-year decrease is at an average of slightly more than one thousand dollars per year.

In addition, the Fleet Manager emphasized that the district's 15-year bus replacement policy is also based on conversion of the districts bus fleet from gasoline to diesel engines. The new diesel engines, with their increased reliability, efficiency and durability, coupled with their electronic systems and improved transmissions, are able to achieve or exceed an estimated 300,000 miles of operational life before overhaul.

Student Transportation

These improved technologies along with good maintenance procedures in the district make it possible for its school buses to have a 15-year useful life span. Therefore, the school district has determined that it is cost effective to replace buses every 15-years.

Spreadsheets are being used to incorporate bus procurement needs in the district's five-year plan. The 15-year bus replacement policy is based on the assumption that a bus should be kept 12 years in daily route service and then 3 additional years as a spare. The policy is designed to achieve an average fleet age of 12 years per daily service for buses and provide modest growth in the number of buses. The five-year capitol budget plan has adequate dollars to fund the 15-year replacement policy. Exhibit 12-13 shows the percentage of expenditures for bus purchases versus total spending.

Exhibit 12-13

SDHC's Expenditures for Bus Replacement Are Consistent with a 15-Year Replacement Cycle

School District	Total Actual Costs, Including Buses	Total Bus Purchase	Percentage of Total Expenditures
Palm Beach	\$32,655,156	\$5,749,599	18%
Hillsborough	\$51,317,731	\$6,077,166	12%
Broward	\$63,970,224	\$6,425,624	10%
Pinellas	\$30,578,954	\$3,109,381	10%
Orange	\$38,313,216	\$1,416,290	4%
Duval	\$38,846,289	\$0	0%
Peer Average	\$40,872,600	\$3,340,179	8%

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The Florida Department of Education (DOE) recommends, but does not require, that school buses be replaced on a 10-year replacement cycle. The DOE's rationale for supporting a 10-year bus replacement cycle is:

- Improved safety features on newer buses make them safer.
- Purchasing specifications prepared by the state include a 10-year useful bus life. Increased overhaul expenses may be incurred for transmissions and engines after the 11th year of service.
- Resale value of surplus buses is generally highest at the end of its 10-year useful life. Prices for used buses continue to fall for buses 11 or more years old.

The district's 15-year bus replacement policy is adequate in meeting its needs. Cost per mile to operate school buses, taking maximum advantage of the useful life of school buses, adopting improved technology as it relates to school buses, and good maintenance practices the district are sound reasons to determine a 15-year bus replacement policy. Exhibit 12-14 shows the district operating cost per mile compared to peers. It is significant to point out that the district has the lowest operating cost among peers. It is apparent that the district's 15-year replacement policy is adequate at this time. However, the age of the fleet as shown in exhibit 12-15 should be monitored carefully by the district because it reflects that 36% of the bus fleet is 10 years or older. Therefore, the district should exercise caution and not allow the fleet to become too old. Old age of a bus fleet results in significant maintenance costs over time and increases bus breakdowns.

The district maintains adequate records on the number, age and types of buses in the fleet.

The working relationship between the transportation staff and the district administrative staff is cordial and cooperative. This has resulted in the timely procurement of new buses and within budget.

Exhibit 12-14

SDHC has the Lowest Cost Per Mile When Compared to Its Peers

School District	Total Trans Expenditures for Student Transportation**	Total Annual Route Miles Miles Driven*	Operating Expense per annual mile
Broward	\$63,970,224	19,960,000	\$2.83
Palm Beach	\$32,655,156	10,753,632	\$2.38
Pinellas	\$30,578,954	10,995,953	\$2.43
Orange	\$38,313,216	15,464,904	\$2.27
Hillsborough	\$51,317,731	23,365,198	\$1.89
Duval	\$38,846,289	18,993,058	\$1.98
Peer Average	\$204,363,830	15,233,022	\$2.37

*Does not include field trips.

**Total expenditures include non-operating items.

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

Exhibit 12-15 shows the age distribution and the percent average age of the fleet.

Exhibit 12-15

Age of the School District of Hillsborough County's Bus Fleet

Age in Years	Number of Buses	Percentage of Total
15+	56	5%
14	61	5
13	56	5
12	79	6
11	83	7
10	93	8
9	96	8
8	100	8
7	149	12
6	144	12
5	18	1
4	39	3
3	76	6
2	95	8
1	0	0
< 1	78	6
Total	1,223	100%

Note: Number of buses includes daily service and spares and ages in years established by year purchased. Though the district currently has 1,248 buses. In September 2001 the district had 1,233 buses as shown above. The additional 15 buses for a current total of 1,248 were added to the inventory after September 2001.

Source: SDHC Transportation Department, September 2001.

The district did not conduct a cost analysis on a regular basis for the operation of each bus in service.

Shopnet software provides the Transportation Department with an automated maintenance management system that is capable of tracking the repair history, by repair order, for each bus in the inventory. Shopnet provides the capability to analyze repair order cost summary data and provides fleet summary data. Parts, tires, and labor are entered into the Shopnet database daily for each repair order issued. Shopnet provides the fleet manager a tool to collect data for cost analysis. The Transportation Department does not actually use the database to perform cost analysis for all vehicles, but only those vehicles over ten years old. The shop manager said that the database is not used for buses less than ten years old because these buses are not near the end of their useful life. However, the department should look at all buses, and more specifically the older buses, in order to collect information on when buses should be replaced based on cost curve data. It is critical to analyze the cost efficiency of all buses.

Adequate spare buses are available to meet transportation needs.

Spare buses are needed to augment the daily service bus requirement when regularly scheduled maintenance is performed or breakdowns occur. SDHC currently has a fleet of 1,248 buses, of which 145, or 12 percent of the fleet, are spares. This current ratio of spare buses to total fleet size is less than the 15 percent approved by the board. The district is doing well at keeping its number of spare buses within the school board authorized level. The district is currently 3 percent below the percentage of spare buses authorized by the school board and has the option to increase its spare bus number if necessary. An additional 3 percent increase in spare buses could be considered, if after assessing fleet age, rapid district growth, growing student population and other variables the increase is justified. The district uses the Florida Department of Education’s annual pool purchases agreement to minimize cost and maximize value. In addition, it uses the state tire bid and state negotiated agreement to purchase tools.

Recommendations

- *We recommend that the district conduct a cost analysis on a regular basis for each bus in service and determine any significant differences in operating costs.*

Action Plan 12-5 provides the steps needed to implement this recommendation.

Action Plan 12-5

Conduct Cost Analysis For Each Bus In Service	
Strategy	Conduct a cost analysis on a regular basis for each bus in service, including those buses with less than 10-years of service and determine any significant differences in operating costs.
Action Needed	Step 1: Install Lawson ERP Software and integrate Shopnet and Fuelmaster data as soon as the software becomes available. Step 2: Conduct a cost analysis pilot test of selected buses; insuring that all makes, models, engine and transmission types are included in the test. Step 3: Correct software deficiencies and repeat the pilot test. Step 4: Perform cost analysis on all buses in service. Step 5: Determine which buses are the most expensive to operate.

	Step 6: Recommend to the general director of Transportation which buses that should be removed from service and sold.
	Step 7: Prepare selected buses for sale.
Who is Responsible	Fleet Manager
Time Frame	July 2003
Fiscal Impact	This action plan can be accomplished within current resources.

Source: Gibson Consulting Group, Inc.

9 **The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.**

Buses are inspected every 20 working days by state certified inspectors and inspection records are reviewed regularly for accuracy and completeness.

The district conducts inspections of buses in service every 20 working days in accordance with the Florida School Bus Safety Manual and in compliance with Rule 6A-3.017 of the Florida Administrative Code. Bus drivers are provided a written schedule of when their buses are due for inspection. Preventive Maintenance services are performed in conjunction with the 20-day inspection cycle. Work orders are used to record safety inspections and preventive maintenance services. During site visits the review team randomly selected work orders of buses for review. The Repair Order Detail Report was used to verify that preventive maintenance services were being performed. All vehicles had a monthly safety inspection and inspections were conducted within the 20 working days as required by the State of Florida. Maintenance records are maintained for all buses and are stored in the Parts Warehouse.

The district has introduced a Quick Repair program to handle minor repairs at each repair facility. Quick Repair has an outside repair bay with overhead cover and two maintenance technicians dedicated to the program. Repairs observed during site visits included: tail lights, mirrors out of adjustment, fuses, flat tires, and headlights. Unsolicited comments from drivers indicated that the program is a success and lives up to its name.

The transportation staff receives and inspects all new buses prior to them being placed into service. New buses are assigned based on need and age, mileage, and condition of existing buses. Priority assignment of new buses with seat belts will be on those routes servicing elementary schools.

The district was 91 percent compliant with latest DOE 20-day inspection review.

The most recent DOE review of the district's 20-day inspection records was conducted in May 1999. DOE reviewed the inspection files of 40 buses, for a total of 267 records. Deficiencies were found in 24 records resulting in a compliance level of 91 percent.

The Transportation Department has taken steps to increase compliance with state rules and regulations. The department's name for the 20-day inspection is Grease Day. The Grease Day policy was provided to each driver and was published in the Transportation Department's newsletter *Trans-Script*. Grease Day schedules are provided to each bus driver and buses with overdue inspections are reported to the appropriate supervisor. A review of records indicated that less than one percent may not be inspected on the required inspection date because bus drivers have failed to report for the inspection. Immediate action

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is taken by supervisors to correct this situation. Any bus not completing the required 20-day inspection is not allowed to transport students until the inspection is completed.

The district effectively responds to accidents and breakdowns.

The district has a commendable system to effectively respond to accidents or breakdowns. The district has twelve service trucks equipped with repair parts and spare tires. Five service trucks are deployed to strategic locations around the county to support buses on morning and afternoon runs. The remaining seven service trucks provide augmentation support for the deployed units. Service trucks return to their home station after the morning and afternoon bus runs are completed and mechanics perform duties on 20-day inspections or Quick Repair. Radio communications are used to dispatch service trucks to the breakdown or accident location. Spare buses are dispatched if the situation dictates. The Fleet manager maintains a daily Breakdown Log. The log is used to track workload and to insure that work orders are initiated. Review of the Breakdown Logs showed between two and four bus breakdowns per day.

The Transportation Department district regularly reviews its bus safety inspection records for accuracy and completeness. The Fleet Equipment Repair supervisor is responsible for the completeness and accuracy of the bus safety inspection records documented by the work order and attached safety inspection form. The Fleet manager and the Property Control manager review and approve each work order.

Problems found by drivers during their pre- and post-trip inspections are evaluated at maintenance facilities and assigned to Quick Repair or to mobile service trucks for repair. Work orders are initiated for all repair actions. The mechanic insures that repairs of all safety related items have been completed and documented before a bus is returned to service. Drivers participating in a focus group reported a high level of confidence in the quality of vehicle maintenance. In addition, the drivers said repairs are made promptly.

Procedure and guidelines are in place for making repair decisions on older buses.

The district has established guidelines to insure cost-effective repairs on older buses. The Transportation Department performs a Limited Technical Inspection on buses 10 or more years old needing repair that exceeds that of a routine preventive maintenance service. The Limited Technical Inspection assesses what repairs are necessary and provides an estimated cost of repair. The estimate is compared to the current residual value of the bus as determined by the Yellow School Bus Book. If the estimated cost of repair exceeds the book value of the bus, the Fleet manager will direct that the bus not be repaired but instead be prepared for sale.

The Transportation Department provides maintenance services for other district vehicles.

The Transportation Department maintains all district vehicles with the exception of specialized equipment, such as: construction equipment, and lawn mowers characterized as “white fleet” vehicles. The review team found no existing problems with maintenance of these vehicles. Each department is provided a listing of vehicles that require maintenance funding support. Communications have improved between departments and have resulted in more preventive maintenance being performed on time. The appointment of a new Fleet manager in 2000 has improved the flow of communications between departments and reduced the need for department heads to become involved with maintenance scheduling issues. The charges for maintenance services and fuel are billed on a monthly basis. The Accounting Department credits the Transportation Department for fuel and maintenance charges. Maintenance support is accomplished and there are no discernable issues or problems with the current system.

The district has an automated vehicle maintenance management system that does not fully meet the needs of the district.

Shopnet is the district’s vehicle maintenance management system and is an automated system capable of producing performance and maintenance cost data for individual vehicles. However, the system does not provide fuel data for the bus fleet. The district is using the automated Fuelmaster System to manage fuel but the fuel system is not integrated with the maintenance system. The district recognizes the shortcomings of the maintenance system and has taken action to fund and has contracted for a totally integrated maintenance management system. The district has selected the Lawson ERP system, which is scheduled to go on line in July 2002, and will replace Shopnet and incorporate Fuelmaster data, warranty data, inventory levels and provide other critical information.

Recommendation

- *We recommend that the district bring the software system on line as soon as practical. Testing of the new software should emphasize the integration of Fuelmaster in the Lawson system; summary of warranty information, and production of summary data for fleets and sub-fleets in the district.*

Action Plan 12-6 provides the steps needed to implement these recommendations.

Action Plan 12-6

Automated Vehicle Maintenance Management System Upgrade	
Strategy	Establish benchmarks for the full implementation of Lawson ERP software within three years.
Action Needed	Step 1: Assign staff responsibility for program implementation. Step 2: Develop realistic timelines for system integration and testing. Step 3: Install Lawson ERP Software to replace Shopnet and integrate Fuelmaster data as soon as the software becomes available. Step 4: Conduct a pilot test of the software. Step 5: Analyze results, correct software deficiencies and repeat the pilot test. Step 6: Review and recommend software upgrades
Who is Responsible	General Director of Transportation
Time Frame	April 2004
Fiscal Impact	This action plan can be accomplished within current resources.

Source: Gibson Consulting Group, Inc.

10 The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.

Transportation staff procedures for ordering fuel are in place.

The transportation and purchasing staffs regularly communicate by phone and e-mail. The transportation staff receives fuel ordering instructions and copies of the approved contract from the Purchasing Department.

Controls are in place to provide security and accuracy of fuel records and dispensing and billing records.

The district uses the Fuelmaster system and has 12 automated fueling sites located throughout the county. The Fuelmaster control computer is downloaded daily and reports all transactions from the 12 fueling sites. Tank monitoring reports reflect the current fuel volume of each site. Tank capacity, current fuel volume, and average daily usage are considered when ordering fuel. Specific dates and delivery time guidelines are requested to insure that a site attendant will be available to accept the delivery and that fuel sites will not run out of fuel. Buildings, fuel tanks and pumps, and Fuelmaster units are secured with locks.

Fuel delivery tickets and invoices are checked and verified by the control clerk using the Tank Monitoring Report and the Bill of Lading. The documents are forwarded to and signed by the assistant business manager for payment.

Fuel billing is conducted monthly. Billing reports are generated from the Fuelmaster database by site used and customer usage. Fuel prices are calculated from monthly invoices. The fuel system billing report calculates the number of gallons and price per gallon to arrive at billing cost for each customer. Customers must notify the transportation staff when a vehicle changes location. The location change is updated in the customer database to ensure accurate billing.

Access to the Fuelmaster System computer is strictly controlled.

Transportation staff is aware of environmental concerns and maintains appropriate records.

The pump attendant at each fuel site prepares a daily Fuel Pump and Tank Record. This report provides the beginning and ending tank monitor volumes; beginning and ending pump readings, and water readings, if any. The control clerk enters this data on a spreadsheet and compares tank monitor and meter differences and displays daily differences. When incremental losses or gains are detected, actions are taken to determine the cause. Tank monitor reports are provided to the department's environmental consultant, OHC, monthly in accordance with Occupational Safety and Health Administration (OSHA) requirements. Tank monitoring reports provide information that leak detect tests meet the Environmental Protection Agency requirements. Monthly site inspections are conducted by the OHC in compliance with OSHA guideline and any necessary repairs are made.

Proper procedures and policies have been developed to minimize the generation of hazardous waste materials. Hazardous waste currently stored meets state and federal guidelines. The district has contracts in place with reputable companies to remove hazardous waste materials.

Fueling sites are evaluated regularly for compliance with environmental regulations.

11 The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other student transportation functions.

Shop facilities provide adequate overhead cover and shop layouts are safety oriented.

The district's three shop facilities (Thonotosassa, Plant City and East Bay) have a total of 27 covered bays. The Thonotosassa or main facility has 23 covered bays consisting of 18 maintenance bays, one transmission bay, one upholstery bay, one tire bay and two body shop bays. The Plant City facility has two covered bays and there are three at the East Bay facility. All shop facilities provide overhead cover and shop layouts that are safety oriented and friendly. Generally, the maintenance facilities provided by the district are spacious, well organized, and permit mechanics to work mostly under cover and avoid exposure to harsh climatic conditions. The shop layout provides easy access to specialized tools and necessary test and support equipment. The facilities at the Main Garage provide easy access to the body shop and paint booth, and the parts storage area.

During site visits, the review team observed that the shop areas were clean and that oil and coolant spills were immediately cleaned up, reducing the possibility of injuries caused by slipping or falling. The eye wash station was properly located near the battery charger. Appropriate safety charts were posted around the shop and monthly inspections of the shop were recorded. Review team observations also revealed that all fire extinguishers checked at the Main Garage were properly tagged and sealed. The shop personnel are familiar with EPA and OSHA requirements that govern hazardous waste. Procedures are in place to safely store and dispose of environmental waste.

Facilities provide adequate storage and administrative space and meet safety and security requirements.

The service centers have adequate administrative space to support Shopnet and the repair parts information system. Adequate storage space is available for all parts and supplies. All service centers are secured with an alarm system and access to the repair parts storage area is limited to equipment parts specialists and the property control supervisor. Parts are issued to mechanics at the parts counter and parts personnel may only open doors to the parts room from the inside. Visitors to the parts facility are escorted.

All service centers, with the exception of East Bay, are fully fenced and have adequate lighting. District security personnel patrol the East Bay facility. Employee parking is available at service centers and traffic patterns permit safe movement of buses.

Prior to September 11, 2001, approximately 20 percent of the district's buses were secured in service center compounds and 80 percent were stored at bus driver homes. Subsequent to the World Trade Center disaster, and with heightened security concerns, the district instituted a plan to park as many buses on school properties as feasible. The district has a policy that buses must be secure when not in use. The Driver Handbook prohibits the personal use of buses at any time.

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The district's transportation staff continues to evaluate and assess facilities requirements. The district prepared architectural drawings for two additional bus compounds in 1992. The schematic design drawings were approved but the plan has not been funded

12 Staffing reviews are conducted and appropriate changes are made.

The Fleet manager continues to review the maintenance staffing levels at regular intervals. A recent review of Vehicle Maintenance staffing revealed that the maintenance workload of the 600-vehicle non-bus fleet is provided by five assigned mechanics. The ratio of vehicles maintained per each mechanic for the "white fleet" vehicles are 120:1. The reduction of school buses from 1266 in 1999 to 1248 in 2001 reduced the maintenance requirements of the Main Garage. The staff recommendation to transfer two mechanics from the Main Garage to Vehicle Maintenance is pending approval by the Assistant Superintendent for Administration.

The department continues to assess its staffing needs. The most recent Vehicle Maintenance staffing actions resulted in the elimination of two positions and the downgrading of three other positions with annual savings of \$81,600.

The district has no financial incentives for maintenance staff to obtain Automotive Service Excellence (ASE) certification.

The district provides no incentives, especially monetary, for maintenance staff members to obtain ASE certification. The Manual of Policies and Procedures makes completion of ASE certification desirable for mechanics. Mechanics interviewed were not enthusiastic about ASE certification but took satisfaction that they were certified as state inspectors. The mechanics indicated that they would not consider ASE certification unless the district offered incentives. Mechanics strongly feel that they are not considered for financial incentives although other workers in the district are. The Transportation Department discussed incentives with the Human Resources Department. Though there was agreement that the plan had merit and should be considered; however, due to budget constraints a financial incentive package for mechanics is considered doubtful.

Maintenance staff is encouraged to attend courses and training sessions to improve skills and learn about emerging technologies.

The Transportation Department has taken advantage of educational opportunities to improve the skill level of the workforce. The department has hosted DOE certification classes. Most recently, four mechanics attended DOE training, two of which were certified as School Bus Inspectors. Eleven mechanics attended certification courses for air conditioning and seven mechanics attended Braun hydraulic lift classes. Vendors regularly provide new equipment training. ASE certification is encouraged but funding has not been made available to send mechanics for the required testing.

During the October 2001 visit, the transportation maintenance section was not certified to perform warranty work on any bus, engine, transmission, or air conditioner. Subsequently, the Fleet manager implemented a plan to obtain warranty certification, which includes certification from three manufacturers prior to receipt of the new buses in 2003.

13 The district maintains an inventory of parts, supplies, and equipment needed to support student transportation functions but could better balance the concerns of immediate need and inventory costs.

The district does not maintain a “just-in-time” inventory of repair parts and supplies.

The Transportation Department stocks repair parts that support a variety of school bus chassis's, bus bodies, engines, transmissions and special need lift buses. Repair parts are necessary for routine preventive maintenance services, replacement of worn out parts, and repairs to damaged equipment. The district repair parts inventory is valued at \$759,000, or the equivalent of fifteen \$50,000 65-passenger buses.

The district has established minimum and maximum stock levels for most parts in the inventory. However, no systematic methodology was used to determine what parts should be stocked and in what quantities. The current software supporting the Property Control Section is not capable of providing demand data in a usable form. Stock levels of repair parts should be based primarily on demand. The exception to this is support for new pieces of equipment that have no demand history.

The department has recognized the shortcomings of the current software system supporting the management of repair parts. The department is purchasing Lawson ERP software that is capable of working with existing systems. The Lawson system is scheduled to be on line in July 2002. The new system should be able to track repair parts demand and provide fueling information that will measure total operating costs per mile.

Review of the Inventory Availability Report revealed that many stocked items exceeded the district maximum stock level indicating money unnecessarily spent on inventory. In addition, two rebuilt engines and four transmissions, valued at \$20,000, were on hand but no minimum stock levels had been established for these parts. The two rebuilt engines have been on hand since June of 1998.

The district solicits bids from vendors, uses cooperative bid lists, and has procedures in place for items not on pre-approved bid lists.

The Purchasing Department solicits bids for the Transportation Department. The department takes advantage of cooperative bid lists generated by the district, county, and state agencies. The Transportation Department uses state contracts to purchase buses, tires and other items, and uses the State Negotiated Agreement Price Schedule Program or SNAP, to its advantage. The Transportation Parts Department routinely uses informal price quotations to compare prices for items not specifically listed on existing bids. Items are grouped by type (lighting, paint, and small electrical switches) and in turn faxed to several vendors for price quotes. Vendors normally respond with their best price for that period of time, normally a three to six month period. The larger suppliers: International, Freightliner, NAPA, and SNAP-ON usually recognize the size and importance of the purchasing power of the district. As a result, the district routinely is extended credits off list prices for items. Additionally, when the new Lawson ERP software becomes fully operational, it will provide a higher level of control on purchases and will assist the Purchasing Department in ensuring that the best prices are obtained on a wider range of items.

Parts inventories are maintained, parts receiving procedures are in place, and security controls are in place.

The parts clerk receives all parts from appropriate vendors. The invoice is matched to each part to ensure that right parts have been delivered at the correct prices. Parts are checked for damage prior to signing for the item. Parts are tracked by the Shopnet computer system and inventories are conducted semi-annually. Inventory spot checks, at random, are conducted on a monthly basis. Any discrepancies are reported to the Property Control Supervisor.

Access to the parts room is limited to the shop foremen and supervisors. Mechanics and non-parts personnel must be escorted through the warehouse. Four of the five doors in the parts room are locked with controlled access to the keys. The fifth door is in the parts office and is manned or the door is locked. A security alarm system has been installed and roving patrol checks are made district security officers.

Warranty claims made against manufacturer or vendors are not fully in place.

During site visits, it was determined those warranty claims made against manufacturers or vendors were not fully in place. After the initial site visit, the shop manager contacted manufacturers and subsequently has reported that manufacturers have now recognized the Transportation Department as being qualified to perform certain warranty repairs.

The district makes claims against manufacturer or vendor's warranty for covered vehicles. The shop manager provided data showing that the district is routinely reimbursed for parts, but not for labor because they are not certified by the manufacturers to perform warranty work. In addition, major repairs to vehicles under warranty, such as engines, transmissions and air conditioning systems, are repaired at approved manufacturer facilities in the area. The shop manager indicated that action has been taken to ensure that the district is reimbursed for warranty labor. Labor reimbursement should become effective in early 2002. It was indicated that an initial reimbursement of \$13,000 is anticipated for warranty claims against manufacturers from this action. This payment and future reimbursement could be used to procure maintenance equipment or implement an incentive program for mechanics covered elsewhere in this chapter.

Recommendation

- *We recommend a reduction in inventory levels and the establishment of realistic "just-in-time" inventory levels.*
- *We recommend continued coordinating action with manufacturers to clarify process and procedures for gaining reimbursements and certifications for warranty repairs.*
- *We recommend the Transportation Department coordinate with the Finance Department to have a share of reimbursements returned to the general fund and subsequently allocated to the Transportation Maintenance Department for use in procuring equipment needs and implementing incentive program for mechanics.*

Action Plan 12-7 provides the steps needed to implement these recommendations.

Action Plan 12-7

Reduce Repair Parts Inventory	
Strategy	Eliminate repair parts from inventory that have had no demand in the most recent 180 days. Initiate “just-in-time” delivery agreements with vendors.
Action Needed	<p>Step 1: Install Lawson ERP software as soon as practical.</p> <p>Step 2: Conduct a pilot test of the Lawson ERP software with 100 line items from the repair parts inventory list.</p> <p>Step 3: Correct software deficiencies and repeat the pilot test.</p> <p>Step 4: Upload remaining repair parts inventory data and determine which parts meet the 180-day demand criteria for stockage.</p> <p>Step 5: Establish a repair parts listing for new vehicles that have no demand history and enter them into the system.</p> <p>Step 6: Consult with vendors on just in time parts delivery</p> <p>Step 7: Return overstocked repair parts to vendors for credit.</p>
Who is Responsible	General Director of Transportation
Time Frame	March 2003
Fiscal Impact	This action is anticipated to reduce repair inventory conservatively by 15% or approximately \$114,000 initially and \$5,700 each subsequent year over the five-year budget cycle for a cost savings of \$136,800.

Maximize Reimbursements from Warranty Parts and Repairs	
Strategy	Coordinate with manufacturers on reimbursement and certifications processes for warranty parts and repairs.
Action Needed	<p>Step 1: Obtain full certifications for warranty work from manufacturers.</p> <p>Step 2: Establish procedures for achieving reimbursements with the relevant manufacturers.</p> <p>Step 3: Ensure that reimbursements are actually received by the district finance office.</p> <p>Step 4: Reimbursement from this action should be used to procure maintenance equipment or implement an incentive program for mechanics.</p>
Who is Responsible	General Director of Transportation
Time Frame	July 2002
Fiscal Impact	There has been an initial warranty reimbursement from this action of \$13,000 and subsequent are cost savings will be generated from as the system is fully implemented.

Enhance Transportation Maintenance Operations from Reimbursements	
Strategy	Coordinate with district finance to have a portion of reimbursements received allocated back to the Transportation Department.
Action Needed	<p>Step 1: School Board approves reimbursements to the Transportation Department for transportation maintenance savings and warranty reimbursements.</p> <p>Step 2: Obtain the support of the assistant superintendent of Administration for return of all or portion of maintenance reimbursements to Transportation Department.</p> <p>Step 3: Meet with the district finance office and determine how reimbursements are to be given to the Transportation Department.</p>
Who is Responsible	General Director of Transportation
Time Frame	July 2002
Fiscal Impact	There are no cost savings associated with this recommendation.

Source: Gibson Consulting Group, Inc.

Managerial Oversight

14 The district provides management oversight to ensure that all student transportation functions run smoothly and are fully accountable to the public.

The district provides appropriate technological and computer support for student transportation functions and operations.

The Transportation Department does have computerized management information systems. The administrators review the generated reports and take timely action. There are weaknesses in the current systems that impact efficiency, but planned systems upgrades within the district and internally in the Transportation Department should solve the problems.

The Transportation Department maintains computerized data reflecting training, certifications, licenses and substance abuse testing. Records were reviewed and substance abuse testing was observed during the site visits. The records reflect hiring and departure data. The consulting team was provided turnover information for drivers and attendants, which was of little value because it included a wide range of personnel in the turnover category (personnel fired, those who quit, and those who were not hired, resignations and retirements). The problem is that the Transportation Department does not have a clearly defined definition of what constitutes a personnel turnover.

Transportation administrators have been involved in the review of their technological and computer support requirements. The Lawson ERP system and necessary computers have been ordered. The Edulog routing system is currently being tested. The various initiatives are not yet operational, but the appropriate staff is engaged in the development and planned testing of systems to improve transportation administrative functions and operations.

During the initial site visit, the consulting team discussed with key transportation managers the importance of correct data entries in planning documents. It was pointed out that errors could impact on benchmark planning and revenue collections from the state. The Transportation Department assessed the reliability of data, benchmarks and milestones and took subsequent corrective action. Reexamining data, programs, objectives and making adjustments as required are accomplishing the corrective action. Transportation Department staff personnel are exercising care to ensure that inputs to the state school transportation database are accurate. This helps to ensure that comparative cost data are in synchronization with Cost Center Reports.

15 The district has established an accountability system for student transportation and regularly tracks and makes public reports on its performance in comparison with established benchmarks.

The district has clearly stated goals and measurable outcome-oriented objectives that reflect the purpose of the program and address the major aspects of the transportation program and its expenditures. Documents such as the Annual Transportation Stats Sheet, ESE Ridership Goals, Transportation Benchmark Document, and the Site Improvement Plan are used to keep program targets and expenditure

trends visible. These include such key measures as average bus occupancy, annual operating costs per student, vehicle breakdowns per 100,000 miles driven, annual operating costs per mile, and accidents per million miles. These measures are available to the public on the districts website at <http://apps.sdhc.k12.fl.us/public/dept/transportation/pdf/benchmarks2.pdf>.

Key staff is knowledgeable about and participates in goal setting. During a discussion of the Site Improvement Plan, the review team observed that drivers have a role in achieving certain objectives and should be advised of that role and included in the planning process. The staff agreed. The Transportation Site Improvement Plan was updated on October 24, 2001. The update better reflects the roles and responsibilities of drivers in achieving certain improvement objectives. The Site Improvement Plan is for the period 2001-2003. Consequently, there are no measures of success available for this assessment. The plan has three goals and clearly stated action steps to accomplish the goals; persons responsible; target dates and evaluation measures. What is still to be evaluated is how the goals, objectives, roles and responsibilities are reflected as measurable performance objectives in the performance appraisal system, and whether there are incentives for excellence. The Transportation Department’s web page has been created as a means for increasing communications and accountability with the public.

The district has used other district comparison data, Florida and nationwide, to assess and set performance targets. Comparisons include Q-Links data as well as direct contacts to explore organization, salary and recruiting methodologies. Palm Beach County is identified as the exemplary peer because of its success in the ratio of revenue received from the state. While selecting this county gives the Transportation Department a desirable and challenging benchmark, there are significant differences between Palm Beach County and Hillsborough County management environments. Exhibits 12-16 and 12-17 illustrate critical variables that impact management; these include buses in compounds and supervisor to driver ratio, and students transported and supervisor to driver ratio. The management demands in Hillsborough are much greater than in Palm Beach County. Hillsborough has nearly 80 per cent of its buses not in compounds while 100 per cent of Palm Beach District’s buses are in a compound. Yet the supervisor to driver/attendant ratio (1:64) is more than twice the challenge of supervisors in Palm Beach. The implications of the supervisory challenge are discussed in Section 20 of this chapter, which assesses organization structure and staffing levels.

Exhibit 12-16

SDHC and Peer Districts Transportation Department Statistics

District	Percentage of Fleet in Compounds	Number of Drivers, Substitutes/ Attendants	Percentage of Supervisors to Drivers, Substitutes/ Attendants	Ratio of Supervisors to Drivers, Substitutes/ Attendants
Broward	100%	1525	2.2%	1:46
Orange	100%	1387	1.7%	1:58
Hillsborough	23%	1342	1.6%	1:64
Palm Beach	100%	850	4.9%	1:25
Pinellas	100%	620	5.3%	1:19
Duval	0%	0	0.0%	N/A

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

Exhibit 12-17

SDHC and Peer District Supervisory Statistics

District	Eligible/Non-Eligible Students	Supervisor Positions	Dept. Positions	Percentage of Supervisory Positions	Ratio of Supervisors to All Positions	Supervisor Ratio to Drivers, Attendants/ Substitutes
Hillsborough	84,343	21	1485	1.4%	1:70	1:64
Orange	62,910	24	1626	1.5%	1:68	1:58
Broward	69,077	33	1782	1.9%	1:54	1:46
Palm Beach	56,764	42	997	4.2%	1:24	1:20
Pinellas	45,838	33	767	4.3%	1:23	1:19
Duval	53,910	12	32	37.5%	1:3	N/A

Source: Florida School District Transportation Profiles, The Quality Link Report, 1999-2000.

The review team has examined the revised benchmark document and it retains comparative peer data. Staff indicated that checks were made to ensure that consistent information is provided, including the inputs of the route coordinators. The Transportation Site Improvement Plan does reflect targeted goals, but the organization’s targets should be integrated with the performance appraisal system.

The annual Transportation Report Card covers those content areas essential to keeping the board and district administrators informed.

The review team has reviewed multiple samples of radio logs, daily worksheets, compliance e-mail, and road closure e-mail and accountability sheets—all regular management reports that track performance in key Transportation Department functions. The review team has also received a full copy of the Communications Survey and has reviewed specific actions taken in response to feedback from student transportation clients. The survey was completed in August 2000. Many actions or suggestions were addressed, but an assessment of how well these strategies have been implemented could not be accomplished during the period of review.

16 The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.

Transportation staff uses the Cost Center Report, Enrollment Report, Unitary Status Report, magnet school survey; projected boundary changes and projected new school openings to systematically assess priorities and needs. The process takes into account current and anticipated budget categories. The Site Improvement Plan and the Benchmark Document reflect thoughtful planning.

The Transportation administrators coordinate with other department administrators to prepare the annual recommended budget. The Cost Center Report, bus replacement plan and restructuring plans are prepared and forwarded. The consulting team reviewed documents and action memos, and identified recommendations approved or pending that affect future budgets. The District Planning Staff accomplishes integration of planning with sources outside of the district.

While there is solid evidence that the Transportation Department does address potential cost savings in budget development, there are cost areas that can be reduced. The staff is aware of the potential savings

that can be achieved by reducing the number of courtesy riders. Administrators are aware of the need to save in that area, but also recognize the difficulty in “taking away” a service that some parents value and may not realize is not a required service. The introduction of automated routing through Edulog (piloted in magnet schools) also may result in savings by reducing the number of buses and the associated number of spare buses, reducing insurance costs, costs linked to number of routes and potentially the number of drivers; however driver reductions may only make shortages less critical.

Transportation planning staff does consult with the district planning staff to ensure needs, concerns and costs are considered when planning for future schools or physical plant needs. However, when looking at the hazardous walking and courtesy rider situation, it is not obvious that adjustments are made when hazardous walking conditions change as community development improves, or that courtesy rider numbers are reduced when students may no longer qualify.

As suggested in the previous paragraph, there is a need for more assessment on the outcomes of regular consults that would influence resource needs in the future. The staff does attend meetings and projections are reflected in the planning. Adjustments for growth and development are made for three years out, but planning does not seem to reduce the courtesy rider and hazardous walking numbers as elaborated earlier in this chapter. A key and critical issue is why do the numbers of courtesy riders and hazardous walkers remain high in comparison to peer districts.

A wealth of reports and documentation exist to provide factual information for the board on the cost implications of various programs and initiatives. Transportation staff analyzes the multiple reports for effective management. The information collected may be close to overwhelming, particularly since the management is fairly new as a team. Still, the team works hard at mastering and effectively using the data they collect.

Meetings and consultations with other departments occur regarding safety issues. The review team could not assess conclusively the varied outcomes of these meetings and consultations.

It is noteworthy that over 80 percent of drivers do not routinely come to the central compound and depend on the *Transcript* newsletter and communications from their route coordinators/supervisors for information.

17 The district monitors the fiscal condition of student transportation functions by regularly analyzing expenditures and reviewing them against the budget.

The district uses expenditure comparison data. During the initial site visit, the review team questioned an unexpected increase in a particular data point that affects budgets and how data is collected, reported and used for meaningful benchmark comparisons with peer districts. After research, the staff gave a reasonable explanation for the error. The review team has confirmed that the correction has been carried over properly into other planning and management documents. The issue affected accounting for weighted and non-weighted students, and as corrected should financially benefit the district. Review of the approved budget reflects appropriate categories.

The Transportation staff also identified an error in expensing the department and took the necessary action in accord with procedures to reclaim a significant restoration of fuel funds.

Within the limitations of the current technology and computer systems, the transportation maintenance staff effectively manages maintenance operations and costs. As discussed earlier, Shopnet software does not allow for easy capture of cost data and identify maintenance costs of concern. Still, the staff diligently reviews the data available. Hopefully, new software systems will strengthen this performance area.

18 The district provides the Florida Department of Education with regular, accurate and timely counts of the number of students transported as part of the Florida Education Finance Program.

The consulting team confirmed that there is a systematic process for receiving an accurate count of students transported. Focus group discussions and surveys of bus drivers do not reveal any problems or concerns by drivers on this process or the training provided to them. As mentioned above, some riders appeared to be categorized incorrectly, to budgetary disadvantage during the initial site visit. Immediate action was taken to resolve the error. The consulting team has seen that the correction was carried over into planning documents such as the Benchmark Plan and FTE Statistic Sheets.

Prior to the student-counting period, necessary coordination occurs with affected employees about the counting process. Focus group discussions and surveys of drivers did not reveal any problems or concerns.

Quality control oversight and random spot checks and reviews of reports from drivers ensure count information is accurate. Route coordinators are critical about the effectiveness of the process of validation and use some drivers to assist them in checking the accuracy of information. Drivers value the opportunity to assist as a means to increase their hours to 40 per week.

Transportation staff uses management documents to identify trends and issues that may require managerial or budgetary responses, now and in the future. When the new information system is implemented, the task will be more efficient because common use data will be consistent in the various reports that the staff uses.

19 The district has reviewed the prospect for privatizing student transportation functions, as a whole or in part.

The Transportation Department has reviewed options for privatizing safety services and operations functions. The transportation management team has made several contacts in the past two years to explore cost comparisons with private transportation providers. Contacts include Hartline Ryder, lease maintenance services and, most recently, a meeting with Laidlaw in early October. In their explorations, the team has pursued various initiatives in line with their “Running in the Black” initiative, which focuses on past cost savings in current assorted components of the student transportation services.

The vehicle maintenance staff periodically reviews costs and comparative costs as provided by private vendors. As a result of such reviews, decisions were made to outsource selected repairs that resulted in savings. The body shop supervisor checks the quality of work provided by private vendors. This subject is discussed in greater detail on pages 51-54 of this chapter. In brief, the district solicits bids from vendors, uses cooperative bid lists and has procedures in place for items not on approved bid lists. Informal price quotes are used routinely for comparison. Vendors give their prices for a three to six

month period. The large vendors are responsive because of their awareness of potential volume. As the new Lawson ERP software becomes operational, there can be a higher level of control on purchases and awareness of best prices.

20 The district periodically reviews the organizational structure and staffing levels to minimize administrative layers and processes.

The transportation management team has reviewed its organization. The review is reflected in the Restructure Plan for 2001-2002. Some recommended changes have been approved and some are pending. The plan includes position description adjustments that more accurately reflect the work required and the necessary skills and competencies.

The organization adjustments reflect feedback from the whole staff including maintenance and transportation management. The latter two are specifically cited because adjustments were proposed to better reflect the work performed, notwithstanding existing position titles. Salary adjustments were proposed to better reflect the skill levels and responsibilities of the positions. Some of the changes have been approved.

The Transportation Department has looked at the organization design of other Transportation Departments in Florida. Comparisons of organizational structure can be difficult to make and there are significant differences in the supervisor to driver/employee ratios, the supervisor to driver/bus attendant ratios and the percent of the bus fleet in compounds. Organization, communication effectiveness, team building and interactive feedback are more difficult when the supervisor must interact with many, and the many do not have frequent contact with management.

Focus group discussions and surveys of drivers reflect that there is not common understanding of some issues that impact on morale, satisfaction/dissatisfaction and could thus impact recruiting, retention, and absenteeism. The department does use various means to achieve effective organization communications that are effective for task and function behaviors. As pointed out earlier, Palm Beach County may not be a reasonable exemplary peer when 100 percent of their buses are in compounds and their ratio supervisors to drivers is 1:25. In contrast, Hillsborough has nearly 80 percent of their buses not in compounds and the supervisor to driver ratio is 1:64, more than twice as large.

The lines of authority and spans of control appear reasonable within the main transportation office; however, route coordinators appear to be seriously challenged. Route coordinators have too many direct reports when coupled with their other responsibilities. They plan routes, trouble-shoot, find substitute drivers, rectify complaints, reconcile changes in route conditions and will become the experts in Edulog as the system comes on line. At times they require augmentation from drivers to ensure accuracy in student counts. They supervise and do performance evaluations for drivers, some of them more than 100. Currently only the Magnet Schools provide for formally recognized Lead Drivers. Yet there are drivers informally called on to be "lead drivers". The district should examine the situation and formalize the use of lead and senior drivers, incorporate the conclusion in the organization chart, and define the role of such positions. Action need not affect pay scales as the expanded duties could result in 40-hour workweeks. Moreover, such a change could create a sense of a career ladder, enhance the flow of information, improve morale and ease the span of control and burden on route coordinators.

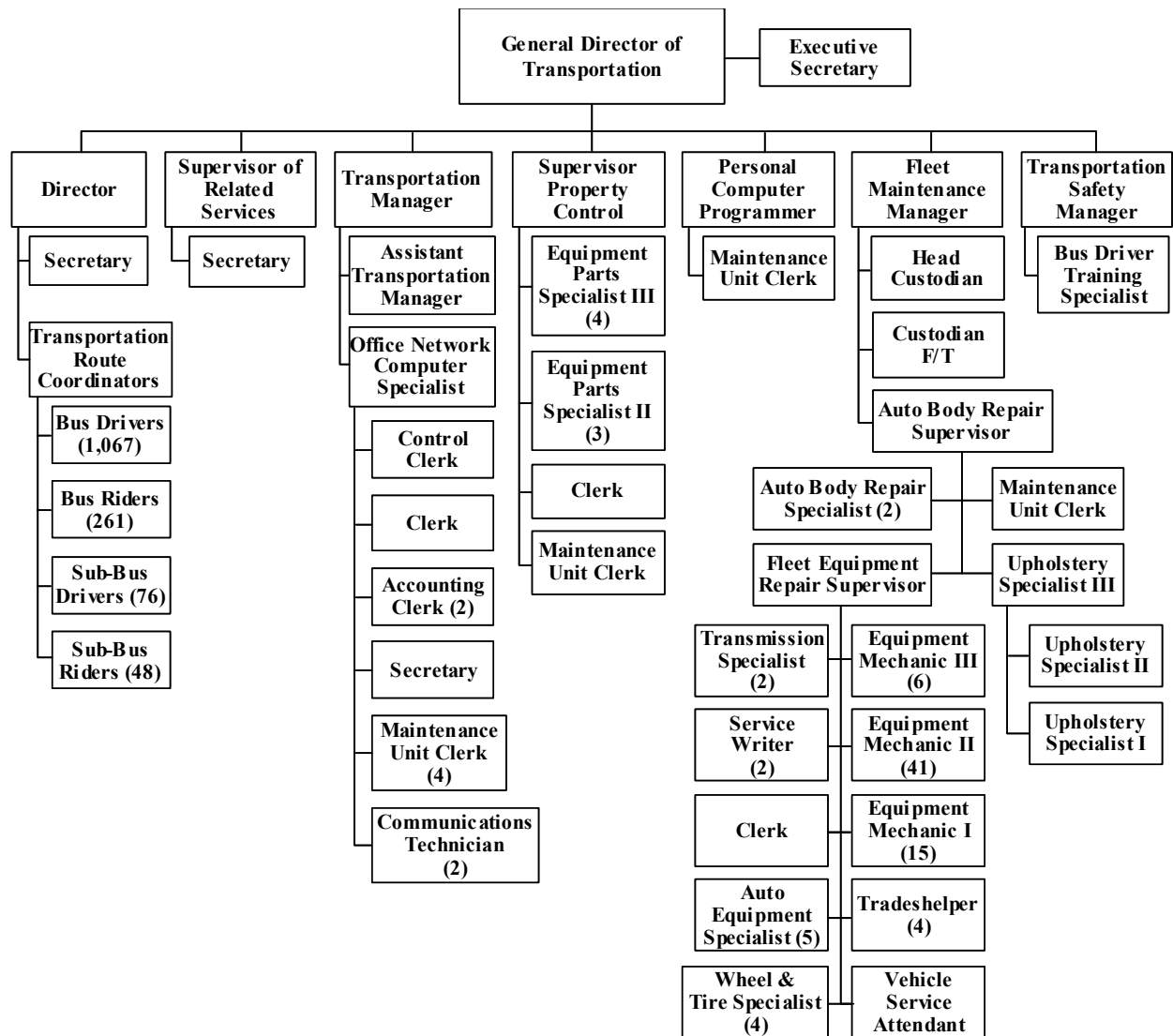
The review team did not receive any information as to why the peer districts vary so widely in terms of supervisor to driver ratio. The Transportation management team did say that in some districts the Route Coordinators are not supervisors as they are in SDHC. There is no useful way to determine what is the

best practice in the absence of data and uniformity in structure. Moreover, the review team has not received any feedback from the Transportation Staff that would assist in proposing a feasible recommendation and action plan. However, the review team believes the ratio in SDHC does not lend itself to effective organization, communications, meaningful appraisals of performance, sense of team to the lowest level, and other variables that can affect morale, recruiting, retention and a team - focused achievement of the goals and objectives in the planning documents.

The Transportation Director said there is an annual review of the organization structure, Exhibit 12-28 presents the current structure of the department.

Exhibit 12-18

Transportation Organizational Chart



Source: SDHC Transportation Department.

We urge consideration of the observations mentioned above and the indicators in the Focus Group Survey Report.

13

Food Service Operations

The School District of Hillsborough County has a fiscally sound food service operation that is well managed, provides nutritious meals, and is developing more effective accountability mechanisms to ensure continued fiscal success.

Conclusion

The School District of Hillsborough County (SDHC) Student Nutrition Services (SNS) Department has a self-supporting food service operation providing nutritious meals in a safe and sanitary environment. SNS has vision and mission statements and is developing a five-year strategic plan to clearly define the department's goals. The SNS Department has developed an extensive training program and assesses employee performance and productivity.

The SNS Department has specific performance expectations but lacks fully developed benchmarks and accountability mechanisms. SNS management is developing improvements to performance reports, budget analysis and financial controls. The district is aggressive in identifying cost savings opportunities and standardized reports are being developed to ensure that these opportunities are continuously achieved.

Financial reports used in past years are unavailable during a major technology system transition being completed to improve sales and inventory data collection, performance reports, budget analysis and financial controls. The project includes an integrated point-of-sale (POS) and financial reporting software system. The district expects to complete this project by May 2002.

Since 1993, the SNS Department has managed a financially responsible food service operation. With a few adjustments, SNS will be assured of continued fiscal and operational effectiveness. During the course of this review, Gibson Consulting Group, Inc. identified two noteworthy accomplishments in food service operations, which are included in Exhibit 13-1 below.

Exhibit 13-1

The District Has Had Two Notable Accomplishments in Food Service Operations in the Last Three Years

- The director of SNS received the Foodservice Achievement Management Excellence (FAME) Golden Star Award in January 2001.
 - The director of SNS received the International Foodservice Manufacture's Association (IFMA) Silver Plate Award in May 2001.
-

Source: The School District of Hillsborough County, SNS Department.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the School District of Hillsborough County food service operations using the Best Financial Management Practices and associated indicators adopted by the Commissioner of Education. The consulting team employed several methodologies to develop chapter

conclusions and action plans. For instance, Gibson Consulting Group, Inc. conducted on-site interviews with district level managers and gathered information on the SNS Department's operations, activities, policies and procedures. To receive additional input, we surveyed district-level staff, principals and teachers. Questions varied depending on the groups surveyed, and the results have been validated and incorporated into this chapter where applicable.

An overview of chapter findings is presented below.

Accountability Mechanisms

1. The SNS Department has a vision, mission statements, and clearly defined operating policies, procedures and performance expectations, but needs to clearly define program goals and establish performance benchmarks and measurable objectives using outputs and outcomes. (Page 13-7)
2. The SNS Department regularly reviews the organizational structure and staffing levels of the food service program to enhance the efficiency of program operations, but has not formalized coordination processes related to school-based needs and employee performance evaluations. (Page 13-12)
3. The SNS Department uses a comprehensive food service training program to increase productivity, improve employee performance and enhance the food service program. (Page 13-17)
4. The SNS Department identifies barriers to student participation in the school meals program and has implemented effective strategies to eliminate the barriers and increase participation. (Page 13-20)
5. The SNS Department has established performance expectations, but cost-efficiency benchmarks based on appropriate comparisons with exemplary school districts need to be developed. (Page 13-22)
6. The SNS Department effectively evaluates the food service operation at the school level but does not regularly assess the overall food service program based on established benchmarks. (Page 13-24)
7. The SNS Department regularly assesses the benefits of service and service delivery alternatives. (Page 13-25)

Financial Accountability and Viability

8. The SNS Department program budget is not based on goals, revenues, and expenditure projections. (Page 13-30)
9. The SNS Department's financial control process includes an ongoing review of the program's financial and management practices. (Page 13-33)
10. The SNS Department accounts for meals served by category. (Page 13-40)
11. The SNS Department regularly evaluates purchasing practices to decrease costs and increase efficiency. (Page 13-40)
12. The SNS Department has developed an effective inventory control system that is appropriate to the size of the school food service program, but changes could be made to increase effectiveness. (Page 13-42)
13. The SNS Department has a system for receiving, storing, and disposing of food, supplies, and equipment. (Page 13-44)
14. The SNS Department has a plan for the repair and replacement of equipment that includes preventive maintenance practices. (Page 13-46)

Preparation and Nutrition

15. The SNS Department provides school meals that meet the nutritional needs of students. (Page 13-48)
16. The SNS Department's food production and transportation system ensures the service of high quality food with minimal waste. (Page 13-49)

Safety and Sanitation

17. The SNS Department provides services in a safe and sanitary environment. (Page 13-50)

Fiscal Impact of Recommendations

The district will generate an increase in revenue of \$2,228,242 by implementing the following recommendation presented in this chapter. Exhibit 13-2 provides a summary of the recommendation and the associated five-year fiscal impact.

Exhibit 13-2

Fiscal Impact

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none">Raise all lunch prices throughout the district by 5 cents.	<ul style="list-style-type: none">Raising lunch prices by 5 cents will generate \$2,228,242 in revenue for the district over the next five years.

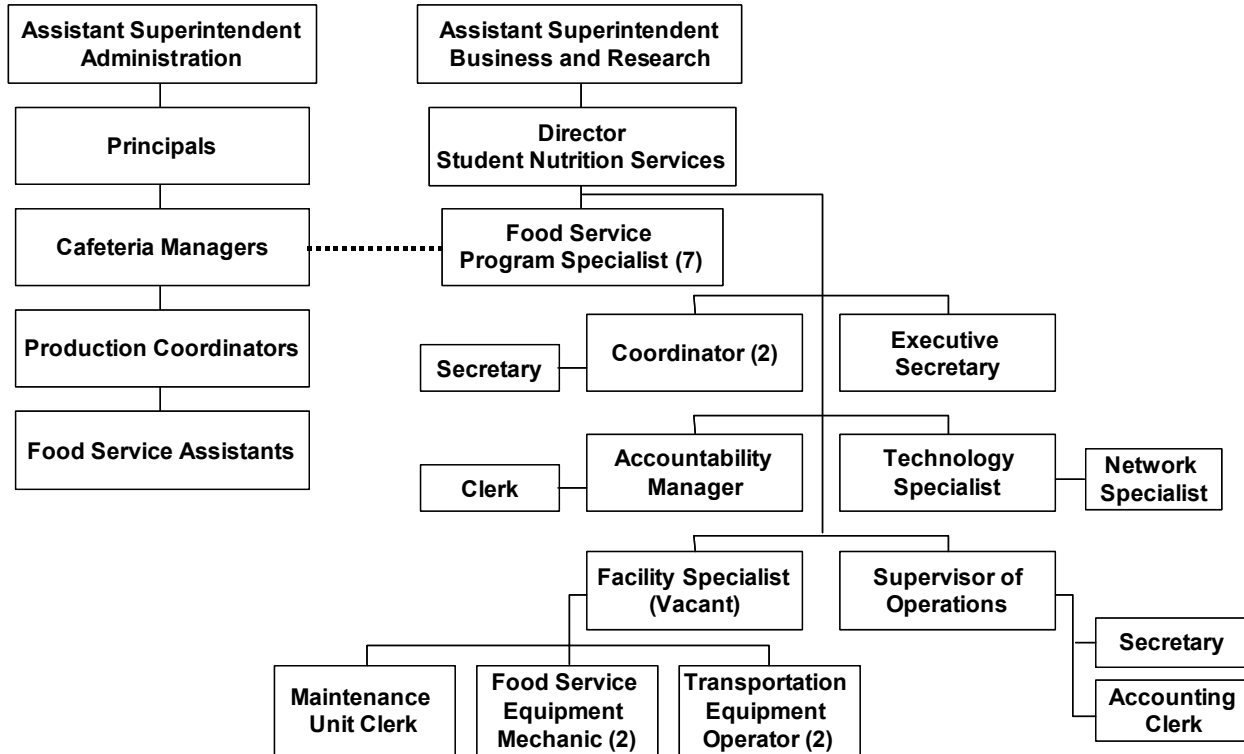
Source: Gibson Consulting Group, Inc.

Background

The School District of Hillsborough County (SDHC) includes over 200 schools with a population in school year 2000-01 of 169,682 students. SDHC operates its food service program through the Student Nutrition Services (SNS) Department. The program is responsible for serving 188,000 meals daily to students and staff at 215 feeding sites throughout the district. Staffed with over 1,600 employees, the department's budget is \$60 million annually. The department's organization, headed by the director of SNS, is depicted in Exhibit 13-3.

Exhibit 13-3

The SNS Department has over 1,600 employees



Source: The School District of Hillsborough County, SNS Department.

The district’s 215 feeding sites are organized into seven geographic areas. A food service specialist coordinates all the food service managers falling within his or her area. Each food service specialist oversees approximately 30 schools. The food service specialists’ primary responsibility is to provide oversight of the food service managers. These duties include conducting quarterly visitations to inspect kitchen operations and business operations, to review meal accountability, to address staffing issues and to oversee the cash deposit function. As of February 2002, the SNS Department has 15 vacant manager positions; when necessary, food service specialists are also responsible for filling in for vacant manager positions.

Each cafeteria is staffed with a food service manager, and each manager has production coordinators and food service assistants reporting to them. As shown in Exhibit 13-3, the oversight of food service managers is shared by the principals of the schools and by the food service specialists. Food service specialists are responsible for conducting quarterly kitchen evaluations that provide feedback to the managers on their kitchen operations, but principals provide a more direct oversight role in that they conduct the managers’ annual evaluation and provide more day-to-day direct supervision.

The SNS Department maintains two coordinator positions. One of these positions is responsible for coordinating the district’s satellite kitchens and coordinating the district’s special feeding programs such as the daycare, snack, and Head Start feeding programs. The second coordinator position is responsible for coordinating training for food service managers and other SNS employees. Two other positions, the SNS accountability manager and clerk, are dedicated to processing student applications for free and reduce-price meal status and the associated verification process. The SNS supervisor of operations is responsible for menu planning, production reports, recipes, and nutrient analysis.

The SNS Department’s facility specialist position is responsible for long-term and short-term equipment repairs, equipment procurement and design and coordination of new kitchen construction or renovation. Currently, the facility specialist position is vacant, and there are no definite plans to fill the vacancy. The position duties are temporarily being split between the maintenance unit clerk, who handles the day-to-day aspects of equipment repairs, and the director of SNS who is handling the long-term procurement planning for equipment replacement, kitchen design and coordinating kitchen construction for new school openings. The technology specialist oversees the office network specialist. These two positions are dedicated to dealing with software issues related to the point-of-sale terminals in all cafeterias.

Integration of Technology and Programs

During the past three years, SDHC has endeavored to integrate technology, facilities, production, special programs, and special services to improve the quality of food service to all customers. In June 1998, the school board approved a major technology project for the SNS Department. Implementation of a cafeteria point-of-sale (POS) system and a financial reporting software package began in the 1998-99 school year. Exhibit 13-4 shows the chronology of the SNS technology initiative.

Exhibit 13-4

SNS Point-of-Sale (POS) System and Automated Data Processing Project Chronology

1998-99	1999-2000	2000-01	2001-02
<ul style="list-style-type: none"> • Kyrus, Inc. selected to pilot POS System and Horizon, Inc. for back-office system (BOSS) • Kyrus POS installed at three food service sites • Cabling of all sites • Workstations installed for managers at all sites • BOSS database created (data entry of menus, recipes, inventory items) 	<ul style="list-style-type: none"> • Kyrus POS installed in 34 additional sites • BOSS training for managers (production, ordering, inventory) • Inability of Kyrus discovered; pilot project terminated • Horizon developed a POS System that replaced Kyrus 	<ul style="list-style-type: none"> • Horizon evaluated for interface to district • Horizon installation at district office and all sites completed • All sites converted from BOSS to VBOSS (Windows version of BOSS) • Central processing center opened for free and reduced applications 	<ul style="list-style-type: none"> • Finalizing implementation of VBOSS and creating customized financial reports needed by SNS • Training for managers on new report data entry and use

Source: The School District of Hillsborough County, SNS Department.

The automated system is made up of two separate but integrated software systems. FastLane2000 is the district’s POS system. This system is used to account for daily meals served. The other component of the system is the Visual Back Office System Software (VBOSS). This system maintains cafeteria inventories, provides a database of product specifications, and includes several management reporting features that can be used for decision-making.

The POS system assures accurate meal counts to facilitate SDHC’s participation in the National School Lunch Program (NSLP) and National Breakfast Program (NBP). These programs are regulated by the U.S. Department of Agriculture (USDA) and are designed to assist states through grant-in-aid and other means to establish, maintain, and expand non-profit school feeding programs. The NSLP and NBP aim to safeguard the health and well being of the nation’s children and encourage the domestic consumption of nutritious agricultural commodities and other foods. SDHC renews its agreements with these agencies

each year to operate the program at the local level. The SDHC board, school principals and the SNS Department share local responsibility for program administration.

During Fiscal Year 2001-02 (school year), approximately 50 percent of SDHC students were approved to receive free or reduced-price meal benefits through the NSLP and NBP. As a participant in these programs, SDHC receives federal reimbursement income for free, reduced, and paid breakfast and lunch meals served. Additional monies are received based on the number of free and reduced-price meals served and whether schools are designated as having a maximum severe need population (greater than 60 percent economically needy). Each school's population is evaluated to determine whether they are less than or greater than 60 percent economically needy. Exhibit 13-5 shows the reimbursement rates for the Fiscal Year 2001-02.

Exhibit 13-5

USDA Meal Reimbursement Rates, Fiscal Year 2001-02

Meal	Designation	Reimbursement Rate
Free Lunch	Population < 60% Economically Needy	\$2.09
	Population > 60% Economically Needy	\$2.11
Reduce-Price Lunch	Population < 60% Economically Needy	\$1.69
	Population > 60% Economically Needy	\$1.71
Breakfast	Free	\$1.15
	Reduced	\$0.85
	Maximum Free	\$1.37
	Maximum Reduced	\$1.07

Source: Florida Department of Education.

The NSLP and NBP, in addition to other federal feeding programs are administered through the State of Florida's Department of Education (DOE). The Food and Nutrition Management section of DOE is responsible for managing funds from the USDA for child nutrition programs in the state. All programs must be approved by the DOE Food and Nutrition Management Office and audited on a regular basis to ensure that the funds are appropriated fairly and correctly.

The SNS department's revenue for Fiscal Year 2000-01 totaled \$59,075,846. A significant portion of the food service program's revenues (52 percent for Fiscal Year 2000-01) comes from reimbursable student meals. The next largest revenue item for the food service is a la carte sales (25 percent of total sales in 2000-01), followed by meals sold to students and staff at full price (13 percent of total revenues). Other sources of revenue include fees from contract feeding programs, catering projects and nutrition services such as After School Snack, Head Start, day care center programs, YMCA programs and charter school deliveries.

The district's food service operation maintains a healthy fund balance totaling \$3,129,491 for Fiscal Year 2000-01. During Fiscal Year 2000-01, the SNS Department invested a portion of its fund balance into technology improvements and installation of POS systems in each school cafeteria. This investment of computers and equipment effectively lowered the fund balance by 49 percent to \$3 million.

In addition to federal meal income reimbursements, SDHC also receives USDA food commodities. Commodities are grouped into two categories. Group A Commodities include meat, fish, poultry, fruits and vegetables, and Group B Commodities include grains, oil, shortening, cheese and peanut products. These food commodities are received through a USDA-approved storage facility from which they are transferred to the SDHC warehouse. The commodities are delivered from the school district's warehouse to schools when ordered by food service managers.

The SNS Department participates in innovative programs that have enhanced the department's non-traditional food service offerings. A few of these non-traditional food service offerings are

- Universal free breakfast program at 90 sites
- Campus Celebration catering program that offers a variety of services at school events such as retirements, luncheons, and meetings
- After School Snack Program in school-age childcare centers
- Outside contracts such as University of South Florida summer sports programs, day care centers, and YMCA programs
- Summer food program at school sites and to the Board of County Commissioners

Accountability Mechanisms

The SNS Department monitors the performance, efficiency and effectiveness of the district's food service program. The department's mission statement and strategies are promoted throughout the district and used to hold the SNS accountable to specific performance expectations. Clearly written operating policies and procedures and an extensive training program enhance staff productivity. SNS measures the food service program's performance, but needs to develop benchmarks, clearly defined program goals, and measurable objectives that are compared to exemplary peer districts.

SNS has discovered some changes to the organizational structure that are needed to enhance program operation and ensure the goals of SNS are not conflicting with other district organizations. SNS is also dedicated to improving profitability by eliminating barriers to meal participation, assessing alternative meal delivery systems, and analyzing revenue and costs of comparable public sector food service programs.

1 The SNS Department has a vision, mission statements, strategies, and clearly defined operating policies, procedures and performance expectations, but needs to clearly define program goals and establish performance benchmarks and measurable objectives using outputs and outcomes.

A program goal is a long-range end towards which a program directs its efforts. The goal should relate to the mission, values, priorities, and expectations. A measurable objective is an action statement which defines how program goals will be achieved and should be either short-term (two to three years) or mid-term (four to five years).

For operational programs, objectives should be stated in terms of the quality and cost of services provided. Such objectives should

- be specific,
- be easily understood,
- be challenging but achievable,
- be measurable and quantifiable,

- address the program’s purpose and major expenditures,
- identify data needed to assess progress toward an objective, and
- indicate the performance outcome (result) or improvement target desired.¹

“Benchmarking” is comparing a program’s actual performance and cost of major functions and services to acceptable standards to identify differences and opportunities for improvement. Benchmarks should include comparisons to other school districts that provide the same service. Effective benchmarks include comparisons to best-in-class organizations (models) and best practices, and show a clear relationship to critical outcomes based on reliable and comparable data. Benchmarks should be developed at the same time as goals and objectives and updated annually.

SNS developed the department’s vision, mission, and strategies with input from school-level food service staff.

The SNS Department has a vision “to provide high quality, healthy and affordable meals for all students in an environment that is appealing and courteous”. Four mission statements and 30 strategies define the ideals of the program. The director of SNS requested input at school-level staff meetings during the development of the department’s vision and mission. Additional feedback was solicited from stakeholders such as the Parent Teacher Association (PTA) and the principals’ council. The school board approved the statements and related strategies in June 1999.

Exhibit 13-6 outlines 30 strategies SNS uses to guide program efforts. The vision, mission, and strategies of SNS can also be viewed on the SNS Department web site at http://www.sdhc.k12.fl.us/~food.services/our_vision.htm.

Exhibit 13-6

SNS Department Vision, Mission and Strategies

Vision	The vision of the food and nutrition department is “to provide high quality, healthy and affordable meals for all students in an environment that is appealing and courteous”.
Mission	The food and nutrition department has a mission that is expressed by four statements: <ul style="list-style-type: none">• We believe that a well-nourished child is prepared to learn• We believe in quality service for all customers• We believe in teamwork between staff, students and community• We believe in sound business practices with fiscal responsibility
Strategies	We believe that a well-nourished child is prepared to learn <ol style="list-style-type: none">1. Meet the nutritional needs of a diverse student population, striving to provide for special ethnic, cultural, and dietary needs2. Incorporate the Guidelines for Making Meals Healthier into menu planning, preparation, and purchasing of all foods3. Encourage nutrition education information to be presented in the classroom and nutrition activities to be incorporated during serving and dining4. Offer a nutritious and appealing breakfast and lunch in all school sites5. Provide nutritious and appealing snacks to students participating in after school child care programs6. Encourage school administrators to recognize school meals as an important part of the student’s daily education

¹ *Outcomes* represent effects or results of programs, are stated as percentages of a target met, and answer the question “How much?” *Outputs* represent units of a service or activities produced, also measure progress towards a target, are stated as a number, and answer the question “How many?” *Outputs* are necessary to be able to measure performance in terms of *outcomes*.

We believe in quality service for all customers

7. Serve all customers with pride and dignity
8. Provide a “child-friendly” serving and dining environment that is appealing to our student customers
9. Encourage students to participate in the meal program by providing nutrition activities and educational promotions
10. Treat all customers in a courteous, cheerful, and respectful manner
11. Provide adequate serving areas to accommodate the student population
12. Work with school administrators to provide enough time for students to eat
13. Strive to serve students in a quick and efficient manner
14. Attempt to resolve customer’s concerns professionally and in a timely manner
15. Present a professional, clean, and stylish appearance

We believe in teamwork between staff, students, and community

16. Treat all members of the employee team with fairness, respect and honesty
17. Encourage and promote open communication between employee and employer
18. Provide training opportunities designed to develop the employee, both personally and professionally
19. Recognize and award those employees who have gone “above and beyond” the basic requirements of the job
20. Encourage employees to further their education, by offering scholarships toward a high school diploma or college degree
21. Establish Nutrition Advisory Teams to foster interaction between the food service staff and students
22. Encourage the food service staff to be an active participant in the school community

We believe in sound business practices with fiscal responsibility

23. Operate the program as a cost effective, self-supporting business
24. Be accountable to federal and state regulations
25. Manage by using approved policies and standard operating procedures to build a unified business
26. Encourage the expansion of non-traditional revenue sources
27. Provide affordable meals to all customers
28. Operate our program within budgetary guidelines
29. Budget to provide adequate staff development for all employees
30. Budget to update food service kitchens and serving areas in order to provide a safe and efficient work area for all employees

Source: The Hillsborough County School District, SNS Department.

Progress is measured with customer surveys, performance expectations, and two internal review programs called the Keys to Excellence Review and the CAFÉ Report.² Exhibit 13-7 summarizes the goals and strategies of the SNS Department and the means by which they are measured.

² The Keys to Excellence Review is an objective evaluation instrument designed to compare all SDHC cafeterias using the same standards. The food service specialist performs the review at each cafeteria annually. The review is divided into four “keys”: Administrative, Nutrition, Operations, and Communications-Marketing. Each of the four areas is assigned a point value, and evaluations not earning a specific score are submitted with a time-specific corrective action plan. CAFÉ (Customer Service, Accountability, Food Quality and Essentials) reports are completed by the food service specialist at least four times each year for every cafeteria in the district. The food service specialist evaluates and comments on each of the four CAFÉ categories, and assigns a follow-up plan for improvement to the manager if necessary.

Exhibit 13-7

The SNS Department Goals and Measurements

Goal	Measurement
<p>I Nutritious Meals We believe that a well-nourished child is prepared to learn. (Strategies 1-6)</p>	<ul style="list-style-type: none"> • Keys to Excellence Review • CAFÉ Report • Bi-annual Student Focus Group and Satisfaction Survey • Meal Participation Rates • Computerized Nutrient Menu Analysis
<p>II Quality Customer Service We believe in quality service for all customers. We believe in teamwork between staff, students, and community. (Strategies 7-22)</p>	<ul style="list-style-type: none"> • Keys to Excellence Review • CAFÉ Report • Bi-annual Student Focus Group and Satisfaction Survey
<p>III Fiscally Sound Business Practices We believe in sound business practices with fiscal responsibility. (Strategies 23-30)</p>	<ul style="list-style-type: none"> • Keys to Excellence Review • CAFÉ Report • Management Reports on: <ol style="list-style-type: none"> 1. Costs per Meal 2. Meals per labor hour (MPLH) 3. Meal Participation Rates 4. Commodity Usage 5. Inventory Turnover Rates

Source: The Hillsborough County School District, SNS Department.

A clearly defined mission must identify the role and goals of a program. However, the department’s four mission statements outline the program’s beliefs and ideals instead, with a mission included within the SNS vision statement. The SNS department’s mislabeled “vision” in Exhibit 13-6 actually reads as the mission “...of the food and nutrition department to provide high quality, healthy and affordable meals for all students in an environment that is appealing and courteous.” Additionally, the mislabeled “missions” in Exhibit 13-6 are actually the values, or visions, upon which a mission should be based. In other words, there is a disconnect in the defining of the SNS department’s mission which exacerbates the effort to set clearly defined goals and measurable objectives, and these goals and objectives are absent from Exhibits 13-6 and 13-7. Consequently, the strategies labeled in the preceding exhibits are without the measurable objectives they are supposed to address leading to the accomplishment of program goals.

SNS is developing program goals and measurable objectives.

Goals should be adopted to direct a program’s efforts towards a long-range end. Program goals must be measurable by outcome-oriented objectives relating to the mission, values and expectations of the operation. SNS has not adopted formal program goals and measurable objectives. The department began developing a five-year strategic plan with measurable goals in October 2001. The plan is to be completed for submission to the board for approval before the 2002-03 school year.

The SNS Department has comprehensive written procedures for the food service program.

The SNS Department has written standard operating procedures that are given to all principals, managers and employees. All SNS employees receive training to ensure familiarity and compliance with SNS policies and procedures. The procedures manual is extensive and is reviewed for needed updates annually. The most recent update occurred in July 2001 to reflect all technology, personnel and policy

changes. The table of contents of the procedures manual shows the broad range of topics that are covered and is displayed in Exhibit 13-8.

Exhibit 13-8

SNS Policy and Procedure Manual-Table of Contents

- **General Program Information**
Purpose, Mission, Goals, Supervision
 - **Meal Services**
Breakfast and Lunch Patterns, Ala Carte Prices, Standardized Recipes, Special Dietary Needs, Satellite Program
 - **Free and Reduced Meals**
Applications Procedures, Verification Procedures
 - **Sanitation and Safety**
Food Handling, Food Protection, Personal and Equipment Sanitation, Safety Procedures, Examination of Suspected Food Borne Illness, Pest Control
 - **Food Service Management**
Commodity Foods, Receiving Merchandise, Quality Control, Inventory Reports, Leftover Foods, Daily Temperature Records
 - **Accounting and Financial**
Daily Participation, Cash Handling and Deposit Procedures, Petty Cash, Meal Accountability
-

Source: The Hillsborough County School District, SNS Department.

Recommendation

- *We recommend that SDHC redefine the SNS mission statement to include the purpose and goal of the program.*
- *We recommend that SDHC develop a five-year strategic plan with goals that reflect the intent, mission and specific performance benchmarks of the program. The plan should include measurable outcome-oriented objectives that are consistent with the program goals.*

Action Plan 13-1 provides the steps needed to implement these recommendations.

Action Plan 13-1

Revise the mission of the district’s food service program.	
Strategy	Define the goal of the program with a clearly stated mission.
Action Needed	Step 1: The director of SNS drafts a revised mission statement. Step 2: The revision is submitted to the superintendent. Step 3: The superintendent reviews, approves and prepares a board agenda item with the revised mission statement. Step 4: Board must approve.
Who is Responsible	The director of SNS
Time Frame	2002-03 school year
Fiscal Impact	This can be completed with existing resources.

Define specific program goals and measurable objectives in the SNS five-year strategic plan currently being developed.

Strategy	Establish clearly stated goals, measurable objectives, strategies, and benchmarks that reflect the purpose and expected critical outcomes of the program.
Action Needed	<p>Step 1: The director of SNS evaluates the SNS program’s current performance and the revised mission statement.</p> <p>Step 2: The analysis is used to design specific program goals, objectives, strategies, and benchmarks.</p> <p>Step 3: The director of SNS completes the SNS five-year strategic plan including the revised program goals.</p> <p>Step 4: The superintendent reviews, approves and prepares a board agenda item for approval of the five-year strategic plan.</p> <p>Step 5: Board must approve.</p>
Who is Responsible	The director of SNS
Time Frame	2002-03 school year
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The SNS Department regularly reviews the organizational structure and staffing levels of the food service program to enhance the efficiency of program operations, but has not formalized coordination processes related to school-based needs and employee performance evaluations.

The SNS Department has qualified staff members who are responsible for the management of the school food service program.

The director of SNS has a Masters Degree in Nutrition and Food Science and is a Registered Dietician with over 16 years of managerial and leadership experience. The director’s performance has been recognized with many awards for excellence granted by the profession. In January 2001 the director was awarded the Foodservice Achievement Management Excellence (FAME) Golden Star Award as the food service director of the year from the American School Food Service Association (ASFSA). In May 2001 the director received the International Foodservice Manufacture’s Association (IFMA) Silver Plate Award. The SNS Department also employs three additional Registered Dieticians. Their duties include the implementation and oversight of the employee training programs, nutrient analysis of menus, coordination of satellite feeding centers, and oversight of outside contracts.

Many SNS managers and supervisors, including food service specialists, food service managers, and administrative supervisors are required to attend certain mandatory training classes each fall and throughout the year. In addition, the district provides many voluntary training opportunities. These mandatory and voluntary training opportunities ensure that the department continues to maintain qualified managers and supervisors to manage the school food service program.

Program roles and responsibilities are defined, but there is no formal mechanism to resolve program disputes.

Roles and responsibilities of the director of SNS and school principals are defined in the School Board of Hillsborough County Policy Manual. This section states:

Student Nutrition Services Director:

The Director of Student Nutrition Services shall be responsible to the Assistant Superintendent for Business and Research for the operation of the county student nutrition services program as well as the administration of the state and federal programs.

Principal's Responsibilities:

- 1. The principal in each school shall administer the operation of the school's student nutrition services program.*
- 2. The principal may delegate authority but shall be held responsible for the results of the program. Where possible, the principal shall correlate the program with other areas of instruction.*
- 3. The principal shall handle all matters of discipline.*

As the organization chart in the preceding Exhibit 13-3 shows, the supervision of each school's food service manager falls to two separate positions – food service specialists and the principals at each school. This dual reporting structure has created some difficulties in administering the district's food service program. For instance, food service managers are directly supervised by principals but are responsible to the director of SNS for specific program functions such as food and labor costs.

Even though each food service manager receives quarterly inspections and evaluations from SNS food service specialists, this information is rarely incorporated into the manager's annual review performed by the school principal. In cases where managers may be performing below standard and may be in need of additional training or counseling, annual evaluations completed by the principal do not necessarily reflect such performance deficiencies or outline corrective action. In past years the director of SNS has reviewed and assessed the annual evaluations of food service managers conducted by school principals and has found several deficiencies:

- SNS Department does not always receive the food service manager's evaluation form;
- When an evaluation is marked with "needs improvement", there is no specific improvement plan indicated;
- No indication that the evaluator used the CAFÉ reports or Keys to Excellence reviews in conducting the food service manager evaluations

School principals receive copies of quarterly CAFÉ reports and annual Keys to Excellence reviews, but there is no formal process to incorporate the results of these reviews into the food service managers' annual evaluations. As a result of this lack of evaluation coordination, food service managers may not always be held accountable for the operations of their cafeteria, yet the SNS director is held accountable for district-wide program performance.

The dual accountability role over the food service program results in several areas that suffer from a lack of coordination between the principal and the SNS director. For example:

- Principals decide and adjust lunch periods – too short a time can negatively impact participation rates and result in students not getting an opportunity to eat;
- School-based decisions regarding the a-la-carte item choices can affect participation rates (for example, limiting the amount of a la carte items offered can have an impact on the number of

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reimbursable meals sold);

- School-based decisions to operate vending machines during serving hours can affect participation rates; and
- Principals are responsible for and have complete discretion over the hiring of part-time lunchroom aides – these employees are not provided the training opportunities offered to other SNS employees.

In many cases, school principals and the director of SNS work informally to address and resolve issues of mutual concern, but there is no formal process to insure cooperation. Furthermore, principals and the SNS director report to different assistant superintendents so there is no mechanism to appeal to a single authority for resolution of disagreements.

The SNS Department has an organizational chart that clearly identifies all food service operation positions and supervisory relationships.

The SNS Department's organizational structure, as presented in the preceding Exhibit 13-3, provides a clear delineation of department positions. Further, job descriptions and stated responsibilities provide employees with clear direction as to who handles what functions in the district. This information is communicated on a regular basis through employee manuals, instruction guides, internal memos, and meetings.

The SNS Department regularly evaluates its organizational structure and makes appropriate changes as needed. As the organization or the food service program changes, employee job duties are reviewed and adjusted. Recent organizational changes that have occurred as the result of operational or program changes include the following:

- The addition of a mechanical support division, headed by a facilities specialist, to handle equipment maintenance and procurement. This responsibility was formerly performed by the district's maintenance department but, due to the increased need for equipment repairs, the position was moved into the SNS Department;
- The addition of a technical support division, staffed with a technology specialist and an office network specialist, to deal with issues arising from the implementation and use of the POS and VBOSS systems. Prior to implementation of these systems, there was no need for this function.
- The restructuring of two positions to serve as coordinators of two Special Projects teams. These two teams oversee employee training and special feeding programs such as Head Start, Summer Feeding, after-school Snack, and satellite programs.

The director of SNS and staff continuously evaluate the ever-changing needs of the department and submit requests to the assistant superintendent for Business and Research for staffing needs.

The district has many positions that do not report to the SNS Department but are charged to the food service budget.

A review of district staffing budgets revealed several positions that are funded through the SNS budget but may not be designated to spend 100 percent of their efforts on SNS functions. Exhibit 13-9 shows a listing of all SNS positions and identifies which positions are not reporting to the SNS Department.

Exhibit 13-9**SNS Department Positions (As of February 6, 2002)**

Position Title	Number of Positions	Reports to SNS Dept? (Y/N)	Position Title	Number of Positions	Reports to SNS Dept? (Y/N)
Accounting Clerk I	3	N	Sr Maint Unit Clerk	1	Y
Accounting Clerk II	2	N	Student Nutrition (SN) Area Specialist	6	Y
Accounting Clerk III	1	Y	SN Mgr	161	Y
Area Head	16	Y	SN Prod Coord	145	Y
Clerk II (Warehouse)	1	N	SN Tech Spec	1	Y
Comm Fd Svc Eq Mech II	2	Y	Storekeeper II (Warehouse)	1	N
Coordinator	2	Y	SN Assist	987	Y
Data Proc Clerk	1	Y	Student Assistant	4	Y
Director	1	Y	SN Sub	200	Y
Executive Secretary	1	Y	Sub Lunchroom Aide	27	N
Lunchroom Aide	182	N	Network Comm Analyst	2	N
Manager I	1	Y	Accountant	1	N
Office Network Comp Spec	1	Y	Supervisor	1	Y
Programmer/Analyst	1	N	Teacher Aide	2	N
Secretary II	1	Y	Transportation Equip Oper I	3	N
Secretary III	1	Y	Transportation Equip Oper I	2	Y
			Facility Specialist	1	Y
Total Positions Charged to SNS Budget					1,762
Total Positions Charged to SNS Budget but not reporting to SNS Department					225

Source: School District of Hillsborough County, SNS Department.

In addition to the positions listed in this exhibit, a portion of custodial salaries at each campus is charged to the SNS budget each month. Our analysis was not able to assess the percentage of time each of these employees actually spend on SNS tasks because the district does not track this data. Interviews with managers indicate that there may be employees who are funded through the SNS budget but do not work solely on SNS projects. This situation is problematic because the district is at risk of funding general fund activities through the food services budget provided to the SNS Department.

Staffing levels are appropriate compared to the number of meals served and student enrollment figures.

The SNS Department analyzes kitchen staff levels annually and makes adjustments based on projected student enrollment and projected meal participation rates for the upcoming school year. In the last two years, lunch participation rates have grown from 63 percent to 80 percent, and breakfast participation increased from 21 percent to 36 percent. In response to this growth in meal production, appropriate adjustments in staffing were made using meals per labor hour (MPLH) standards. MPLH is a ratio of meals served to the labor hours taken to produce them.

The SNS Department maintains a pool of 200 substitute cafeteria employees to fill in for absent employees. Using an automated calling system to report absences, which subsequently contacts substitute staff, the department ensures that the nutritional needs of students can be met even though regular staff may call in sick. SNS substitute employees are assigned to schools based on geographic regions. As regular staff members report absences to the food service managers, the managers report the need for a substitute employee to the Substitute Employee Management System (SEMS).

The SEMS is designed to coordinate substitute staffing needs and place automatic calls to employees on the approved substitute list. This system uses a computer with data/voice capabilities that is accessible 24 hours a day through a touch-tone telephone. Substitute employees are given a personal identification number (PIN) that allows them to access the system.

Recommendations

- *We recommend that SDHC develop a formal coordination process whereby principals or their designees can regularly and formally communicate with SNS to ensure that school-based needs are balanced with student nutritional needs and with the successful operation of the food service program.*
- *We recommend that SDHC develop a joint evaluation process that requires performance reviews of food service managers to be based on both technical and personnel-related food service aspects. This review would require input from both the campus principal and the food service specialist.*
- *We recommend that SDHC perform regular evaluations of employee time to determine whether the SNS budget is supporting general fund activities. SDHC should make regular payroll allocation adjustments based on the results of the evaluations.*

Action Plan 13-2 provides the steps needed to implement these recommendations.

Action Plan 13-2

Develop a formal coordination process to ensure that campus-level staff and SNS Department staff have the opportunity to formally communicate their needs and objectives.	
Strategy	To ensure the accountability of the SNS Department and to provide a formal mechanism by which campus-based concerns can be balanced with the concerns of the SNS Department.
Action Needed	<p>Step 1: Develop a formal process that occurs quarterly whereby SNS Department employees and campus-based employees meet to discuss needs. The process should be initiated with an annual meeting to be held at the end of each school year in order to plan for the upcoming year's activities or programs.</p> <p>Step 2: Require that any campus-based changes that affect the food service program be fully and openly discussed with SNS staff.</p> <p>Step 3: Require that any SNS-based decisions that affect campus programs or schedules be fully and openly discussed with campus staff.</p> <p>Step 4: Develop and document formal procedures for this coordination process.</p>
Who is Responsible	The assistant superintendent for Business and Research and the assistant superintendent of Administration
Time Frame	July 15, 2002
Fiscal Impact	This can be completed with existing resources.

Develop a manager evaluation process that requires performance reviews based on both food service technical- and personnel- aspects. This review requires joint input from both the principal and the food service specialist(s).	
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Strategy	Improve the evaluation process of food service managers to provide a comprehensive picture of their performance.
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Action Needed	<p>Step 1: Obtain approval from the assistant superintendent of Human Resources to provide a dual evaluation of food service managers.</p> <p>Step 2: Develop an evaluation form to be used in evaluating food service managers in both food service technical- and personnel-aspects.</p> <p>Step 3: Require both the campus principal and the food service specialist to jointly perform all food service manager evaluations, incorporating the results of the quarterly CAFÉ reports and the annual Keys to Excellence reviews.</p>
Who Is Responsible	The assistant superintendent for Business and Research, assistant superintendent of Human Resources and the director of SNS.
Time Frame	August 31, 2002
Fiscal Impact	This can be completed with existing resources.

Determine whether the SNS department budget pays for activities that should be paid by general funds, and take corrective steps to assure activities are paid for by the appropriate fund.

Strategy	Ensure that general fund activities are not funded through food services revenues received through the SNS Department.
Action Needed	<p>Step 1: Develop a method for all employees funded through the SNS Department but not reporting directly to the department to account for their time on a monthly basis.</p> <p>Step 2: Make adjustments in employee staffing or scheduling to prevent general fund activities from being funded through the SNS Department budget.</p>
Who Is Responsible	The assistant superintendent for Business and Research
Time Frame	May 31, 2002
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

3 The SNS Department uses a comprehensive food service training program to increase productivity, improve employee performance and enhance the food service program.

The SNS Department designed a formal food service training program, including components to ensure SNS employees gain the knowledge and skills necessary to increase overall operational efficiency. Mandatory and voluntary training courses are provided throughout the school year allowing staff to develop both professionally and personally. To enhance the quality of the training program, the district built an SNS Training Center during the 1999-2000 school year. The center is used throughout the annual training schedule primarily by the SNS Department for SNS employees taking food service training program courses. Although funded by the SNS Department, the training center is open to other departments if not in use by SNS. The facility has a classroom-style design, multi-media capabilities, and a fully equipped computer-training lab with 15 stations that are supported by the district’s technical support staff.

The SNS Department has established and follows a formal food service staff-training plan.

The SNS Department has an extensive annual training program and the next year’s schedule is distributed to employees each spring. A summer newsletter, internal memos and a weekly email report are used throughout the school year to remind SNS employees of upcoming courses on the annual training calendar. The annual schedule is comprised of standard courses that are repeated each year, but several

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new courses are periodically added to provide SNS staff with training and updates on new food service topics.

The SNS Department's training program has several courses that offer Continuing Education Units (CEUs) recognized by the American School Food Service Association (ASFSA). ASFSA recommends and endorses a career ladder for food service personnel and SNS encourages all employees to be involved in continuing education related to a food service career.

ASFSA offers seven levels of certification that a school food service employee can attain by acquiring CEUs. Food service employees can acquire ASFSA titles such as "Food Service Professional" and "School Nutrition and Food Professional". Although specific training courses that offer CEUs are mandatory for SNS employees, achievement of specific ASFSA certification levels is not. The district has 45 out of a total of 176 food service managers that hold the "Food Service Professional" certification.

Training objectives are clear and classes are evaluated to ensure objectives have been achieved

Course packets are distributed at each training class and include a description of each class, a detailed agenda, and course objectives. Training objectives are assessed using pre- and post-course multiple choice testing. Surveys that include open-ended comment sections are distributed at the completion of courses offering an opportunity to submit evaluative feedback and make suggest improvements to future training courses. Post-training tests are completed on optical reader forms and graded to provide a quick and efficient method to determine if the employee requires additional training.

Training addresses the planning, preparation, delivery and accountability of healthy meals.

The SNS Department has an active training program to teach and reinforce skills necessary for safe and efficient preparation, effective service and accountability of nutritious meals. The annual training schedule has mandatory courses addressing each of the recommended components for an effective and fiscally sound food service program. Courses required for managers and other SNS staff members are listed with the component addressed in Exhibit 13-11.

Many of the training requirements for the preparation of healthy meals and the basics of the food guide pyramid, dietary guidelines, and nutritional principles are reinforced for managers in the "Manager Intern Program". This program is a mandatory requirement for all employees who wish to become food service managers. The manager intern program is a comprehensive 18-week program offering courses that focus on USDA and child nutrition programs, reimbursable meal programs, meal production, receiving and ordering inventory, USDA accountability, food service accountability, staffing and employee policies, management reporting tools, interpersonal communications and program marketing.

Hourly SNS employees are introduced to these principles at "New Employee Orientation". This mandatory orientation provides essential information on topics such as USDA meal guidelines, the National School Lunch and Breakfast Programs, SNS personnel policies, and customer service procedures.

Production and management report training are mandatory for production coordinators and food service managers. Visual Back Office Software Solution (VBOSS) training is required for all SNS managers. VBOSS is the food service operation software program SNS uses to manage inventory, purchases, food sales and menu planning. Voluntary training opportunities such as "Format and Design with Microsoft Word" are also offered to all SNS employees. This course teaches techniques for effectively producing menus and promotional signage for serving lines.

Food safety, sanitation and workplace safety workshops are mandatory for all SNS employees throughout the year in two-day training sessions entitled “Food Safety and Sanitation”. These courses are taught in conjunction with the district safety officers and other qualified instructors.

The SNS Department incorporates techniques for food safety and preventing food borne illnesses in several courses. A workshop provided by the district’s food service sanitation contractor reinforces procedures for sanitization of cooking and refrigeration equipment, utensils, preparation areas, and serving lines. “Food Safety and Sanitation” includes courses focusing on inspection of food temperatures when cafeterias receive delivered food items, accurate temperatures for cooking, and refrigeration of safe food.

Exhibit 13-10 displays some of the training opportunities offered in 2000-01 by SNS and the components addressed in each course.

Exhibit 13-10

SNS Department Training Courses and Components

Training Courses	Food Service Applications
New Employee Training Mandatory for all SNS employees	
Food Service 101	Nationally Recognized Dietary Guidelines
Customer Service	Customer Service
Food Safety and Sanitation Workshop Mandatory for all SNS employees	
Hazard Communications	Emergency Procedures
Basic Kitchen Safety	Workplace Safety
Hand Care	Workplace Sanitation
Safe Use of Equipment	Kitchen Safety Techniques
Equipment Training Mandatory for all SNS employees	
Combi Oven	Appropriate Use of Kitchen Equipment/ Kitchen Safety
Deep Fat Fryer	Techniques
Alto Shaam Cook and Hold Oven	
Manager Intern Program Mandatory for all SNS Managers	
History of Child & USDA Nutrition Programs	Introduction to SNS Program & USDA
Meal Patterns	Program Marketing & Advertising
Meal Production	Meal Automation/Appropriate Serving Utensils
Receiving and Ordering	Inventory Methods/Food Storage
USDA Accountability	USDA Commodities
Food Service Accounting	Meal Count Procedures
Staffing	MPLH Standards/Employee Evaluations
Nutrition Basics	Nationally Recognized Dietary Guidelines
Management Tools	Financial Statement/Program Accountability
Interpersonal Communications	Communication
Production Coordinators & Manager Training Workshop Mandatory for all Production Coordinators and Managers	
The Back of the House	Inventory Methods
On the Road to Professional Food Preparation	Portion Control, Food Safety & Storage
Practicing Promotions and Merchandising	Program Marketing & Advertising
Purchasing and Receiving	Receiving and Storing Purchased Items, Equipment and
Special Dietary Needs	USDA Commodities
	Special Diets
VisualBOSS Training Mandatory for all SNS Managers	Meal Accountability & Inventory Methods

Training Courses	Food Service Applications
Managers Business Meeting Mandatory for all SNS Managers	
Kids Say the Darndest Things Diversity Training	SNS Policies & Procedures Update Program Marketing Communication
Professional Development for Managers Mandatory for all SNS Managers	
Taste Sensations Cleaning Guides and Schedules	Nationally Recognized Dietary Guidelines Workplace Sanitation & Safety
Format and Design with Microsoft Word Voluntary for all SNS Managers	Program Marketing & Advertising

Source: The Hillsborough County School District, SNS Department.

4 The SNS Department identifies barriers to student participation in the school meals program and has implemented effective strategies to eliminate the barriers and increase participation.

SNS has developed an ongoing meal participation campaign to increase district participation rates. Efforts to promote meal participation include flyers designed after popular fast-food advertisements, offering student taste testing sessions, student-friendly food court designs, outside serving windows, food carts, patio dining with additional serving stations, and Grab-n-Go food providing easy access to nutritious items.

The SNS Department has identified meal participation barriers and has taken action to eliminate these barriers.

The director of SNS uses a VBOSS report to analyze meal participation at each school in the district. The Average Daily Participation Report compiles data on breakfast, lunch, free, reduced and a la carte meal purchases compared to student enrollment. School totals are compared to other SDHC schools of the same grade level as well as peer district schools of similar size and enrollment to identify potential barriers to meal participation.

Exhibit 13-11 outlines the meal participation barriers identified by SNS, the effects on overall meal participation, and the SNS initiatives aimed at increasing participation and preventing a decrease in the department’s profitability.

Exhibit 13-11

Barriers to Meal Participation and Preventative Actions at SNS

Barrier and Effect on SNS	Action
<ul style="list-style-type: none"> • Slow serving lines prevent students from having time to purchase meals 	<ul style="list-style-type: none"> • Popular grab-n-go items and combo meals are offered at breakfast and lunch
<ul style="list-style-type: none"> • Outdated serving design discouraged some students from participating 	<ul style="list-style-type: none"> • Design of student-friendly food courts, outside serving windows, patio dining and food carts
<ul style="list-style-type: none"> • Qualification for a free breakfast produced “stigma” students wanted to avoid 	<ul style="list-style-type: none"> • Universal Free Breakfast program is promoted to every student, every morning in schools having high economic disadvantaged percentages
<ul style="list-style-type: none"> • Reimbursable meal choices not easily accessible to all students and obviously purchased only in specific lines causing embarrassment to free and 	<ul style="list-style-type: none"> • Point-of-sale (POS) computers at all lines require students to input a PIN and do not identify who is free/reduced-eligible and increase opportunities to

Barrier and Effect on SNS	Action
reduced-eligible students, resulting in reduced participation in the free and reduced program	purchase reimbursable meals
<ul style="list-style-type: none"> Lack of incentive to use the SNS Prepayment Plan reduced the numbers taking advantage of the program 	<ul style="list-style-type: none"> Easy-to-use prepayment envelopes and coupons are offered and are available on the SNS website to promote SNS meals as a convenient option for parents

Source: Gibson Consulting Group, Inc.

Competition with reimbursable meals is minimized.

Controlling the price of a la carte food and beverages affects competition with reimbursable meals. The SNS Department has an a la carte pricing strategy that ensures reimbursable meals are more desirable. At all levels, a la carte items are priced higher than the price of a reimbursable meal.

The SNS Department makes sure that products from vending machines cannot be purchased during meal periods. At elementary schools, no vending machines are accessible to students. School board policy requires that vending machines in the middle and high schools are either on automatic timers or unplugged by school administrative employees during serving times. The vending machines are not operational during serving times and only become operational one hour after the last lunch serving time. SNS employees routinely check to ensure that campuses are adhering to the vending machine policy. When violations are discovered the director of SNS addresses the issue with the campus principal.

Student input and feedback is used to plan menus and improve the food service program.

SNS has formed student focus groups at 24 schools in the district that meet twice a year. SNS managers select nine to 13 students of diverse age and gender to provide feedback on school meals. The feedback is compiled from an evaluation scantron form including the student’s opinion of serving lines, meal choices, and their treatment by staff. Suggestions and comments are reviewed by SNS personnel and used to enhance the food service program.

New products and food programs are tested at individual school sites prior to selecting product vendors. One example is the Fresh Delivered Pizza Program. Four pizza vendors provided samples and every school participated in a “blind” taste test. Based on resulting student feedback, the bid was awarded to the vendor with the highest score.

SNS dieticians and teachers have partnered to develop an academic curriculum that encourages healthy eating habits and food service program participation.

The SNS Department has an active Nutrition Education curriculum that utilizes the efforts of staff and manager interns to conduct formal nutrition classes and multiple promotions that encourage healthy eating habits. Class lesson plans are formulated with the assistance of cafeteria managers and additional resources are available upon teacher request.

The SNS Nutrition Education Initiative includes efforts to encourage food service program participation. The district distributes printed material and provides web-based access to information such as breakfast and lunch menus, meal prices, frequently asked questions, and nutrition information. Pertinent program information is also mailed to parents. Easy-to-read instructions for completing the free and reduced-price meal applications and prepayment envelopes are sent to eligible families to encourage meal participation.

Feedback concerning the SNS Department is solicited from a variety of sources including staff, students, and parents. This input is used to continually evaluate and improve food quality, variety, and service. The SNS Department conducts an annual student survey of students from 24 district schools.

SDHC's web site (<http://www.sdhc.k12.fl.us/>) has a page dedicated to the SNS Department. Daily menus can be accessed at <http://www.sdhc.k12.fl.us/~food.services/> as well as other program information such as the department's vision and meal prices. A 'frequently asked questions' link is provided which leads the viewer to important information concerning free and reduced-price meal eligibility and instructions on how to obtain the necessary forms to complete the application process. The district's website also provides links to other nutrition-related websites such as the American Dietetic Association, National Dairy Council, the Kitchen Link, and the Health School Meals Website. A visitor counter is included in the website to track the number of "hits" for the SNS site. The SNS director monitors weekly website visits.

5 The SNS Department has established performance expectations, but cost-efficiency benchmarks based on appropriate comparisons with exemplary school districts need to be developed.

Benchmarking is comparing actual performance with appropriate standards to assess progress towards a formal program goal. Goals should be based not solely on performance history, but where the program should progress. Benchmarks should include comparisons to other school districts that provide the same service. Effective benchmarks include comparisons to best-in-class organizations (models) and best practices, and show a clear relationship to critical outcomes based on reliable and comparable data.

Formal performance benchmarks are used to effectively manage a food service program. Progress towards a program goal should be evaluated to identify needed improvements to key decision-makers.

SNS has performance indicators that are not based on benchmarks related to well-defined program goals.

The SNS Department has established performance expectations for meals per labor hour (MPLH), costs per meal, and student meal participation rates.³ Managers gather performance and cost data at each site daily. During the Keys to Excellence reviews and CAFÉ reports, food service specialists calculate MPLH, costs per meal and participation rates to indicate each cafeteria's performance level.

An indicator cannot effectively be used as a benchmark unless it is based on a formal program goal. Performance reviews are evaluations of after-the-fact performance, but do not assess established goals and benchmarks.

Performance expectations have been established for MPLH, meal participation, and costs per meal that are not based on benchmarks related to well-defined program goals.

Dorothy V. Pannell-Martin's *Cost Control Manual for School Foodservices* (5th Edition) was written in 1999 and contains MPLH data to guide a broad range of school food service programs. Suggested MPLH ranges are listed separately for programs using the conventional system (preparation from raw ingredients) and the convenience system (primarily processed foods).

³ Meals Per Labor Hour is the ratio of meals served to the labor hours needed to produce them.

The SNS director used the manual's convenience system guidelines, but adjusted the data to appropriately analyze SDHC's food service performance specifically. Adjustments were calculated based on the type of school and other characteristics such as number of lunch periods and serving lines.

SNS has costs per meal expectations for each site that were set using the (DOE) Annual Report of Child Nutrition Program Cost Report. Actual cost data from across the state and within SDHC's region (DOE Region IV) is reported in this publication each year. In 2000-01, DOE's Region IV average costs per meal for lunch was \$2.0125. This figure is compared to quarterly averages of costs per meal at each site during the CAFÉ report.

Expectations for student meal participation are based on an average rate of past performance for each grade level. The sites are expected to perform at least as high as the average rate from the previous quarter.

To effectively manage the food service program, SNS should adopt formal benchmarks that show performance as it relates to an overall goal. Since cost and performance expectation data are already being gathered, appropriate development of benchmarks should be accomplished with minimal additional effort.

There are strategies to assess the reliability of performance and cost data, but until the VBOSS project is fully implemented, continuous assessment is not possible.

The SNS food service specialists conduct reviews of each site during the CAFÉ report and the Keys to Excellence review. The CAFÉ report is performed at least four times each year, and the Keys to Excellence review is completed annually. During these reviews, food service specialists compare performance and cost data to performance expectations and verify the collection of data by food service managers.

Food service managers use the POS system's report to record their site's food sales and total meals by category and calculate performance data. Calculations of daily MPLH and meal participation rates are completed and hand-written in a daily log at the end of each shift. During the CAFÉ reports, food service specialists verify that the daily records of the managers match district accounting reports. Food service specialists also document an assessment of the site's MPLH and daily meal participation performance against established expectations.

Since performance data is calculated manually, the SNS central office is unable to continuously assess the reliability of program performance and cost data. The SNS Department plans to have a daily electronic reporting capability when the VBOSS project is completed in May 2002.

The SNS Department communicates performance evaluations to appropriate school administrators and SNS personnel.

The CAFÉ reports and Keys to Excellence reviews contain performance and cost data for each site. Both of these evaluations are provided to principals. General area directors and the two supervising assistant superintendents receive a summary report of each site's annual review. Expectations and performance data are discussed with the food service managers and their staff during monthly staff meetings.

Recommendation

- *We recommend that SDHC develop cost-efficiency benchmarks for MPLH, overall meal*

participation rates and costs per meal including comparisons to exemplary school districts. Benchmarks should be used for analyzing actual performance progress towards a formal program goal and communicated to key decision-makers.

Action Plan 13-3 provides the steps needed to implement these recommendations.

Action Plan 13-3

Develop appropriate cost-efficiency benchmarks to be used for analyzing program performance and making effective management decisions.	
Strategy	Use formal benchmarks to assess program performance.
Action Needed	<p>Step 1: The director of SNS identifies school districts with exemplary food service program performance.</p> <p>Step 2: Program benchmarks for MPLH, overall meal participation, and costs per meal are developed based on program goals developed in the five-year strategic plan.</p> <p>Step 3: Benchmarks are submitted to the superintendent and the board for approval.</p> <p>Step 4: The director of SNS and food service specialists conducts regular comparisons of program performance to established benchmarks.</p> <p>Step 5: Benchmarks are communicated to food service personnel, appropriate school administrators, and key decision-makers.</p>
Who is Responsible	The director of SNS
Time Frame	January 2003
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

6 The SNS Department effectively evaluates the food service operation at the school level but does not regularly assess the overall food service program based on established benchmarks.

Annual cafeteria evaluations include an analysis of performance, appropriate action plans for follow up, and an inspection of facilities and procedures.

The SNS Department annually conducts an extensive evaluation of each site during the Keys to Excellence review. The review documents an analysis of each site’s performance against set expectations for MPLH, meal participation rates and costs per meal. The evaluation also includes an inspection of the site’s facilities and procedures. Storerooms, cooking equipment, chemical supplies, and emergency equipment are inspected and rated according to the scoring procedures for the review. Procedures are evaluated, such as verifying temperatures of stored food, sanitation and hand washing, thawing methods, and adherence to regular pest control.

Each section within the review is assigned a specific point value. If the standard is not met, then an unsatisfactory mark is noted and no points are given. If the standard is met, it is rated a score from one to four. The total points must exceed 90; otherwise, the manager must submit a corrective action plan within 15 working days. After submission of a plan, the specialist returns to the site in 30 days for a follow-up evaluation.

Management evaluates individual schools, but the food service program is not assessed as a whole.

Analysis of overall program performance allows key decision-makers to take appropriate corrective action that is linked to long-range program goals. Routine assessments of the food service program, as a whole, are necessary to identify district-wide improvements that can affect revenue and costs. SNS management monitors profit and loss statements regularly, but has not established district-wide program-level benchmarks based on strategic district goals. For example, benchmarks for meal participation tied to long-range revenue goals are not included in a district strategic plan. As a result, progress towards goals and future budgetary needs cannot be assessed. Management needs to determine if problems and accomplishments are occurring at individual schools and district-wide.

Recommendation

- *We recommend that SDHC develop benchmarks for the food service program as a whole and establish a routine for evaluating the overall program at least annually. Evaluation results should include comparisons to exemplary school district and statewide averages.*

Action Plan 13-4 provides the steps needed to implement these recommendations.

Action Plan 13-4

Establish benchmarks for the food service program as a whole and routinely evaluate overall program performance.	
Strategy	Use benchmarks to evaluate the overall food service program.
Action Needed	<p>Step 1: The director of SNS develops benchmarks for the overall program based on goals developed in the SNS five-year strategic plan.</p> <p>Step 2: Benchmarks are submitted to the superintendent and the board for approval.</p> <p>Step 3: A routine for evaluating the overall SNS program as a whole at least annually is established including comparisons to statewide averages and averages of exemplary school districts.</p> <p>Step 4: Benchmarks are communicated to key decision-makers for analysis of program changes that would ultimately reduce cost and increase revenue.</p>
Who is Responsible	The director of SNS
Time Frame	January 2003
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

7 The SNS Department regularly assesses the benefits of service and service delivery alternatives.

Service delivery alternatives are regularly examined and evaluated.

The SNS Department is very active in its effort to improve or increase services and enhance efficiency while reducing costs. Some of the alternative service mechanisms the district has recently reviewed and/or undertaken include the following:

Food Service Operations

- The district conducted a feasibility study to determine whether the district should implement a “centralized kitchen” concept – this process requires that the district build and maintain a single, centralized kitchen where the preparation of all food is accomplished. Meals are then packaged and transported to individual kitchens where they are re-heated, if necessary, and served. The SNS Department believes this process will improve food quality, consistency, and safety as well as provide a cost savings for the food service program. The SNS Department is still in the process of evaluating this concept.
- Implemented commodity processing contracts – the district has entered into contracts with food processors whereby district commodities are turned into a finished food product and then sold to the district at a reduced price. This process has allowed the district to make efficient and effective use of its commodities.
- Evaluated the outsourcing of commodity storage and delivery – the district prepared a cost analysis for contracting with an outside vendor for the storage and delivery of its commodity products. The cost analysis showed that the district could save an estimated \$57,000 annually. The district is still in the process of evaluating this option.
- Outsourced some of the maintenance and repair functions of the SNS Department – this decision, made during the 1998-99 fiscal year, resulted in the establishment of a number of contracts through Requests for Proposals with service contractors to repair and maintain specific food service equipment.
- Implemented the use of cost-plus-fixed-fee contracts for certain food products – this concept requires that food prices be bid at vendor costs with a fixed-fee component and has proven beneficial in obtaining favorable food prices. Cost-plus-fixed-fee contracts require that the vendor provide products to the district at their cost, which varies according to market conditions, plus a fixed-fee. The fixed-fee is an agree-upon amount paid to the vendor.
- Implemented a Central Processing Center for the processing and review of free and reduced meal applications – this center was implemented during the 2000-01 fiscal year. The process of verifying student applications, which was formerly handled at each school, is expected to provide improved accuracy and efficiency over the former application review process.
- Implemented satellite kitchens- a process that provides meals from a base kitchen to students at sites that are not equipped with kitchens or have kitchen that are not adequate for preparing meals. The district’s satellite program operates two base kitchens that provide student meals to 50 sites.

The SNS Department participates in a variety of nutritional programs and regularly evaluates their profitability.

The SNS Department evaluates its present programs and has expanded its non-traditional offerings to include a Snack Program for School Age Child Care Centers, Campus Celebrations, offering catering services for school events, and the universal free breakfast program at 90 school sites. A summer food program has been implemented at school sites. In addition, SNS provides contracted food service management to other summer food sites such as the Tampa Metropolitan YMCA, Board of County Commissioners program sites, and University of South Florida program sites.

The SNS Department regularly evaluates the feasibility of these programs.

Financial Accountability and Viability

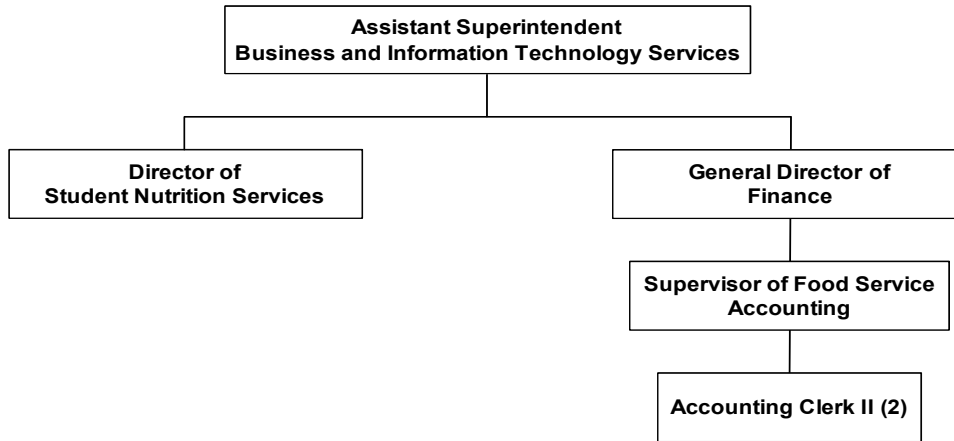
The supervisor of Food Services Accounting, housed in the Finance and Accounting Department, oversees financial accountability for the SNS Department. Food Services Accounting is responsible for

submitting the monthly reimbursement claims for the National School Lunch and Breakfast Programs to the DOE. The department consolidates the reports received from the individual school sites such as Average Daily Participation reports, Free and Reduced Audit Report, Over/Short Reports, Cost Center Summary by Site. In addition, they are responsible for reviewing the data for accuracy and consistency.

The director of SNS is responsible for implementing programs to increase participation rates, overseeing the daily operations of each food site and carrying out the application process for students eligible for free or reduced price meals. Exhibit 13-12 presents the organization chart for the financial functions of the SNS Department.

Exhibit 13-12

Organization Chart-Student Nutrition Services & Food Services Accounting

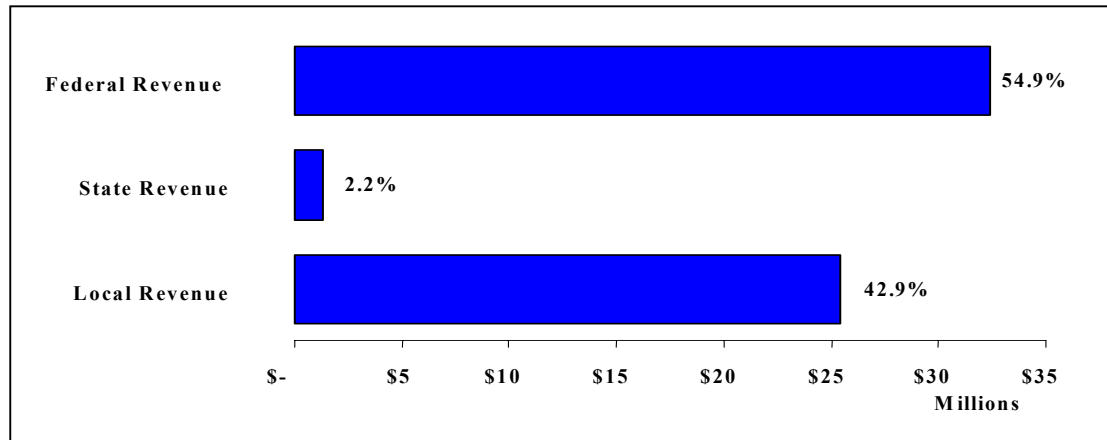


Source: School District of Hillsborough County, SNS Department.

The SDHC Student Nutrition Services Department has an annual operating budget of \$67.4 million for 2001-02. Revenue to support these operations comes from three main sources: federal, state and local monies. During 2000-01, the district received the majority of its revenue, 54.9 percent, from federal sources. Exhibit 13-13 illustrates the breakdown of the 2000-01 revenue sources for SNS.

Exhibit 13-13

Student Nutrition Services Breakdown of Revenue Sources for Fiscal Year 2000-01



Source: SDHC Comprehensive Annual Financial Report (CAFR), Year Ending June 30, 2001.

Food Service Operations

The food service program is financially self-sustaining and has not required additional funding from the district's general fund. Over the past three years, the district has seen a 9.5 percent increase in total revenue, while expenditures have increased by 14.6 percent over the same period. Revenues have not kept pace with the increased costs of providing meals. The district has increased its capital investment by 44.6 percent. The majority of this increase was related to the purchase and implementation of the new Horizon financial and point of sale computer system. This increase in capital investment reduced the food services fund balance by 43.5 percent between 1998-99 and 2000-01. Exhibit 13-14 summarizes the actual revenues, expenditures and changes in the fund balance between 1998-99 and 2000-01.

Exhibit 13-14

Statement of Actual Revenues, Expenditures and Changes in Fund Balance Fiscal Years 1998-99 through 2000-01 (Expressed in Thousands)

Actual	1998-99	1999-2000	2000-01	Percentage Change
Revenues				
Local Sources	\$ 21,973	\$ 23,420	\$ 25,392	15.5%
State Sources	1,283	1,231	1,274	(0.7%)
Federal Sources	30,710	31,753	32,410	5.5%
Total Revenues	53,966	56,404	59,076	9.5%
Expenditures				
Non-capital expenditures	52,706	54,926	60,020	13.9%
Capital expenditures	1,296	936	1,874	44.6%
Total Expenditures	54,002	55,862	61,894	14.6%
Other Finance Sources (Uses)				
Proceeds - sale of fixed assets		40		NA
Operating transfer out			(177)	NA
Total Other Sources (Uses)	0	40	(177)	NA
Fund Balance Increase (Decrease)	(36)	582	(2,995)	NA
Fund Balance at Beginning of Year	5,579	5,543	6,125	9.8%
Fund Balance at End of Year	5,543	6,125	3,130	(43.5%)

Source: The School District of Hillsborough County, CAFR, For the Years Presented (Audited Financial Statements).

The Florida Department of Education (DOE) performs a Coordinated Review Effort (CRE) of every school district's food service program in the state to ensure that they are in compliance with the federal requirements of the National School Lunch and Breakfast programs. The DOE has the ability to withhold funding or can reclaim money from school districts that are not in compliance or have over-claimed the number of eligible free or reduced price meals. A financial reclaim as a result of a CRE is a prospect no school food service department wants to contemplate or any state agency wants to levy.

Federal regulations require that an on-site review be conducted of every school meal site (except single-site sponsors) prior to February 1st of each school year. This review provides food service program administrators the opportunity to see what is happening at each serving site on a daily basis. The review examines the following areas:

- Meal counting and claiming procedures: to determine if the application approval and notification policies are being followed as approved by the governing agency;
- Production records: to determine the degree to which each serving site is providing correct meal

components and serving the planned portion sizes as indicated by the menu;

- Cashier procedures: to examine the procedures used by the cashier; to make sure that students are not being overtly identified by eligibility category; and, that counts are being taken accurately at the point of service; and
- Consolidation: to verify the method of consolidating and/or compiling the number of reimbursable meals to be claimed at the site and validate the required checks and balances regarding the accounting procedures for collecting and depositing money.

The best way to ensure that the claim for reimbursement submitted by the district is correct is to use an edit check to ensure that the number of meals reported being served do not exceed the total number of eligible students at any one site. Any meal claims that are not accurate are subject to financial reclaim. The edit check is an excellent management tool that can be used to identify and prevent errors in counting and claiming the number of meals served. There are two primary sources from which errors in claim submission can occur, the central office and the individual schools. The central office can make errors when consolidating the school meal counts and/or the individual schools can have errors in their own meal counts. The edit check compares the number of free, reduced price and paid meals served to the number of students (attendance adjusted) who are eligible to receive a free, reduced price, or paid meal on a daily basis. If the initial count of meals served by category is reported incorrectly, it is impossible for the final claim to be correct. An edit check can help the food services accounting department identify when inaccuracies exist, where they occurred, and identify the reason they occurred so they can be corrected prior to submitting the monthly reports to the DOE. Federal regulations require that these edit check documents be kept on file for three years beyond the current year.

Given the dependence the district has on federal funding for its food services operation, it is imperative that the district maintain good meal count reporting procedures and properly use edit checks to ensure accuracy. During a follow-up review in May of 2001, the DOE determined that the district was not in compliance with the requirement that “All free, reduced price and paid lunches claimed for reimbursement are served to children eligible for free, reduced price and paid lunches, respectively; and counted, recorded, consolidated and reported through a system which consistently yields correct claims”. The audit cited a number of clerical errors, over claiming the number of meal counts for eligible students, miscalculation of base year lunches; making it impossible for the auditors to validate the claiming percentages applicable to the current year, and edit checks not being performed or exceeding the eligible attendance. As a result of this audit, the DOE withheld \$15 million in funding until the district could provide evidence that the problems had been corrected. At the time, the district was in the process of transitioning from a manual data system to a new automated system and, as a result, appealed a number of the audit findings. The DOE returned to the district in November 2001 for a second follow-up audit. At this time, the district was able to show that it had either corrected the problem or could satisfy the auditors that the original finding was in error. The November report found:

- 195 free lunches were over-claimed and 100 reduced price lunches were over-claimed. The district submitted a revised claim;
- Edit check reports were used for consolidating daily meal counts at two schools. Since November 2001 the schools are using their participation reports to consolidate meal counts; and
- One elementary school did not offer a class a choice of reduced fat unflavored milk. Since November 2001, all students are offered a milk choice.

The fiscal action related to the November audit amounted to \$582. SDHC claims reimbursement for approximately \$2.5 million each month. Since the November audit, the district has addressed each finding.

8 The SNS Department program budget is not based on goals, revenues, and expenditure projections.

The budget is not developed based on program goals.

Specific, measurable and clearly defined program goals should be assessed for accomplishment in the development of an effective budget. The SNS department lacks formal goals necessary to direct the program's planning efforts towards a long-range end.

Food Services Accounting is responsible for developing the initial SNS Department budget. This includes a review of the prior year's expenditures, anticipated changes in food costs, and additional funds for special projects. The supervisor of Food Services Accounting prepares a budget spreadsheet and forwards it to the director of SNS to review and modify. The director of SNS is not effectively involved in the budget process and there is very little communication between the SNS Department and the Food Services Accounting Department during the budget process. The result is a budget that is not based on program goals.

By not including key department staff and long-range goals in the budget process, the adopted budget may not properly prioritize expenditures to meet the goals of the department. District staff that does not have the necessary food service expertise will have developed the budget that the department must work under. Rather than being a management budget that can help guide the department effectively towards accomplishing its goals, the budget is limited to tracking expenditures for financial accounting purposes. There is no individual within the SNS department that is directly responsible for developing and monitoring an effective budget based on program goals.

The VBOSS system does not generate monthly profit and loss statements necessary for program management.

There is currently no mechanism to make timely management decisions based on current and accurate financial data. Nor can management assess the performance of each of its sites on an on-going basis and identify and address any problems that may arise. In the past, the department generated financial statements that were used to direct the financial management of the district's food service programs.

The SNS Department does not receive monthly profit and loss statements from the VBOSS system. The POS tracks food, meal counts and receipts. An electronic bank deposit receipt is created for accounting and is imported into VBOSS. The district's mainframe system contains the accounting information. Data elements, including salaries and expenditures must be exported from the mainframe and imported into VBOSS in order to create the profit and loss statements. The system consultants are currently working on developing a template that will pull the proper data elements from the mainframe system and be uploaded into VBOSS. Additionally, the consultants are creating customized management reports and profit and loss statements. However, they are waiting to ensure that the data is accurate. The consultant and director of SNS told the review team that the reports would be ready and in use by the end of the fiscal year.

Without these reports, it is impossible to monitor the budget and make any necessary adjustments in expenditures. The director of SNS and the supervisor of Food Services Accounting do not have an effective tool to control the department's financial operations. Expenditures can be controlled to some extent in that the department's budget resides on the district's mainframe system and prevents a purchase order from being encumbered without available funds.

Recommendation

- *We recommend that the SNS Department obtain authorization for a budget analyst position to perform the department's budget tasks and develop the annual budget in conjunction with the Food Services Accounting Department to ensure that the goals of the department are addressed and included in the annual budget. In addition, a detailed annual capital outlay plan should be developed to incorporate the facility and equipment needs of all individual sites and prioritize them in the budget according to financial constraints and the most urgent needs.*
- *We recommend that the software consultant create profit and loss statements and additional management reports that allow the department to review the performance of each site. This course of action would ensure that the goals of the department are addressed and included in the annual budget. and prioritized in line with financial constraints and the most urgent needs. The reports should provide management with an effective planning and assessment tool.*

Action Plan 13-5 provides the steps needed to implement these recommendations.

Action Plan 13-5

Food Services Accounting and SNS Administrators Collaborate to Develop the SNS Budget.

Strategy	Obtain authorization for a budget analyst position to develop the annual budget, capital outlay plan, and apply costs to annual department goals, and prioritize each year's activity based on the available funding.
Action Needed	<p>Step 1: The director of SNS requests that the Division of Human Resources reassign staff positions and authorize a budget analyst position and meets with the supervisor of Food Service Accounting to implement staff reassignments.</p> <p>Step 2: The general director of Finance prepares enrollment projections for the coming year, and the supervisor of Food Services Accounting prepares the budget template.</p> <p>Step 3: The food service specialists meet with the food service managers from their areas to identify any needs that should be addressed in the proposed budget.</p> <p>Step 4: The director of SNS meets with food service specialist to determine what, if any, special needs exist and outline the program goals for the coming year, special programs that are planned, necessary capital investments and prioritize each item.</p> <p>Step 5: The general director of Finance, the director of SNS, the supervisor of Food Services Accounting and the Technical Support representative meet to discuss next year's budget and resource needs and revise the program plan in line with available funds.</p> <p>Step 6: The supervisor of Food Services Accounting completes the proposed budget spreadsheet.</p> <p>Step 7: The director of SNS meets with the food service specialists to ensure that the most urgent needs have been addressed in the proposed budget.</p> <p>Step 8: The director of SNS and the supervisor of Food Services Accounting meet to discuss any necessary revisions to the budget and submit the revised spreadsheet with final changes to the Budget Department.</p>

Who Is Responsible	General director of Finance Director of Student Nutrition Services Supervisor of Food Service Accounting
Time Frame	Steps 1 through 2: July 2002 Steps 3 through 8: September 2002
Fiscal Impact	Although the department does not have sufficient staffing resources presently assigned to properly develop and monitor the budget, this recommendation could be implemented without fiscal impact. A budget analyst position would be an entry level Accountant I position. The annual salary for this position is 28,194, plus benefits of \$7,796. Therefore, establishing this position would cost the district \$179,870 over the next five years. However, reassigning resources associated with the reduced workload from implementing a new accounting system, as described in section 9, could offset these projected costs, resulting in no fiscal impact to implement this recommendation.

Identify and Create Needed Management Reports including Profit and Loss Statements	
Strategy	The system consultant creates a profit and loss statement that can be generated from the VBOSS system each month for every cafeteria site. In addition, the system consultant works in concert with the SNS Department to identify and create needed management reports that provide timely data for use in department decision-making.
Action Needed	<p>Step 1: The system consultant, the director of SNS, the supervisor of Food Services Accounting and the technical support staff meet to identify the reporting needs. The monthly reports should include the following:</p> <ul style="list-style-type: none"> • A monthly income statement for all school sites summarizing total revenue and expenditures and the relationship between them; • Profit and loss statements for each school, with totals for each type of school (elementary, middle, high) and for the district as a whole; • Food preparation cost analyses; • Summary of Meals Per Labor Hour per school; • Revenue analysis including reimbursements for free and reduced-price breakfasts and lunches, as well as total cash sales, total commodity revenue and total income for each cafeteria; • An analysis of meal participation rates; [for the district] and • An analysis of budgeted versus actual revenues and expenditures for all cafeterias for the month. <p>Step 2: The system consultant creates the report templates.</p> <p>Step 3: The system consultant runs sample reports that are reviewed by the director of SNS and the supervisor of Food Services Accounting.</p> <p>Step 4: The system consultant revises the reports, if necessary.</p> <p>Step 5: The system consultant makes the reports available to SNS and Food Services Accounting to create from the VBOSS system each month.</p> <p>Step 6: The reports are run every month and distributed to the director of SNS and the supervisor of Food Services Accounting.</p>
Who Is Responsible	POS/VBOSS Consultant Director of Student Nutrition Services Supervisor of Food Services Accounting
Time Frame	July 2002
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

9 The SNS Department's financial control process includes an ongoing review of the program's financial and management practices.

Financial controls include written procedures for collecting, depositing and disbursing money.

The SNS Department has developed written procedures to handle cash at each cafeteria site. Every manager and cashier receives training to ensure they understand and follow the procedures for collecting, depositing, and disbursing money. At the end of each serving day, the cashiers count the money collected in the cash drawers; the manager and one additional trained employee verify the cashier's counts; and the manager completes daily cash control sheets. The cafeteria manager takes all monies, including catering, each day to the school bookkeeper to be placed in the school safe until the armored car pickup. Any overage or shortage is reported immediately to the food service specialist. During site visits, we found that the managers and cashiers were following the procedures, balancing their cashier drawers at the end of the serving day, and taking daily cash receipts to the school bookkeeper. Each school has a separate bank account for food service receipts. Food service collections are never commingled with the school's internal accounts. The cafeteria manager compares the school's receipt books against the bank statement to ensure accuracy. Food Service bank statements are reconciled each month by the Accounts Control Department.

Procedures are in place to account for reimbursable meals and other sales.

The SNS Department has written procedures in place to account for reimbursable meals at the point of sale. The district makes every effort to ensure that all meals are accounted for in compliance with USDA standards. Food service managers are responsible for ensuring that all staff members adhere to the procedures and in particular the cashiers at the point of service.

The procedures direct SNS staff in:

- Identifying the student: either by entering the student's 7-digit identification number into the system, searching the student's name in the system, or searching by the student's homeroom;
- Handling a student with no identification number;
- Entering meal components at the point of service;
- Accounting for reimbursable meals by eligibility status at the point of service;
- Ringing up a-la-carte items;
- Applying change to an account;
- Making a deposit to a student's account; and
- Serving a student who has no money for meals.

The department has also developed procedures for emergency point of service meal accountability in the event that the computer system is completely inoperable, partially inoperable, or when a site does not have a complete system installed. At elementary schools, an emergency roster is printed at the site. The roster must clearly state whether it is for breakfast or for lunch. A separate roster must be used for every meal. In the secondary schools, the manager must make copies of the Emergency Secondary Meal Accountability form. Again, the form must be clearly marked for either breakfast or for lunch and provided for every meal. At the end of the day, the food service manager at each school is responsible for entering the data into the POS computer system.

A process is in place to ensure that each cafeteria complies with written financial control procedures.

A food service specialist conducts CAFÉ reports at each school at least four times a year. The CAFÉ review addresses the quality of each cafeteria. The report includes accountability for accurate financial reports, participation reports; cash control procedures, and profit and loss statements. A summary and action plan, if necessary, are completed and discussed with the principal and the food service manager at an exit conference on the day of the visit. All corrective action must be completed within 30 days of the exit conference date

Financial accountability is reviewed once each year at every site during the Keys to Excellence review. This review assesses whether each school site has met certain acceptable performance standards as compared to the county average. The criteria being measured are:

- Average per Plate Food Cost;
- Average per Plate Non-food Cost;
- Average per Plate Profit/Loss;
- Bottom-line Profit/Loss; and
- Average Commodity Usage.

In addition, the Keys to Excellence review evaluates the meal accountability at each site and at the district level, the production and quality of the food being served, the cafeteria operations, communication and marketing conducted by the food services staff, and the overall management and training of SNS employees.

Automated data processing is used for financial reporting and to account for reimbursable meals and other sales.

The SNS Department has implemented a new point-of-sale (POS) system, FASTLANE 2000. The system will improve the accuracy of the district's participation rate data, specifically, the number of students that qualify for free and reduced meals. The district has been working on the implementation of the POS since June 1998. District-wide implementation was completed in May 2001.

POS software is designed to automate sales activity, meal and eligibility counts, and consolidate counts for the reimbursement claim. It provides the district the following additional benefits:

- Offers convenient pre-payment options;
- Maintains confidentiality for students who receive free and reduced-price meals;
- Provides a clear audit trail by tracking all meals and items sold;
- Reduces processing time to sell a meal in less than two seconds;
- Reduces labor hours needed by generating automated reports; and
- Reduces the possibility of double counting meal sales.

The SNS Department utilizes the POS system's keypad entry system that requires that each student enter a unique identification code before meal purchases are completed. The system uses these identification numbers to interface with enrollment systems and enables the tracking of free and reduced-price, full price, and adult meals. By requiring that the student enter his or her unique identification code, the system can better track the participation rates and meal counts, while protecting the student's anonymity and eligibility status.

Prior to the POS system, the district relied on a manual, paper-intensive program to account for its reimbursable meals. There were inconsistencies in how the data was being collected and reported and concerns about the overall accuracy. As the district continued to grow, the problems became more severe. District staff reported that there had been a problem with the consistency of the data being reported and that the record keeping at some schools was unorganized and difficult to reconcile. The district was in the middle of transitioning from the manual system to the automated system during the DOE's CRE in the spring of 2001. The results of that audit were less than impressive, causing the state to hold back \$15 million. However, when the DOE returned in November 2001, the numbers of findings were minimal and the funds being withheld were released with the exception of approximately \$20,000. The new system has provided the district with data consistency by having all sites use the same software and procedures.

Management and financial reports will be generated from VBOSS using the POS system data. VBOSS will enable the SNS Department to integrate inventory management, order processing, and menu planning-nutrient analysis, in addition to controlling production records, production schedules, and menu and recipe needs. These reports are available and are being used daily.

The district anticipates implementing a new accounting system in July 2002. This system is discussed in further detail in Chapter 14: Cost Controls, (page 14-81). The system is expected to streamline the district's financial processes and provide timely data to district management. The supervisor of Food Services Accounting served on the system development and implementation team to ensure that the food services accounting requirements were addressed in the system configuration when the system was originally mapped out. The current accounting system and reporting process is manually intensive. The new system should automate a number of currently manual processes thereby increasing the overall efficiency of the district's accounting department. The district anticipates that the increase in efficiency will reduce the number of accounts payable support staff required to process payments for food services purchases. The SNS Department's system consultant is working to create a tool that will export VBOSS data to the district's Enterprise Resource Planning (ERP) system to update the general ledger and produce customized financial reports for the SNS Department. This tool will ensure that the accurate meal accountability numbers are being posted properly to the general ledger. It will also improve the SNS Department's ability to monitor its financial performance against the budget, which will reside on the ERP.

Given that the food services operation is so dependent upon federal funding, it is extremely important that all eligible students have been identified and are encouraged to participate. With the inherent confidentiality of the system, students eligible for free or reduced-price meals are not differentiated from those students that pay regular price and participation rates have increased. Any embarrassment related to participating in the free and reduced price program is eliminated by the POS system. Increased participation brings increased federal reimbursement, which translates to increased funding for the district

Per-meal costs are identified for each menu and are monitored and controlled.

The supervisor of operations is responsible for menu planning and ensuring that the district has the required ingredients in stock for each item on the menu. The food cost of each item, as well as the budgeted costs per plate, is reflected on the district's scheduled menu plan.

VBOSS reports break down the cost of each ingredient per student for every meal prepared and served by each cafeteria. The supervisor of Operations can generate a report of every food item, its stock number, packaging description, cost per case, unit cost, the brand name, and whether it is used at a satellite, elementary, or secondary school. A recipe cost analysis report breaks down each recipe used by the district, by food component, unit cost, cost per student, and total cost. This report allows the menu

Food Service Operations

planner to experiment with new recipes and determine if they are cost-effective. The system assists the menu planner in guaranteeing that the menus meet the nutritional requirements as well as the established costs per meal. In addition, the system monitors the inventory turnover to ensure that the district is using its food inventories effectively and has sufficient supplies on hand to meet the menu requirements.

Purchasing guidelines/targets have been established for each food component. These guidelines/targets are

- Breakfast entrée \$0.20 - \$0.30
- Lunch entrée \$0.25 - \$0.40
- Fruit serving \$0.08 - \$0.20
- Vegetable serving \$0.07 - \$0.20
- Bread serving \$0.03 - \$0.15
- Milk serving \$0.17 - \$0.27

When reviewing the average meal costs against its peer districts, SDHC falls in the middle. The district closely mirrors the state average. Exhibit 13-15 illustrates the comparison between SDHC, its peer districts sorted from the lowest to the highest price, and the state average for breakfast and lunch meal costs for 1999-2000, the latest data available from the DOE. In addition, it presents the utilization rate for USDA commodities. Again, SDHC falls in the middle when compared to its peers in terms of commodity use.

Exhibit 13-15

Comparison of SDHC Meal Costs versus Peer Districts Fiscal Year 1999-2000

Peer Districts	Total Cost Breakfast	Total Cost Lunch	USDA Commodity Utilization
Broward	\$1.21	\$1.61	\$0.11
Palm Beach*	\$1.42	\$1.89	\$0.19
Hillsborough	\$1.46	\$1.94	\$0.13
Pinellas	\$1.51	\$2.01	\$0.13
Orange County*	\$1.52	\$2.03	\$0.11
Duval	\$1.78	\$2.36	\$0.13
State Average	\$1.47	\$1.95	NA

Source: Annual Report of Child Nutrition Programs Food and Nutrition Management, DOE. *District not assessed indirect costs.

Meal prices have not increased in-line with rising meal costs.

The SNS Department has not raised breakfast or lunch prices in ten years. The district has been concerned that raising the meal prices would reduce participation rates. In the past, the department has been able to absorb the increases in food and operating costs without having to raise meal prices. The SNS Department needs to increase its revenue to be in line with the escalating costs. In order to accomplish this, the department must raise meal prices and/or raise participation rates.

With the exception of student breakfast prices, meal prices are within the range of those at peer districts. Although one peer district has breakfast prices equal to those of the SDHC, the next lowest price peer is 29 percent greater than SDHC. Exhibit 13-16 presents a comparison of meal prices charged by SDHC to those charged by its peer districts.

Exhibit 13-16

Comparison of Meal Prices-SDHC versus Peer Districts-Fiscal Year 2001-02

County	Breakfast			Lunch			Adult		
	Elem.	Middle/High.	Reduced	Elem.	Middle	High	Reduced	Breakfast	Lunch
Hillsborough	\$0.50	\$0.60	\$0.25	\$1.25	\$1.55	\$1.55	\$0.40	\$0.85	\$2.00
Broward	\$0.50	\$0.60	\$0.25	\$1.00	\$1.35	\$1.50	\$0.40	\$0.85	\$1.75
Duval	\$0.75	\$0.75	\$0.30	\$1.30	\$1.45	\$1.45	\$0.40	\$1.00	\$2.10
Orange	\$0.70	\$0.70	\$0.30	\$1.40	\$1.50	\$1.60	\$0.40	\$1.00	\$2.10
Palm Beach	\$0.90	\$0.90	\$0.30	\$1.25	\$1.50	\$1.50	\$0.40	\$0.00	\$1.95
Pinellas	\$0.75	\$1.00	\$0.30	\$1.50	\$1.75	\$1.75	\$0.40	\$1.50	\$2.50

Source: The School District of Hillsborough County, SNS Department.

The district is considering establishing a district-wide universal breakfast program. The participation level in the breakfast program is extremely low as shown in Exhibit 13-17.

Exhibit 13-17

Average SDHC Daily Breakfast Participation Rates

	Full Price	Reduced Price	Free
Elementary Schools	14%	35%	51%
Middle Schools	8%	27%	49%
High Schools	1%	15%	31%

Source: SDHC Student Nutrition Services, Average Daily Participation Report (11/5/2001 through 11/9/2001).

Recommendation

- *We recommend that the SMS department reallocate resources concurrent with the implementation of the new accounting system in July 2002. With the implementation of the POS system and the management reports that will be generated by the VBOSS system, there will be no need for additional staff to reconcile the food service accounts. The edit checks should reduce the amount of reporting errors for reimbursable meals. The supervisor of Food Service Accounting will be available on a full-time basis once the accounting system has been implemented and can take over the responsibility for submitting the monthly reimbursement reports. Therefore, we recommend that one Accounting Clerk position be reassigned in the Accounts Payable Department once the accounting system goes live and a second position be reassigned one year following the “go live” date, and that these resources be used to address the best practices deficiencies described in the preceding section 8 of the report.*
- *We recommend that the district establish a universal breakfast program district-wide. The current participation levels are so low that the reduced revenue from full price and reduced-price students will not have a significant impact on the district. By offering free breakfasts to all students in the district, the district should be able to raise the overall participation rate to offset the loss of paying students with the increased reimbursement from the federal program.*
- *We recommend that the district raise all lunch prices by 5 cents. The increase is justified by the increase in food and operating costs and the number of years that prices have remained the same. The district should monitor peer meal prices average annually and adjust prices as*

appropriate.

Action Plan 13-6 provides the steps needed to implement these recommendations.

Action Plan 13-6

Reassign Two Accounting Clerk Positions in the Food Services Accounting Department within Two Years.	
Strategy	Reassign the first Accounting clerk position after the ERP system “goes live”. The second position should be reassigned or eliminated after the ERP system has been in place for one year.
Action Needed	<p>Step 1: The general director of Finance and the supervisor of Food Services Accounting meet to outline the job tasks that have been automated by the system and the tasks that must still be completed manually.</p> <p>Step 2: The Supervisor of Food Services Accounting revises job descriptions for staff.</p> <p>Step 3: The general director of Finance recommends that one position be reassigned immediately and one position reassigned in one year after the ERP implementation.</p> <p>Step 4: The general director of Finance meets with the assistant superintendent of Business and Information Services and recommends the reassignment of these positions.</p> <p>Step 5: The assistant superintendent approves the reassignments of staff.</p> <p>Step 6: The first position is reassigned.</p> <p>Step 7: The general director of Finance and the supervisor of Food Services Accountant meet to determine whether the second position can be reassigned one year following implementation.</p> <p>Step 8: The second position is reassigned or eliminated.</p>
Who Is Responsible	General director of Finance Supervisor of Food Services Accounting
Time Frame	Steps 1 through 6: July 2002 Steps 7 & 8: July 2003
Fiscal Impact	Although the district budget could shrink \$23,135 annually by reassigning the first position and an additional \$23,135 when the second position is reassigned or eliminated, the five-year impact of \$208,215 is not a savings. Additional resources presently unfunded are needed to implement the recommendations of the preceding section 8 of the report. Therefore, the fiscal impact of reassigning resources within the context of the initiatives described in both sections 8 and 9 of the report are substantially offsetting with no material fiscal impact from resource reallocation.

Establish District-Wide Universal Breakfast Program	
Strategy	Offer free breakfasts to all students throughout the district. Ensure the student’s POS identification number is input to gain an accurate count of meals being served and to ensure that the correct numbers of meals are reported for reimbursement.
Action Needed	<p>Step 1: The director of SNS drafts an agenda item to recommend that the district provide free breakfasts to all students.</p> <p>Step 2: The superintendent presents the agenda item to the school board.</p> <p>Step 3: The school board approves the agenda item.</p> <p>Step 4: The director of SNS meets with all food service managers, Food Service Accounting staff and SNS Operations central office staff to discuss how the program will be advertised and implemented.</p>

	Step 5: The director of SNS meets with the Web Services supervisor to provide a notice of the district's plan on the district website.
	Step 6: The director of SNS implements the program at the beginning of the next school year.
Who Is Responsible	Director of Student Nutrition Services
Time Frame	August 2002
Fiscal Impact	This can be completed with existing resources. Any loss resulting from paying students will be more than offset by an increase in participation and the associated reimbursement from the federal government.

Raise All Lunch Prices by \$0.05.

Strategy	Raise all lunch prices by 5 cents.
Action Needed	Step 1: The director of SNS draft an agenda item to recommend that the district raise lunch prices Step 2: The superintendent presents the agenda item to the school board. Step 3: The school board approves the agenda item. Step 4: The director of SNS raises lunch prices by 5 cents.
Who Is Responsible	Director of Student Nutrition Services
Time Frame	August 2002
Fiscal Impact	Assuming the average participation rates from November 5 th through November 9 th , 2001 provide a reasonable representation of the district's average participation rates, raising lunch prices by 5 cents will increase revenue by \$495,166 annually (considering only the full paying students in the calculation). The savings would not begin until August of 2002; therefore, the five-year savings would be \$2,228,242.

Source: Gibson Consulting Group, Inc.

10 The SNS Department accounts for meals served by category.

The SNS Department has experienced trouble in the past in accounting for meals served and in the processing of free and reduced meal applications. During the district's five-year Coordinated Review Effort (CRE) audit conducted by the DOE in May 2000, auditors found the district had many accountability problems with its manual meal accounting system. Furthermore, this audit found flaws in the process for reviewing and approving free and reduced applications.

In response to the audit findings, the district embarked on two major initiatives: the implementation of an automated POS system and the implementation of the Central Processing Center for free and reduced applications. The POS implementation was started in August 2000 and is expected to be complete by the end of the 2001-02 school year. The Central Processing Center was opened in August 2001.

In a follow-up audit in April 2001, the DOE found significant problems with the automated compilation of meals that again resulted in an inaccurate meal count. These problems were related to a glitch in the newly installed automated system and caused the state to withhold funds totaling \$15 million (see section 9 for further information). In November 2001, the DOE made their final visit to the district to review the processing of free and reduced applications and meal accounting. The audit found that the district had remedied its meal reporting problems and the funds withheld were released, with the exception of approximately \$20,000 (see section 9 for further information).

On a regular, on-going basis, the SNS Department compares weekly meal accountability reports from selected school sites to district wide consolidated meal reports. This process is to ensure that information on free, reduced-price, or full-priced meals is accurately reported to the DOE on a monthly basis.

11 The SNS Department regularly evaluates purchasing practices to decrease costs and increase efficiency.

The SNS Department regularly evaluates purchase practices for food, supplies, and equipment to decrease costs, increase efficiency, and ensure quality.

The Supervisor of Operations, a registered dietician, is responsible for the oversight of SNS purchasing activities. These functions include the development of product specifications, the preparation of bid specifications, evaluation of vendor products, managing the district's commodity program, and oversight of the inventory and receiving functions. The SNS Department uses a number of purchasing practices that ensure low cost and high quality of food, supplies, and equipment. These practices include the following:

- Cost-plus-fixed-fee contracts
- Unbundling of bids when in the best interest of the district
- Commodity processing contracts
- Direct negotiations with vendors

Cost-plus-fixed-fee contracts and bids require that vendors charge the district for their direct product costs, with the addition of a fixed fee. The fixed fee is an agreed upon price that does not change over the term of the contract. The product cost, however, fluctuates based on market conditions. This arrangement benefits the district in times of falling product prices. Under traditional pricing contracts the district would be locked into fixed product prices regardless of market conditions. During times of increasing prices, vendors are more readily able to collect the highest price for their products.

The district, with the assistance of a consultant, closely monitors market conditions and when it is determined that it would be to the district's benefit, product items are sent out to bid on a cost-plus-fixed-fee basis.

The SNS Department "bundles" many items together for bid purposes. This means that vendors are asked to bid on several items in a single bid. When the SNS Department determines that they could possibly receive better prices if bid individually, some items are "unbundled" from bid specs and bid separately.

The SNS Department also uses a mechanism called commodity-processing contracts. This is a practice whereby the district transfers its raw federal commodity products to an outside processing vendor. The vendor uses the district's commodities to prepare its products, and then sells the products to the district at a reduced price. One example of this is a contract with an outside vendor who receives cheese commodities from the district and uses them to prepare frozen pizza products. This process allows for the efficient and convenient use of government commodities in finished food items.

The SNS Department frequently contacts local vendors to invite them to participate in the bidding process. This is particularly true in cases of vendor monopolies. Vendor monopolies occur when only one or a few vendors can provide a product to the district, thus reducing or eliminating competition from the bidding process. Because SDHC is so large, there are some products, such as milk, that only a few

vendors can provide in the necessary quantity with the proper packaging. In such instances, the SNS Department attempts to improve competition or pricing by direct negotiation with vendors and suppliers.

The SNS Department reviews food, supply, and equipment specifications annually.

The supervisor of operations is responsible for the development of all food and product specifications. The district has established policies and procedures for the development and testing of these specifications. After specifications are developed they are entered into the VBOSS system where they can be readily accessed. The major food and non-food product descriptions are general descriptions that reflect the approved brands and corresponding product codes that are approved for each item. SNS has a list of approved product descriptions, and only approved products are purchased by SNS.

The SNS Department teams with SDHC purchasing teams to ensure compliance with purchasing practices.

Products are tested using the Procedure for Testing and Evaluating New Products. Product descriptions are developed for the new products and requested from vendors by the SNS Department. A review of product codes and brands is conducted to ensure that specifications are met. The SNS Department uses an outside consultant to verify that purchasing practices are within SDHC standards.

Vendors are encouraged to present their products to the SNS Department. Appointment schedules are made available to vendors who document their presentation by registering their name and company with the district. Vendors are provided a copy of Procedures for Testing and Evaluating New Products, as well as an overview of SDHC. The listing of approved brands encourages added competition and lower prices. Cooperation between the SNS Department and the SDHC Purchasing Department ensures that all vendors nationwide have an opportunity to present their products. SDHC has contracted with DEMANDSTAR.com, an automated nationwide vendor list. This list categorizes each vendor by category code for specific goods and services. Vendors who subscribe to the DEMANDSTAR services are notified by FAX or email whenever a formal sealed bid has been issued for products or services.

The SDHC Purchasing Department is responsible for the bid analysis and award process. The SNS Department evaluates adherence to the Special Terms and Conditions, as well as the product descriptions and product code numbers.

12 The SNS Department has developed an effective inventory control system that is appropriate to the size of the school food service program, but changes could be made to increase effectiveness.

The SNS Department has an inventory control system appropriate to the size of the school food service program but has not provided adequate training to food service managers.

Each school Food Service Department is required to take a complete physical inventory of all commodities, purchased foods and non-food items each month. Detailed written procedures are in place to assist with the inventory. An inventory form is generated by VBOSS and is to be completed by each school during the last week of every month. The procedures address transferring inventory from one school site to another, inventory limits, instructions for first-in first-out inventory method and what items should be counted and how they should be counted. The inventory is completed on the last day of the reporting period. Two staff members are responsible for taking the inventory, one to count and one to

record. Each staff member verifies and signs the inventory form before it is submitted to the central office.

The food service manager at each school site is responsible for inspecting all food purchases and merchandise for acceptable quality and for verifying that all quantities that were ordered have been received. All merchandise is dated when received to ensure that all items are rotated using the first-in first-out methodology. The items are checked against the invoice to ensure that the amount or weight received matches the invoice and that the unit price matches the current bid award or market order. All totals are checked for accuracy. The district has established procedures for quality checks of the items.

The Food Services Accounting Department is responsible for reconciling the inventory to the general ledger each month. Any variations are addressed with the food service managers. The current inventory process is manual and paper intensive. However, the process will become automated once the VBOSS system is fully operational and can be interfaced with the district’s financial ERP system. The food service managers have not been trained to use the inventory turnover reports. The Area Specialists review the reports quarterly. This process does not provide timely feedback to ensure that the inventory turnover rates are within the district’s specified limits of seven days for food items, 13 days for non-food items and 20 days for commodities.

Recommendation

- *We recommend that the SNS Department conduct training for all food service managers on how to generate, review and evaluate inventory management reports received from the VBOSS system.*

Action Plan 13-7 provides the steps needed to implement this recommendation.

Action Plan 13-7

Train Food Service Managers to Use Inventory Management Reports.	
Strategy	The SNS Department management and the system consultant conduct training sessions with the food service managers on the inventory reporting features of the VBOSS system. District data is used to familiarize the food service managers with how their reports will look and what data will be reported. Included in the training should be examples of errors so that the group can discuss what to look for and develop problem-solving techniques to address the issues.
Action Needed	Step 1: The director of SNS, supervisor of Operations, supervisor of Food Services Accounting and the system consultant meet to develop a training program for inventory management reports. Step 2: The supervisor of Operations and the system consultant conduct the training sessions.
Who Is Responsible	Director of Student Nutrition Services Supervisor of Operations Supervisor of Food Services Accounting
Time Frame	June 2002
Fiscal Impact	This can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

13 **The SNS Department has a system for receiving, storing, and disposing of food, supplies, and equipment.**

There are guidelines for receiving, storing, and disposing of food, supplies, and equipment.

Procedures for receiving goods are outlined in the SNS Department's Procedure Manual. The food service manager is responsible for receiving items and verifying that the items ordered have been delivered. A receiving ticket is prepared each morning for all vendors that are scheduled to make a delivery. Upon delivery, the receiving ticket is used to verify the quantity, product brand; pack size, prices and that all items ordered have been delivered. All delivery personnel are required to sign in before any deliveries are accepted. The items are then randomly inspected. If damaged items are found, the manager completes a quality control report and the damaged items are noted on the invoice. Once the delivery has been accepted, the invoice is signed. Once copy of the invoice is kept on site and one copy is forwarded to Food Service Accounting.

Procedures for storing food and supplies are also detailed in the SNS Department's Procedure Manual. All items are dated before they are stored. The oldest items are stored in the front to be used first. The procedures include guidelines to ensure that all items are stored in a safe and organized manner. Storeroom checkout sheets for both purchased items and commodity goods are maintained daily to track items removed from inventory. Additionally, daily pull tickets are completed for all food items and projected quantities to be used. The district stores commodities in the central warehouse. Within the warehouse, 3,600 square feet is dedicated to freezer and cooler space.

Food items may become contaminated due to spoilage, damage or excessive inventories. The cafeteria manager is charged with making every effort to prevent losses of purchased and USDA donated commodities. In the event of food loss due to contaminated or spoiled foods, the cafeteria manager is required to contact the district SNS office to notify them of the loss and assess whether a claim needs to be filed with the Bureau of Food Distribution. If there is a refrigeration problem, the Maintenance Department must be notified immediately so that the problem can be resolved as quickly as possible. The Health Department should be contacted so that they can issue a "Stop Sale Notice". A copy of the "Stop Sale Notice" should be sent to the district office and the original should be filed at the school site. All labels should be clearly marked "Contaminated". Finally, staff is to pour bleach on the food so that it is no longer edible.

In the past, obsolete equipment was sold for salvage and the proceeds deposited into the general fund. Surplus sales are coordinated by the Property Control Department. The items being auctioned as surplus usually have very little value and are auctioned off in lots making it difficult to separate the proceeds. The amount of money received from the sale of most surplus equipment is usually pennies on the dollar purchase price. However, there have been instances when the district has been able to sell specialized equipment. In those instances, the proceeds have been applied to the applicable fund for the department selling the equipment. Recently, the SNS Department was able to consolidate the sale of outmoded food dishwashers to a vendor who was willing to buy all 66 units. The SDHC board approved the sale and the proceeds were deposited into the SNS Department's account. In the future the SNS Department will continue to group items together to enable the recovery of revenue.

The district has effective procedures for the receipt of purchased items, inventory usage and turnover and requisitions.

The SNS Department has a procedure that specifies that only the food service manager or a designated employee can receive goods. A list of authorized employees at each school is maintained by the SNS Department. Staff follows the standard procedures with each manager responsible for receiving goods and checking amounts, quality and price against invoices.

Designated SNS employees verify the accuracy of order deliveries and acknowledge receipt and verify receipt-using VBOSS. Before any deliveries are signed for, they are carefully checked against the original order. All shortages and damages are noted on each invoice ticket and initialed by both the manager and delivery person. Upon reconciliation of each order, the manager confirms the order has been received by entering the receipt information into the computerized inventory system. SDHC warehouse employees must sign any equipment invoices. A delivery ticket and a signed invoice are required in order to process any payment. Tickets not signed by an authorized SNS or SDHC nutrition services employee are held for payment until verification of delivery is made.

Quality control reports are used to document problems with purchased goods and services. Reports are emailed to the district office with a detailed description of the problem. The SNS Department ensures that contracts with vendors include procedure for obtaining credit for unacceptable items or service. Products rejected at delivery are to be credited by marking through the individual product on the original invoice. Both the food service manager and delivery person must initial any changes and adjustments prior to submitting it for payment. The vendor must issue credits to the individual school site in writing and in duplicate within seven days of the original request.

The SNS Department's Procedure Manual provides guidelines to ensure that acceptable inventory management procedures are in place. These guidelines establish procedures to ensure that the food services staff is using older inventory items first, rotating items in and out of inventory appropriately and that items are ordered as needed to ensure they are available when required. The date received, as well as the packing date, are written on the case or container.

The district maintains a Central Warehouse to store items purchased on a regular basis. In order to receive items from the warehouse, a requestor must complete a requisition form that has been approved by the food service manager. The food service manager then submits a purchase order to the Purchasing Department. The Purchasing Department determines that the item is stocked by the warehouse and forwards the purchase order to the warehouse.

The SNS Department coordinates all renovation and long-range building plans with SDHC architects and the general director of maintenance. Kitchen plans are designed according to available space and the requirements of the SNS Department.

The district evaluates current storage levels before installing and/or purchasing additional storage space for its food items. The SNS personnel evaluate school inventory levels, including inventory turnover rates before adding space. The district has established storage procedures that are intended to maximize space, provide proper ventilation, allow easy access and rotation and ensure the safety of students and food service workers. These procedures include:

- All items are stored 6 inches off the floor and 12 inches from the ceiling;
- Arrange storage areas in groupings of like items, such as spices, dry mixes, etc.;
- Store heavy items at waist height or lower;
- Store light items on upper shelves;

- Always store cleaning supplies and chemicals in separate areas from food under lock and key, if possible;
- Store least used items in least accessible area, or farthest away from entry level; and
- Label shelves with name of item to be stored in that area.

The district is installing wire shelving in its food service storage areas to allow for better ventilation and increased storage space. Converting dish rooms to storage areas has increased storage facilities in older schools. The amount of food storage space that will be required to meet projected enrollment levels is considered in the earliest design specifications and blueprints for new schools.

The security of food and supplies is maintained by restricting access to the storeroom and limiting the number of storeroom and other applicable keys.

The Policy for Control of Master and Grandmaster keys within School Facilities provides guidelines for the allocation and control of master and grandmaster keys at school sites. There are three types of keys used in the majority of the schools, these include:

- Change key – the individual classroom key for teachers;
- Master key sub-master, or pass key – keys that open area locations, such as the science wing;
- Grandmaster key – key designed to open any room in the school.

The district has specific policies in place designed to control the distribution and use of grandmaster keys. These keys are not to be duplicated by anyone except the Maintenance Department and contain “Do Not Duplicate” instructions on the keys. All grandmaster keys are assigned a unique number for identification. Each principal is required to maintain a “Key Control Form” list of all school personnel assigned a grandmaster key. The SNS Department’s storage procedures require that all food storage areas be kept locked when not in use, or at all times if located in an area easily accessible to non food service employees.

14 The SNS Department has a plan for the repair and replacement of equipment that includes preventive maintenance practices.

The SNS Department’s facility specialist position is responsible for long-term and short-term equipment repairs, equipment procurement, design and coordination of new kitchen construction or renovation and maintaining over 3,500 pieces of kitchen equipment. This position is currently vacant, with no definite plans to fill the vacancy.

Other staff is temporarily completing regular duties of the facility specialist. The maintenance unit clerk handles daily maintenance requests, and the director of SNS oversees the department’s computer system and the long-term procurement planning for equipment replacement and kitchen design.

There are procedures in place to address immediate repair and replacement needs.

Procedures for responding to maintenance requests are outlined in the SNS Department’s Procedures Manual. The maintenance unit clerk receives requests by phone, fax or email. Requests are logged in the SNS maintenance request tracking system and prioritized as emergency, priority or scheduled maintenance.

Food Service Operations

Requests that cannot be addressed by in-house maintenance staff are dispatched to an outside service provider. Outside contractors provide service to the district in the following areas:

- Cooking equipment service and repair
- Plumbing service and repair
- Refrigeration equipment repair and bi annual preventative maintenance
- Steam equipment annual preventative maintenance
- Grease trap quarterly pumping and maintenance
- Hood annual and semi annual inspection cleaning

An operational long-range equipment and facility replacement plan includes preventative maintenance.

The SNS Department has a five-year kitchen facility plan to be maintained by the facility specialist. The SNS director is handling this function until the position is filled. The long-range plan includes a yearly preventative maintenance schedule and an equipment aging report to prioritize attention to old equipment that could cause excessive repair costs. The schedule includes duties such as painting to be completed each summer.

The SNS Procedures Manual has procedures for performing a yearly equipment review and equipment failure reviews. The yearly review is a documented analysis of all equipment at each site performed at the end of each school year. The report includes a physical inventory, an equipment age report, and a maintenance call and repair history. Equipment is categorized into one of three categories: critical equipment- needed to provide meals to students, refrigerator storage equipment- failure would cause loss of product, and convenience equipment-use of this equipment makes the job easier. Equipment with the most documented service calls is considered for replacement first.

The facility specialist position and the director of SNS perform equipment failure reviews when necessary. The review includes a comparative analysis between repair estimates and new equipment purchase costs. Currently, the director of SNS is performing this duty until the facility specialist position is filled.

SNS has a long-range schedule for preventative maintenance of refrigeration, ice and steam equipment. Each of these large items is included in an annual schedule including the item's location and an estimated completion date for the maintenance task.

Preventative maintenance for small equipment is part of a schedule that is categorized by daily, weekly, and monthly duties. These tasks are performed by the cafeteria staff, supervised by the food service manager, and evaluated in the Keys to Excellence review and the CAFÉ reports by food service specialists.

Recommendations

- *We recommend that the SNS Department immediately fill the facility specialist position that is currently vacant.*

Action Plan 13-8 provides the steps needed to implement these recommendations.

Action Plan 13-8

Fill the SNS facility specialist position.	
Strategy	Return the duties temporarily being completed by the maintenance unit clerk and the director of SNS to a dedicated facility specialist position.
Action Needed	<p>Step 1: The director of SNS requests to fill the vacant facility special position.</p> <p>Step 2: The assistant superintendent for Business and Research approves the request.</p> <p>Step 3: The director of SNS notifies the Human Resources Department to advertise the vacancy.</p> <p>Step 4: The director of SNS conducts candidate interviews and fills the vacant position.</p>
Who Is Responsible	The director of SNS
Time Frame	July 2002
Fiscal Impact	This position has not been eliminated from the SNS Budget; therefore, there will be no fiscal impact for this recommendation.

Source: Gibson Consulting Group, Inc.

Preparation and Nutrition

The district plans and analyzes meals to ensure they meet USDA requirements and the nutritional needs of all students. Available resources such as USDA commodities and standardized recipes are used to produce cost-efficient meals. SNS has procedures for monitoring and reporting potential food waste.

Two base kitchens provide meals to the district’s satellite sites, and SNS has clearly defined procedures for transporting quality food safely and efficiently.

15 **The SNS Department provides school meals that meet the nutritional needs of students.**

Meals are planned to meet the nutritional needs of students and comply with appropriate, nationally recognized dietary guidelines.

Nutrient analyses of menus are conducted on a continuing basis to ensure that they comply with recommended dietary guidelines. A registered dietician evaluates all menus for compliance with USDA, federal, and state guidelines. VBOSS has a meal analysis feature that is used to determine complete nutrient content of menu items. Managers and food service staff are trained in the components of reimbursable meals to guarantee their meeting or exceeding the guidelines for nutritional content. All schools follow the district menu.

Menus are planned to meet the nutritional needs of special needs students.

The SNS Department accommodates the needs of special students. Parents, school nurses and the food service manager meet to review special dietary needs. Menu substitutions are made and documented in order to satisfy all special requests. All medical statements are kept on file by the food service manager and must be documented on the letterhead of the child’s physician. The SNS Department follows federal regulations that allow the substitution of food if individuals are unable because of medical or other special dietary needs to consume the regular school menu.

Convenience and pre-packaged foods are evaluated for cost-effectiveness, nutritional value and student acceptance prior to use.

The SNS Department evaluates new products twice per month. Product information forms are completed by manufacturer representatives and submitted to SNS for purchase approval. SNS evaluates the product using specified criteria defined in The Procedure for Testing and Evaluating New Products. Criteria used in selecting products for testing include: portion costs, nutritional analysis, menu needs (both reimbursable and a la carte items), and student acceptability.

Products are evaluated using three screening steps: the paper screen – can we afford it and does it meet the needs of the school menu; the appearance screen-does it look and store well; and the taste screen-do the students like it. SNS employees approve the products then select 15-20 students of diverse age and gender to participate in a taste test.

16 The SNS Department's food production and transportation system ensures the service of high quality food with minimal waste.

USDA commodities are maximized

The supervisor of operations plans district menus incorporating available commodities and anticipated delivery of commodities. USDA commodity prices are compared to vendor purchase prices to ensure the lowest cost for meal preparation.

The supervisor of operations performs a detailed analysis of vendor offerings to process the district's commodities into entrée items. SNS has partnerships with vendors to process raw poultry and pork into low cost heat and serve items. This reduces the labor needed to prepare entree items and enhances food safety.

Food service managers use standardized recipes and portion control utensils.

Standardized recipes ensure efficient meal preparation and minimize waste. All food service managers and cooks use the standardized recipes adopted by the district. The adopted recipes include a chronological list of ingredients, cooking procedures, serving containers, utensils, yield, and portion size. Standardized recipes for every menu item are provided in all production records. However, managers are trained to modify recipes based on the amount of food needed for specific schools. Managers print these recipes with daily production records to ensure portion cost and nutritional content are met.

Portion controls are used in all cafeterias. Wall charts, posted in every food service kitchen, indicate the portion and the corresponding utensil to be used. Portioning utensils are established in standardized recipes and color coded for easy recognition by employees.

SNS employees observe returned trays to identify waste.

The amount of waste left on trays during meals is documented in Plate Waste studies. The information included in these studies is based on the observations of menu committee members, food service managers, and/or dietetic interns who observe the trays on a regular basis. The Plate Waste studies are reported to the menu planner on a monthly basis. Menu items are added or deleted depending upon overall satisfaction and consumption.

Production records are completed by the food service managers and regularly reviewed by the food service specialists.

Recording, reviewing, and reacting to over and under-production of food items can prevent waste and better satisfy student needs in the future. SNS food service specialists review the VBOSS production records, use of standardized recipes, food quality, and adherence to USDA menu pattern by visiting schools on a regular basis. Observations and corrective action are noted on the CAFÉ report. Interviews with principals and food service specialists confirm that corrective action plans are completed and implemented.

The SNS Department has a system for transporting and holding meals for satellite campuses.

The SNS Department uses two base kitchens to provide meals to 53 satellite locations. Insulated carriers are utilized to transport food at USDA required temperatures ensuring food safety and minimizing waste. Each satellite location is equipped with refrigeration and heating units to ensure that food items are maintained at proper temperatures.

Safety and Sanitation

SNS has procedures for ensuring a safe and sanitary food service environment for students. Safety and environmental health practices are followed, and county health inspectors inspect the district's facilities. Courses such as "Food Safety and Sanitation" and "Crisis Management" are mandatory for all SNS employees. SNS works closely with the district's Safety Office to train staff to respond to emergency situations and reporting incidents.

17 The SNS Department provides services in a safe and sanitary environment.

SNS follows safety and environmental health practices and regulations.

Copies of state and local health regulations are on file at all school sites. Inspections of all SNS Department district kitchens are conducted by the Hillsborough County Health Department annually. SNS posts current inspection results at each food service site.

Extensive safety training is mandatory for all SNS employees. "Food Safety and Sanitation" is a mandatory one-day workshop including the following topics:

- Food handling procedures
- Food protection
- Personal sanitation
- Temperatures for food safety
- Safety procedures
- Examination of suspected food borne illness
- Sanitary facilities and control
- Sanitizing equipment

Food Service Operations

- Avoiding grease fires and other fire hazards
- Pest control

Emergency procedures and plans for reporting and investigating accidents are distributed and available to all SNS employees.

The School District of Hillsborough County Emergency Manual includes procedures for the containment of chemical spills, evacuation procedures, medical emergencies and first aid for choking. The SNS Department and the HCDS Officer require that all incidents be reported immediately using an accident report. All managers interviewed stated that they file reports immediately following any incident. Staff interviews indicate that reporting procedures are understood to be important in preventing future incidents. Accident forms are available at each school kitchen and are explained during “New Employee Training”. Reports are filed in the employee personnel folders in the school’s administrative office. A review of the reports found them all up-to-date.

All employees are also required to complete the district’s Crisis Management Training conducted by the Hillsborough County District Safety officer (HCDS). This training includes emergency alert codes that address bomb threats, lockdowns and other crises. Also included are specific guidelines for evacuations for bomb threats and severe weather. HCDS maintains training records for each employee, performs internal safety inspections of all schools, and presents safety awards to individual schools each year.

14

Cost Control Systems

The Hillsborough County School District has developed and implemented detailed procedures for all segments of its cost control systems. Internal controls are emphasized throughout the district. The district has recognized the areas where improvements are needed and are working to address these areas.

Conclusion

The Hillsborough County School District (the district) is using 27 of 31 best practices for cost control systems. As outlined below, the Hillsborough County School District (HCSD) has developed written procedures for nearly all functional areas related to cost control systems. Throughout the cost control functions, district staff is cognizant of how important internal control is as a means of protecting the district's resources. There is a definite segregation of duties throughout the functional areas. The district has attempted to develop creative and innovative solutions to the areas it determined fell short of the best practice.

The district is in the process of implementing a new accounting system. Each functional area was addressed in the initial needs assessment for the new system from a high level perspective. The district has assigned a team that is represented by key functional areas to work exclusively on the implementation of the system. To date, the users have not received hands-on experience or training on how the system will work. The district is in the process of beginning their "Conference Room Pilot" program, which is intended to provide end-user input. The review team found very high expectations for the new system among users. Unfortunately, these expectations also included a smooth and easy transition from the old system. It has been the experience of the review team that the transition period from one system to another can be extremely difficult and problematic. The district has not yet addressed this issue at the user level.

The asset management, warehouse and inventory functions at the district are impressive. Although the processes are manually intensive, they have been efficiently and effectively implemented. The district is in the early stages of implementing a just-in-time system in its warehouse, which the district is calling the Rapid Response Delivery System. The district believes that this system will provide significant cost savings to the district and improve purchasing procedures for repeated supply purchases. The Rapid Response Delivery System will provide additional warehouse space to allow the textbook depository to be relocated to the warehouse. The current location of the book depository is no longer available. By moving the depository to the warehouse, the district will not have to incur additional costs related to opening a new facility.

The district's budgetary and cash management functions are effective. There are minor recommendations that are discussed within the text of this chapter that will increase the effectiveness of these two departments. The district has contracted with a financial advisor that has done an effective job of maintaining the district's bond rating with the assistance of district staff and management. HCSD maintains the highest bond rating of any school district in the State of Florida with an AA rating.

Overall, the Hillsborough County School District is well managed in terms of financial controls. The general fund balance has consistently been below the district target of three percent of budgeted revenue. This factor raises some concern given the fact that the district is self-insured and maintains a high workers' compensation liability far in excess of the district's general fund balance. However, the district has been successful in convincing the financial markets that it has the ability to cover all of its obligations. This strong financial image is a testament to the effective fiscal management and oversight provided by the Superintendent, the Assistant Superintendent of Business and Information Technology Services and district staff. However, as budget constraints continue and revenue dollars continue to decrease, the district may feel the adverse impact of not meeting the fund balance targets set by board policy.

Gibson Consulting Group, Inc., identified two areas that require immediate improvement. The Purchasing Department lacks internal control procedures. The district does not maintain organized vendor files. This makes it extremely difficult to track the total purchases from a specific vendor during the year. As a result, the district cannot be certain that it is in compliance with the board's purchasing policy and statutory limits. The risk management function should be commended for the innovative programs it has put in place over the past three years. However, there are no mechanisms in place to track accidents, follow up on safety initiatives, or quantify the dollar benefits from the programs established. In addition, the district is not using historical loss data to drive its risk management programs.

During the course of this review, Gibson Consulting Group, Inc., identified a number of district accomplishments in the cost control systems, some of which are included in Exhibit 14-1 below.

Exhibit 14-1

**The District Has Had a Number of Notable Accomplishments
in Cost Control Systems in the Last Three Years**

- The Internal Auditing Department has instituted strong internal controls for school internal accounts resulting in 46.5% of 183 schools receiving an exemplary audit rating, 50.3% receiving a satisfactory audit rating, and only 3.2% was found unsatisfactory.
 - The Internal Auditing Department has established an abbreviated audit program for exemplary schools to improve the utilization of staff resources and expand the scope of the department's role in the district.
 - The Internal Auditing Department has assisted the district in reducing the amount of State FTE funding that must be returned due to FTE calculation errors.
 - The Internal Auditing Department has developed a comprehensive training program for internal accounts that set out specific procedures for principals and bookkeepers.
 - The district has renegotiated all existing charter school contracts to require that an external financial audit be completed within 90 days following the end of the fiscal year. This will allow the district to receive an unqualified opinion from its external auditors since all components will have been audited prior to the release of the audit.
 - The board recognizes principals and department heads of sites with no exceptions and zero missing items in its physical inventory when compared against the site's property list during board meetings. It has established a zero exception goal districtwide.
 - The district has implemented a direct purchase program that allows the district to purchase all construction material for subcontractors and saves the district an average of one million dollars annually by not paying sales tax for the material. The program has been studied by a number of Florida school districts that are looking to initiate the program.
 - The district employs evaluation tools to maintain inventory levels at 90 days or less.
 - The district operates an efficient, innovative, and cost-conscious warehouse operation. Warehouse management is constantly striving to reduce costs and increase operating efficiencies. The department has
-

consolidated its textbook depository and surplus storage into the central warehouse.

- The district uses a number of different brokers to provide its insurance coverage to ensure it receives the most competitive rates.
- The district offers its employees a number of health insurance programs to choose from and routinely monitors the service provided by the insurer.
- The district provides training seminars for employees facing retirement to educate them about the State requirements and benefits provided under the State retirement plan, and to demonstrate the proper way to fill out the many forms that are required.
- In June 2000, the board approved a five-year Owner Controlled Insurance Program (OCIP) to improve the safety of the district's construction projects, standardize insurance coverage throughout the district, and significantly reduce the district's cost of construction insurance. The program will save the district between \$19 million and \$29 million over the term of the contract.
- In June of 2000, the board approved the integrated health services pilot program. State funding was available to defray the costs of the pilot. The district matched the State funding from the district's workers' compensation fund. The pilot program placed full-time Registered Nurses (RN), Nurse Practitioners and other healthcare professionals in all high schools.
- Occupational nurses review the care given to employees claiming workers' compensation benefit and are instrumental in the district's return to work program to ensure that employees can be put back into the system as soon and as effectively as possible. In addition, the nurses provide training throughout the district in an effort to highlight safe practices.
- The Safety office has established a training program for safety monitors at each of its sites to facilitate increased awareness of safety.
- The district's safety personnel have developed State recognized protocols for testing indoor air quality and received an award from the Environmental Protection Agency for its program.
- The district's safety specialists are certified to perform asbestos testing. This saves the district consulting fees.
- The Safety office has been instrumental in bringing together city and county officials to develop an emergency response program to deal with an ammonia pipeline that runs through a large section of the district.
- The Safety office established guidelines and procedures related to the "Shelter in Place" concept. These guidelines set out step-by-step procedures to be followed in the event that a site cannot be evacuated.
- The Budget Department has been instrumental in providing site-based financial training throughout the district.
- The Payroll Department has created "universal pay stub messages" to inform district employees of important payroll changes or programs and simplified the payroll codes reported on the pay stub so that employees can easily track their payroll deductions and year-to-date totals.
- The district has been able to receive an AA bond rating, the highest rating of any school district in the State of Florida.
- The Federal Finance and Special Revenue Departments are using 99% of all grant monies received by the district.
- The district has implemented a purchasing card system as a pilot program and is continuing to expand the pilot until it is used districtwide.
- The district has implemented an online competitive bidding system, which has increased the efficiency of the Purchasing Department and expanded the number of potential vendors.

Source: The Hillsborough County School District.

Overview of Chapter Findings

Gibson Consulting Group, Inc., reviewed the district's cost control systems using the Best Financial Management Practices and associated indicators adopted by the Commissioner of Education. The consulting team employed several methodologies to develop chapter conclusions and action plans. For instance, Gibson Consulting Group, Inc., conducted on-site interviews with district level managers and gathered information on the cost control systems activities such as the district's cost control systems, activities, policies and procedures. To receive additional input, Gibson Consulting Group, Inc., surveyed district-level staff, principals, teachers, and parents. Questions varied depending on the groups surveyed and the results have been validated and incorporated into this chapter where applicable.

An overview of chapter findings is presented below.

Internal Auditing

1. The district has established an effective internal audit function. However, the department has not taken steps to ensure independence as its role has expanded to include districtwide auditing. (Page 14-14)

Financial Auditing

2. The district obtains an external audit in accordance with government auditing standards. (Page 14-26)
3. The district follows up on any findings identified in the external audit in a timely manner. (Page 14-26)
4. The district obtains and reviews required financial information relating to school internal accounts, direct service organizations (DSOs), and charter schools. (Page 14-30)

Asset Management

5. The district segregates responsibilities for the custody of assets from record keeping responsibilities. (Page 14-33)
6. The district's controls ensure that proper authorization of asset acquisitions and disposals are in place. (Page 14-34)
7. The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors. (Page 14-35)
8. The district provides recorded accountability for its capitalized assets. (Page 14-36)
9. The district has safeguards to protect its assets from unauthorized use, theft, and physical damage; however, procedures to ensure that all sites complete annual inventories should be enhanced. (Page 14-38)

Inventory Management

10. The district segregates responsibilities for the custody of inventories from the record keeping responsibilities for those assets. (Page 14-46)
11. The district has established and implemented controls that provide for proper inventory requisitioning with the exception of emergency requisitions. (Page 14-46)
12. The district has established controls to safeguard the inventory and provide accountability for inventory custody. (Page 14-47)

13. The district continually evaluates the inventory function to determine its cost-effectiveness. (Page 14-48)

Risk Management

14. The district has instituted a number of innovative risk management programs to reduce costs; however, the process to evaluate program effectiveness and to identify and evaluate risks could be improved for some programs. (Page 14-52)
15. The district has comprehensive policies and procedures relating to acquiring and reviewing coverage for risks of loss. (Page 14-66)

Financial Management

16. Management Control Methods: District management communicates its commitment and support of strong internal controls. (Page 14-69)
17. Financial Accounting System: The district records and reports financial transactions in accordance with prescribed standards. (Page 14-70)
18. Financial Reporting Procedures: The district prepares and distributes its financial reports timely. (Page 14-77)
19. Budget Practices: The district has an effective budgeting process that provides management with an effective tool to control operations and expenditures. (Page 14-78)
20. Cash Management: The district has effective daily cash controls to provide recorded accountability for cash resources but does not effectively forecast cash flow needs. (Page 14-84)
21. Investment Practices: The district has an investment plan that includes investment objectives and performance criteria designed to maximize return consistent with the risks associated with each investment, and specifies the types of financial products approved for investment. (Page 14-87)
22. Receivables: The district has established effective controls for recording, collecting, adjusting, and reporting receivables. (Page 14-87)
23. Salary and Benefits Costs: The district has effective controls that provide accountability for the payment of salaries and benefits. (Page 14-89)
24. Debt Financing: The district's financial advisor assists it in analyzing, evaluating, monitoring and reporting debt-financing alternatives. (Page 14-95)
25. Grant and Entitlement Monitoring: The district has established procedures to ensure that grant activities are monitored in accordance with grantor requirements. (Page 14-96)

Purchasing

26. The district segregates purchasing responsibilities from the requisitioning, authorizing, and receiving functions for district level purchases; however, there is no segregation of duties at the school level. (Page 14-101)
27. The district has generally established effective requisitioning controls; however controls related to requisitions made with blanket purchase orders, no purchase orders, telephone purchase authorizations, and field purchase orders should be improved. (Page 14-103)
28. The district has established authorization controls over purchasing; however, the controls pertaining to thresholds are not enforced. (Page 14-110)
29. The district has established controls to ensure that quality standards are met; however, receiving procedures need to be expanded to ensure that staff is receipting goods properly and consistently. (Page 14-116)

Payment Processing

- 30. The district has established controls to ensure disbursements are properly authorized, documented, and recorded, but does not perform an independent quality assurance review. (Page 14-119)
- 31. The district has sufficient controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports; however, there are instances when payments are processed without adequate review. (Page 14-121)

Fiscal Impact of Recommendations

The district will net savings of \$5,563,349 by implementing the recommendations presented in this chapter. Exhibit 14-2 provides a summary of each recommendation and the associated five-year fiscal impact.

Exhibit 14-2

Fiscal Impacts

Recommendation	Five Year Fiscal Impact
• Hire an additional FTE field auditor.	• Hiring an additional FTE auditor will cost the district \$179,950 over the next five years.
• Eliminate the Secretary III position in Internal Auditing.	• Eliminating this position will save the district \$128,410 over the next five years.
• Create an Anonymous Hot-Line Telephone Number for Stakeholders to Report Suspicions of Wrongdoing.	• Purchasing a telephone and establishing a hot-line telephone number would cost the district \$5,065 over the next five years.
• Purchase a scanning system and reduce staff by two Property Control clerks.	• Eliminating these positions will save the district \$260,064 over the next five years.
• Reduce seven FTEs in addition to the nine currently vacant positions with the implementation of the Rapid Response Delivery System.	• Eliminating these positions will save the district \$941,090 over the next five years.
• Expand the Integrated Health Program.	• Expanding this program will save the district \$991,421 over the next five years.
• Create a Mechanism to Track Safety Programs.	• Creating this tracking mechanism will cost the district \$76,784 over the next five years. The district will have to fill the now vacant Clerk I position in the second year.
• Consider eliminating the Early Retirement Plan.	• Eliminating this plan will save the district \$5,366,626 over the next five years.
• Offer severance packages providing incentives to certain long-term employees on the high-end of the salary schedule on a case-by-case basis.	• Offering this package will cost the district \$724,500 over the next five years.
• Make Budget Training for Department Supervisors Mandatory.	• An Accountant I will cost the district \$179,950 over the next five years.
• Consolidate the textbook, direct purchasing, and procurement card purchasing functions to the Purchasing Department.	• A data preparation operator will cost the district \$105,670 over the next five years.

Recommendation	Five Year Fiscal Impact
<ul style="list-style-type: none"> Implement a manual review process to ensure that amounts paid do not exceed authorized amounts. 	<ul style="list-style-type: none"> A control clerk will cost the district \$134,735 for the next five years.
<ul style="list-style-type: none"> Move the responsibility to obtain written quotes for all purchases between \$5,000 and \$24,999 to the Purchasing Department instead of the schools and individual departments, and hire two associate purchasing agents. 	<ul style="list-style-type: none"> Two associate purchasing agents will cost the district \$326,830 over the next five years.
<ul style="list-style-type: none"> Implement a manual system of tracking threshold limits to ensure that written quotes and bids are prepared for all purchases meeting this requirement until the process can be automated in the new ERP system. Hire a temporary employee to perform this task until the ERP system is implemented. 	<ul style="list-style-type: none"> A temporary control clerk will be required for one year at a cost of \$21,110.
<ul style="list-style-type: none"> Lift the temporary freeze on the vacant purchasing agent and control clerk positions to ensure that the Purchasing Department is performing work that is currently not getting done due to lack of staffing. 	<ul style="list-style-type: none"> A purchasing agent and a control clerk will cost the district \$333,155 over the next five years.
<ul style="list-style-type: none"> Lift the freeze on the two vacant accounts payable positions and hire temporary employees until the ERP system is fully implemented. 	<ul style="list-style-type: none"> There will be a one-year cost to the district of \$36,513 to implement this recommendation.

Source: Gibson Consulting Group, Inc.

Background

Our review of the district’s cost control systems was divided into eight subsections:

- Internal Auditing;
- Financial Auditing;
- Asset Management;
- Inventory Management;
- Risk Management;
- Financial Management;
- Purchasing; and
- Payment Processing.

The board, as provided in Section 230.03 (2) F.S., is required to operate, control, and supervise all free public schools in the district. Laws, rules, regulations, and grantor restrictions applicable to the district’s activities define, among other matters, the purposes for which resources may be used and the manner in which authorized uses shall be accomplished and documented. Section 230.23 (3), F.S., provides that the responsibility for the administration of the district is vested with the superintendent as the secretary and executive officer of the board, as provided by law. To assure the efficient and effective operation of the district in accordance with good business practices and with applicable legal and contractual requirements, effective cost control systems must be established and maintained.

Cost Control Systems

The Superintendent is responsible for establishing and maintaining effective cost control systems. The objectives of efficient and effective cost control systems are:

- Provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition;
- Ensure that transactions are executed in accordance with the board's authorization;
- Ensure that transactions are recorded properly to promote reliable financial data;
- Ensure that restricted assets are managed in compliance with applicable laws, regulations, and contracts; and
- Within the constraints established by applicable laws and regulations, ensure that operating policies and procedures promote cost-effective and efficient methods of operation.

The majority of the cost control functions in the district are under the supervision of the Assistant Superintendent of Business and Information Technology Services. The internal auditing function has evolved over the last three years to take a more active role in district level auditing. In addition to district level auditing, the Internal Auditing Department audits FTE counts and the internal accounts for the district.

Florida statute requires that every school district be audited by an external auditing entity. The Auditor General completes this audit every third year. The district has contracted with a certified public accounting firm to perform the audit in the years between the Auditor General audits. The General Director of Finance is responsible for coordinating the audit with the assistance of the Supervisor of Accounting.

Asset management, which includes the district's cash management, inventory and property control, construction and planning, and warehouse functions are coordinated under various business segments of the district. The Budget Department directs cash management with direct oversight from the Assistant Superintendent of Business and Information Technology Services. The Property Control and Warehouse Department direct all property control, inventory and warehousing functions. The Operations division is responsible for maintaining the records and containing construction costs for all of the district's construction and planning projects.

Risk management is the responsibility of the Employee Benefits and Risk Management Department. The Safety Office deals specifically with the physical environment and ensuring that any physical hazards are remedied as soon as possible. The employee benefits and risk management staff is concerned with managing and monitoring employee directed benefits such as workers' compensation, health and life insurance. In addition, this department is responsible for ensuring that the district has adequate commercial insurance in place to protect the district from loss.

Financial management is carried out by a number of departments within the Business and Information Technology Services division under the direction of the Assistant Superintendent of Business and Information Technology Services. The Finance Department is responsible for processing and monitoring the payroll; managing federal and special grant activity and financial reporting for the district. The Accounting Department is separated into financial reporting, accounting and accounts control. The Budget Department has far reaching authority throughout the district. This department is responsible for budget preparation, budget monitoring and budget training.

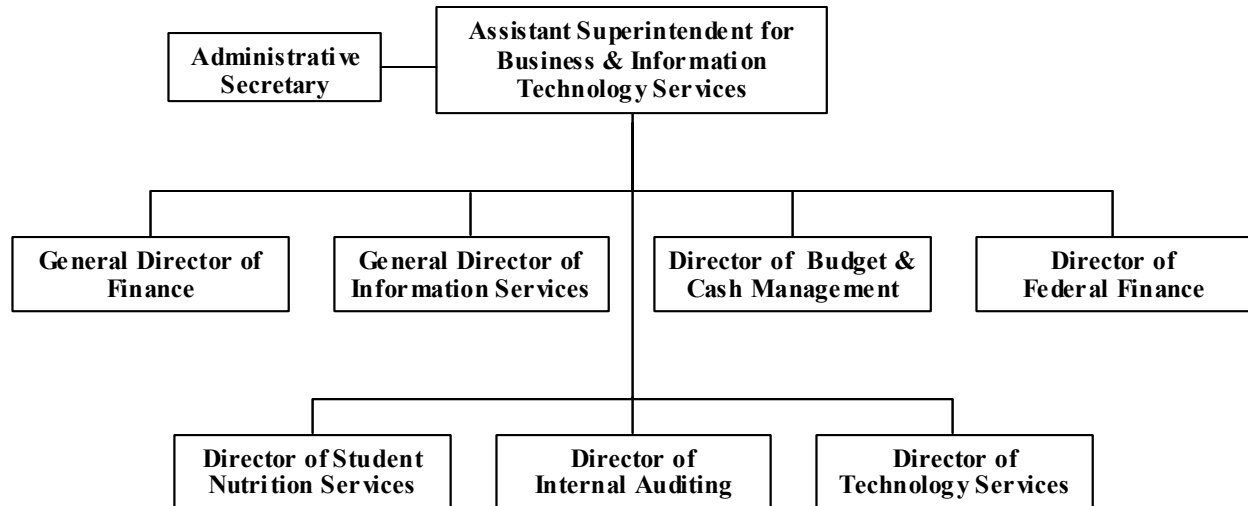
Purchasing is under the direction of the general director of Finance. The supervisor of Purchasing is responsible for directing the daily activity of the department, overseeing the preparation of bids, procurement of approved purchases and selection of vendors.

Finally, payments are processed through the Accounts Payable (AP) Department. Approved purchase orders are forwarded to the AP Department to be matched against the invoice and vendor payments are remitted in a timely fashion. This department is also responsible for remitting employee reimbursements and travel reimbursements.

Exhibit 14-3 presents the high-level organization chart for the business and information technology services division. More detailed, department specific, organization charts will be presented in subsequent sections of this chapter.

Exhibit 14-3

Business and Information Technology Services Division Organization Chart



Source: The Hillsborough County School District.

Internal Auditing

Section 230.23(10)(l), *Florida Statutes* (F.S.), permits school districts to employ internal auditors to perform ongoing financial verification of the financial records of a school district and requires that internal auditors hired pursuant to this law must report directly to the board or its designee. Such an internal audit function can provide a school district assurance that internal control processes in the organization are adequately designed and functioning effectively, and can evaluate the manner in which organizational units comply with board and administrative policies and procedures, as well as with State and federal guidelines. Additionally, an internal audit function can provide a school district with an effective internal performance and evaluation system. Used this way, an internal audit function can be an effective element of management and internal control.

Internal auditors should have no operating responsibility or authority. They represent an independent appraisal activity within the school district. Internal auditing is a managerial control that measures and evaluates the efficiency, effectiveness and cost/benefit of operations, programs, and other controls and systems. The objective of internal auditing is to assist management in effectively discharging its responsibilities by providing analyses, appraisals, recommendations, and pertinent comments on the activities reviewed. In addition, internal auditors must follow up on any and all findings to ensure that the proper controls have been established and are being adequately followed.

To the extent possible, internal auditors should serve as “internal consultants” to help find opportunities for improvements and address problems early on before they become major ones. The standards of both national and international audit organizations require auditors to be independent of the activities being audited. Auditors are only effective when they have the authority to work objectively and without hindrance in determining the scope of their audits, can gain access to all necessary records, and interact as needed with key employees during their review.

The Institute of Internal Auditors (IIA) has set out five general standards for the professional practice of internal auditing. Exhibit 14-4 summarizes those standards.

Exhibit 14-4

Institute of Internal Auditors General Standards

Standard	Description
Independence	Internal auditors should be independent of the activities they audit.
Professional Proficiency	Internal audits should be performed with proficiency and due professional care.
Scope of Work	The scope of internal auditing should encompass the examination and evaluation of the adequacy and effectiveness of the organization’s system of internal control and the quality of performance in carrying out assigned responsibilities.
Performance of Audit Work	Audit work should include planning the audit, examining and evaluating information, communicating results, and follow-up.
Management of Internal Audit Department	The director of internal auditing should properly manage the Internal Auditing Department.

Source: Institute of Internal Auditors, Summary of General and Specific Standards for the Professional Practice of Internal Auditing.

State Board of Education Rule 6A-1.087, *F.A.C.*, requires boards to provide for annual audits of the school internal funds, funds deposited in individual school accounts received for club and class activities. In a number of school districts in Florida, internal auditors employed pursuant to s. 230.23(10)(l), *F.S.*, are assigned the responsibility for auditing the school internal funds. In HCSD, the Internal Auditing Department audits the internal accounts for the district. Exhibit 14-5 compares the district’s internal accounts between 1998-99 and 2000-01. Revenues have increased by 32.9%, while expenditures have increased by 31.3% over the three-year period. The fund balance increased by 5.9%. Although the total dollar amounts associated with these internal funds are relatively small when compared against the general fund’s annual budget of over \$800 million, the degree of risk can be much higher at the district’s numerous school sites due to the reduced level of administrative oversight. Therefore, the monitoring of these accounts by the Internal Auditing Department is important.

Exhibit 14-5

**School Internal Accounts, Fiscal Years 1998-99 through 2000-01
(Expressed in Millions of Dollars)**

	1998-99	1999-2000	2000-01
Revenues	\$15,708	\$16,975	\$20,880
Expenditures	\$16,267	\$17,399	\$21,352
Other Finance Sources (Uses)	\$913	\$1,010	\$0
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$354	\$586	\$(472)
Fund Balance at Beginning of Year	\$7,981	\$8,335	\$8,921
Fund Balance at End of Year	\$8,335	\$8,921	\$8,449

Source: HCSD Comprehensive Annual Financial Report (CAFR), 1998-99 to 2000-01.

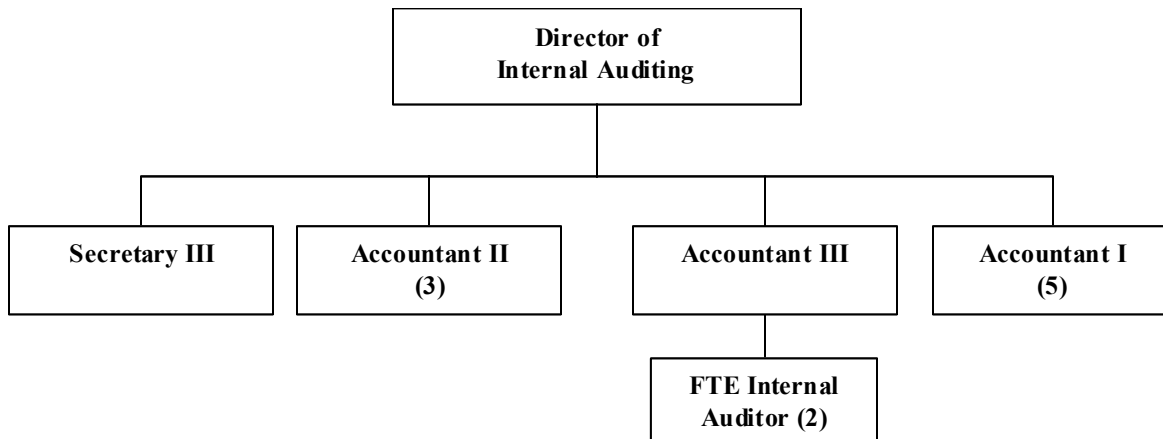
In HCSD, the internal audit function has been well managed. Historically, the primary functions of the department have been auditing the internal funds, training school personnel to properly account for activity in the internal funds, and auditing the district’s full-time equivalent (FTE) student counts. Recently, the Internal Auditing Department has begun to broaden its scope to include evaluating the internal controls of the district. As the department’s role evolves, it will have to be restructured so that it can continue to meet the shifting needs of the district. The department’s mission statement is as follows:

“The mission of the Internal Auditing Team is to provide assurance that the district is maintaining the highest standard of stewardship while utilizing public resources efficiently and effectively.”

The department is committed to providing quality service to its customer, the district, in an effort to promote fiscal responsibility. The department is currently broken down into three sections; Full-time Equivalent (FTE) students auditing, internal account auditing, and districtwide auditing. There are twelve employees in the department that report directly to the director of Internal Auditing. The department secretary is currently on an extended health leave. The Director of Internal Auditing is responsible for managing the daily operations of the department. Exhibit 14-6 presents the organization chart for the Internal Auditing Department for the district.

Exhibit 14-6

Internal Auditing Department Organization Chart



Source: The Hillsborough County School District.

Cost Control Systems

On November 20, 2001, the Internal Auditing Department submitted an agenda item to the board for the approval of its 2001-02 Annual Audit Plan and the 2001-2004 Long Range District Audit Plan. The audit plan was developed following the completion of a risk assessment by the district level audit team. The initial risk assessment was then forwarded to board members, the Superintendent and the two Deputy Superintendents who were then asked to complete a survey and assign priority to all areas identified by Internal Auditing as areas to audit. In addition, each individual was asked to identify any additional areas that they thought should be audited. The long-range audit plan was then developed based on the responses received from the surveys.

The district's audit plan was derived based on the following criteria:

- **Audit Plan based on Risk Assessment:** District level annual and long-range audit plans were formulated to best target all areas of high risk within the constraints of time budgets and staffing plan components. High risk areas targeted are defined as follows: (Section I)
 - A survey of the assistant superintendents regarding risk in their own departments;
 - Increase in non-salary expenses of \$100,000 or more from prior year;
 - Prior audit comments (both internal and external audits);
 - Areas with large amounts of cash, inventory, supplies, or other easily manipulated assets;
 - Potential for efficiency or effectiveness issues;
 - Potential for human resource issues – payroll, vacancies, travel, overtime; or
 - Avoidance of duplication of effort – for example: avoidance of any area that we anticipate the financial auditors to review.
- **Special Request and Unplanned Audits:** The department has allocated 20% of its available staff time for unplanned management audits. (Section II)
- **District Auditing Team:** The department will perform routine annual audits to review the risk management self-insurance program. In addition, the department will audit routine administrative tasks such as computer training and research, obtaining comparative data from other counties, etc. (Sections III and IV)

Exhibit 14-7 presents the district's strategic audit plan for 2001 through 2004.

Exhibit 14-7

District Strategic Audit Plan Detail 2001-2004

Audit Plan Area Description	Auditable Amount	Audit-Risk Based Reason	2001-02 Budgeted Days	2002-03 Budgeted Days	2003-04 Budgeted Days
SECTION I: Audits Based upon Risk Assessment					
Office Machine Repair	\$1,081,983	B/D	20		
Non-Central District Receiving Sites	\$8,500,000	A/D	30		
Sites and Utilities	\$996,869	B/D	20		
Transportation – non-salary	\$7,553,223	A/B/C	40		
Purchasing (function review)	N/A	C		40	
Resource Management	\$983,854	B		20	
Information Services	\$3,612,621	B		20	
After School Program	\$2,709,104	A/B/D		30	
Additional audits based on	TBD			40	

Audit Plan Area Description	Auditable Amount	Audit-Risk Based Reason	2001-02 Budgeted Days	2002-03 Budgeted Days	2003-04 Budgeted Days
current year survey					
Special Projects	\$87,320	A/E/F			20
Athletics	\$233,305	B			20
Supportive Services	\$414,375	B			10
Central Media Center	\$1,161,021	B			10
Network Support Unit	\$484,719	B			10
Parent Involvement Program	TBD				10
Additional audits based on current year survey	TBD				50
SECTION II: Special Request/Unplanned Audits					
District Salary OT Analysis – Actual to Date	Complete		7		
Grounds Department Expenditure Review	Complete		80		
Riverview High – 21 st Century Grant	Complete		20		
Unplanned Management Audits			60	80	80
SECTION III: Routine Annual Audits					
Self Insurance Plan (RSKCo)			33	33	33
School Activity Funds Fiscal Year End Report			25	25	25
Risk Assessment/Survey & Board Approval			16	16	16
Risk Assessment & OPPAGA preparation			13		
MX Central Department Expenditure Follow-up				30	
Communications and Electronics Follow-up				30	
Grounds Department Expenditure Follow-up					40
Transportation – non-salary Follow-up					40
SECTION IV: Administrative/Staff Development					
Literature review, in-house research, staff support			10	10	10
Seminars/Conferences			10	10	10
Districtwide Bookkeeping Software Support			5	5	5
District Data Retrieval Training			5	5	5
Computer Training			10	10	10
TOTAL DAYS AVAILABLE			404	404	404

Source: Board Agenda Item - Re: Audit Plans- Supplementary Information, November 20, 2001.

1 The district has established an effective internal audit function. However, the department has not taken steps to ensure independence as its role has expanded to include districtwide auditing.

The Internal Auditing Department has instituted strong internal controls for internal accounts.

There are four field auditors responsible for auditing internal accounts for the district. The director of Internal Auditing divides the schools into areas and assigns an area to an auditor. Every school is audited during each school year. High schools are audited during the fall, middle schools in November/December, and elementary schools from January through April. Each school is audited to ensure the following:

- Cash is receipted and deposited in a timely fashion;
- The proper authorization has been obtained; and
- There is no evidence of fraud.

Prior to beginning an audit, the field auditor begins a risk assessment to determine what areas should be focused on. Any carry forward notes from the previous year’s audit are examined and reviewed to ensure they are no longer outstanding issues. The risk assessment is completed on-site, reviewed and approved by the director of Internal Auditing. Exhibit 14-8 provides an example of the risk assessment that is performed prior to each internal account audit.

Exhibit 14-8

Example Risk Assessment – Internal Accounts

Assessment Activity	High Risk	Moderate Risk	Low Risk
Review the prior year audit report and notes. Assign risk level: Audited bookkeeper/section number/experience level			
Check to see if there were any FOLLOW-UP AUDITS. Adjust audit sample dates accordingly			
New bookkeeper as of field work (If yes, expand sample)			
Review file folders and include any file notes in work papers			
Analytic results (Print spreadsheet)			
Overall Risk Assessment			
Overall Risk Assessment Results (Indicate in Notes)	Yes/No		
Increase sample?			
Special procedures added?			
Decrease sample?			
Definitions:			
High Risk: New, little or no training, prior unsatisfactory result.			
Moderate Risk: Asks for help, but understands the process.			
Low Risk: Very experienced and capable.			

Source: HCSD’s Internal Auditing Department Manual.

Each audit can yield one of three results:

- **Exemplary:** An exemplary audit status indicates exceptional proficiency in internal accounts, financial and operational management, and operations are in compliance with statutes, regulations, and policies governing School Activity Funds.
- **Satisfactory:** A satisfactory audit status reflects only minor audit concerns, indicating general proficiency in internal accounts management.
- **Unsatisfactory:** An unsatisfactory audit status indicates that the school demonstrated inefficient operations, inadequate bookkeeping practices, and/or procedural errors. In accordance with district policy, any suspected financial impropriety is referred to the Security Department for investigation.

Exhibit 14-9 compares the audit results for the past three school years. In 2000-01, 183 sites were audited. Of these sites, 46.5% were exemplary, 50.2% were satisfactory and 3.3% were unsatisfactory. The low number of sites receiving an unsatisfactory audit is indicative of the effectiveness of the internal account controls established by the Internal Auditing Department. Although the number of schools has increased 3.4%, from 177 to 183 sites, there has been a substantial decrease in the number of unsatisfactory audits over the past three years.

Exhibit 14-9

Internal Account Audit Results 1998-99 through 2000-01

Audit Result	1998-1999	1999-2000	2000-2001	Percent Change
Exemplary	74	73	85	14.9%
Satisfactory	89	91	92	3.4%
Unsatisfactory	14	13	6	(57.1%)
Total Number of Sites	177	177	183	3.4%

Source: HCSD’s Internal Auditing Department.

The Internal Auditing Department has developed an abbreviated audit program for the schools receiving an exemplary result in the prior year audit.

The Director of Internal Auditing has developed an abbreviated audit program in an effort to best utilize the department’s time and resources. A site that received an exemplary result in the prior year audit of its internal accounts will not receive a comprehensive audit during the next year. Instead, the internal auditor assigned to that site will perform a random sampling throughout the audit areas to spot check that the site is still in compliance with the district policy. The only exception would be an exemplary site that experienced staff turnover, either a principal or bookkeeper since the last audit. By streamlining this process, the department has been able to manage the growth in the number of schools without sacrificing the quality of the internal account auditing process. In addition, internal account auditors can be involved in districtwide audits, as time allows.

The Internal Auditing Department reports directly to the Assistant Superintendent of Business and Information Technology Services rather than the Board.

The board has named the Assistant Superintendent of Business and Information Technology Services as its reporting designee for the Internal Auditing Department. This is not the proper designee in order to clearly illustrate independence. Although there have been no apparent independence problems, this reporting hierarchy exposes the district to the potential for a lack of objectivity. The Internal Auditing Department could be called upon to perform an audit directly related to this division and may find access to some material blocked. At the very least, it could suggest a lack of independence to community members; district staff both outside and within the division; or the news media.

Cost Control Systems

In many large school districts, an Audit Committee is established to deal directly with any and all audit issues, both internal and external. Board audit committees became the standard in the late 1970's as a result of the Foreign Corrupt Policies Act, a federal law enacted after the Watergate scandal exposed the need for tighter accountability and financial controls in public corporations. During the 1980's, the Treadway Commission was established to study issues concerning fraudulent financial reporting and to determine the best way to make managers and board members more responsible for internal control and financial management control. The Treadway Commission recommended that audit committees be established to be,

“Informed, vigilant, and effective overseers of the financial reporting process and the entity's internal controls.”

A board audit committee is an effective vehicle for internal audit directors to provide direct communication with the board, a professional internal audit standard. Typically, a board's audit committee would be responsible for the following items, with the final review and approval by the full board:

- Responsibilities to the Internal Audit Function:
 - Develop a formal internal audit charter of authority, duties, and responsibilities;
 - Recommend the appointment or removal of the director of internal auditing;
 - Review audit plans and audit budgets;
 - Review audit results and management's responses to audit findings and recommendations; and
 - Follow up on unresolved audit findings and recommendations.
- Responsibilities to the Board:
 - Review financial and other management reporting decisions;
 - Oversee relations with external auditors;
 - Understand and monitor significant management control risks; and
 - Review compliance with laws, regulations, and ethics.

Section 286.011, *F.S.*, deals specifically with “public meetings of any board or commission of any State agency or authority or of any agency or authority of any county, municipal corporation, or political subdivision, except as otherwise provided in the Constitution”. Commonly referred to as Florida's Government-in-the-Sunshine Law (Sunshine Law), this statute requires that:

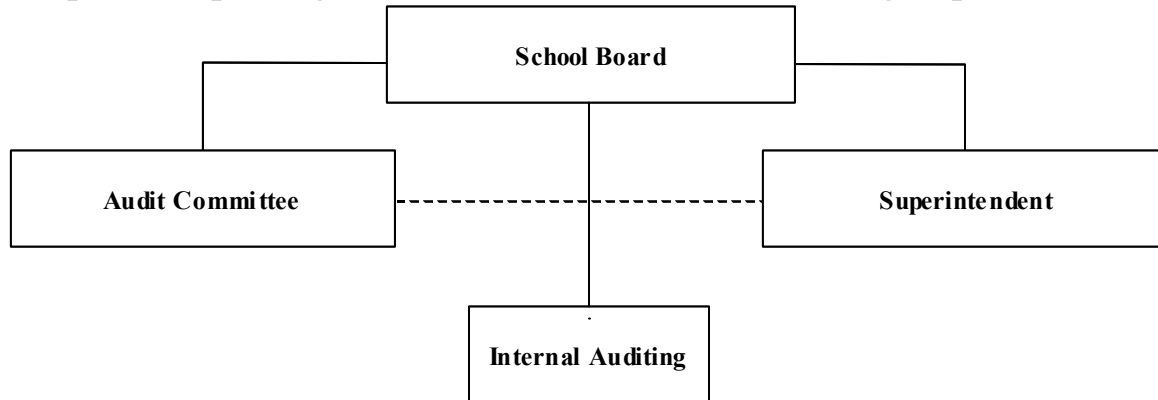
1. Meetings of boards or commission must be open to the public;
2. Reasonable notice of such meetings must be given, and
3. Minutes of the meeting must be taken.

The Sunshine Law prevents two or more board members from meeting and discussing district business without public notice and record. This law protects the public interest. However, if allegations are made public at a board meeting before they have been substantiated, the privacy rights and the reputation of the individuals involved cannot be protected. Therefore, the superintendent would direct the director of Internal Auditing to conduct initial investigations regarding allegations of wrongdoing within the district. The Internal Auditing Department would perform the initial investigation and if any determination of wrongdoing was made, the director of Internal Auditing would report the findings directly to the board.

Exhibit 14-10 presents the proposed organizational chart for the Internal Auditing Department that would meet the criteria laid out in the national standards.

Exhibit 14-10

Proposed Reporting Structure for the Internal Auditing Department



Source: Gibson Consulting Group, Inc.

The Internal Auditing Department developed a comprehensive internal accounts training program for school bookkeepers and principals.

The department has developed two power point presentations, one for the principals and one for the bookkeepers to help facilitate training. A Principal Handbook and a Bookkeeper Handbook, designed by the Internal Auditing Department, are given to the appropriate staff at each school. These handbooks set out procedures to be followed in managing the schools internal accounts. Internal account monies are to be expended to benefit those students who raised the funds. For example, proceeds from a school club or organization are to be used for that club or organization whereas school-wide collections should benefit the entire student body. Internal accounts are maintained in individual school bank accounts. These collections include school pictures, club funds, fundraisers, locks, and items sold in the school bookstore. Internal account activities should supplement, and not conflict with instructional programs provided at the school.

The bookkeeper is responsible for the daily cash management, including receipting cash, reconciling cash to the day’s receipts to ensure they match, readying the deposit for armor truck delivery to the bank, and making payments to vendors directly related to school functions. The Bookkeeper Handbook sets out detailed procedures for each task related to the bookkeeping function. The language of the handbook is clearly written and provides numerous examples. Currently, every new bookkeeper is sent through the training provided by Internal Auditing and given a handbook for easy reference.

The principal ultimately is responsible for ensuring that cash is adequately controlled. Each principal must authorize any purchases made at the school level. The principal must also approve budget amendments. The Principal Handbook provides detailed procedures and guidelines for what is and what is not allowed. It is a strong training tool for new principals to understand what the requirements of the job are in terms of cash management functions. Each new principal attends training and is given a handbook to use on-site.

Once a bookkeeper and/or a principal have completed the training, the training staff gives them an initial opportunity to perform their jobs on their own. Within one month of training, a trainer will go on-site and follow-up to ensure that they are following the procedures appropriately. In addition, a trainer is always available for questions. The Internal Auditing Department has established a strong training program that

Cost Control Systems

has been instrumental in reducing cash management errors and has created a solid foundation for internal control over the district's internal accounts.

The Internal Auditing Department should be commended for its success in establishing strong controls and for developing a high-quality training program. However, independence concerns are raised when the department audits staff that it trained. As presented in Exhibit 14-4, IIA standards require that internal auditors be independent from the activities that they audit. In 1999, the IIA Board of Directors approved a new definition of internal auditing:

“Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control and governance processes.”

Although the training provided by the Internal Auditing Department has been effective in increasing the number of exemplary schools, it violates the independence standard. Therefore, the department should initiate steps to move the training function of bookkeepers and principals to another department within the district. This would increase the opportunity for internal account auditors to perform more districtwide audits since the amount of time previously required for training would be eliminated. In order to assure the quality of the training program, the internal account auditors should train the new training staff and follow-up with quality audits of the training program at the sites.

The Internal Auditing Department supports schools to improve FTE calculations and reporting.

One of the primary sources of State funding is from the Florida Education Finance Program (FEFP). In fiscal year 2000-01, HCSD received \$501,693,000 from FEFP, which comprised 56.2% of the district's total fiscal year 2000-01 revenues, and is a 17.6% increase over the previous year. The FEFP funding model is based on the number of FTE students and the instructional services provided to the students during each of the State-prescribed FTE survey periods. There are two levels of funding, basic program and the weighted program. In the weighted program, additional funding is provided for special needs students. For example a student enrolled in a special education program would receive a higher level of State funding than a student enrolled in the basic program.

The weighted program is the area the district has had difficulty calculating correctly. During the 1996-97 FTE audit, the State determined that it had overpaid the district by \$1.5 million. The district is in the process of paying this amount back. The most recent audit resulted in an adjustment of approximately \$750,000. The district is appealing the State to reduce the assessment. The FTE audit team has been able to reduce the amount of errors and assume an active role in the appeal process.

The 180-day school year has two FTE survey periods: one in October and the other in February. The internal audit cycle begins 6-8 weeks after the final submission of the district's FTE survey data to the Department of Education (DOE) and may continue through to the end of the nine-month FTE survey period provided by the DOE.

The Internal Auditing Department has had a Secretary III position that has been left vacant for approximately 1-½ years. The department has reorganized so that this position is no longer needed. There are only two FTE field auditors in the district, making the ratio of school to auditor greater than 90:1. The district anticipates continued growth in the number of schools being opened for at least the next five years. Currently, each school is audited once every 2-½ years for one of the two FTE survey

periods. The goal of the FTE auditing team is to increase the frequency of audits for schools identified with the following risk factors:

- Schools with prior unsatisfactory audit status;
- Schools with excessive unresolved edits and errors;
- Schools with significant funding from FEFP weighted programs;
- Schools with changes in key FTE administrative personnel; and
- Schools with a significant number of enrolled students.

The department will be unable to achieve this goal with its current staffing level. The vacant Secretary III position leaves the department with a unit that cannot be effectively utilized.

The FTE audit program is modeled after the steps performed by the Auditor General (AG). Currently, the AG audits the district's FTE funding once every three years, with the most recent audit having been conducted of the 1999-2000 school year.

The FTE audit team has developed an EXCEL spreadsheet to summarize the results of the FTE audit, by school and by program. This report lists the name of the school that was audited, the number of errors found during the audit, and the dollar impact on FTE funding. It provides a tracking mechanism to identify where the high dollar problems exist so that they can be corrected and protect State funding levels for the district.

The long-term audit plan does not include reviewing the processes in the Accounts Payable Department.

The Internal Auditing Department forwards a survey instrument to board members, the superintendent, the deputy superintendents, and the assistant superintendents to identify any areas that should be reviewed. From the survey, the department generates a three-year audit plan that is presented to and approved by the board.

In reviewing the audit plan, there was no scheduled internal audit of the Accounts Payable Department. During this best practices review, the review team examined a random sample of warrants from the current fiscal year. The results of this review will be discussed in later sections of this chapter. However, some concerns surfaced related to the processes being followed by this department.

Internal controls and effective processes are critical in the Accounts Payable function of any organization. This is the department that makes cash disbursements. For this reason, the department should be periodically reviewed to ensure that all established controls are being followed. Although the external auditor performs some verification of this department, additional review should be performed. District management told the review team that this department, with clerks being at an entry-level, suffers from high turnover. This makes additional review of the department critical. A random sample of warrants should be reviewed for the following:

- A receiving report is included or some notification made to the file that the item being paid for has been received;
- A purchase order is included and matched against the invoice. If the invoiced amount differs from the amount of the warrant, there should be some notification made to the file that the amount being paid has been reviewed and approved by the appropriate supervisor; and
- An approval for the invoice to be paid has been received and is in the file.

The district should enhance its process for protecting the anonymity of whistleblowers.

Section 112.3187, *F.S.*, prohibits any employer from taking adverse action against employees for disclosing information of a specific nature. The Internal Auditing Department, in cooperation with the Security Department and the Human Resources Department investigates any allegations of impropriety. The Internal Auditing Department is responsible for following the audit trail with respect to transactional improprieties. The Human Resources Department deals with employee disciplinary issues, and the Security Department addresses any potentially criminal activity.

Recently, the district has been the subject of media reports criticizing its purchasing practices in the Maintenance Department. Although this situation was an isolated incident and is being dealt with by the district, the negative media coverage has harmed the public perception of the school district as a whole. In reviewing how the problem could have been dealt with more effectively, it appears that the lines of communication between the employee that brought the situation to light and the district failed.

The process for reporting wrongdoing should be improved. It should be easy for an employee or any stakeholder to report their concerns without fear of being punished. The Internal Auditing Department has a section of its website called "Ask Internal Auditing." District employees or community members can e-mail questions to this site. However, there is no mechanism to keep the identity of the writer anonymous. A potential whistleblower may, desiring anonymity, not feel comfortable reporting a suspected impropriety over the telephone or through intercompany mail or e-mail. A more anonymous process should be developed.

Recommendations

- *We recommend that the reporting structure be revised so that the Internal Auditing Department reports directly to the Board and administratively to the superintendent. The Internal Auditing Department has begun to take a more active role in the district level auditing. However, the current organizational hierarchy does not promote internal auditor independence. Findings and recommendations should be reported directly to the board without being edited by any district management staff.*
- *We recommend that the board function as a standing audit committee that directs the Internal Auditing Department and monitors the external audit function. This will ensure that the board is aware of the operational and financial matters facing the district at all times.*
- *We recommend that the Internal Auditing Department train the training staff in the Budget Department to take over the training of the school bookkeepers and principals. The Budget Department already has staff skilled in training so the quality of the training should be maintained. The current procedure does not provide the proper degree of independence required by the national internal auditing standards. The department should not be involved in a process that they later audit. It is a breakdown in internal controls. This transition will be phased in as training staff become available following the conversion to a new financial accounting system.*
- *We recommend that the district hire an additional FTE field auditor to shorten the audit cycle and decrease the site to auditor ratio from 90:1 to 60:1. The district is facing extremely tight budgetary constraints. It cannot afford to lose any of its State funding. The additional FTE auditor will increase the number of schools that can be audited each year and will continue to reduce the number of errors in the FTE reports submitted to the State. A reduction in*

errors will translate to a reduction in the amount of money that must be returned to the State. This additional position will also be available to provide support to the appeal process and potentially overturn any invalid State findings.

- We recommend that the Internal Auditing Department eliminate the secretarial position. The department has been operating without secretarial support for the past year and a half. The department is not utilizing its unit allocation as effectively as it could if this unit were allocated to a field position.
- We recommend that the Internal Auditing Department add the Accounts Payable Department to its three-year audit plan. The department should schedule the audit after the Accounts Payable Department has had an opportunity to implement the recommendations found in this report. Following that, the Accounts Payable function should be reviewed every other year, due to the high turnover associated with the department.
- We recommend that the district modify its “Ask Internal Auditing” website to provide anonymity. An employee or stakeholder with a question or concern could select this section of the web page where a dynamic form resides and submit his/her question. All questions would then be downloaded from the web page into a spreadsheet so that they can be tracked and followed up on.
- We recommend that the district create a hot-line telephone number for anonymous callers to report suspicions of wrongdoing.

Action Plan 14-1 provides the steps needed to implement these recommendations.

Action Plan 14-1

Have Internal Auditing Report Directly to the Board	
Strategy	Revise the district’s organization chart to have Internal Auditing report directly to the board. Report findings and recommendations should be submitted directly to the board. The superintendent should supervise any administrative issues related to the Internal Auditing Department and direct the director of Internal Auditing to initiate any investigation of wrongdoing in the district.
Action Needed	<p>Step 1: The director of Internal Auditing, with the assistance of Internal Auditing and Finance Department staff, drafts a revised department charter that incorporates the Standards for the Professional Practice of Internal Auditing as set up by the Institute of Internal Auditors (IIA). The charter should include language that references independence, objectivity, professional proficiency, safeguarding assets, operations and program reviews, planning, staff development, external auditors and quality assurance.</p> <p>Step 2: The superintendent reviews, approves and prepares a board agenda item with the revised internal audit charter for adoption.</p> <p>Step 3: The board reviews and adopts the new internal audit charter.</p> <p>Step 4: The superintendent recommends the board approve a new reporting structure for the district that has the Internal Auditing Department reporting directly to the board and administratively to the superintendent.</p> <p>Step 5: The board approves the new reporting structure.</p> <p>Step 6: The new organization chart is updated and distributed to district staff.</p>
Who Is Responsible	School Board
Time Frame	September 2002.
Fiscal Impact	This recommendation can be implemented with existing resources.

Board Functions as an Audit Committee	
Strategy	The board assumes the function of a standing audit committee. The director of Internal Auditing makes reports to the board at least once per quarter and as becomes necessary.
Action Needed	<p>Step 1: The board votes to assume the function of a standing audit committee for the district.</p> <p>Step 2: The audit committee establishes its charter, mission, goals, and objectives that will guide its operation. Included in its charter should be a clear definition of the reporting relationship between the board and Internal Auditing.</p> <p>Step 3: Each quarter and as needed, the director of Internal Auditing prepares an agenda item to report any findings to the board.</p> <p>Step 4: The director of Internal Auditing creates a survey instrument to be sent to school administrators and department supervisors annually to assess their risk and identify any potential audit needs.</p> <p>Step 5: The director of Internal Auditing prepares an agenda item to have the survey instrument reviewed and approved by the audit committee.</p> <p>Step 6: The audit committee reviews and approves the survey instrument.</p> <p>Step 7: The Internal Auditing Department conducts the district survey.</p> <p>Step 8: The Internal Auditing Department tallies the results of the survey, drafts an annual audit plan, and recommends revisions to the long-term plan, if necessary.</p> <p>Step 9: The audit committee reviews the results of the district survey, the draft audit plan, and long-term revisions.</p> <p>Step 10: The audit committee approves the annual and revised long-term audit plans.</p>
Who Is Responsible	Board Director of Internal Auditing
Time Frame	<p>Steps 1 through 3 completed by October 2002.</p> <p>Steps 4 through 9 completed by December 2002.</p> <p>Step 10 completed by February 2003.</p> <p>Steps 7 through 10 would be repeated each year thereafter.</p>
Fiscal Impact	This recommendation can be implemented with existing resources.

Transfer Internal Auditing Training Function to Budget Department	
Strategy	Provide training to the Budget Department training staff to take over the task of training school personnel.
Action Needed	<p>Step 1: The director of Internal Auditing schedules training sessions with the director of Budget and Cash Management.</p> <p>Step 2: The training staff from the Budget Department attends the training program.</p> <p>Step 3: The training staff from the Budget Department conducts a training session for the Internal Auditing Department to ensure consistency.</p> <p>Step 4: The Budget training staff begins conducting the training for school personnel. A representative from the Internal Auditing Department should be present at the first training session.</p> <p>Step 5: The Internal Auditing Department removes the training function from its departmental procedures and submits its existing procedures and protocol to the Budget Department to be incorporated into that department's procedures manual.</p>
Who Is Responsible	Director of Internal Auditing Director of Budget and Cash Management
Time Frame	January 2004
Fiscal Impact:	This recommendation can be implemented with existing resources.

Hire an Additional FTE Field Auditor

Strategy	Hire an additional FTE field auditor.
Action Needed	<p>Step 1: The Director of Internal Auditing prepares a board agenda item requesting permission to hire an additional FTE field auditor.</p> <p>Step 2: The board approves the additional unit.</p> <p>Step 3: The Director of Internal Auditing prepares a job description for the new position and sends the job description to Human Resources for approval.</p> <p>Step 4: The Director of Internal Auditing requests that Human Resources advertise the position.</p> <p>Step 5: Human Resources classifies the position, sets up the pay scale, and advertises the position.</p> <p>Step 6: The Director of Internal Auditing reviews resumes and applications and sets up interviews of candidates.</p> <p>Step 7: The Director of Internal Auditing interviews the candidates and schedules interviews with appropriate department staff of the preferred candidates.</p> <p>Step 8: The Director of Internal Auditing hires a FTE field auditor.</p>
Who Is Responsible	Director of Internal Auditing
Time Frame	September 2002
Fiscal Impact	This recommendation will cost the district \$35,990 per year for a total of \$179,950 over five years.

Eliminate the Secretary III Position

Strategy	Eliminate the Secretary III position.
Action Needed	<p>Step 1: The Director of Internal Auditing prepares an agenda item requesting that the board make an exception to allow the department to eliminate this unit.</p> <p>Step 2: Board approves eliminating this unit from the Internal Auditing Department.</p> <p>Step 3: The Assistant Superintendent of Human Resources prepares a letter to the employee that is on extended health leave notifying her that she will be working in a different department should she decide to return to the district once her leave has been exhausted.</p> <p>Step 4: The Director of Internal Auditing revises the department’s organizational chart eliminating this position.</p>
Who Is Responsible	Director of Internal Auditing
Time Frame	August 2002
Fiscal Impact	This recommendation will save the district \$25,682 per year for a total of \$128,410 over five years.

Schedule an Internal Audit of the Accounts Payable Department

Strategy	Schedule an internal audit of the Accounts Payable Department.
Action Needed	<p>Step 1: The Director of Internal Auditing prepares a board agenda item recommending that the three-year audit plan be revised to include an audit of the Accounts Payable Department in 2003.</p> <p>Step 2: The board approves the revision to the audit plan.</p> <p>Step 3: The Director of Internal Auditing meets with the Accounts Payable supervisor to schedule an audit of the department.</p> <p>Step 4: The Director of Internal Auditing assigns a field auditor to perform the audit of the Accounts Payable Department.</p>

	Step 5: The audit is completed and any findings and recommendations are reported directly to the board.
	Step 6: The Accounts Payable supervisor and the Director of Internal Auditing develop a plan to implement any recommendations that arose from the audit.
	Step 7: The Director of Internal Auditing schedules a follow-up audit with Accounts Payable and incorporates it into the revised three-year audit plan.
	Step 8: The Director of Internal Auditing sets a rotating schedule to periodically audit the Accounts Payable Department to ensure that the high turnover does not adversely impact the department.
Who Is Responsible	Director of Internal Auditing Supervisor of Accounts Payable
Time Frame	January 2003
Fiscal Impact	This recommendation can be implemented with existing resources.

Provide Stakeholders Anonymous Access to “Ask Internal Auditing”

Strategy	Enhance the “Ask Internal Auditing” feature to provide the opportunity for stakeholders to anonymously question or report any suspicions of impropriety.
Action Needed	<p>Step 1: The Director of Internal Auditing meets with the Web Services supervisor to discuss the goals of the dynamic form.</p> <p>Step 2: The Web Services supervisor programs a dynamic form that has the following attributes:</p> <ul style="list-style-type: none"> ▪ Directions for the user; ▪ Question and Answer section that allows the department to reply; ▪ Ability to categorize questions by department or function, such as Employee Benefits, Payroll, General Accounting, Purchasing, Accounts Payable, Grants, Miscellaneous; ▪ Language directing the user to provide name and/or e-mail address only if they wish to or would like a direct reply to their question; ▪ A space for the user to input their question; ▪ An icon to submit their question; and ▪ An icon to clear their question. <p>Step 5: The director of Internal Auditing and department staff test the program and suggest any necessary revisions.</p> <p>Step 6: The Web Services supervisor completes all necessary revisions.</p> <p>Step 7: The Internal Auditing Department tests and approves the new web feature.</p> <p>Step 8: The Web Services supervisor makes the feature a part of the live web page.</p>
Who Is Responsible	Director of Internal Auditing
Time Frame	January 2003
Fiscal Impact	This recommendation can be implemented with existing resources.

Create an Anonymous Hot-Line Telephone Number

Strategy	Create an anonymous hot-line telephone number that can be used to report any suspicions of impropriety. The telephone number would reach an auto-attendant and automatically record the message.
Action Needed	<p>Step 1: The Director of Internal Auditing requests that a special hot-line number be established.</p> <p>Step 2: The Superintendent approves the request.</p> <p>Step 3: The Director of Internal Auditing requests that the manager of Operating Systems set up a business line to be used as the hot line.</p>

	Step 4: The Director of Internal Auditing completes a purchase order for a telephone with an auto attendant feature.
	Step 5: The Purchasing Department orders the telephone.
	Step 6: The Director of Internal Auditing receives the phone and the Technology Services Department installs the number.
	Step 7: The Web Services supervisor adds the telephone number to the Internal Auditing Department's website.
	Step 8: The district issues a news release notifying the public of the new number.
	Step 9: The Payroll Department includes the new telephone number as a "pay stub message" on the next payroll run.
Who Is Responsible	Director of Internal Auditing
Time Frame	January 2003
Fiscal Impact	There will be a one-time charge for the installation of the phone line (\$295.00) and the purchase of the telephone (\$450.00). The average cost for a business line in Tampa is \$72 per month, an annual cost of \$864. Therefore, the five-year cost of implementing this recommendation would be \$5,065.

Source: Gibson Consulting Group, Inc.

Financial Auditing

Section 218.39 (1)(d), *F.S.*, requires all district boards have an annual financial audit of its accounts and records completed within 12 months after the end of its fiscal year. Section 11.45 (c), *F.S.*, defines financial audit as:

“An examination of financial statements in order to express an opinion on the fairness with which they are presented in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory regulations. Financial audits must be conducted in accordance with generally accepted auditing standards as adopted by the Board of Accountancy.”

Because of the district's significant federal funding sources, these audits include a review of the district's federal programs as required by the United States Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The Rules of the Auditor General, Chapter 10.800, effective June 30, 2001, sets out "governmental auditing standards" applicable in the State of Florida to audits of district school boards. The rules detail what the scope of the audit should entail, what material should be presented in the audit report, minimum compliance and internal control standards, and how findings should be structured.

Historically, the Auditor General has performed this audit each year. However, Section 11.45(2) (i), *F.S.*, now provides that the Auditor General will conduct financial audits of counties with populations of 125,000 or more once every three years. Section 218.39 (1), *F.S.*, provides that during the other two years, those school districts with populations of 125,000 or more shall have annual audits conducted by certified public accountants which they have retained. The Hillsborough County School District has retained a certified public accounting firm to perform its external audit for the past two years. The Auditor General is scheduled to audit the district's financial records for the fiscal year ended June 30, 2002.

2 The district obtains an external audit in accordance with government auditing standards.

The district has obtained an independent audit of the general-purpose financial statements in accordance with the statute. The last three audit reports were provided for review as part of this best practices review. Each independent audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In addition, the audits were conducted in accordance with the provisions of Chapter 10.800, *Rules of the Auditor General*, which govern the conduct of district school board audits performed in the State of Florida.

3 The district follows up on any findings identified in the external audit in a timely manner.

Pursuant to Section 11.45(7)(d), F.S., the external auditor is required to provide the district with a list of adverse findings, which may be included in the audit report. This section of the statute also provides that the district shall submit, within 30 days of receipt of the adverse findings, a written statement of explanation or rebuttal concerning all of the findings, including therein anticipated corrective actions to be taken to prevent a recurrence of all adverse findings.

Exhibit 14-11 summarizes findings found in the last three audit reports.

Exhibit 14-11

Audit Findings 1997-98 through 1999-2000

Fiscal Year Ending 6/30/98	Addressed by District (Y/N)
<ul style="list-style-type: none"> Minutes of the board's meetings were not always approved at the next meeting of the board. Our review disclosed that of the 48 board meetings (workshops, hearings, regular, and special board meetings) held during the 1997-98 fiscal year, minutes of 42 of these meetings were not approved at the next regular meeting of the board. 	<ul style="list-style-type: none"> Yes.
<ul style="list-style-type: none"> Improvements were needed in the district's capital outlay budget procedures to provide for a detailed listing of proposed expenditures for all planned projects to be available at the time the budget was adopted. Also, we noted that the required published notice for the 1997-98 fiscal year capital outlay tax level included projects for which district records did not evidence that the projects could reasonably be anticipated to be funded from the capital outlay tax levy proceeds. In these circumstances, it is not evident that the public was properly informed of the specific purposes for which the Board intended to spend the capital outlay tax levy proceeds. 	<ul style="list-style-type: none"> Yes. The district now prepares a detailed five-year work plan for new construction, major renovations, and major maintenance projects. This process should improve planning, budgeting, and advertising.
<ul style="list-style-type: none"> We noted that expenditures charged against the 1997-98 fiscal year capital outlay tax levy proceeds included expenditures for two projects totaling \$319,371.15 that had not been included in the advertisement for the year. 	<ul style="list-style-type: none"> Yes. Corrective action will be taken.

<ul style="list-style-type: none"> We noted that students were charged fees by the district at one middle school and two high schools for courses for which credits were awarded toward graduation. 	<ul style="list-style-type: none"> Yes. Board attorney will review any questionable fees.
<ul style="list-style-type: none"> Monthly financial statements were not prepared and submitted to the board for the months of July 1997 through February 1998. Timely financial reports are necessary to provide the board financial information upon which to make effective and efficient management decisions. 	<ul style="list-style-type: none"> Yes. Corrective action taken.
<ul style="list-style-type: none"> The district administers a self-insurance plan for workers' compensation coverage. As of June 30, 1998, the district reported a deficit in retained earnings in the workers' compensation plan of \$19,786,602.79. The district's funding of the workers' compensation plan during the 1997-98 fiscal year was approximately equal to the amount of claims incurred and paid during the fiscal year. District personnel indicated that the district has not implemented a formal plan for funding the deficit over time. 	<ul style="list-style-type: none"> Yes. Aware of issue and plan to increase premiums by 5%.
<ul style="list-style-type: none"> We noted that improvements were needed in controls over food service catering activities to provide for preparation of appropriate reports of revenues and expenditures to provide a basis for financial monitoring of the program. 	<ul style="list-style-type: none"> Yes. District preparing to implement new software package that should address issue.
<ul style="list-style-type: none"> We noted weaknesses in controls over blanket purchase orders. For example, maximum purchase authorization amounts were exceeding in amounts ranging from \$355 to \$72,579.94 on 20 blanket purchase orders tested. As a result of the district's failure to control the use of blanket purchase orders, authorization to incur expenditures on behalf of the district were not adequately restricted and district personnel could not effectively demonstrate that purchases were obtained at the lowest cost to the district consistent with acceptable quality and performance. 	<ul style="list-style-type: none"> Yes. District is reviewing purchasing and bidding process.
<ul style="list-style-type: none"> Internal control over the district's electronic data processing operations could be improved through the development of formal short- and long-range plans and a written disaster recovery/contingency plan. 	<ul style="list-style-type: none"> Yes. District is forming MIS Steering Committee.
<p>Fiscal Year Ending 6/30/99</p>	<p>Addressed by District (Y/N)</p>
<ul style="list-style-type: none"> Improvements were needed in the district's capital outlay budget procedures to provide for a detailed listing of proposed expenditures for all planned projects to be available at the time the budget was adopted. Also, we noted that the required published notice for the 1997-98 fiscal year capital outlay tax level included projects for which district records did not evidence that the projects could reasonably be anticipated to be funded from the capital outlay tax levy proceeds. In these circumstances, it is not evident that the public was properly informed of the specific purposes for which the board intended to spend the capital outlay tax levy proceeds. 	<ul style="list-style-type: none"> Yes. District believes it will be corrected by next audit period.
<ul style="list-style-type: none"> The district did not complete an annual physical inventory of the tangible personal property at 102 of the district's cost centers which included assets totaling \$28,668,025, or 23% of the total assets recorded in the district's furniture, fixtures and equipment account. 	<ul style="list-style-type: none"> Yes. District reviewing policy and practices to improve methodology.
<ul style="list-style-type: none"> Improvements were needed in the district's capital outlay budget procedures to provide for a detailed listing of proposed 	<ul style="list-style-type: none"> Repeated issue from last year. Believe issue will be addressed

Cost Control Systems

<p>expenditures for all planned projects to be funded by the local capital outlay tax. A blanket adjustment totaling \$805,725.12 was made to the General Ledger 550 Report in order to reconcile the inventory to the general accounts. In addition, no instances regarding supporting documentation and /or adjustments regarding the district's foreclosed properties were noted.</p>	<p>by next audit.</p>
<ul style="list-style-type: none"> The district administers a self-insurance plan for workers' compensation coverage. The reported deficit retained earnings in the workers' compensation plan increased from \$19,786,602.79 at June 30, 1998, to \$22,503,567 as of June 30, 1999. District personnel indicated that the district has not implemented a formal plan for funding the deficit over time. 	<ul style="list-style-type: none"> Repeated issue from last year. Anticipate presenting plan to board to address issue.
<p>Fiscal Year Ending 6/30/2000</p>	<p>Addressed by District (Y/N)</p>
<ul style="list-style-type: none"> During our review of the information systems, we noted that the legacy system does not provide the functionality needed for the district to operate efficiently. Furthermore, the system does not provide adequate controls to maintain data integrity. Currently, MIS reacts to software inflexibility by preparing workarounds using various software tools such as Microsoft Access. However the extent of workarounds will continue to increase and accordingly, so will the risk of errors. Overall, the legacy system will lack sufficient resources in the near future to operate effectively. 	<ul style="list-style-type: none"> Yes. Planning to replace system.
<ul style="list-style-type: none"> The population of charter schools continues to increase in the district, as it does throughout the State of Florida. While the charter schools operate relatively autonomously from the district, the district maintains oversight responsibility to ensure that funds are spent appropriately and students are benefiting. The district has indicated such responsibility in the contracts with each individual school, which requires an annual financial audit be performed in accordance with generally, accepted auditing standards. However, the contractual terms of the older charter schools allow them to have this audit performed within twelve months following the fiscal year end. As a result, the district has not historically been able to receive an unqualified opinion on their own financial statements, which include the charter schools as component units. This issue confronted the district again for the fiscal year 2000. 	<ul style="list-style-type: none"> Yes. Establishing review team.
<ul style="list-style-type: none"> The district is self-insured for general liability, fleet liability, and workers' compensation claims. The district has elected to outsource the processing of workers' compensation and general liability claims to a third party administrator (TPA). The processes that have been outsourced constitute a significant portion of the district's activities, which must be tightly controlled regardless of whom actually performs the function. An internal audit of the claims administration process, conducted by the district, noted that the TPA has not provided the district with a written representation addressing internal controls in accordance with Statement on Auditing Standards No. 70, Reports on the Processing of Transactions by Service Organizations. In addition, the district has not conducted an in depth claims audit in three years. 	<ul style="list-style-type: none"> Yes. Review costs of requiring SAS 70 report.
<ul style="list-style-type: none"> During our review of the human resources management process, we selected a sample of employees and reviewed their personnel files to determine the district's compliance with human resources policies and procedures. Of these sampled employees, we noted 	<ul style="list-style-type: none"> Yes. Fingerprints found after auditors completed process.

<p>three employees that did not have fingerprints on file. Given that at least one of these employees was a teacher, this lack of documentation that the district had in fact performed the required background check could potentially expose the district to litigation. In addition, a lack of fingerprinting is in violation of the district's policies and procedures.</p>	
<ul style="list-style-type: none"> • During our review of procedures and controls over the Telephone Purchase Authorization process, a Procurement Supervisor informed us that no review of the Telephone Purchase Authority Log for unusual items or unauthorized transactions is performed. In addition, we noted that the district requires authorization of blanket purchase orders, which exceed the purchase order by more than 10%. These overages were not properly authorized. As a result, unauthorized goods and/or services, budget overruns, or vendor billing disputes could occur. 	<ul style="list-style-type: none"> • Yes. Purchase card pilot program initiated.
<ul style="list-style-type: none"> • During our testing of the reconciliation used to calculate the amount for Furniture, Fixtures, and Equipment for the financial statements, we noted that the reconciliation contained \$1,300,000 for assets that were not capitalized in prior periods. However, the Property Control Coordinator informed us that he does not have the ability to extract the detail of this amount. As the amount represents 1% of the \$1,329,558,676 in total fixed assets, an immaterial amount, no adjustment was made. However, the inability to support financial statement numbers represents a failure in the controls established. 	<ul style="list-style-type: none"> • Yes. Will be addressed with new accounting system.
<ul style="list-style-type: none"> • The mail, in which the district receives checks from several outside sources, is opened daily by only one employee. In addition, the cashier is responsible for opening mail and recording the receipts. Any mail, which has not been opened or receipts left unrecorded at the end of the day, is deposited in a safe in the Cash Manager's office. No log of safe activity exists to document the cash receipts being taken in and out of the safe. This process represents a risk to the organization due to the absence of segregation of duties. Lack of the segregations of the opening of mail and recording receipts, inability to track safe activity, and allowing employees unsupervised access to cash could result in misappropriation of funds. 	<ul style="list-style-type: none"> • Yes, no change required.

Source: Audited Financial Statements.

As the above exhibit illustrates, the district addresses each finding reported in the external audit report. With the exception of the deficit-retained earnings of the workers' compensation fund and the capital outlay budget issues, each of the findings reported by the Auditor General were corrected. Both of these issues will be discussed in greater detail in later sections of this chapter.

4 The district obtains and reviews required financial information relating to school internal accounts, direct service organizations (DSOs), and charter schools.

The district has implemented policies and procedures to administer and control the school internal funds.

The district maintains strong internal control over the financial information related to school internal accounts. Board Policy and Procedure 7.05 defines internal funds as “all monies collected and disbursed by personnel within a school for the benefit of the school or a school-sponsored activity”. The Internal Auditing Department of the district audits school internal accounts annually. In addition, training is provided to school staff to ensure financial consistency and compliance relating to these funds.

The charter agreement between the district and each charter school requires that an external audit be completed within contracted timeframes.

In fiscal year 1997-98, there were three charter schools in the district. There are currently 16 charter schools in Hillsborough County. The Special Projects office is responsible for obtaining and reviewing the financial information prepared by the charter schools. Each charter school is required to prepare quarterly and annual financial statements. In preparing these statements, the charter schools are required to adhere to the *Federal and Program Cost Accounting and Reporting for Florida Schools* (The Redbook) guidelines for accounting codes. The primary purpose of the Redbook is to provide Florida school districts with a uniform chart of accounts for budgeting and financial reporting.

The current contract language requires that the charter schools complete an annual audit within three months after year-end. This timeframe must be met in order for the district to attain the GFOA certificate for its financials. The completed audits of the charter schools are sent to the board and copies of each audit report are maintained in the Special Projects office.

The district has had problems with the older charter schools not complying with this requirement. The contractual terms of the older charter schools allowed them to have the required audit completed within twelve months following the fiscal year-end. As a result, the district has historically been unable to receive an unqualified opinion on its financial statements because the charter schools are included as component parts. The district’s external auditor recommended that the district renegotiate all existing charter school contracts to ensure that this shorter time requirement be contractually stipulated. As of the third site visit, all 16 contracts have been modified to require that the audits be completed within 90 days following the end of the fiscal year.

Asset Management

Florida school districts have a fiduciary responsibility to protect publicly financed assets provided to educate children. Fixed asset management should account for district property efficiently and accurately and safeguard it against theft and obsolescence. Florida law requires that school districts account for all property having a value in excess of \$750.

In governmental fund accounting, used by school districts, fixed assets are purchased with money available within a given fund. In addition to purchased items, fixed assets are also items that are donated to or constructed by the district. Fixed assets are tangible and intangible items that typically have a significant value and a useful life of one year or more. Therefore, it is critical that the control of and accountability for these items is maintained. Fixed asset management involves managing the manner in which assets are purchased and accounted for, and maximizing the disposal of surplus or obsolete equipment so that it is turned back into productive channels.

Fixed asset records are necessary to designate who is responsible for the custody and maintenance of individual items and to assist in estimating future requirements. School districts generally control capital transactions used for the acquisition of fixed assets by using a well-defined authorization procedure. Separate accountability for fixed assets is a specific legal requirement of many federal programs.

Adequate accounting procedures and records for fixed assets are essential to protect school property. In addition to protecting property, an appropriate fixed asset system should designate responsibility for custody and proper use, provide data to manage fixed assets properly, and provide data for financial control, developing financial reports and adequate insurance coverage.

Of paramount importance is the security of the system. Any material change in the customary recording of distribution or disposal of fixed assets is a financial matter that should be decided by the school district's administration. School management must impose discipline throughout the district to maintain an appropriate level of internal control to ensure adequate protection of fixed assets at all times.

The Hillsborough County School District's total fixed assets amounted to \$1.4 billion as of June 30, 2001. Exhibit 14-12 shows a summary of the district's fixed assets.

Exhibit 14-12

Fixed Assets As of June 30, 2001 (in thousands)

Description	Balance as of July 1, 2000	Additions	Deletions	Balance as of June 30, 2001	June 30, 2001 Balance as a Percentage of Total
Land & Improvements	\$127,922	\$18,802	\$146	\$146,578	10.1%
Buildings & Fixed Equipment	\$980,011	\$69,827	\$811	\$1,049,027	72.1%
Furniture & Equipment	\$132,109	\$18,819	\$11,190	\$139,738	9.6%
Motor Vehicles	\$59,764	\$2,023	\$2,517	\$59,270	4.1%
Property Under Capital Lease	\$1,339	\$601	\$1,158	\$782	0.1%
Construction in progress	\$23,554	\$106,220	\$78,573	\$51,201	3.5%
Audio Visual Materials & Computer Software	\$4,860	\$3,558	\$1,725	\$6,693	0.5%
Total	\$1,329,559	\$219,850	\$96,120	\$1,453,289	100.0%

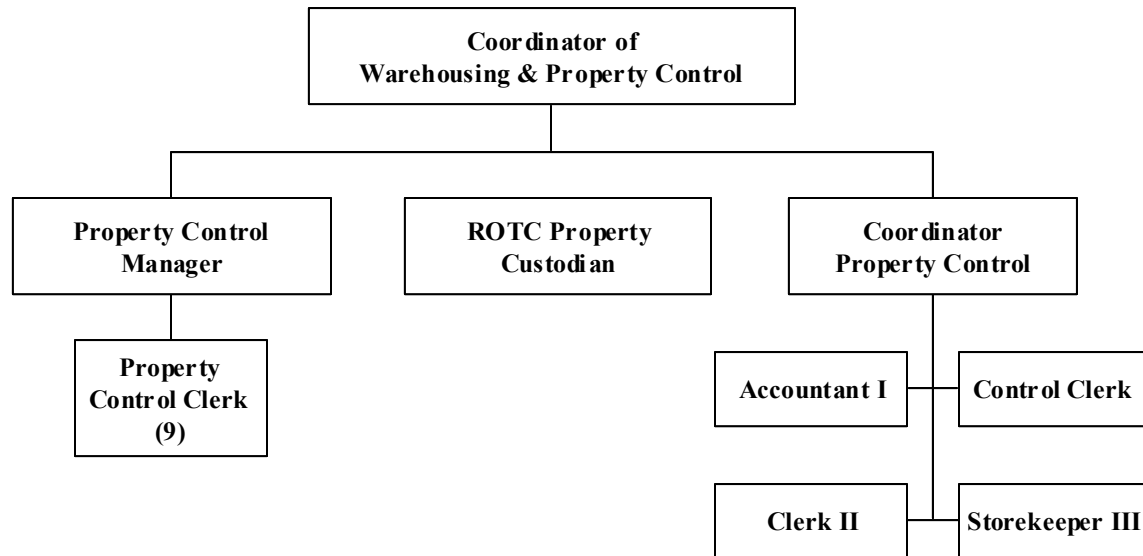
Source: HCSD's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

The asset management function in HCSD is extremely effective. The Property Control Department reports directly to the Coordinator of Warehouse and Property Control, which is a unit of Business and Information Technology Services. The Property Control Department has 16 employees that are divided into two sections, an inventory control section and the accounting and surplus section. Ten of the

employees, a property control manager and nine property control clerks, are responsible for inventorying the district's fixed assets. Six employees, a Property Control coordinator, accountant, control clerk, surplus sales manager and two clerks work in the accounting surplus section. This section is responsible for preparing financial statements for fixed assets; accounting for real property, property loss or damages, and fuel charges; prepare inventory reports; prepare agenda items for obsolete/surplus property and stolen, missing, and damaged property; and auction surplus property. Exhibit 14-13 displays the department's organizational chart.

Exhibit 14-13

Property Control Department Organization Chart



Source: The Hillsborough County School District.

The Property Control Department has instituted a number of controls that have enabled the district to maintain accurate property files and accountability that is essential in protecting the district's fixed asset base.

A computerized system called On-line Property Control System (PROP) is used to maintain a detailed fixed assets subsidiary. The Property Control coordinator maintains the fixed asset records. The Property Control coordinator reconciles by fund the current month's activity as recorded in the accounts payable capital outlay reports to the general ledger. PROP was designed with controls that will only allow the Property Control staff to add, delete, or transfer items to different sites. The system only allows designated school and department staff to change the building, room, department, manufacturer, model number, and serial number.

Copies of all purchase orders are submitted to Property Control from the Purchasing Department. The Property Control clerk reviews each purchase order to determine whether the purchase should be expensed or capitalized. If an item is determined to meet the criteria of a fixed asset and should therefore be capitalized, the clerk sets up an asset record with all the initial information pertaining to the asset with the exception of cost information. The asset is assigned an asset number. The bar coded asset decal with the assigned number is immediately issued and forwarded to the school or department (site) along with a copy of the purchase order where the item is to be received and used. Once the item has been received and paid for, the Property Control clerk then adds the cost to the asset record. The site is responsible for

affixing the decal, engraving or permanently marking the asset with the asset number, and recording the location (building and department) and serial number in the PROP system.

Prior to November 20, 2001, the district's policy was more conservative than the State law that requires assets with unit costs of \$750 or more to be capitalized. The policy required the district to account for items with a unit cost of \$200 or more, and items considered high risk with a unit cost from \$100 or more as fixed assets. As of November 20, 2001 the unit cost for fixed assets has been increased to \$750 or more.

The district has a commendable practice associated with obsolete assets. When an item is to be disposed of, the site requests a pick up. The item is then taken to the district's shop facilities to see if it can be repaired and cannibalized within the district or if it could be donated to another district. If the item cannot be restored, the district sends it to be auctioned with other surplus inventory.

Effective June 15, 2001, school districts with total revenues more than \$100 million are required to depreciate their assets due to the issuance of Governmental Accounting Standards Board (GASB) Statement 34. GASB issues accounting and financial reporting rules for State and local governments throughout the United States. GASB Statement 34, issued in June 1999, requires capital assets with the exception of land and land improvement be reported in the financial statements net of depreciation. The new GASB 34 statement requires that assets be depreciated each accounting period. Depreciation is a periodic expense recognized on the accounting records of an organization, which aims to distribute the cost of tangible capital assets, less salvage value (if any), over the estimated useful life of the asset. To properly estimate this expense, the asset's useful life must be determined. This means that government entities must maintain fixed asset systems that will calculate and account for asset depreciation amounts based on the estimated life of the asset. Prior to the issuance of GASB 34, governments expensed all their assets at the time of acquisition, rather than recognizing a portion of expense each accounting period during the asset's useful life.

The district is developing plans to fully implement the requirements of GASB 34.

5 The district segregates responsibilities for the custody of assets from record keeping responsibilities.

The district ensures that controls are in place during each step of the process for the acquisition of capital expenditures and capital assets.

The district's existing system of internal controls effectively segregates the duties related to the custody of the assets from the record keeping responsibilities. The district's purchasing system has controls in place to ensure that proper authorization has been received.

The controls begin when proposals for new acquisitions or major modifications in facilities are first considered. Different levels of approval criteria have been established depending upon the expenditure amounts required. Major items acquired must be cleared through the capital budget and may require board approval.

The purchasing system requires the proper approval be in place before a purchase order is initiated. For example, a teacher can initiate a requisition for an item but only the principal or designee can approve and transmit the purchase order. The same types of controls are in place in every department.

The district ensures that the processes for recording property and project accounting, custody of the assets, and the general ledger functions are all segregated from each other.

Project accounting for the district is conducted in the Finance Department of the Business Information and Technology Services unit of the district. The Property Control Department is responsible for all functions related to the property records including periodic physical inventories of fixed assets. Designated staff at the school and department sites (sites) that acquire assets are the custodians and are accountable for the property. These sites do not have the ability to add, delete, or modify property records in the system. The general ledger is updated annually. The Property Control Department staff reconciles the fixed assets reports with the general ledger reports and provides the Accounting Department staff with the reconciliation and adjusting entries that should be made to the general ledger system. The Accounting Department is responsible for maintaining and reconciling the general ledger.

The Property Control Department maintains the district's property records in the software application called On-line Property Control System, which is a subsidiary ledger and is separate from the general ledger. The On-line Property Control System application resides on the district's mainframe.

6 The district's controls ensure that proper authorization of asset acquisitions and disposals are in place.

The fixed assets process has authorization controls that clearly identify staff authorized to initiate capital asset transactions and define the limits of each individual's authority.

Only the Property Control Department staff can add or delete an asset. Disposals are deleted from the On-line Property Control System only after the board approves the "missing, stolen, damaged" equipment lists, or the obsolete and/or surplus items list. Certain job classifications in the schools or department sites have authorization to perform limited asset changes, including room, serial number, manufacturer and department changes. However, they cannot add, delete, or transfer items from a site's inventory.

The district has procedures for authorizing, approving, and documenting sales or other dispositions of capital assets.

In addition to providing procedures for authorizing, approving, and documenting sales or other dispositions of fixed assets, the district has procedures in place for construction and maintenance activities. The district has experienced a 17.6% increase in enrollment over the last five years. It has been building and continues to build new schools each year. The district plans to open eleven new schools this fiscal year. The district additionally plans to open an average of five schools annually over the next five years.

The district has procedures for obtaining approval for the use of grant moneys for capital asset acquisitions, and all grant purchases are subject to the same controls as all other acquisitions.

The district must receive written approval from the grantor before grant moneys can be used for capital asset acquisitions. All capital asset purchases are recorded under designated funds. A capital budget is not established until the written approval has been received.

The district requires that any grant-funded acquisition be subjected to the same controls that are in place for all other acquisitions. If the individual grants require more stringent controls, the district will apply the more stringent levels of control.

7 The district has established records that accumulate project costs and other relevant data to facilitate reporting construction and maintenance activities to the board, public, and grantors.

The district effectively establishes and maintains project cost records, tracks in-progress and completed projects, and monitors construction work performed by contractors.

The Gibson Consulting review team reviewed a sample of the project files maintained by the Planning and Construction Department and determined that district staff follows the established procedures and that the project records are in order. Several departments within the district are responsible for the project accounting processes. The construction accounting staff is responsible for establishing and maintaining project cost records and monitoring the construction work performed by the contractors. The department currently consists of five project coordinators and the Director of Planning and Construction. This department reports to the Assistant Superintendent of Operations.

When a construction project is initiated, the construction management company that is awarded the work assumes the project management role. Project coordinators are assigned projects that they monitor from the inception to the completion of the project. The assigned district project coordinator is responsible for overseeing the costs incurred related to the project. The project architects are responsible for walking the sites regularly to ensure that the work is progressing according to the plan approved by the board. The district project coordinator oversees these two roles and maintains the project cost records.

Each time an invoice is received from the construction management company, a meeting is held with the project coordinator, construction management, project architect, and inspector. These individuals review the invoice to ensure that the work being billed was completed and performed in accordance with the specifications of the contract. Once the bill is approved in full or in part, the project coordinator forwards the bill to the accounting staff that reports directly to the Assistant Superintendent of Operations.

The operations accounting staff maintain all the accounting records by project. The accounting staff compares the bills submitted by the construction companies and the contract to ensure that the work and the amounts being billed agree. Once the bill has been reviewed, the accounting staff forwards the bill to accounts payable for payment. The operations accounting staff is also responsible for reporting procedures for in-progress and completed projects. When a project is complete, the operations accounting staff prepares a journal voucher and forwards it to the Property Control Department for recording in the fixed asset system. The Property Control Department forwards the required journal entries to the Budget Department to update the general ledger.

The architect acts as the district's representative and audits the contractor's records to ensure that all work billed has been completed and is in compliance with the contract.

The district names the architect as the "owner's representative" at the beginning of the project. In this capacity, it is the architect's responsibility to ensure that the contractors are in compliance with all contractual specifications and governmental regulations, including Equal Employment Opportunity

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(EEO) and Davis-Bacon. When a request for payment is received from the contractor, the architect reviews the invoices and compares it to the work completed. If all charges are valid, the architect certifies the pay request and has it notarized. The request is then forwarded to the contract manager, and the manager sends it to the project coordinator. Any request for payment received by the Operations accounting staff must have been certified and notarized by the architect, approved and signed by the contract manager, and approved and signed by the project coordinator.

By purchasing all construction materials direct, the district benefits from \$6.4 million in sales tax savings.

The direct purchase program is an example of the district using innovative ways to save money. The direct purchase program allows the district to save millions of sales tax dollars by purchasing construction materials directly instead of through the construction management companies. The district created the direct purchasing section in 1996. There are two employees in this section that report to the General Director of Finance.

The program has been so successful that Duval, Broward and Pinellas County School Districts have met with the district to learn about the program and are looking into adopting similar programs in their districts.

The purchasing process is identical to the processes used by the district for all of its other purchases. The requisitions are initiated by the subcontractors and approved by the contract management companies. The contract management companies forward the requisitions to the project coordinators for approval. The project coordinators forward the requisitions to the district's Purchasing Department for the processing of the purchase order.

8 The district provides recorded accountability for its capitalized assets.

The district establishes accountability for every tangible asset that has been purchased, donated, self-constructed, or leased.

The district's policies and procedures state that the district has incorporated the account coding conventions contained in the *Financial and Program Cost Accounting and Reporting for Florida* (Red Book) provided by the Department of Education that distinguishes between capital projects fund expenditures and operating budget expenditures based on the project code.

The process to determine whether a purchased asset should be recorded as a capital asset is extremely manual. The Property Control Department determines which expenditures should be capitalized as a fixed asset by reviewing the description, object code, fund code, and cost in each purchase order processed by the district.

The district assigns each capital asset a unique number that acts to identify it throughout its useful life. A decal with an alpha and six-digit number is provided for every district asset and an asset record is set up in the district's fixed asset subsidiary ledger, On-line Property Inventory System (PROP).

A Property Control clerk assigns and issues the decals along with the purchase order to the site that will be receiving the asset. The receiver is responsible for placing the decal on the asset and engraving or

marking the asset number on the asset. Engraving or marking the item helps to deter theft and assists in finding missing or stolen assets.

Department supervisors or principals at each site are held accountable for all the assets assigned to their location. At the conclusion of the annual inventory, an exit interview is conducted to review the inventory results. Any missing items are reviewed to ensure that the proper documentation has been completed if the asset was disposed of, transferred to another site, or stolen. If a site is found to have no exceptions and zero missing items in its physical inventory when compared to the property list, the principal or department supervisor is recognized at a board meeting. The districtwide goal is to have zero exceptions.

The district complies with the rules and regulations outlined in *Financial Accounting Standards Board* (FASB) 13 to determine if a lease is a capital or an operating lease. The district has developed an Excel spreadsheet to assist in the determination.

Staff should ensure that the district's new ERP system, that is currently being developed and scheduled to be up and running by July 1, 2002, will automatically determine assets that should be capitalized, issue a unique asset number, and create a property record. The Gibson Consulting review team asked district employees designated to work on the ERP project for information about the design and development of the system to determine if these processes were being implemented, but did not get any information. The review team specifically requested workflow maps of the district's current manual processes with details of how, or if the processes would be eliminated or automated with the implementation of the ERP system. The district staff stated that this information was not available.

The district has established a capitalization threshold of \$750 for all assets.

Prior to November 20, 2001, the district's policy to account for fixed assets was more conservative than the State of Florida's requirement of \$750. The policy required the district to account for items with a unit cost of \$200 or more, and \$100 if the items were considered high risk.

Due to the budget cuts the district has experienced this year, staff recommended to the board that the board policy be amended to raise the threshold to \$750. The board approved the recommendation on November 20, 2001. The manpower that was used to identify and record assets less than \$750 can be better utilized in other areas of property control.

The district has procedures that require a periodic inventory of documents evidencing property rights.

The administration secretary of the Business and Information Technology Services division maintains the property deeds and title files. The files are complete and easily accessible. Periodically, the files are reviewed to insure that all necessary documents are in place.

Recommendation

- *We recommend that the district require that the new ERP system have the capability to automatically process the asset accountability requirement. The system should be programmed to identify all expenditures that should be capitalized, automatically assign the*

unique asset number, and update the property records module using the information from the purchasing module.

Action Plan 14-2 provides the steps needed to implement this recommendation.

Action Plan 14-2

Require the ERP System to Automatically Process Fixed Assets	
Strategy	Require ERP system to automatically process fixed assets, assign property number, and update records linked to the purchasing module of system.
Action Needed	<p>Step 1: The Property Control staff, project insight team members, IS staff and the supervisor of Purchasing meet to map out the current working process flow of the Property Control clerk’s job tasks and determine the manual processes that can be automated.</p> <p>Step 2: The project insight team members compare the automated processes identified in step 1 with the ERP system specifications to determine whether the process has been addressed. If it has not, follow step 3. If it has been addressed, disregard.</p> <p>Step 3: The project insight team members submit a request to the software company designers to program the ERP system to include the specifications identified in Step 1.</p>
Who is Responsible	Project Insight Team
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

9 The district has safeguards to protect its assets from unauthorized use, theft, and physical damage; however, procedures to ensure that all sites complete annual inventories should be enhanced.

The district has detailed procedures that are effective in ensuring that assets are safeguarded.

The Property Control Department staff developed a detailed procedures manual that provides direction to district staff to track the status of the district’s fixed assets. The procedures include an explanation of the difference between an expense and a fixed asset, the treatment of fixed assets, specific instructions of what should be done when acquiring fixed assets, transferring of fixed assets, disposing of fixed assets, and reporting of lost or stolen fixed assets. The manual explains the responsibilities of the school or department sites and those of the Property Control staff. The manual also includes the On-line Property Control System print screens to use for updating the asset information online.

In addition to providing procedures, the Property Control staff provides training to principals, supervisors, and their designees to ensure that they fully understand the procedures. The district has made it perfectly clear that the principals or department supervisors are accountable and responsible for the assets at their location.

The Property Control Department staff does not verify the inventory at each site on an annual basis.

Section 274.02, F.S., states that “A complete physical inventory of all property shall be taken annually, and the date inventoried shall be entered on the property record.” Each site is responsible for completing an annual inventory. The Property Control Department verifies the annual inventories by performing a physical inventory and comparing the results to the individual site’s property listing. However, the Property Control Department has not been able to inventory all the district’s sites annually. In fiscal year 2000-01, the Property Control Department did not inventory a total of 45 of 269 sites (17%); two elementary schools, four other district sites, and 39 private sites. Exhibit 14-14 shows the number of assets and dollar value of the assets that were not inventoried and verified by the Property Control Department.

Exhibit 14-14

Sites Not Inventoried or Verified by Property Control 2000-01

Site Type	Number of Sites	Number of Assets	Dollar Value of Assets
Elementary Schools	2	301	\$ 638,376
Other District Sites	4	996	2,523,549
Private Sites	39	246	532,312
Total	45	1,543	\$3,694,237

Source: HCSD Department of Warehouse and Property Control.

The private sites are private schools in Hillsborough County that are loaned assets related to federal grants by the district. The types of assets the district lends are mostly furniture and equipment.

Each year the Property Control Department staff begins by inventorying high schools followed by middle schools and elementary. The other district sites are selected based on whether they were inventoried the previous year. The Property Control Department physically inventories the district’s stores every year, such as the central warehouse, textbook depository and student nutrition services food stores. Private sites are usually not inventoried due to staff not having the time to perform inventory at those sites. According to the property control staff, the district’s Division of Supportive Services inventories all private sites. Sites that incur equipment or furniture losses are obligated to remit repayment to the district for the cost of the property.

District staff stated that district buses assigned to the Transportation Department are never inventoried due to time constraints and the logistics of getting all the buses in one place to be counted. The school buses are handled as any other asset in regards to assigning a unique asset number and setting up the property records. The Transportation property manager of the Transportation Department is responsible for placing the decal on each bus, updating the property control information on line, and disposing of the buses when needed. The district owned 1,322 school buses with a dollar value of \$49.8 million as of December 18, 2001. The Transportation Department staff tries to inventory buses when the drivers bring in their buses for the required monthly service by comparing the service orders to the inventory list.

An alternative means of maintaining the school bus inventory would be to inventory them when they come in to the fuel stations for refueling. The Property Control clerks are assigned to visit the fuel stations three days a year to inventory buses that come in to be refueled. At that time, the Property Control clerks record the inventory number, vehicle identification number, and license plate number of each bus and compare it to the district’s bus inventory record.

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Although the Property Control staff is not able to inventory all the sites each year, principals and department supervisors are required to perform a physical inventory of fixed assets at their location annually. They request an inventory print out generated from the On-line Property Control System of all numbered assets assigned to the site. They or their designees are required to make necessary changes such as room number changes and note any missing or stolen items.

The district is in the process of requesting a waiver from being required to inventory all sites annually from the Florida Department of Education based on the recent approval from the governor and cabinet for the Hillsborough County School District to be a “charter school district.” The waiver requests that schools that have been recognized for no exceptions and zero missing items be inventoried every other year. The district will continue to annually inventory those sites that had exceptions in the prior year audit. Additionally, the district will inventory sites that had no exception or zero missing items if there is a change in the property custodian, theft or storm damage.

The Florida Legislature passed a bill creating charter school districts in 1999. A charter school district means the entire school system will be free from State rules and regulations that educators say hamper their ability to run schools and educate students. The district submits to the governor and cabinet a plan outlining the performance goals that the district is proposing in order to boost achievements. If the governor and cabinet approve the charter, it enters into a contract with the State guaranteeing that student performance will improve in exchange for the freedom from burdensome rules and regulations. (St. Petersburg Times, July 12, 2000, “Florida Approves Charter District”)

Districts can save time and labor costs by using scanners that can automatically update the inventory system. The time saved would allow the Property Control Department to audit and verify all sites. The district acquired a scanning system approximately seven years ago and discontinued using it because it was not working properly and taking longer to inventory than the manual process. District staff is planning to purchase a scanning system with capabilities that will be compatible with the new ERP system. This system will allow property control clerks to scan the bar code on each property item and match it to the master property list.

Districts also outsource the inventory process to fixed asset inventory services providers. HCSD is looking into this option. On October 1, 2001, the district released a request for proposal soliciting fixed asset inventory services provider vendors for a pilot program for inventory services in selected schools and departments. The Warehouse and Property Control Coordinator is planning to bring an agenda item to the board to initiate a pilot program using American Appraisal Consultants at twenty-five schools in the district. Once this pilot has been implemented, the Property Control Department staff will evaluate the cost benefits and the effectiveness of the program and determine whether the pilot should be expanded districtwide. The district anticipates that outsourcing the inventory process will reduce the staffing needs in the Property Control Department. The pilot should begin in late spring 2002.

The district promptly investigates and reports missing assets to the board.

After the Property Control staff has inventoried a location, a preliminary report is generated that lists all the missing items. The Property Control inventory clerk meets with the principal or department supervisor and discusses the checklist the Property Control staff used to inventory the district’s inventory policies and procedures, and the results from the inventory, including the missing items report. If the site has exceptions, recommendations are given for improving property control procedures and the importance of inventory control. If items are missing at their location, the principal or department supervisor is given 30 days to locate the missing assets and update the PROP system. The Property Control staff revisits the site to verify the location of the previously missing items. The final report is generated with the results of the inventory and is forwarded to the general area director and school security department. The principal

or department supervisor is required to provide the general area director with an explanation for the missing items. The principal or supervisor must fill out a Property Loss/Damage Report and submit it either by hard copy or through E-mail. The PROP system does not have the capability to allow users to submit this information electronically.

On a quarterly basis, the Property Control Department staff prepares an agenda item requesting permission from the board to remove missing, stolen, and damaged items from the district's fixed asset master file.

To provide an incentive for principals to have a zero exception inventory result, the district recognizes those schools and principals that have achieved excellent inventory results before the board. Fifty-one schools received the recognition in fiscal year 2000-01.

The district identifies, collects, and disposes of surplus or obsolete equipment in accordance with applicable laws, rules, and grant conditions.

When a school or department can no longer use specific assets, the site notifies the general area director. The general area director surveys other schools within its area to determine if there is a need for the item. If the item is not wanted, it is sent either to a district repair shop or to the warehouse.

Items taken to the repair shops are either repaired and sent back into the system, or are cannibalized and used to repair other district assets. If the repair shops cannot repair the assets or use any of its parts, it is transferred to the surplus sales site. All surplus items sent to the warehouse are tagged for disposal. Periodically the Property Control Department takes an agenda item to the board that requests that surplus and obsolete items be sold or disposed.

Recommendations

- *We recommend that the district ensure that 100% of the district's property be inventoried. The Property Control Department should perform an inventory of any site that had any exceptions in the prior year's inventory. Property Control can inventory those sites that had no exceptions and zero missing items every other year. However, the district must create a mechanism to ensure that site staff has inventoried all sites.*
- *We recommend that the district inventory school buses by scheduling an annual site visit to the district's fueling stations. This will ensure that the district is in compliance with the State regulation requiring all assets be inventoried annually. The district pays an average of \$50 thousand to \$60 thousand for each new school bus. The main objective in inventorying assets is to ensure that all of an entity's assets are safeguarded especially its larger dollar value assets. The district should inventory its school buses annually to ensure that this property is safeguarded.*
- *We recommend that the district implement an automated scanning system to reduce time and labor costs by a reducing staff by two FTEs. If the district decides to outsource its inventory operations, the number of staff to be reduced will be increased.*
- *We recommend that the district ensure the new ERP system will automate the Property Loss / Damage Reporting currently being submitted by the schools and department sites to the Property Control Department by hard copy or E-mail. Allowing the sites to notify the*

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Property Control Department through the ERP system will prevent this information from being entered twice, once by the user and then by the Property Control staff.

Action Plan 14-3 provides the steps needed to implement these recommendations.

Action Plan 14-3

Verify that Sites Inventory 100 Percent of all Assets	
Strategy	Verify that all site administrators are conducting a physical inventory each year. Once an inventory has been completed, the site administrator forwards the inventory results to Property Control. Property Control will inventory any site that submits an inventory report that contains any missing items, even if it had been an exemplary site in its prior audit and not scheduled for an audit that year.
Action Needed	<p>Step 1: The General Director of Finance prepares an agenda item to require every site to submit a report to Property Control verifying that they have completed a physical inventory. The report should detail the results of the inventory and assist the Property Control Department in determining if it should schedule an inventory at that site.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda item to the board.</p> <p>Step 3: The board approves the agenda item.</p> <p>Step 4: The Property Control management reviews the reports and compares them against the department's inventory schedule. If any site submits a report with missing assets, the department ensures that it will be included in the annual inventory conducted by Property Control.</p> <p>Step 5: Property Control must verify a site inventory by inventorying the site at least every other year. No site can receive an inventory waiver from Property Control for two consecutive years.</p>
Who is Responsible	General Director of Finance, Coordinator of Warehouse and Property Control, Property Control Coordinator
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Annually Inventory School Buses	
Strategy	Property control clerks schedule an on-site inventory for the district's fueling stations once a year. The property control clerk spends three days on-site and inventories the buses when they come in to be refueled.
Action Needed	<p>Step 1: The Property Control coordinator establishes a schedule for property control clerks to inventory buses by spending three days at the fueling stations and counting the buses.</p> <p>Step 2: The Property Control coordinator directs the property control clerks to perform the inventory.</p> <p>Step 3: The Property Control clerks will record the buses inventory number, the vehicle identification number, and the license plate number.</p> <p>Step 4: The Property Control clerks compare the on-site record with the district's inventory record.</p> <p>Step 5: The Property Control clerks report findings to the director of Transportation.</p>
Who is Responsible	General Director of Finance Property Control Coordinator
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Purchase an Automated Scanning System

Strategy	Implement an automated scanning system to reduce time and labor costs or out source.
Action Needed	<p>Step 1: The Coordinator of Warehouse and Property Control meets with IS programming staff to determine the software specifications for a scanning system that will be compatible with the new ERP system.</p> <p>Step 2: The Coordinator of Warehouse and Property Control requests permission from the General Director of Finance to purchase a scanning system.</p> <p>Step 3: The General Director of Finance authorizes the purchase.</p> <p>Step 4: The Coordinator of Warehouse and Property Control transmits a purchase order to the Purchasing Department.</p> <p>Step 5: The Purchasing Department orders the scanning system.</p> <p>Step 6: The Coordinator of Warehouse and Property Control receives the scanning system and notifies Accounts Payable that the product has been received.</p> <p>Step 7: The Coordinator of Warehouse and Property Control and IS programming staff install the system and ensure that it is compatible with the new ERP system.</p> <p>Step 8: The Coordinator of Warehouse and Property Control and the Property Control coordinator eliminate two inventory clerk positions.</p>
Who is Responsible	Coordinator of Warehouse and Property Control IS programmers
Time Frame	September 2002
Fiscal Impact	This recommendation will cost the district \$4,500 to purchase a scanning system. However, the district will save \$52,912 annually for eliminating two positions. The net five-year savings to the district associated with this recommendation is \$260,060.

Automate the Property Loss/Damage Report

Strategy	Ensure that the new ERP system will automate the Property Loss / Damage Report currently being submitted by the schools and department sites to the Property Control Department in hard copy or E-mail.
Action Needed	<p>Step 1: The Property Control Coordinator contacts the project insight team members to determine if the new ERP system is specified to allow the sites to automatically submit the Property Loss / Damage report through the system. If yes, no further action is necessary. If no go to step two.</p> <p>Step 2: The Property Control Coordinator meets with the project insight team members and software company representatives to spec out the requirements.</p> <p>Step 3: The software company representative implements the specs.</p>
Who is Responsible	Project Insight Team Property Control Coordinator
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

Inventory Management

An efficient warehouse operation should ensure that all purchases and deliveries to schools and units are complete and timely; inventory levels are sufficient to meet requests for supplies from individual schools

and units; property and equipment are accounted for properly and controlled; and surplus or obsolete property is disposed of properly and removed from district records.

The Warehouse and Property Control Department is responsible for acquiring, inventorying, and delivering routine supplies to all schools and departments within the district. Routine supplies include instructional, janitorial, audiovisual, physical education, first aid, and industrial art supplies as well as forms and other miscellaneous items. The Warehouse and Property Control Department is additionally responsible for storing and delivering food to schools for the Student Nutrition Services and storing district furniture and equipment, books, surplus, and various data files. Exhibit 14-15 shows the Warehouse Inventory per student from fiscal year 1999-00 through fiscal year 2000-01.

Exhibit 14-15

**Warehouse Inventory Per Student,
Fiscal Year 1999-00 through Fiscal Year 2001-02**

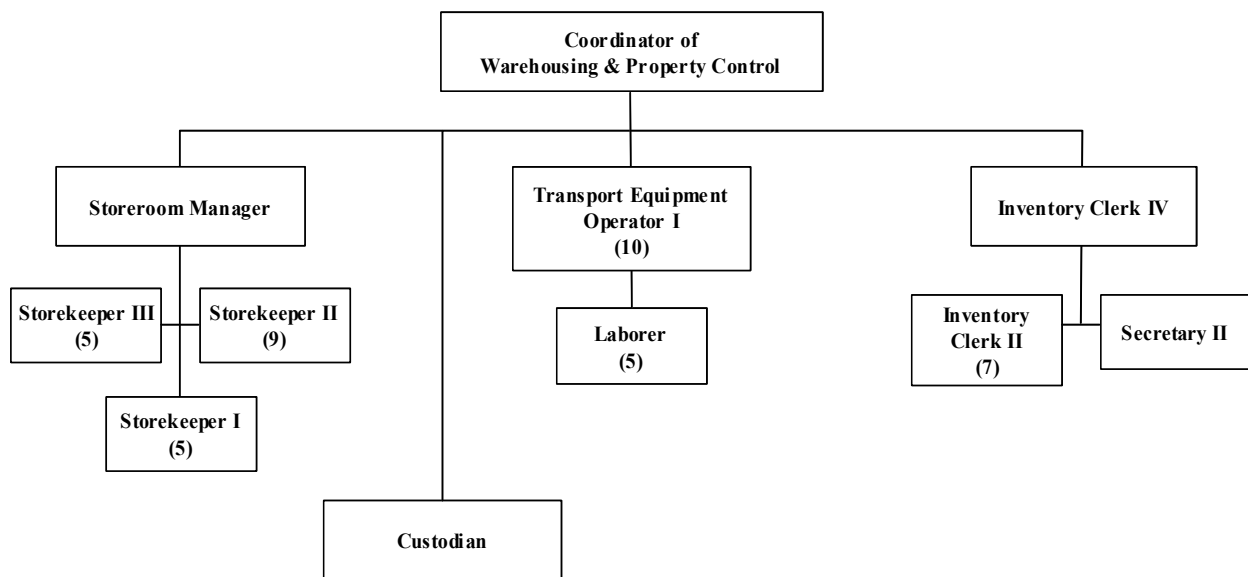
	1999-00	2000-01
Value	\$1,278,087	\$1,283,788
Enrollment	159,358	164,294
Inventory Per Student		
Value / Student	\$8.02	\$7.81

Source: HCSD Department of Warehouse and Property Control.

The district’s warehouse operation falls under the General Director of Finance. The Warehouse and Property Control Department organization chart lists 46 warehouse employees; the Coordinator of Warehousing and Property Control, 20 employees in storeroom keeping, ten employees in delivery, nine employees in inventory, five laborers and one custodian. Exhibit 14-16 displays the Warehouse Department organization chart. Nine of these positions are vacant, three in storeroom keeping, four in deliveries, and two in inventory.

Exhibit 14-16

Warehouse and Property Control Department Organization Chart



Source: The Hillsborough County School District.

The district currently uses four warehouses for storage space and warehouse operations, but will be reducing to three when it sells the Book Depository Building to the Florida Department of Transportation in 2002. The book depository operations were moved from the book depository building to the central warehouse on January 15, 2002. Exhibit 14-17 below lists the warehouse buildings, including the space that the district will use as of January 15, 2002.

Exhibit 14-17

Warehouse Space (in square feet)

Warehouse	Warehouse Space	Freezer/Cooler Space
Central	72,000	3,700
Bonacker	19,998	0
Data (Records Storage)	8,200	0

Source: HCS D Department of Warehouse and Property Control.

The warehouse function operates from the central warehouse. The central warehouse holds school, maintenance, office, athletic, audiovisual, lunchroom tickets and various other supplies and forms. The central warehouse also maintains commodities and bulk food items as well as surplus items awaiting auction or disposal. The Bonacker building is used to store old equipment, lunchroom equipment, and new furniture and equipment for new schools that are not complete and ready to receive the items. The data warehouse stores records for the administration office.

The district leases the Bonacker building. In the 1997 OPPAGA performance review, the review team recommended that the district install a racking system in the central warehouse to eliminate the need for the Bonacker building. The district installed a racking system, which increased the space capacity in the central warehouse by approximately 8,500 square feet; however, the district is still renting the Bonacker building. Instead of ceasing use of the Bonacker building, the district added an additional 820 square foot freezer/cooler, the district’s book depository and the surplus storage capacity to the central warehouse.

The review team toured the warehouse and was impressed with the innovative and cost control measures that have been put in place. The department is constantly striving to improve its operation and reduce its operating costs.

The district is considering implementing a pilot just-in-time/stockless supply procurement program, which the district is calling “Rapid Response Delivery System” in hopes to improve the overall efficiency of the department. A just-in-time/stockless supply procurement program allows businesses to order products from vendors and the vendors would deliver directly to the requesting site. Currently, the district warehouse delivers items to sites every nine working days from the order date. The Rapid Response Delivery System could decrease the number of delivery days to one to three working days instead of nine.

The district issued a request for proposal on October 22, 2001. The types of supplies that will be included in the program are general office supplies, arts and crafts, audiovisual, first aid, printer cartridges, toner and ribbons, athletic and paper items. The district may award the bid to several bidders instead of one supplier.

The district received responses from 31 vendors on November 27, 2001. District staff is reviewing the bids and preparing an analysis to determine if the Rapid Response Delivery System will be more cost effective than their current system. According to district staff, if the Rapid Response Delivery System proves to be more cost effective, a recommendation will be submitted to the board in February 2002 for board approval and be implemented by March 2002.

10 **The district segregates responsibilities for the custody of inventories from the record keeping responsibilities for those assets.**

Various district departments perform responsibilities for requisitioning, approving purchases, inventorying, and carrying out custodial duties.

The school or department secretary is responsible for preparing the requisitions and the principal, supervisor or designee is responsible for authorizing and transmitting the requisition. The warehouse staff receives the requisition and verifies that the information on the requisition is correct including the authorization signature. The requisition is forwarded to the Information Services Department for data entry and forwards the Delivery Ticket. The warehouse staff uses the delivery ticket to select items from the inventory that needs to be distributed to the requestor.

The Property Control and Information Services Departments maintain the perpetual inventory accounting records. Once the Information Services Department data enters the requisitions, a Daily Reorder Listing is generated to inform the warehouse staff when to order supplies. The Property Control Department annually conducts an inventory of all supplies allocated to the central warehouse. The central warehouse is closed for one week to allow the Property Control inventory clerks an opportunity to inventory supplies. Upon completion of the inventory, the results are presented to the warehouse management and the Finance Department. Overages and shortages are reviewed for corrective action, as the goal of the warehouse is to have zero shortages.

11 **The district has established and implemented controls that provide for proper inventory requisitioning with the exception of emergency requisitions.**

Although it is manually intensive, the warehouse process for regular requisition orders has strong controls in place.

The warehouse has implemented controls to ensure that regular requisitions are verified for signature authorization, appropriation of funds, and stock availability. The Warehouse staff verifies that all the necessary information on the requisition form is provided and that the signatures are correct. The requisition is forwarded to the Information Services Department for data entry. If a school or department does not have the funds appropriated; the fund, function, or object codes are incorrect; or the product is out of stock, an exception report is generated and forwarded to the Warehouse. Warehouse staff sends the report to the requestor to notify them that they will not be receiving the product and request that district correct the discrepancy and resubmit the request.

The authorization signatures for emergency requisitions are not verified.

By requiring authorization signatures for each requisition, school districts deter fraud and abuse of its inventories. The warehouse receives approximately 8,900 emergency requisitions per year. Usually schools and departments submit emergency requisitions when they run out of an item or an unexpected circumstance cause the site to need a product before the normal eight or nine day delivery date. Because of the time constraints associated with turning the requisitions around quickly, the warehouse staff only

checks that the requesting department has the appropriated funds for the purchase. Authorization signatures are not verified. District staff stated that all of the warehouse operations would be automated with the new ERP system including the emergency requisitions. Additionally, the Rapid Response Delivery System will also reduce the emergency number of requisitions due to the reduction of delivery days.

Recommendation

- *We recommend that the district require that all requisitions including emergency purchases be processed through the new accounting system in order to automate the verification of authorized signatures.*

Action Plan 14-4 provides the steps needed to implement this recommendation.

Action Plan 14-4

Process All Requisitions Through the New ERP System.	
Strategy	Require that all requisitions including emergency purchases go through the new ERP system in order to automate the verification of authorized signatures.
Action Needed	<p>Step 1: The coordinator of Warehousing and Property Control contacts the project insight team to ensure that all requisitions will be automated. If the new system eliminates manual requisitions, do not continue. If the new system does not eliminate manual requisitions, go to step two.</p> <p>Step 2: The coordinator of Warehousing and Property Control and storeroom manager meet with the project insight team and software company representative to spec out the requirements necessary to automate all requisitions.</p> <p>Step 3: The software company representative implements the requirements to the new software system.</p>
Who is Responsible	Coordinator of Warehousing and Property Control
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

12 **The district has established controls to safeguard the inventory and provide accountability for inventory custody.**

The Warehouse Department inventory is kept in a secure facility and only authorized staff is allowed access to the building.

Warehouse security is specifically addressed in the warehouse procedures manual. The security section of the manual states that only designated warehouse employees are assigned keys to the building and only warehouse personnel are allowed in the warehouse. Other district personnel visiting the warehouse for emergency pickups or delivery drivers must remain in the entrance seating area, unless they are escorted by warehouse personnel. The procedures include instructions for opening and closing of the warehouse each workday. The warehouse has an alarm system to ensure that the inventory is secure after hours.

The Warehouse Department staff takes safeguarding its assets seriously and strives to meet its overall goal for zero shortages in its physical inventory.

The district provided us with a copy of an internal memorandum that discusses the results of the annual warehouse inventory. The report stated that there was a \$4,872.77 shortage. This translated to 0.6% of the estimated annual supplies sold through the warehouse. The department was extremely disappointed that these differences existed. Given the size of the operation, we found these results to be admirable. However, they do not meet the district's overall goal of zero differences.

13 The district continually evaluates the inventory function to determine its cost-effectiveness.

The Warehouse Department reviews its inventory levels to monitor targeted inventory levels and stock turnover and performs trend analysis to compare the district's current inventory levels with previous years.

All the warehouse's inventory analysis is manually prepared. The current system does not have the capability to provide any type of management reports for analysis.

In the trend analysis, the previous two years' monthly purchases, inventory levels and wages are compared with the current year. Stock turnover is calculated for each month of all three years to ensure that the district is on target.

The district implemented a goal to keep inventory levels of 90 days or less. In reviewing the inventory data for the 1999-2000, 2000-01, and 2001-02 school years, the district has outperformed its goal. The Coordinator of Warehouse and Property Control explained that the inventory levels fluctuate depending on the time of the school year. At the beginning of the school year, the goal is to have a 90-day inventory level, but by the end of the school year, the goal is to have substantially less. The inventory levels at the beginning of the school year for both 1999-2000 and 2000-01 years were slightly over the 90-day inventory level, while at the end of the school year, inventory level was almost at 60 days.

Additionally, the district has demonstrated its efforts to strive for a more cost effective operation by decreasing the inventory levels in the past three years. The district decreased the inventory level by 11.8% from fiscal years 1999-00 to 2000-01, and 10.8% from fiscal years 2000-01 to 2001-02. Exhibit 14-18 shows the inventory levels at the end of November for the last three school years.

Exhibit 14-18

Average Warehouse Inventory Levels November 1999-2000 through 2001-02

	1999-00	2000-01	2001-02
Value	\$2,114,092	\$1,864,178	\$1,663,055
Percentage of decrease from prior year		11.8%	10.8%

Source: HCS D Department of Warehouse and Property Control.

With the implementation of the Rapid Response Delivery System, discussed previously, the district will reduce its inventory level substantially. In addition, the system will significantly reduce the warehouse staffing requirements.

Recommendations

- We recommend reducing seven employees with the implementation of the Rapid Response Delivery System in addition to the nine vacant positions when the Rapid Response Delivery System is fully implemented. The delivery and inventory sections of the Warehouse Department will be primarily affected by this implementation. The specific positions that should be reduced are one Storekeeper III, two Storekeeper II's, two Storekeeper I's, and two laborers.
- We recommend that the Coordinator of Warehouse and Property Control ensure that the new ERP system has the capability to generate the trend analysis and stock turnover reports that are currently being prepared manually. Additionally the Coordinator of Warehouse and Property Control and staff should identify additional reports to be designed to enhance the analysis of warehouse operations.

Action Plan 14-5 provides the steps needed to implement these recommendations.

Action Plan 14-5

Reduce Warehouse Staff with the Implementation of the Rapid Response Delivery System	
Strategy	Reduce warehouse staff by seven FTE's with the implementation of the Rapid Response Delivery System in addition to the nine currently vacant positions.
Action Needed	Step 1: When the Rapid Response Delivery System is fully implemented the Coordinator of Warehousing and Property Control should eliminate the additional seven positions.
Who is Responsible	Coordinator of Warehousing and Property Control
Time Frame	October 2002
Fiscal Impact	The district will save \$188,218 annually by eliminating these positions for a total savings of \$941,090 over the next five years.

Ensure that the ERP Can Generate Automated Inventory Analysis Reports	
Strategy	Ensure that the new ERP system has the capability to generate trend analysis and stock turnover reports that are currently being manually prepared and identify additional reports to be designed to enhance analysis of the Warehouse operations.
Action Needed	<p>Step 1: The Coordinator of Warehouse and Property Control identifies additional reports that would be useful to analyze the Warehousing functions.</p> <p>Step 2: The Coordinator of Warehouse and Property Control meets with the project insight team to determine the ERP system's reporting capabilities for the warehouse and whether additional programming is necessary to produce the reports needed. If the ERP system has the reporting capabilities, no further action needed. If the ERP system needs to be modified to create the warehouse analysis reports go to step three.</p> <p>Step 3: The Coordinator of Warehouse and Property Control and the project insight team meet with the software company representative to spec out the reporting requirements.</p> <p>Step 4: The software company representative implements the reporting requirements changes.</p>
Who is Responsible	Coordinator of Warehouse and Property Control
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

Risk Management

An effective risk management program aims to control costs by ensuring that the district is adequately protected against all significant losses with the lowest possible insurance premiums. Increasing costs for health, property, and liability insurance coverage have demanded that school district administrators develop risk management programs that focus on cost containment. Sound risk management involves:

- Identifying operational areas where hazardous situations may occur or opportunities for physical property loss may exist in order to minimize exposure for financial loss; and
- Analyzing the cost-effectiveness of health, workers' compensation, and property insurance as well as alternative insurance coverage such as self-insurance and other current industry trends.

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. School districts are required by state statute to ensure that adequate insurance is maintained to protect the district against potential loss.

- **Section 230.23(9)(d), F.S.**, requires that a school district carry insurance on school property, including contents, boilers, and machinery;
- **Section 230.23(10)(h), F.S.**, requires that school districts carry insurance (bonds) on all employees who are responsible for school funds; and
- **Section 230.23(10)(k), F.S.**, requires school districts to provide adequate protection against any loss or damage to school property or loss resulting from any liability for which the board or its officers, agents, or employees may be responsible for under law. This section also provides that a board is authorized to purchase insurance, to be self-insured, to enter into risk management programs, or to have any combination of the above in any area to the extent the board is either authorized or required by law to contract for insurance.

The district is self-insured for its workers' compensation, general liability and auto insurance coverages. RSKCo Claims Services, Inc., is the third-party administrator (TPA) for the district's self-insurance plan. The property insurance, law enforcement professional liability insurance, allied health professional liability insurance, and excess workers' compensation insurance coverages are brokered through Arthur J. Gallagher & Company. Davis Baldwin brokers the fidelity bonds for the district. The district enlists a number of different insurance brokers to provide coverage as a means to ensure competitive edge pricing is maintained. Exhibit 14-19 summarizes the insurance policies, exclusive of health insurance, in force at the district.

Exhibit 14-19

HCS D General Insurance Policies

Type	Carrier	Limits	Deductible	Premium
Boiler & Machinery	C N A	\$50,000,000	\$5,000	\$24,967
Law Enforcement Accident	Life Ins Co	\$75,000 D/\$50,000 ACC		\$978
Graduation Liability	National Fire	\$1,000,000/\$1,000,000	None	\$3,314
Fidelity/Chairman/Reddick	Safeco	\$12,000	None	\$100
Fidelity/V. Chairman/Kurdell	Safeco	\$12,000	None	\$100
Public Official/Lennard	Safeco	\$15,000	None	\$270
Fidelity/Barrington	Safeco	\$2,000	None	\$355
Fidelity/Brickmeyer	Safeco	\$2,000	None	\$355
Fidelity/Kurdell	Safeco	\$2,000	None	\$355

Type	Carrier	Limits	Deductible	Premium
Fidelity/Lamb	Safeco	\$2,000	None	\$355
Fidelity/Newsome	Safeco	\$2,000	None	\$355
Fidelity/Olson	Safeco	\$2,000	None	\$355
Fidelity/Kurdell	Safeco	\$2,000	None	\$355
Law Enforcement Prof. Liability	Lloyds	\$500,000/\$1,000,000	\$100,000	\$63,777
Allied Health Prof. Liability	CIGNA	\$1,000,000/\$3,000,000		\$17,370
Property	Layered	\$500,000,000	\$100,000/ \$1,000,000	\$2,789,593
Deputy Sheriff Bond	Old Republic	\$1,000	None	\$100
Underground Storage Tank	Southeast	\$1,000,000/\$2,000,000	\$10,000	\$5,459
General Liability	Self	\$100,000/\$200,000 per	By statute	
Auto Liability	Self	\$100,000/\$200,000 per	By statute	
Workers' Compensation Claims Contract	RSKCo (TPA)	Self-Insured	N/A	\$702,19 (fee)
Excess Workers' Compensation	Continental Casualty	\$1,000,000/\$1,000,000	\$350,000	\$1,319,599
Cat Sports/Student	Mutual of Omaha	\$5,000,000 Medical	\$25,000	\$25,462
Student ACC (Athletic)	Mega Life	\$25,000		\$83,536
Employee Dishonesty Bond	C N A	\$1,000,000	\$5,000	\$7,890

Source: HCSD Employee Benefits & Risk Management Department.

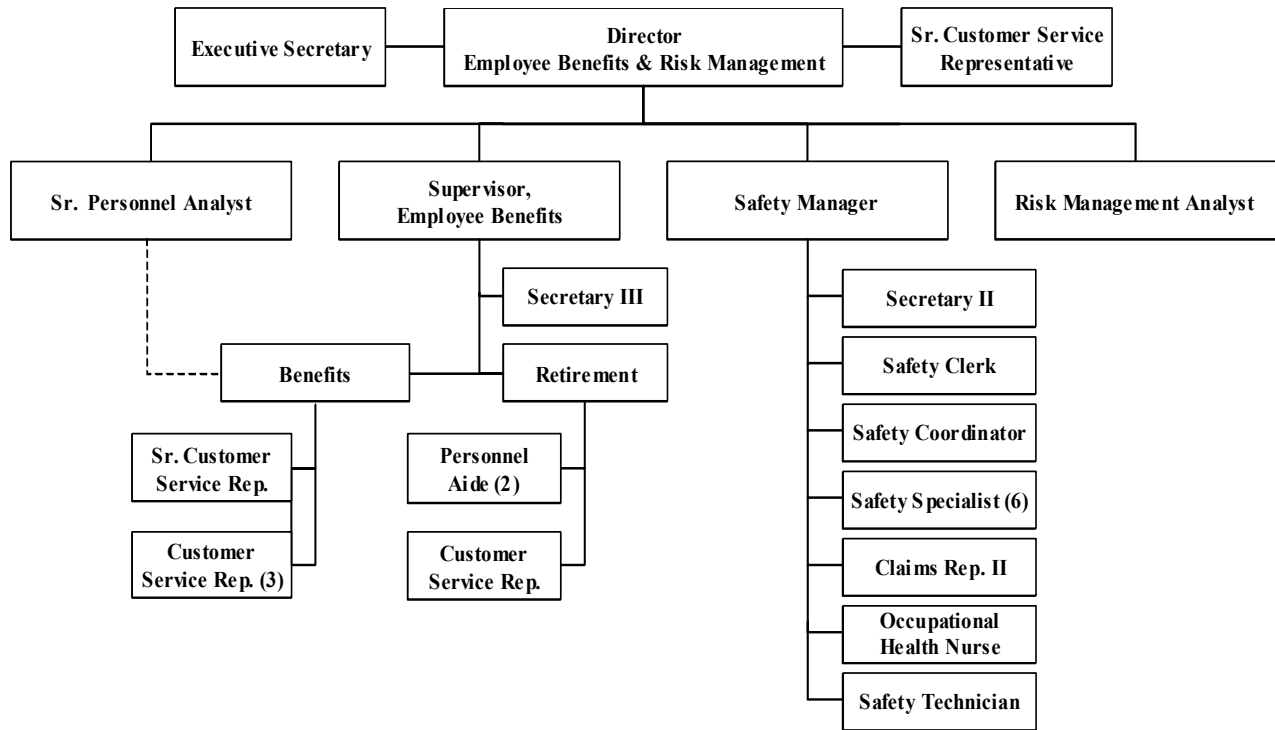
The Employee Benefits & Risk Management Department is under the Human Resources Division. The Director of Employee Benefits & Risk Management is responsible for the daily functions of the Employee Benefits & Risk Management Department. The department oversees and administers the insurance programs carried by the district and attempts to identify areas where costs can be reduced.

The Safety Office, a component of the Employee Benefits & Risk Management Department, assumes the responsibility for maintaining and controlling the risks associated with the physical environment. It is responsible for continually monitoring the district's physical environment to ensure that all safety measures are in place, identifying areas where potential risks exist, and taking appropriate action to eliminate the risks where possible. The Safety manager is responsible for the daily functions of the office. There are six safety specialists assigned to specific areas within the district. These specialists respond to any complaint or emergency within their area. In addition, there are occupational nurses on staff who provide safety related training throughout the district and assess employees that have been injured on the job.

The Employee Benefits and Risk Management Department's organization chart is presented below in Exhibit 14-20.

Exhibit 14-20

Employee Benefits and Risk Management Department Organization Chart



Source: The Hillsborough County School District.

14 The district has instituted a number of innovative risk management programs to reduce costs; however, the process to evaluate program effectiveness and to identify and evaluate risks could be improved for some programs.

The district is piloting an integrated health services program to provide comprehensive health and wellness services to high school students and staff members.

In June 2000, the board approved the integrated health services pilot program. State funding was available to defray the costs of the pilot. The district matched the State funding from the district's workers' compensation fund. The pilot program placed full-time registered nurses (RN), nurse practitioners and other healthcare professionals in all high schools. The results of the first ten months of the pilot program were presented to the board June 19, 2001, including a total dollar savings of \$716,676. These results include:

- Full-time healthcare staff at nine schools for the first time, resulting in 79,000 visits by students to these newly established clinics and 84% of those students were treated and sent back to class (Increased access to care);

- Of the 5,246 staff visits conducted at the 19 high schools, 94% were treated and returned to work, saving both sick leave and substitute expense (Improved productivity);
- The costs associated with occupational injuries at the high schools were 50% of the previous year's costs (\$493,876 saved);
- If the over 4,700 non-occupational adult visits to the school clinics had otherwise been to a physician's office, employees would have incurred co-payment expenses and the district would have paid additional claims (staff saved an average \$47,000 and the district saved an estimated \$212,000); and
- Substitute time charged to occupation injuries was reduced by 39% for instructional employees and 56% for non-instructional employees (\$10,800 saved).

The program has been extremely well received by the participants in the pilot. Pre and post-test employee surveys revealed that 98% of the respondents related a positive experience with the program. Of the employees who were seen by the school's RN or nurse practitioner for a worksite injury, 94 % reported receiving satisfactory to excellent care.

The Superintendent recommended that the plan be continued at all of the high schools and expanded to 20 middle and elementary schools where the Healthy Student Program is already in place. The district expects to receive State funding of \$550,000 and plans to match \$550,000 from the workers' compensation fund. During Gibson Consulting Group, Inc.'s second on-site visit, the future of this program was uncertain given the concerns over reduced State funding currently being discussed in the State Legislature.

The district provides a number of health insurance options to its employees.

District employees are provided with a number of health insurance plans to choose from. The employee benefits staff reviews each insurer's responsiveness and its history of benefit payments on a regular basis to ensure that the companies are meeting the needs of district staff. The district has a mature staff population that results in higher average premium costs. Exhibit 14-21 summarizes the health plan choices available to district employees and the current premium cost. The district is paying 41% more per month in health insurance premiums in fiscal year 2001-02 than it did during fiscal year 2000-01. The average annual cost for health insurance is estimated to be \$4,112 per employee. Of that amount, the district pays \$3,327 per employee.

Exhibit 14-21

HCS D Health Insurance Coverage Premium Cost Per Month for Fiscal Year 2001-02

Plan	Board Paid	Employee Paid	Total Premium
HUMANA PLANS			
HMO – Health Center			
Employee	\$227.23	\$0.00	\$227.23
Employee +1	\$229.60	\$187.86	\$417.46
Family	\$292.50	\$329.85	\$622.35
2 BPI	\$510.33	\$112.02	\$622.35
HMO – IPA			
Employee	\$244.15	\$0.00	\$244.15
Employee +1	\$247.35	\$202.38	\$449.73
Family	\$321.25	\$362.27	\$683.52
2 BPI	\$560.49	\$123.03	\$683.52

Plan	Board Paid	Employee Paid	Total Premium
<i>HMO – POS</i>			
Employee	\$297.28	\$0.00	\$297.28
Employee +1	\$308.49	\$246.68	\$548.17
Family	\$383.62	\$432.60	\$816.22
2 BPI	\$669.30	\$146.92	\$816.22
<i>HMO – PPO</i>			
Employee	\$297.28	\$215.88	\$513.16
Employee +1	\$301.49	\$713.21	\$1,014.70
Family	\$383.62	\$831.43	\$1,215.05
2 BPI	\$669.30	\$545.75	\$1,215.05
CIGNA PLANS			
<i>HMO – Health Center</i>			
Employee	\$263.31	\$0.00	\$263.31
Employee +1	\$263.31	\$197.58	\$460.89
Family	\$322.03	\$363.14	\$685.17
2 BPI	\$561.84	\$123.33	\$685.17
<i>HMO – IPA</i>			
Employee	\$268.65	\$0.00	\$268.65
Employee +1	\$268.65	\$204.25	\$472.90
Family	\$337.09	\$380.12	\$717.21
2 BPI	\$588.11	\$129.10	\$717.21

BPI – both spouses work for HCSD and are eligible for individual health coverage.

Source: HCSD Employee Benefits & Risk Management Department.

The Employee Benefits staff leads retirement seminars to provide information, direction, and assistance to retiring employees.

The customer service representative holds a weekly seminar to provide information to district staff that may have questions related to their retirement benefits. During this seminar, each participant is provided with a packet containing the forms that must be filled out in order to receive retirement benefits. The Employee Benefits staff types any information that can be filled out prior to handing out the forms to staff. The Customer Service Representative addresses eligibility issues, explains the State’s Deferred Retirement Option Program (DROP) and provides staff with telephone numbers they can call for further information. The group seminars enable the district to efficiently and effectively reach a large number of district staff and maintain the consistency of the information provided.

The district has instituted an owner controlled insurance program to increase control of the insurance and risk management process.

Owner Controlled Insurance Programs (OCIPs) are construction insurance programs purchased by an organization to meet the following goals:

- Improve project safety and loss-control programs through tighter supervision;
- Standardize the coverage for all contractors reducing the potential of uninsured exposure to the district;
- Purchase more coverage at lower costs through increased purchasing power;
- Increase the opportunity for small and minority contractors to participate in projects; and
- Significantly reduce the cost of construction insurance.

The primary benefit that an OCIP provides the district is the assurance that all construction sites have adequate insurance coverage in place. This reduces the district's potential liability in the event that a student, employee, or community member should become injured at the site. In June 2000, the board awarded a five-year contract to Willis, Inc., to design, implement, and manage its OCIP. The district currently covers over \$750 million in construction and estimates that this program will save the district between \$19 million and \$29 million over the five-year term of the contract.

The district employs two occupational nurses to review the care given to employees claiming workers' compensation benefits and provide districtwide training in an effort to highlight safe practices.

The occupational nurses report to the Safety Manager. The nurses' duties include meeting with employees that are claiming workers' compensation benefits to determine when or if they are able to return to work. In the cases where the employees will never be able to return to their previous job, the nurses attempt to find other jobs within the district that could be performed given their limitations. In addition, the nurses often act as a liaison between the TPA and the employee when there are problems related to medical treatment. They can assess whether the care being provided is in line with the work-related injury and ensure that it meets the appropriate standards. The nurses provide input into what physicians should be included in the district's plan network.

In February 2001, RSKCo Claim Services, Inc., prepared its Annual Stewardship Report. In the report, the study cited that 37.5% of the total number of back claims and 28% of the dollars spent was related to improper lifting. The occupational nurses developed a training workshop related specifically to proper back care and lifting and reaching techniques. Child Nutrition Service staff had the highest increase in back related injuries. The occupational nurses conducted a workshop specifically targeted to this occupation class.

Finally, the occupational nurses assist the safety specialists in identifying on-site hazards that could contribute to an accident. They investigate the accident site and evaluate if any condition at the site contributed to the accident. The nurses told the review team that they are continually assessing sites to ensure that hazards have not developed.

The Safety Office has established a training program to facilitate increased awareness of safety.

Each site administrator/principal appoints a safety monitor. This individual is responsible for the following tasks:

- Coordinate all safety activities with the district's Safety office for his/her respective worksite;
- Act with authority of site administrator/principals as the safety representative for the site;
- Ensure monthly inspection is performed per checklist;
- Investigate employee complaints and accidents;
- Chair the Site Safety committee;
- Maintain safety bulletin boards;
- Provide and/or arrange for safety training to site employees;
- Maintain or oversee records of accidents, employee training and inspections;
- Coordinate required hazardous material communications and waste disposal;
- Perform other safety duties as directed by the site administrator/principal;

Cost Control Systems

- Report all observed unsafe acts or conditions to the appropriate supervisor; and
- Maintain Site Safety Monitor Handbook.

The Safety Office has developed a training program for all safety monitors in the district. All training is documented and filed at the worksite. The training consists of:

- Introduction to Federal OSHA;
- Overview of Florida Safety Regulations;
- Emergency plans;
- Instructional techniques for safety training;
- Accident reporting and investigation;
- Job safety analysis;
- New employee orientation safety training requirements;
- Job-specific training;
- Contents of district safety program, including responsibility of various levels of administration;
- Site safety committee and employees' suggestion program;
- Enforcement of safety rules and regulations;
- Review of Standards 29 CFR 1910, 29 CFR 1926, or 29 CFR 1928; and
- Inspections – internal and external.

By providing comprehensive training to these safety monitors, the district has communicated its commitment to safety. There is a knowledgeable individual with the appropriate training on-site at all times.

The Safety Office has instituted procedures to reduce the physical risks found throughout the district, but has no means in place to track cost containment and success.

The State requires that all safety specialists be certified fire inspectors. The department has taken an active role in establishing programs that reduce the physical risk within the district. There are six safety specialists that are assigned to specific areas throughout the district. Each safety specialist is responsible for investigating any accidents, safety violations or potential risks that exist within their assigned area. In addition, the safety specialists conduct regular fire drills and provide any site safety training that may become necessary.

The department has established procedure protocol and specialized training programs in response to specific risk factors that exist in the district. These risk factors include:

- ***Indoor Air Quality:*** The district's safety personnel have developed State recognized protocols for testing indoor air quality. The program has received an award from the Environmental Protection Agency. The safety specialists are certified to test air quality in their areas, saving the district an estimated \$250,000 per year.
- ***Hazardous Materials:*** The district's safety specialists are certified to perform asbestos testing. This saves the district consulting fees. The specialists evaluate any hazardous material risk and will perform the clean up if possible. Tampa is a port city and is at higher risk for a hazardous material emergency than a non-port city. The Safety Office has been instrumental in bringing together city and county officials to develop an emergency response program. For example, the district's review team examined detailed blueprints of a pipeline carrying ammonia hydroxide that runs throughout the

district. Pinecrest Elementary School was in close proximity to a line with an ammonia leak. Luckily, the spill was contained and no injuries resulted. In addition, the district established guidelines and procedures related to the “Shelter in Place” concept. These guidelines set out step-by-step procedures to be followed in the event that a site cannot be evacuated.

- **Hazardous Walking Areas:** The district receives approximately \$4.5 million annually, approximately \$400 per student, from the State to be reimbursed for busing students in hazardous walking areas. The State requires that any student that must pass through a hazardous area in order to reach the school must be bused. A safety specialist walks all potential hazardous routes and determines if a bus should be sent.

Each of these programs has provided significant benefit to the district. However, there is no way to accurately quantify the dollar benefit these programs have provided. Additionally, the district does not formally track the historical results in any of these areas. This makes it difficult to evaluate the overall effectiveness of each program, to follow up on issues, to record actions that have been taken, or to establish corrective measures that can be implemented districtwide.

The district does not have a formal mechanism in place to evaluate means to reduce potential risks associated with injuries occurring on district property.

The Employee Benefits and Risk Management Department has weekly staff meetings to identify problems and devise strategies to best deal with the issue. In addition, the district meets with claim adjusters, insurers, attorneys, department heads, and any other parties that are involved with a particular issue. Although district communication within the department, the district, and the professional consultants is good, no process has been established to formally evaluate historical data to direct risk management programs. The data is available through RSKCo’s Annual Stewardship Report, it has not been evaluated to identify whether trends exist. The district does not have an electronic tracking tool that it can use to assist with this type of analysis.

The district is ignoring a valuable tool by not analyzing the available data. A trend analysis could direct training programs, identify dangerous facilities, or spot previously unnoticed safety violations. It will enhance cost containment measures by ensuring that all identifiable potential risks are being addressed and steps are being taken to reduce or eliminate them.

The district has persistently maintained a deficit fund balance in its self-insured workers’ compensation fund and is not reviewing the status of the plan to eliminate the deficit.

The Auditor General included a finding in the audits for both the 1997-98 and 1998-99 fiscal years relating to the district’s deficient retained earnings in the workers’ compensation plan and the district’s lack of a formal plan to fund the deficit. In accordance with applicable accounting standards for self-insurance plans, the district engages an actuary to estimate its claims liability using established loss reserve techniques. Exhibit 14-22 compares the estimated workers’ compensation claims liability from 1996 through 2001. The district’s liability has increased each year except 1999.

Exhibit 14-22

Workers’ Compensation Self-Insured Fund Actuarial Report Comparisons 1996 through 2001 (Present \$ Value)

	1996	1997	1998	1999	2000	2001
Claim Liability	\$20,655,334	\$24,204,709	\$29,804,858	\$28,804,078	\$33,999,614	\$34,864,923
% Change	24.3%	17.2%	23.1%	(3.4%)	18.0%	2.6%

Source: HCSD Employee Benefits & Risk Management Department.

Exhibit 14-23 compares the annual claim payments and other plan-related expenses and the ending fund retained earnings reported in the last three audit reports and the district's CAFR for the year ending June 30, 2001.

Exhibit 14-23

Workers' Compensation Self-Insured Fund Balance 1998 through 2001

	1998	1999	2000	2001
Beginning Retained Earnings	(\$19,840,874)	(\$19,786,603)	(\$22,503,567)	(\$15,848,258)
Net Gain/(Loss) for Fiscal Year	\$54,270.95	(\$2,716,964)	\$6,655,309	(\$6,058,000)
Ending Retained Earnings	(\$19,786,603)	(\$22,503,567)	(\$15,848,258)	(\$21,906,258)

Source: Audited Financial Statements 1998 through 2000 and HCSD CAFR 2001.

Exhibit 14-24 compares the amount the district contributed in premiums and the amount paid out in claims between 1998 and 2001.

Exhibit 14-24

Workers' Compensation Self-Insured Fund Comparison of Premiums Contributed versus Claims Paid 1998 through 2001

	1998	1999	2000	2001
Premiums Contributed	\$12,401,000	\$13,992,000	\$15,374,000	\$6,331,000
Claims Paid	\$11,363,000	\$15,840,000	\$9,989,000	\$11,936,000
Surplus (Shortfall)	\$1,038,000	(\$1,848,000)	\$5,385,000	(\$5,605,000)

Source: Audited Financial Statements 1998 through 2000 and HCSD CAFR 2001 (Rounded to nearest thousand).

There has been a wide variance over the last four years between the amount of premiums contributed and the claims paid. The claims paid may be somewhat skewed by the district settling older claims in a given year.

In 1998, the district put in place a ten-year plan to eliminate the deficit in the workers' compensation fund. The plan includes the following assumptions:

- 5% annual increase in the contribution rate;
- 4% annual increase in claims paid;
- 10% annual increase in limited duty personnel;
- 2% annual increase in miscellaneous expenses; and
- 5% annual increase in reserve.

In order to accomplish this goal, there must be direct communication between the Business and Information Technology Services Division and the Human Resources Division. When determining the annual funding level, the district must consider the impact on the ten-year plan. The Budget Department cannot develop the assumptions independently from the Employee Benefits and Risk Management Department.

District management does not seem to be overly concerned with the deficit. Historically, workers' compensation claims increase during times of economic recession. The district has only funded approximately one and one-half years of claims. By ignoring the potential liability, the district is putting itself at risk for a financial crisis.

There is some disagreement between district management and the actuarial estimate of claims liability. The primary reason given for doubting the actuarial assessment is the fact that Miami-Dade County School District is a significantly larger district and has a much lower level of liability. This assessment may not necessarily be appropriate based solely on a comparison of the bottom lines. For example, the liability associated with the two plans would not be comparable if the number of years that the two districts have been self-funded is not the same. The district was able to convince a new actuarial firm to reduce their outstanding liability the first year they reviewed the plan. However, subsequently the liability has been raised. This fact, in itself, raises concern.

Upon review of the outstanding claims, it became evident that the age of the outstanding claims is driving the majority of the liability concern. Prior to 1997, the district refused to settle a workers' compensation claim. An open claim keeps the district at risk. A number of the oldest claims have reached the excess liability limits and are being paid by the district's excess claim insurer. The district does not have the jurisdiction to settle these claims. Over the past four years, the district has begun to make a concerted effort to settle older claims. This has increased the district's legal fees but has significantly reduced the district's liability.

The district has established a review committee that determines on a case-by-case basis whether or not a claim should be settled. However, the district has not set a threshold for how long and under what circumstances the district will continue to keep a claim open. In addition, the district has not performed a cost benefit analysis to determine what the net benefit is in settling older outstanding claims. Of the outstanding \$34,864,923 liability, 45.5% of the claims are three or more years old.

The district provides eligible employees the right to take early retirement without examining the true cost of this benefit.

The board implemented an Early Retirement Plan, effective August 1, 1984, pursuant to Section 231.495, *F.S.* The plan is a single-employer defined benefit plan. The purpose of the plan is to provide eligible district employees, who elect to retire under the early retirement provisions of the Florida Retirement System (FRS), with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. The board entered into an agreement with the Provident Bank, N.A., designating it as the Investment Manager and Custodian (Trustee) for the plan assets. The agreement also provides that the Trustee pay monthly benefits.

In order to be eligible, a district employee must be:

- Age 55 to 59;
- Completed at least 25 years, but less than 28 years of creditable service;
- At least 5 consecutive and uninterrupted years of service immediately preceding early retirement; and
- Applied for retirement under the Florida Retirement System.

According to the actuarial study conducted by Aon Consulting, Inc., there were 5,357 active employees eligible for early retirement for the fiscal year ended June 30, 2001. There were 342 retirees and beneficiaries in the plan as of the end of the 2001 plan year. The estimated minimum contribution for the 2002/2003 plan year is \$1,400,825, if made at the end of the plan year and \$1,309,182, if made at the beginning of the plan year. The actuarial assumptions include:

- 7% rate of return on the investment;
- 5% projected increase in salary;

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- 4% increase in post retirement benefits;
- No cost of living adjustments; and
- 30-year amortization period.

According to the actuarial study, 734 employees became eligible in 2001, while 486 employees were no longer eligible. The district assumes that approximately 30 to 35 eligible employees will take advantage of this benefit each year. In 2001, 43 eligible employees took advantage of the program and retired from the district. Exhibit 14-25 summarizes the increase in contribution levels for the early retirement program over the past three years. The average increase in contributions to the plan has been 9.5% annually.

Exhibit 14-25

Early Retirement Plan Contributions 1999 through 2001

	1999	2000	2001
Contribution	\$954,501	\$1,031,006	\$1,143,077
Annual Percent Change		8.0%	10.9%
Average Percent Change			9.5%

Source: HCSO CAFR 2001.

The early retirement program is used as an employee benefit and as a management tool to provide the employees in the high end of the salary schedule the opportunity to retire without losing any retirement benefits. The district feels that this program rewards those loyal employees that are not yet eligible to receive full State retirement benefits. From a strictly financial perspective, eliminating the early retirement program would be a fiscally responsible decision. However, from a human resources perspective, the district does not want to abandon any long-term employee. It is a difficult decision to make. However, the district must also protect its continuing financial stability, consider the periodic State retirement plan changes and options available to employees, and address this issue considering all variables.

In July 1998, the FRS introduced the Deferred Retirement Option Program (DROP). This program allows an eligible district employee to retire from the FRS but continue to work for the district for a period of no more than five years after entering DROP. During the five years that the employee continues working for the district, the FRS holds his/her retirement earnings in trust until employment has been terminated.

In order to be eligible, a district employee must:

- Be age 62 with at least 6 years of service; or
- Have 30 years of service at any age.

In addition, the Florida Legislature is in the process of revising the FRS to allow members the choice to invest retirement funds in a 401K-type investment plan. The FRS employees will be able to choose between the current traditional pension plan and a new self-directed investment plan beginning in 2002. Any employee opting to enroll in the self-directed investment plan will not be eligible for the early retirement plan.

These two retirement options may have the effect of decreasing the number of employees choosing the district's early retirement plan. Currently 23.4% of the district's current employees are eligible for the plan. Of the number of employees currently eligible, approximately 6% have taken advantage of the benefit. The early retirement program can provide cost savings to the district when highly compensated

employees performing mid-level tasks leave the district and can be replaced with lower paid personnel. However, in the case of high level positions, the cost savings may not be as significant since the district would have to offer a competitive salary for any new employee to fill the vacant position. The amount of money that must be dedicated to fund this program is difficult to justify when the percentage of employees eligible for the benefit is so small and such a low percentage of the eligible employees elect to participate.

These dollars could be directed to employee programs that will benefit a higher number of district employees, and/or redirected into the classrooms.

Recommendations

- *We recommend that the district continue to expand the integrated health program. The pilot results were extremely impressive. If the program experiences the same success in the middle schools and elementary schools, the potential hard and soft dollar benefits more than offset the anticipated cost. (A soft dollar benefit relates to an intangible benefit that does not have any direct and quantifiable dollar benefit, such as enhanced employee morale, lower turnover, etc.) Research has shown that in most non-life threatening injuries, the sooner an injury can be treated the shorter the recovery period. The first year of the program cost the district \$500,000 with matching funds received from the State. However, the district saved \$716,676, a net savings of \$216,676. This savings does not include the soft dollar benefits received from the program. However, if the State discontinues matching funds for this program, the district will not be able to continue the program.*
- *We recommend that the district provide lifting diagrams to be posted throughout the district in areas where lifting entails a major portion of the job responsibilities, such as in the warehouse, property control and school cafeterias.*
- *We recommend that the Safety Office create a formal tracking mechanism to evaluate the effectiveness of its safety initiatives. This will ensure that no issues are dropped before being fully investigated. It will also allow the department to develop more effective programs that can be expanded or geared down based on the results. It is virtually impossible to assign a dollar impact to the successful initiatives that have been put into action by the Safety Office. The district is not taking advantage of a positive asset that could translate to tremendous soft and hard dollar savings down the road.*
- *We recommend that the project insight team ensure that the Lawson ERP provides the employee benefits and risk management staff the ability to integrate loss data and provide management reports that can be used to identify trends and potential risk areas. According to the project insight team, Lawson has a module that can track this type of data and the existing programming staff believes they can develop any necessary crosswalk to compile RSKCo Claims Services, Inc., data.*
- *We recommend that a Workers' Compensation Management Committee be formed and given the task of analyzing historical loss data, study other Florida district's workers' compensation plans, evaluate the progress the district is making toward fully funding the workers' compensation fund, and develop action plans that are driven by the analysis.*
- *We recommend that the district consider eliminating the early retirement program. It is unlikely that the dollar benefits of retiring a highly paid long-term employee and replacing*

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the position with an employee that is compensated at a lower rate would be enough to justify the dollars that must be dedicated to this program. If the district chooses to, the board could vote each year to determine if it wanted to offer the program in a given year. Under this approach, the district would be under no obligation to offer this program.

- *We recommend that district management find an alternative means of “retiring” long-term employees that are at the highest end of the pay scale that are not eligible to receive full State retirement benefits and no longer wish to remain working. For example, a severance package based on years of service could be established that would pay one week’s salary for every year served. The criteria should be the same as the eligibility requirements of the early retirement program.*

Action Plan 14-6 provides the steps needed to implement these recommendations.

Action Plan 14-6

Expand the Integrated Health Program	
Strategy	Expand the integrated health program by including another 10 middle schools and 20 elementary schools. The district should have all schools integrated within the next ten years.
Action Needed	<p>Step 1: The Director of Employee Benefits and Risk Management updates the results from the program for the current year and completes the application for further State matching funds.</p> <p>Step 2: Once the State funding has been approved, the Assistant Superintendent of Human Resources, the Assistant Superintendent of Supportive Services, the Director of Employee Benefits and Risk Management, and the Director of Student Services draft an agenda item to continue and expand the integrated health program</p> <p>Step 3: The Superintendent presents the agenda item to the board.</p> <p>Step 4: The board approves continuing the program.</p> <p>Step 5: The Director of Employee Benefits and the Director of Student Services draft the expansion strategy.</p> <p>Step 6: The district initiates expanding the program into another 10 middle schools and 20 elementary schools.</p>
Who is Responsible	Assistant Superintendent of Human Resources Assistant Superintendent of Support Services Director of Employee Benefits and Risk Management Director of Student Services
Time Frame	August through October 2002
Fiscal Impact	Assuming that the total savings in the first year was \$716,676 and that the program saves 60% of its prior year net savings in each subsequent year, the savings in the first year would be \$430,006, in the second year \$258,003, in the third year \$154,802, in the fourth year \$92,881, and in the fifth year \$55,729. The total five-year savings to the district would be \$991,421.

Post Lifting Diagrams Throughout the District	
Strategy	Post proper lifting technique diagrams throughout district. The creation of these posters should be set up as a Vocational Education project for students.
Action Needed	<p>Step 1: The occupational nurses prepare a step-by-step Visio flow diagram of the proper lifting technique.</p> <p>Step 2: The Safety Manager reviews the diagram for accuracy.</p>

	<p>Step 3: The Director of Employee Benefits and Risk Management forwards the Visio file electronically to the district's Vocational Education Department.</p> <p>Step 4: The Vocational Education Department assigns the creation of the posters to an art and media design class.</p> <p>Step 5: The Vocational Education Department forwards a mock-up of the poster to the Safety office for review.</p> <p>Step 6: The occupational nurses review the draft and recommend any changes, if necessary.</p> <p>Step 7: The students in the art and media design class incorporate any required changes and finalize the poster.</p> <p>Step 8: The poster is forwarded to the district copy center to be reproduced.</p> <p>Step 9: The Safety Office posts the new poster in all departments where lifting is a routine part of their job.</p>
Who is Responsible	Safety Manager Vocational Education Department
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Create a Mechanism to Track Safety Programs

Strategy	Create a formal tracking mechanism to evaluate effectiveness of safety initiatives. The district will have to fill the vacant clerk position.
Action Needed	<p>Step 1: The Safety Manager prepares an agenda item requesting that the board allow the department to fill the currently vacant Clerk I position.</p> <p>Step 2: The Superintendent presents the agenda item to the board.</p> <p>Step 3: The board approves filling the vacant position.</p> <p>Step 4: The Safety Manager prepares a detailed need assessment for a database that could track the safety initiatives.</p> <p>Step 5: The Safety Manager meets with the Manager of Applications Programming Support to review the database requirements.</p> <p>Step 6: IS develops a networked database that can access data from Lawson and be directly updated with data that exists outside of the ERP.</p> <p>Step 7: The Safety Manager sets out the report specifications for IS staff to program.</p> <p>Step 8: The Clerk I position is responsible for updating the database.</p> <p>Step 9: At each weekly staff meeting, the safety specialists review the status reports and set up new projects to be tracked as necessary.</p>
Who is Responsible	Safety Manager Safety Specialists IS programming staff
Time Frame	May 2003
Fiscal Impact	It will cost the district \$19,196 annually to fill the Clerk I position. The position would not be filled until the second year. Therefore, the five-year cost of this recommendation would be \$76,784.

Ensure New System Can Track Loss Data

Strategy	Ensure that the ERP system provides loss data tracking ability.
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Action Needed	<p>Step 1: The Director of Employee Benefits and Risk Management and the risk management analyst meets with the project insight team to determine what its data needs are and to test the system to determine what information is available.</p> <p>Step 2: The risk management analyst reviews reports that can be retrieved from the RSKCo Claims Services, Inc., database.</p> <p>Step 3: The project insight team evaluates whether the RSKCo Claims Services, Inc., database is compatible with Lawson.</p> <p>Step 4: An IS programmer is assigned to program, if necessary, a crosswalk to compile RSKCo Claims Services, Inc., data with Lawson data so that management reports can be generated.</p> <p>Step 5: The risk management analyst periodically reviews the historical loss data to identify any trends and develops recommendations to address any resulting patterns.</p>
Who is Responsible	<p>Director of Employee Benefits and Risk Management Risk Management Analyst IS programming staff</p>
Time Frame	May 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Organize a Committee to Address Workers' Compensation Issues

Strategy	Organize Workers' Compensation Committee.
Action Needed	<p>Step 1: The assistant superintendent of Human Resources and the assistant superintendent of Business and Information Technology Services appoint committee members that include:</p> <ul style="list-style-type: none"> • Director of Employee Benefits and Risk Management; • Director of Budget and Cash Management; • General Director of Finance; • Safety Manager; • Risk management analyst; • Claims representative; • RSKCo Claims Services, Inc., representative; and • Occupational nurses. <p>Step 2: The committee establishes goals and objectives.</p> <p>Step 3: The committee assigns a member to review other Florida district's workers' compensation programs to see if there are any improvements that can be incorporated into their own program.</p> <p>Step 4: The committee assigns a member to track historical loss data.</p> <p>Step 5: The committee assigns a member to track the program costs.</p> <p>Step 6: The committee meets monthly and reports on loss data, annual costs to date, status of cases selected to be settled and to outline action plans to address any issues that arise.</p>
Who is Responsible	<p>Assistant Superintendent of Human Resources Assistant Superintendent of Business and Information Technology Services</p>
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Eliminate the Early Retirement Program

Strategy	Consider eliminating the early retirement program.
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Action Needed	<p>Step 1: The Employee Benefits supervisor drafts an agenda item to eliminate the early retirement plan and provides a recommendation to set a deadline for those currently eligible to enroll.</p> <p>Step 2: The Superintendent presents the agenda item to the board.</p> <p>Step 3: The board approves the elimination of the program.</p> <p>Step 4: The Superintendent and Director of Employee Benefits and Risk Management draft a memorandum to staff notifying them that the program is to be discontinued and what the deadline is for eligible employees to enroll.</p> <p>Step 5: The draft memorandum is sent to all deputy superintendents, assistant superintendents, and directors to review prior to being sent out districtwide.</p> <p>Step 6: The Superintendent sends the memorandum to all staff.</p> <p>Step 7: An agenda item is prepared annually by the Assistant Superintendent of Human Resources to consider purchasing an annuity for eligible employees during that school year.</p> <p>Step 8: The Superintendent presents the agenda item.</p> <p>Step 9: The board approves or denies the agenda item based on availability of funds to finance annuity.</p>
Who is Responsible	<p>School Board Superintendent Director of Employee Benefits and Risk Management</p>
Time Frame	January 2003
Fiscal Impact	<p>It is unlikely that the district would be in a position to purchase the annuity during the next five years. No savings is anticipated in the first year since the district will be offering the program to all eligible employees. However, in subsequent years the district will no longer need to make the minimum contribution in excess of \$1 million (\$1.4 million in 2002/03), escalating at an average of 9.5% annually. Assuming that the district must fund \$500,000 in year two, \$450,000 in year 3, \$400,000 in year 4, and \$350,000 in year 5 for the current participants, in the second year the district will save \$1,033,903, in the third year \$1,229,624, in the fourth year \$1,439,188, and in the fifth year 1,663,911. The five-year savings realized from this recommendation will be \$5,366,626.</p>

Offer a Severance Package to Certain Long-Term Employees

Strategy	<p>Offer a severance package to certain long-term employees that are at the highest end of the pay scale and no longer wish to remain with the district. The employees eligible for severance must have been with the district for more than 25 years.</p>
Action Needed	<p>Step 1: The Superintendent, Assistant Superintendent of Business and Information Services, the Assistant Superintendent of Human Resources and the district’s general counsel meet to devise a severance package that the district can afford.</p> <p>Step 2: The Director of Employee Benefits and Risk Management drafts an agenda item recommending that certain long-term employees at the highest end of the pay scale, that will meet the eligibility requirements of the early retirement program, and that no longer wish to remain at the district be offered a severance package.</p> <p>Step 3: The Superintendent presents the agenda item to the board for approval.</p> <p>Step 4: The board approves the recommendation.</p> <p>Step 5: Assistant superintendents meet with their department heads to identify any employees that will be offered the severance package.</p> <p>Step 6: Each department head meets with the employees to discuss the severance package.</p>

	Step 7: The selected employees are terminated with severance.
Who is Responsible	Board Superintendent Assistant Superintendent of Business and Information Technology Services Assistant Superintendent of Human Resources General Counsel Director of Employee Benefits and Risk Management
Time Frame	January 2003
Fiscal Impact	<p>Based on these assumptions:</p> <ul style="list-style-type: none"> • 1.0% of the existing eligible employees selected (54 employees) • 0.5% of 750 employees that would become eligible each year selected (4 employees) • 1 week pay for each year of service • Average of 26 years service <p>Average salary \$975 per week In the first year, the cost to the district would be \$1,368,900. In each subsequent year, the district's cost would be \$101,400. The five-year cost to the district would be \$1,774,500.</p> <p>However, there would be a savings to the district by implementing this recommendation. The district would fill these positions with less expensive employees:</p> <ul style="list-style-type: none"> • \$2,700,000 (54 employees at an average of \$50,000 per year) less \$1,890,000 (54 employees at an average of 35,000 per year); • \$200,000 (4 employees at an average of \$50,000 per year) less \$140,000 (4 employees at an average of \$35,000 per year); • In the first year, the savings to the district would be \$810,000. In each subsequent year, the district's savings would be \$60,000. The five-year savings to the district would be \$1,050,000. <p>Therefore, the net cost to the district to implement this recommendation would be \$558,900 in the first year and \$41,400 in each subsequent year. The five-year cost to the district would be \$724,500.</p>

Source: Gibson Consulting Group, Inc.

15 The district has comprehensive policies and procedures relating to acquiring and reviewing coverage for risks of loss.

The district acquires proposals for its various group and commercial insurance coverages provided by district officers and employees.

The district provided samples of requests for proposals for health and property and casualty insurance coverage for our review. The district uses a number of different brokers to provide the numerous coverages required by the district. They are responsible for taking the district's insurance requirements to market and finding the optimum coverage at the best price.

The district verifies that premiums are properly assessed and that any dividends or refunds are allocated correctly.

The risk management staff reviews all premium bills and invoices to ensure that they are in accordance with the bids and contract. The Director of Employee Benefits and Risk Management must approve the invoices before they can be authorized for payment.

Any insurance refund and/or claim recoveries that are received by the Risk Management Department are forwarded to the cashier with appropriate documentation. The attached documentation includes the following information:

- Name of person submitting deposit,
- Date,
- Type of deposit,
- Description of checks, check number, and amount of check,
- Site number,
- Fund number,
- Account number,
- Program number,
- Project number, and
- Amount.

The form is then signed by the receiving cashier and given a receipt number. The system automatically updates the general ledger when the receipt is entered.

The district has improved its procedures to periodically review the performance of the third-party administrator of its self-insured insurance plans.

The district contracts the administration of its self-insured workers' compensation, automobile liability, and general liability coverage to RSKCo Claims Services, Inc. The third-party administrator (TPA) is responsible for the processing, investigation, and payment of claims. The district contributes a specified premium amount for each employee. The premium contributions along with claim payments and other plan related expenses are accounted for in the internal service funds.

The district engages an independent auditor to audit the workers' compensation claims once every three years. In the years between these external audits, the Internal Auditing Department performs a claims audit for the district. A workers' compensation claims audit was performed on RSKCo Claims Services, Inc., in February 2001. Currently, district staff assigned to administering these claims for the district consists of a full-time liaison, three lost-time adjusters, and a medical-only adjuster. The auditors found that the unit works very closely with the district and has contributed to the success of the overall program. The overall result of the audit stated that RSKCo Claims Services, Inc., handles the claims in an acceptable manner. The investigation; medical and litigation management; expense control; and overall claims administration ranged from good to excellent.

Financial Management

Effective financial management in school districts involves planning, budgeting and overall management of the district's resources to maximize financial performance. A district's ability to perform these tasks involves establishing solid relationships with its employees, vendors, funding agencies, and the local community.

Financial management is most effective when resources are spent based on the district's established priorities in line with its stated goals and objectives. Internal controls must be in place and operating as intended. Financial information should be provided in a timely manner and presented in a format that is easily understood by all audiences.

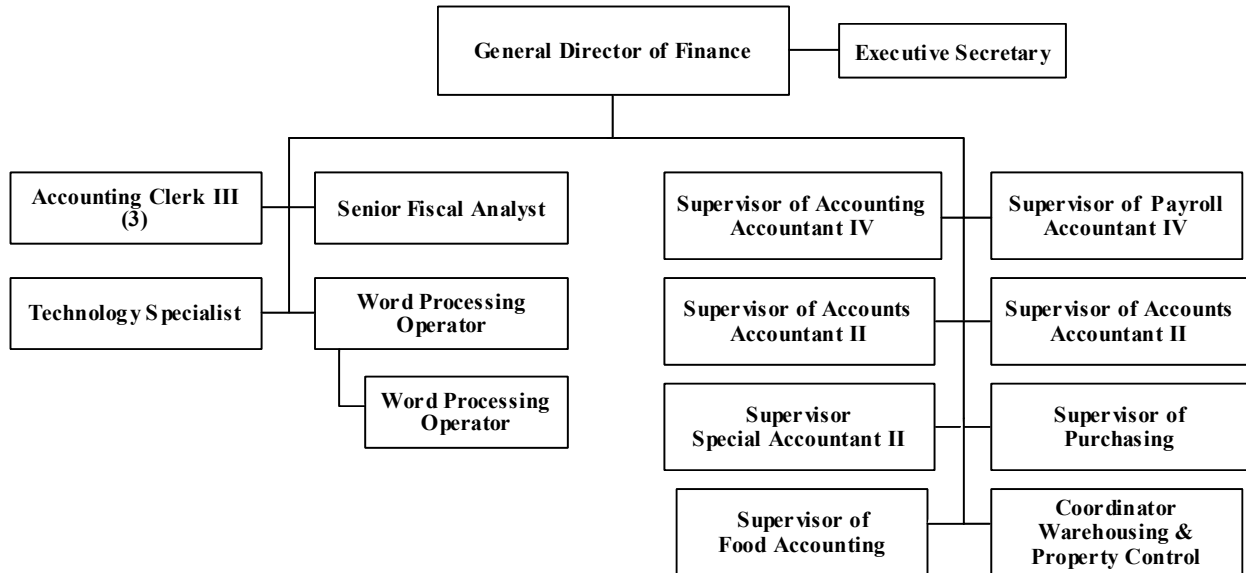
The financial management function at the Hillsborough County School District is under the supervision of the assistant superintendent of Business Information and Technology Services division. It is separated into the following functional areas:

- Budget,
- Financial Reporting,
- Account Controls,
- Cash Management,
- Special Revenue,
- Accounts Receivable,
- Accounts Payable,
- Property Control,
- Warehouse,
- Instructional and Administrative Technology, and
- Purchasing.

Accounts payable, purchasing, property control, warehouse, and instructional and administrative technology best practices are discussed in detail in relation to other goals and best practices. Exhibit 14-26 provides the organization chart for the district's Finance Department.

Exhibit 14-26

Finance & Accounting Department Organization Chart



Source: The Hillsborough County School District.

16 Management Control Methods: District management communicates its commitment and support of strong internal controls.

The district incorporates internal control training in its new training programs.

The Budget Department developed a Financial Handbook, which contains training materials that specifically address internal control. At the school level, the Internal Auditing Department trains school staff to be conscious of internal control issues. This training includes a power point presentation that emphasizes the need for internal controls. Following the training, they are given a Bookkeeper Handbook that they keep on-site for immediate reference.

The district has established controls to limit management or staff from overriding or bypassing established controls.

The district requires written documentation to allow any emergency override of internal controls. Multiple layers of management must sign the documentation before these overrides are allowed. Unauthorized overrides can result in the employee being terminated.

The IS Department has instituted controls based on user login criteria to limit system access. Access is dependent upon the control criteria established when the login is established. Requests for logins are received in writing and must be approved by the proper level of management. The Internal Auditing Department has read only access to the accounting system. The system access controls are an additional means for the district to maintain internal control and ensure that duties are appropriately segregated. For example, a school bookkeeper is blocked from transmitting a purchase order. The principal must approve the purchase order and transmit it before the monies are encumbered by the system.

17 Financial Accounting System: The district records and reports financial transactions in accordance with prescribed standards.

The district has documented procedures for all accounting functions.

The district has procedures manuals for all functional areas within the Accounting Department. Primarily two manuals define the procedures for the financial management functions within the district.

The Financial Handbook, developed and maintained by the Budget Department, documents all processing instructions. It provides a copy of the various user data entry screens, guidelines for how to move between screens and examples of appropriate data field entries. Sample forms are included in the manual by functional area, including budget, cash management, finance, purchasing, accounts payable, warehouse, property control, and payroll.

The Accounting Department Manual outlines the necessary steps required for each process and includes a job description for each functional area within the department. The manual provides a descriptive summary of the easytrieve programs that are available to users to perform specific processes. The Financial Activity Table is documented in the manual. Finally, the manual includes the processing calendar for the current fiscal year.

These manuals can be found throughout the department. Staff reference these manuals regularly. They provide tremendous benefit to department personnel. The procedures are clearly documented and have been effectively implemented.

Journal entries to the general ledger are reviewed, approved, and well documented.

The preparation and approval functions for journal entries are segregated. All departments prepare journal entries. A supervisor must approve all journal entries before they can be entered into the system. Only the budget, federal finance, and special revenue supervisors approve the on-line journal entries. There are two ways that a journal entry can be entered into the system. The first way is through on-line data entry. The second way is through uploading an EXCEL spreadsheet. The second method is how the budget is entered into the system.

District policy requires that any uploading of journal entries be released to the system by a supervisor. Employees who are authorized to submit journal entries are assigned a series of batch numbers. The system controls will not allow any batch number to be submitted by anyone other than the assigned user.

All journal entries must have an explanation attached. There is an area on all journal entries that allows for a full explanation. Backup documentation can also be attached to the hard copy journal voucher. All hard copy journal vouchers are kept on file in the Accounts Control Department for the current year. Earlier vouchers are sent to the warehouse for storage.

The system automatically assigns a number to on-line journal entries. The Accounts Control Department controls the numbering system for the spreadsheet journal entries. The department uses a numbering machine to assign the numbers prior to processing. After processing, the vouchers are then filed numerically and are periodically reviewed for completeness and to ensure that all journal entry numbers have been accounted for.

The Accounts Control Department provides support for a number of accounting functions, but does not report to the department for which it provides support.

The Accounting Department has set up an account controls unit that provides support for all of the functional areas. The unit is responsible for reconciling bank accounts, reviewing payroll entries, reconciling journal entries, and processing NSF payments. Since it is a separate unit within the Accounting Department, staff does not report to the supervisor for whom they are completing the work. The district, in an effort to ensure segregation of duties, has created a department that stands separate but does not have accountability to the functions that it supports. As such, the current district structure does not facilitate the continuance of the department and a reassignment of department personnel would better serve the district's control processes and provide a more efficient and effective use of personnel.

The district is in the process of converting its existing computerized accounting system to a new system that will more effectively collect, process, maintain, and report all financial transactions.

The district's accounting and financial records are currently housed in a legacy system. This system has been in use since 1973. The system contains the following modules:

- General ledger,
- Payroll and Benefits,
- Accounts Payable,
- Accounts Receivable,
- Asset Management,
- Cash Management,
- Grant and Fund Management,
- Purchasing, and
- Budget.

The Information Services Department processes and updates the financial system three days a week. The payroll system updates every night. Both are batch run systems. The system has been modified and enhanced a number of times since its introduction to the district. The system was not designed to perform the numerous processes that have become required over time. The district's systems analysts have done an admirable job adding functionality to the system. The staff has also been innovative in designing reports that use the data to track financial performance consistent with the Florida Department of Education's manual *Financial and Program Cost Accounting and Reporting for Florida Schools*. The district's goal for the legacy system has been to streamline data entry requirements and increase departmental efficiency. The fixed asset subsystem is a separate real time software application that was developed in-house.

The district's fiscal year 1999-2000 financial audit noted a number of limitations of the legacy system that weaken the overall efficiency of the district. The following limitations were identified:

- Field lengths are too small, inhibiting audit trails, and requiring manual reconciliation's;
- Several data versions of audit files exist due to the use of multiple databases to build functionality into the system and inconsistency in updating the data in each database;
- The system audit trail is difficult to follow due to the numerous modifications and processing limitations;

Cost Control Systems

- The district relies on unreconciled, outsourced data entry service to perform transaction entries for the central warehouse;
- The financial system cannot cost effectively accommodate additional functionality;
- Extensive manual reconciliation's are performed due to system limitations;
- The system is unable to process complex transactions; and
- Data integrity is risked by the numerous workarounds that are required to increase the functionality of the system.

The auditor recommended that the school system retire the legacy system and select a new system that best meets the school district's financial, payroll, and human resource processing needs.

The district recognized that it had an urgent need for a new computer system. It was determined that an Enterprise Resource Planning (ERP) system, in addition to complementary Data warehousing and imaging system software, would best meet its needs. Some of the reasons identified by the district included:

- The district must comply with State and local reporting and general information requirements. An ERP system will enable the district to calculate how much it costs to educate one child through 12th grade and provide many tools to effectively manage its resources and funds.
- The current software systems are outdated and badly in need of replacement. Many of the systems are not web-based because they are too old. In addition, it has become difficult to continue managing these older systems.
- An ERP system will dramatically improve performance to better satisfy the district's data needs and enable it to provide better service to the schools.
- An ERP system allows immediate, "real time" access to all school data from a desktop computer at any district site.
- An ERP system has built in capabilities to handle the taxes, languages, and State reporting requirements unique to K-12 school districts.
- An ERP system provides a structure that will allow the district to grow without having to replace its system in the future.

The district enlisted the assistance of Real Enterprise Solutions, Inc., (RES) to assist and facilitate their selection of the appropriate software vendor. In order to accomplish this task, a project team was put together consisting of consultants from RES and a core team of district staff representing specific business areas. The following high-level areas were identified as critical processes by the project team:

- Personnel Administration (recruitment, hiring, transfers, promotions, terminations, and retirements);
- Position Control (budgets, unit allocation, history, and organizational management);
- Payroll (retroactive pay calculation, bargaining units, automation of pay class changes, on-cycle/off-cycle, timekeeping, and State reporting);
- Benefits (demographic administration, and seamless reporting to providers);
- Certification (tracking, history, and special programs)
- Training (instructional employee tracking)
- Finance (general ledger, accounts payable, accounts receivable, and budgeting);
- Asset Management (depreciation, transfers, retirements, purging);
- Cash Management

- Grant & Fund Management (encumbrance accounting, business rule validation, and cost recovery);
- Project Controlling (budgeting and expenditures);
- Materials Management (purchasing, inventory control, receiving, shipping, bidding, and warehousing); and
- Facilities Maintenance (maintenance orders and tracking, preventative maintenance, and scheduling).

There are a number of specialized processes within the high-level processes listed above that had to be considered when evaluating each vendor's potential software solution. In addition, a school district must adhere to a number of State and federal rules and regulations that must be tracked by the system to ensure that the district is in compliance with each one.

The district selected Lawson Public Sector software to provide its ERP software. The system will enable web-access to Finance, Human Resources, Payroll, and Maintenance systems. The Lawson system, along with improved internal processes, will provide the district with improved control over its business functions. The financial component of the system will provide the ability to control the procurement of goods and services at the negotiated prices, assign inventory and contracted services to a particular work order, more effectively track assets, take advantage of price discounts while ensuring timely payment, and increase the accountability of the district by producing timely and relevant management reports.

The project team has done a commendable job of identifying the functionality that will be required by the system. Every functional area has submitted its wish list for the system. Process owners were required to sign off on the initial system configuration. The district is currently in the process of configuring the core system to provide the desired functionality of the system. The end users have provided their wish lists but have not yet had any hands on interaction with the system.

The district is in the process of performing a change readiness assessment to establish the extent that the district is ready, willing, and able to absorb the changes associated with the new ERP system.

The district is currently undertaking the change management aspect of the implementation process. The district has hired change management personnel to facilitate this process. The project team has scheduled a number of "Conference Room Pilots" that are intended to bring in the process owners and a select group of end-users associated with different functional areas. The financial system is expected to go live July 1, 2002. As of the third site visit, this date was still the target.

The change management team, through IBM, surveyed and interviewed a cross section of 53 district employees. The majority of the group expects the new system will provide a number of benefits to the district. Communication of how the system will change their daily tasks will be critical to the success of the implementation. Survey results indicate a concern that the district has not effectively communicated change in the past. With a system as critical as the ERP, it is vital that all users be brought into the loop and allowed to provide feedback as to how they perceive the processes will work. The district is expending tremendous financial and staff resources to the conversion and implementation of this new system. There will always be some individuals that will resist change of any kind. The project team has done an admirable job to date of trying to map the system processes. However, there are some misconceptions and discomfort levels within the end-user group pertaining to the ERP system. The project team should ensure that these misconceptions are addressed during the "Conference Room Pilots" and prior to the "go live" date.

The project team and change management team can provide the district with an excellent resource to measure the success of the implementation. The way the system is perceived by the users is a critical

component to the overall success of the system. Measuring how the user groups perceive the system prior to implementation and their reaction after it is implemented, can assist the district in making any necessary revisions to increase the acceptance of the system.

The district has not established any standards to measure the efficiency of the new ERP system.

Although the cost of the software solution was addressed, it was not the critical component of the district's decision to convert to an ERP system. Instead, the district evaluated the cost of continuing on with the Legacy system and having the system fail. In addition, the district attempted to select a system that would provide the district with access to a comprehensive data warehouse that would provide district management with timely data that could be used to drive decisions.

The district has not developed tools to measure the success of the system. It has not established targets to be met over time. For example, when asked how the team would judge the success of the system after one-year, no one could provide a quantifiable measurement of success. The project team and district management anticipate that the system will improve efficiency by streamlining and automating a number of currently manual processes. However, no one has evaluated exactly where these improvements will occur.

The district's password change policy is outside the industry standards.

The district currently has a policy in place that requires that all system users change their password every 90 days. This is substantially longer than the industry standard of 30 days. When questioned about this policy, the concern was that if passwords were changed too often, users would write them down so they can remember them. However, a shorter change period would provide additional control and should be considered to protect the integrity of the system data.

Recommendations

- *We recommend that the district discontinue the Accounts Control Department by reassigning the staff into the department(s) they support. Although the department has served an important function since being formed, the current district structure does not facilitate the continuance of the department. We recommend the following reassignments:*
 - *Of the bank reconciliation staff, two should report to the Supervisor of Accounting and one to the Supervisor of Accounts Payable;*
 - *The payroll support staff should report to the Supervisor of Payroll;*
 - *The general ledger and payroll journal reconciliation support staff should report to the Supervisor of Accounting;*
 - *The micrographic support staff should report to the new Supervisor of Imaging; and*
 - *The Supervisor of Accounts Control should be reassigned to supervise the new Imaging Department.*
- *We recommend that the change management team develop a survey instrument to evaluate the effectiveness of the Conference Room Pilot and provide users the opportunity to ask the*

project team questions on-line. The survey instrument can assist the district in establishing an effective change management program that can be used districtwide.

- We recommend that the district develop performance targets to assess the success of the implementation of the new ERP system.
- We recommend that the district resurvey the 53 original participants in the Change Readiness Assessment one year following the implementation of the ERP system.
- We recommend that the district revise the policy to change user passwords every 30 days.

Action Plan 14-7 provides the steps needed to implement these recommendations.

Action Plan 14-7

Disband the Accounts Control Department	
Strategy	The Accounts Control Department should be discontinued by reassigning the staff to the function/department area that they support.
Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services reorganizes the Accounting Department. The new organization chart does not include an Accounts Control Department. All staff formerly in this department should be reassigned to report directly to the supervisor of the function/department area that they support.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the organization change to the Superintendent to review and approve.</p> <p>Step 3: The department is discontinued and staff is reassigned.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services General Director of Finance
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Develop Survey Instrument to Evaluate the Conference Room Pilot	
Strategy	Develop a survey instrument to evaluate the Conference Room pilot. The survey results should then be tabulated and presented to management. Upgrade the project insight web page to include a question and answer service.
Action Needed	<p>Step 1: The Supervisor of Technology Services develops a survey instrument to be completed by the participants of the Conference Pilot training sessions. The scope of the survey instrument is to evaluate the effectiveness of the training, identify any areas where additional training is required, and develop a change management tool that can be used throughout the district.</p> <p>Step 2: The project insight team reviews and accepts the survey instrument.</p> <p>Step 3: The survey is given to the Conference Pilot training session participants.</p> <p>Step 4: The Supervisor of Technology Services compiles the results of the survey.</p> <p>Step 5: The Supervisor of Technology Services presents the results of the survey to the project insight team.</p> <p>Step 6: The training team incorporates any needed additions to the training program.</p> <p>Step 7: The Supervisor of Technology Services outlines a change management program and distributes it to principals/site supervisors throughout the district.</p>
Who is Responsible	Project Insight Team Supervisor of Technology Services

Time Frame	Steps 1 through 6 completed by September 2002 Step 7 by November 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Develop Evaluation Tools for ERP System

Strategy	Develop evaluation tools to assess the success of the implementation of the new ERP system. Include performance targets for the system and a plan to provide system enhancements as required.
Action Needed	<p>Step 1: The project insight team (team) establishes a rating system to evaluate the performance of the new system.</p> <p>Step 2: The team maps out every process in each functional area.</p> <p>Step 3: The team reviews each step and evaluates it to determine if it enhances or hinders the process. Then the team studies how the new system manages the process and assigns a score.</p> <p>Step 4: The team then assesses whether the system has provided a quantifiable cost savings. For example, by automating a process that had previously been completed manually, the system reduced four work hours per week.</p> <p>Step 5: The team develops procedures for requesting programming changes. A change request form should be developed that identifies the problem, outlines the required process, and requests programming changes. The process owner, the supervisor, and the systems analyst responsible for the programming change should sign this form.</p> <p>Step 6: Each month the team should prepare a report for the board that details all cost savings that have been identified, summarizes the problems that have surfaced, and outlines the solutions implemented.</p> <p>Step 7: One year after the system has been in operation, the team should prepare a detailed report for the board assessing the success of the implementation.</p>
Who is Responsible	Project Insight Team IS
Time Frame	September 2002 through August 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Resurvey the Original Participants in the Change Readiness Assessment

Strategy	The 53 employees that were surveyed and interviewed by IBM should complete the same survey one year following implementation of the ERP system. The survey results should be compiled and compared against the original survey. The district's change management team should address any continuing trends.
Action Needed	<p>Step 1: The Supervisor of Technology Services meets with each of the original employees in a follow-up interview.</p> <p>Step 2: The 53 employees complete the same survey.</p> <p>Step 3: The Supervisor of Technology Services compiles and reports the survey results back to the project insight team.</p> <p>Step 4: The team should identify any recurring trends and develop a strategy to resolve any problems that have been found.</p>
Who is Responsible	Project Insight Team Supervisor of Technology Services
Time Frame	August 2003
Fiscal Impact	This recommendation can be implemented using existing resources.

Change User Passwords Every 30 Days

Strategy	Require user passwords be changed every 30 days.
Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services prepares and distributes a memorandum informing all district staff that the passwords will be required to be changed every 30 days. The memorandum should be sent 30 days prior to making the change and include the as of date so that all employees understand when the change will take effect.</p> <p>Step 2: The systems analyst prepares to make the necessary program changes to require that passwords be changed every 30 days.</p> <p>Step 3: A districtwide E-mail is sent the week before the change is to take effect.</p> <p>Step 4: A districtwide E-mail is sent the day before the change is to take effect.</p> <p>Step 5: The systems analyst completes the programming changes.</p> <p>Step 6: The policy is changed and all staff must change their system passwords every 30 days.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services IS
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented using existing resources.

Source: Gibson Consulting Group, Inc.

18 Financial Reporting Procedures: The district prepares and distributes its financial reports timely.

The district has established processes to ensure that all required financial reports are submitted within State mandated reporting deadlines and are presented regularly to the board for review.

Various laws, rules, and contract provisions relative to required submission dates for various financial reports govern the district. The State Board of Education Rule 6A-1.0071, *F.A.C.*, requires the district to have its annual financial report prepared and submitted to the Florida Commissioner of Education no later than September 11 of each year. State Board of Education Rule 6A-1.008, *F.A.C.*, requires the superintendent to submit monthly financial statements to the board in a form prescribed by board policy. In addition, various federal grants and contracts provide for monthly statements of financial activity relating to the grants and generally provide for required submission dates.

The district has established procedures to be in compliance with state reporting requirements. The district consistently files the Superintendent’s Annual Financial Report (SAFR) within the required reporting deadlines. The district provided the review team with the last five years of the Comprehensive Annual Financial Report (CAFR) reports for review and analysis. It is interesting to note that the district maintains copies of these reports on file in the Accounting Department dating back to 1938.

The district prepares and distributes its financial statements on a timely basis. Monthly financial statements are prepared for the board to review. In addition, the board is trained to understand the financial statements and use the data to improve management decisions. The Budget Department includes financial statement analysis in the annual budget workshop that is conducted for the board.

The Special Revenue and Federal Finance Departments are responsible for meeting the reporting requirement of each grant or contract. Each grant is maintained in a separate file and meticulous documentation is maintained to allow the district to adequately monitor and report on all grant activity. The review team found no evidence of noncompliance with reporting deadlines for any of the grant files that were sampled.

19 Budget Practices: The district has an effective budgeting process that provides management with an effective tool to control operations and expenditures.

A school district's budget is a critical tool that ensures that the district is adequately maintaining and controlling its financial resources. It is most effective when a variety of parties have been involved with its development. School administrators, department heads, teachers, and community members should be involved in the budgeting process, as well as the central administration and board. The budget should reflect the overall goals and objectives of the district's long-range strategic plan.

In the budget planning process, districts should consider general educational goals, specific program goals, and alternatives for achieving program goals. Budget planning and evaluation should be a continuous process and should constitute a part of each month's activities. Ideally, the budget should have the following functions:

- Present a comprehensive forecast of all expenditures and receipts of the district based on the specific educational needs and plans of the district;
- Serve as an overall picture of the school program operation; and
- Depict the educational, spending, and financial plans of the district as a firm, which should include:
 - Educational plans, with definite statement of goals, policies, and curriculum plans;
 - Spending plans, including a translation of the educational plans into dollars and cents; and
 - Finance plans, including proposed means and sources for securing adequate revenue to meet school program needs.

Florida statutes and administrative rules define a number of requirements associated with budgeting practices in school districts:

- **Section 230.23(10)(g), F.S.**, requires a school district to implement a system of accounting and budgetary control to ensure that payments do not exceed amounts budgeted;
- **Section 237.031, F.S.**, requires a school district to establish a budget system;
- **Section 237.041, F.S.**, requires the board to adopt an annual budget and submit the adopted budget to the Florida Department of Education;
- **State Board of Education Rule 6A-1.006, F.A.C.**, provides guidelines for amending the budget; and
- **State Board of Education Rule 6A-1.007, F.A.C.**, requires the superintendent to ensure that obligations and expenditures are kept within budgeted income.

The district's budget responsibilities are outlined in Board Policy and Procedure 7.01:

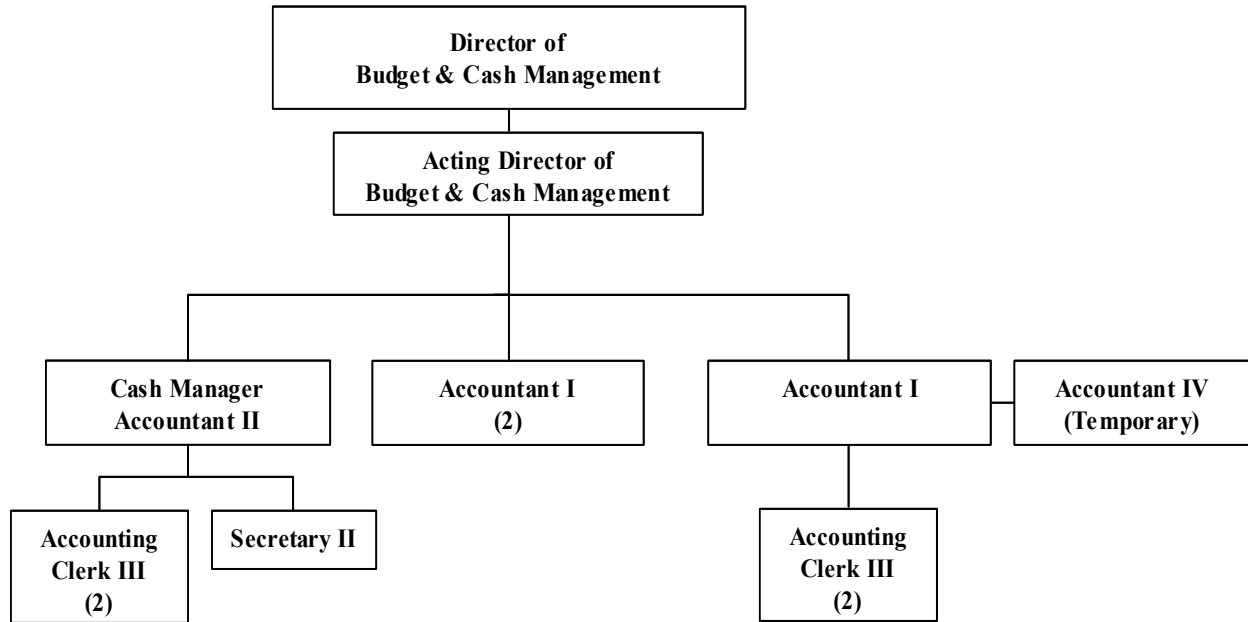
"The annual budget shall be developed by the superintendent and presented to the board for adoption as prescribed by Florida statutes. The Deputy Superintendent for

Instructional Support shall be responsible for assisting in the preparation of the budget. The Assistant Superintendent for Business & Information Technology Services, the General Director of Finance, and the Director of Budget & Cash Management shall be responsible for implementing, monitoring, and reporting the budget.”

Exhibit 14-27 presents the organization chart for the Budget Department.

Exhibit 14-27

Budget Department Organization Chart



Source: The Hillsborough County School District.

The district has established a clear budget process that lays the solid foundation for the district to exercise control over expenditures.

The budget process is broken down into two separate components, the revenue budget and the appropriation budget. The revenue budget is set first based on enrollment projections, FEPF funding, and millage rates. Once the revenue budget has been set, the district begins setting the appropriation budget, with the target to arrive at a balanced budget for the coming school year.

The appropriation budget is composed of the fixed costs, such as salaries, utilities, and variable school and division requirements. The district establishes specific budget calendars for schools and departments. It provides adequate detail and attainable timelines. School budgets are based on board-approved staffing formulas, projected enrollment, and in the last budget process, consumables were budgeted at 90% of the prior year’s expenditures. The divisions are given a bottom line budget number and allowed to appropriate as they see fit.

The school principals are responsible for developing the school budgets. Input is solicited from the site-based committee and from individual department heads. The school budget calendar drives the deadlines. The system has internal controls to prevent unauthorized personnel from entering the budget on-line.

Cost Control Systems

The assistant superintendents develop the divisional budgets. Department supervisors develop their departmental budgets in EXCEL spreadsheets and submit them to the assistant superintendents for approval. Once the assistant superintendents have approved each departmental budget, they are uploaded to the accounting system by the Budget Department.

The budgets are prepared in sufficient detail that allows it to be monitored effectively. Project numbers are used to distinguish restricted funds so that they can be monitored. Each budget line item is assigned to a documented “owner” to ensure that staff is held accountable to stay within budget constraints. Once the board has approved the budget, it is uploaded to the mainframe computer.

The district is in compliance with the statutory requirement to provide public notice for all budget hearings.

The district advertises all budget hearings as required by State law. Included in the advertisement is the proposed capital outlay millage levies. The district’s annual budget binders contain support for any special millage levies that itemize the intended uses of the special revenue and provide a detailed explanation of why the levy is required.

The district monitors the budget throughout the school year as required by law.

Board Policy and Procedure 7.01 states:

“Procedures shall be established for effective monitoring of the budget to preclude expenses in excess of available budget and to provide for timely amendments for board approval.”

The district monitors expenditures in a number of ways. Salaries are encumbered for permanent employees. Purchases are encumbered once the purchase order has been approved. The system generates a report for any negative account balances. This report is sent to each site every month. The authorized staff member from the site can transfer funds from another account to cover any negative balances. However, transfers cannot be made between functions without the approval of the Budget Department. When these transfers are made, a budget amendment must be presented and approved by the board.

There is some confusion at the department level as to how departmental budgets are determined.

Although the majority of the site administrators communicated that they understood the budget process, there were some areas that voiced confusion with how the process works. Budget development is by its nature confusing to staff members that do not have a strong financial background.

In September 2001, the district began implementing site-based budgeting. The intent of the new budgeting process is to involve the staff that must live with their budget in the development process. In the past, the budget process at HCSD has been relatively centralized with the Budget Department providing a bottom-line amount. The individual sites could allocate the budgeted funds, but did not have a great deal of input into how much money they would receive. The new process will place more accountability at the site level for adhering to the budget. Site supervisors will take a more active role in monitoring their budget and remaining in line with the set constraints. The district must have site-based budgeting fully implemented by April 2003. In order to fully implement this new budgeting process, the site administrators will have to be provided a great deal of additional training.

The Budget Department currently has two staff members that provide financial training to school principals and bookkeepers. This training includes budget training. The training is provided as needed throughout the year and when a new principal or bookkeeper is hired. This training is available to all departments throughout the district. However, it is not being effectively utilized at the department level.

The fund balance is not considered during the budget process.

Governmental funds, such as HCSD’s General Fund, report equity as “fund balance.” A fund balance is the difference between the asset and liabilities as reflected on the balance sheet. It is the measure of the district’s financial resources available for future use after payment of all obligations.

The fund balance of a district’s general fund is significant since it is the primary fund that supports most of the district’s activities and receives State aid and local tax revenue. It is one of the primary measures of solvency for the district. The fund balance is viewed as the most meaningful reflection of the district’s financial condition.

District policy requires that the district maintain an undesignated general fund balance equal to 3% of budgeted revenue. The district has not met this level in a number of years. Exhibit 14-28 summarizes the district’s fund balance over the past four years.

Exhibit 14-28

**Undesignated Fund Balance Analysis,
Fiscal Years Ended June 30, 1998 through 2001**

	June 30, 1998	June 30, 1999	June 30, 2000	June 30, 2001
Undesignated Fund Balance	\$17,290,000	\$11,172,000	\$11,318,000	\$17,263,000
Budgeted Operating Revenue	\$719,605,000	\$780,220,000	\$785,428,000	\$845,621,000
Percentage of Revenue	2.4%	1.4%	1.4%	2.0%

Source: HCSD Comprehensive Annual Financial Report (CAFR) for the years presented.

There is no indication that the district considers the fund balance during its budget process. The original budgets for the years reviewed did not attempt to increase the fund balance. The obvious district goal is to balance the budget each year. Although this goal makes sound business sense, it does not replenish the short fall in the fund balance. As fiscal constraints become an increasing concern throughout the State, the district must address this issue and find some way to begin to rebuild its fund balance. The fund balance should be considered during the budget process.

The district is risking its financial solvency by not establishing measures to raise the general fund balance to the level required by board policy. Bond rating companies like to see an unrestricted fund balance between 3% and 5% of budgeted operating revenues. The district is well below these levels but has been able to quell Wall Street concerns due to its successful capital program. District staff told the review team that although the district has been able to establish and maintain a strong bond rating, the rating companies continue to encourage the district to meet at least the 3% fund balance level. Another concern is the deficit balance in the workers’ compensation fund of more than \$21 million and the outstanding liability in excess of \$34 million. The district is risking putting itself in a precarious financial position by not addressing this issue. In questioning district staff, the review team was told that the board has discussed this issue, but has not yet implemented a plan to increase the general fund balance.

The position control system does not allow for different staffing scenarios to be reviewed in identifying the optimum-staffing scenario.

Although the district does use staffing formulas, the position control system is not an automated process. Therefore, it is not easy to evaluate a number of different staffing scenarios and what impact they will have on the bottom line. Personnel costs account for the majority of the district’s operating budget. The district would certainly benefit from running different staffing scenarios to ensure that the staffing formulas are appropriate. The district has indicated that the new Lawson ERP system will provide this flexibility.

Payroll costs comprise the most significant portion of the district’s overall operating budget. The review team was told that the district does not have a true indication of what staffing costs should be budgeted. More than one payroll number is being reported depending on the source.

Recommendations

- *We recommend that the Budget Department expand its financial training to include department directors and supervisors and make it mandatory to attend. This will become even more important as the district adopts site based budgeting. The amount of training will require an additional trainer in the department. This additional person will be able to assist in training staff during the ERP implementation, the transition to site-based budgeting, and school internal accounts.*
- *We recommend that the district include general fund balance ramifications during the budget process and develop a long range budget plan that brings the fund balance up to the 3% threshold within the next three to five years.*
- *We recommend that the district ensure that the ERP system contains a position control module that will allow the district to run various staffing scenarios quickly and effectively.*

Action Plan 14-8 provides the steps needed to implement these recommendations.

Action Plan 14-8

Make Budget Training for Department Supervisors Mandatory	
Strategy	Expand the financial and budget training to include mandatory training for department directors and supervisors. Hire an additional trainer for the department.
Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services and the Director of Budget and Cash Management meet to discuss staffing requirements.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services prepares an agenda item to request an additional trainer be hired in the department.</p> <p>Step 3: The Assistant Superintendent of Business and Information Technology Services presents the agenda item to the board.</p> <p>Step 4: The board approves hiring an additional trainer.</p> <p>Step 5: The Director of Budget and Cash Management develops a training schedule.</p> <p>Step 6: The Assistant Superintendent of Business and Information Technology approves the schedule.</p>

	<p>Step 7: The Director of Budget and Cash Management drafts a memorandum to all department heads and site supervisors notifying them of the mandatory training requirement.</p> <p>Step 8: The Superintendent distributes the memorandum under his signature.</p> <p>Step 9: Department directors and supervisors contact the Budget Department to schedule training.</p> <p>Step 10: The training staff of the Budget Department compiles and updates a training log. The appropriate assistant superintendent will contact any staff not attending training.</p>
Who is Responsible	<p>Superintendent Assistant Superintendent of Business and Information Technology Services Director of Budget and Cash Management</p>
Time Frame	September 2002
Fiscal Impact	An Accountant I position will cost the district \$35,990 annually. The five-year cost to the district for this position will be \$179,950.

Establish Procedures and Timeline to Rebuild the General Fund Balance

Strategy	<p>Establish procedures and schedule a timeline to rebuild the district’s general fund balance. Include in the procedures a tracking mechanism to follow whether the district is on target to meet its goal prior to, during, and upon completion of the annual budget process.</p>
Action Needed	<p>Step 1: The Superintendent prepares an agenda item requesting that the board approve developing procedures and a schedule to rebuild the district’s general fund balance.</p> <p>Step 2: The board approves developing procedures and assigns the task to the Assistant Superintendent of Business and Information Technology Services.</p> <p>Step 3: The Assistant Superintendent of Business and Information Technology Services reviews the capital outlay funds to determine if any excess funds are being held there that could be transferred to the general fund. Any available unrestricted funds are transferred to the general fund with an appropriate journal entry.</p> <p>Step 4: The Director of Budget and Cash Management prepares a report for the board that presents the general fund balance at year-end and compares it against the historical ten-year trend and a five-year projection of the fund balance. The report should allow for various budget scenarios and timelines for reestablishing the district’s policy requiring the fund balance to be three percent of the budgeted revenue</p>
Who is Responsible	<p>Board Superintendent Assistant Superintendent of Business and Information Technology Services Director of Budget and Cash Management</p>
Time Frame	January 2003
Fiscal Impact	This recommendation can be implemented with existing resources.

Ensure Position Control Module in ERP Permits Flexible Staffing Evaluation

Strategy	<p>Ensure position control module in the new ERP system provides the district with flexibility in evaluating staffing requirements. The database should allow for a number of different staffing scenarios so that the optimal solution can be identified.</p>
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Action Needed	<p>Step 1: The General Director of Finance meets with the project insight team to outline the requirements of the position control module.</p> <p>Step 2: The programming staff customizes the ERP to perform the requirements.</p> <p>Step 3: The General Director of Finance tests the system prior to it going “live” to ensure that all the requirements have been installed.</p> <p>Step 4: The programmers make any necessary revisions to the system.</p> <p>Step 5: The General Director of Finance signs off on the position control module.</p>
Who is Responsible	<p>General Director of Finance</p> <p>Director of Budget and Cash Management</p> <p>Project Insight Team</p>
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

20 Cash Management: The district has effective daily cash controls to provide recorded accountability for cash resources, but does not effectively forecast cash flow needs.

For a school district to achieve its instructional goals and objectives, cash and investments must be managed daily. Effective cash and investment management involves:

- Establishing and maintaining beneficial banking relationships;
- Forecasting cash requirements accurately and on a timely basis so that funds are available when needed; and
- Maximizing returns on assets deposited in appropriate, approved, and safe investment vehicles.

The Cash Manager is responsible for daily cash management for the district. Each morning, the Cash Manager dials into the banking software to reconcile the prior day’s activity and ensures that expected transactions have posted, such as the monthly receipt of FEFP funds.

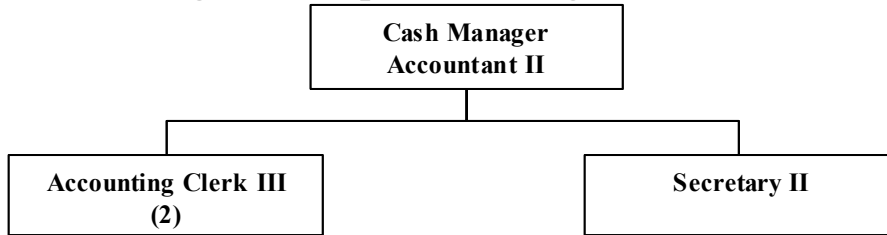
The Cash Manager maintains 13 bank accounts on behalf of the district. These accounts are associated with specific funds. Each school has its own separate bank accounts at an approved banking facility. The Accounts Control Department currently completes bank reconciliations at the district level. Each school site is responsible for reconciling its own internal account.

The system updates the general ledger during every batch run. Any receipts or warrants paid will post to the general ledger at this time. The accounts control staff is responsible for ensuring that the entries are correct when the bank reconciliations are performed. The Cash Manager must approve any adjusting journal entries.

Exhibit 14-29 presents the organization chart for the cash management function while Exhibit 14-30 presents the current Account Controls Department’s organization structure

Exhibit 14-29

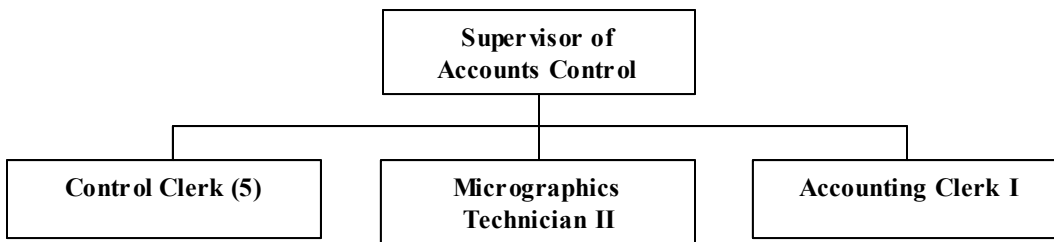
Cash Management Department Organization Chart



Source: The Hillsborough County School District.

Exhibit 14-30

Accounts Control Department Organization Chart



Source: The Hillsborough County School District.

The district has instituted appropriate checks and balances into its cash receipting and collection procedures.

The Budget Department secretary and an accounting clerk log in deposits that are received in the mail. The logs and checks are verified and signed off on and given to the cashier to verify and receipt. The system automatically assigns a unique receipt number and updates the general ledger. The daily collections are reconciled and kept in the safe overnight. All deposits are picked up by the armored truck service and taken to the bank the following day.

Once each month, the Cash Manager tests a random sample of receipts to ensure that they were received by the cashier and deposited on a timely basis. The Cash Manager also reviews the in-transit deposits listed on the bank reconciliation each month.

The Accounts Control Department deals with NSF checks. The Supervisor of Accounts Control is responsible for following-up on all NSF checks. There are specific procedures and timelines in place to address all NSF checks. However, the district’s main priority is the students. If parents are unable to reissue payment, the students are not sacrificed.

Cash deposits are stored in a fireproof safe until they can be picked up the next day. The district maintains a log that records all activity related to the safe.

The Cash Manager monitors the general ledger cash accounts on a regular basis. In addition, accounts receivable are periodically reviewed to ensure timely billing and collection.

The district has an effective bank reconciliation process that is segregated from general ledger entry.

The Accounts Control Department is responsible for reconciling the bank statements. No accounts control staff has the authority to make changes to the general ledger.

The district does not maintain a cash flow forecasting tool.

Although the overall cash management procedures in the district are effective, the Cash Management Department does not maintain a cash flow forecast that allows the Cash Manager to follow cash needs for the year. Both the Director of Budget and Cash Management and the Cash Manager have a thorough understanding of the cash situation faced by the district. However, if either of these individuals were to leave the district, this knowledge would be lost because it is not being adequately documented.

In the past, the Cash Management Department has prepared a cash flow report that follows cash needs on a daily basis. Over time, the department has stopped using this tool. In reviewing the report, the review team found it more than adequate to provide the district with a documented cash plan.

The district is facing tightening financial constraints. Although it has been able to effectively manage its cash position in the past, a formal planning tool will be helpful to ensure that it continues to meet its cash obligations in the future. The district, being self-insured, faces the prospect of having to pay out an unexpected large cash claim. The fact that the district maintains a deficit balance in its workers' compensation fund, raises the district's vulnerability. Finally, effective cash flow forecasting will provide the district with a resource to determine when or if it should access its revolving credit line.

Recommendation

- *We recommend that the district reinstitute its formal cash flow forecasting tool to ensure that adequate cash is available to meet its obligations throughout the year.*

Action Plan 14-9 provides the steps needed to implement this recommendation.

Action Plan 14-9

Reinstate the Existing Cash Flow Forecast Tool	
Strategy	The cash flow forecasting tool used by the district two years ago should be used again to document the current cash position.
Action Needed	Step 1: The Cash Manager updates the existing cash forecasting tool with current information. Step 2: The Cash Manager updates the Cash Management Handbook to include the cash forecasting procedures to update the spreadsheet. Step 3: The Cash Manager cross-trains a staff member on how the information in the forecast is retrieved, updated, and calculated. Step 4: The Director of Budget and Cash Management reviews the forecast once a month. Step 5: The Director of Budget and Cash Management and the Cash Manager periodically reviews the forecasting tool to determine ways to streamline the process without losing the functionality of the report.

Who is Responsible	Director of Budget and Cash Management Cash Manager
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

21 Investment Practices: The district has an investment plan that includes investment objectives and performance criteria designed to maximize return consistent with the risks associated with each investment, and specifies the types of financial products approved for investment.

The district invests all excess cash into the State Board of Administration’s Local Government Surplus Trust Fund investment pool.

The district’s investment plan is in accordance with Board Policy and Procedure 7.22, which states:

“The superintendent shall establish procedures to ensure that idle funds are invested as authorized by Florida statute, to earn the maximum interest. Idle funds shall be invested with the State Board of Administration’s Local Government Surplus Funds Trust Fund investment pool (SBA), created by Section 218.405, F.S., or with an intergovernmental pool. Funds made available through the issuance of long-term debt shall be invested with a national investment firm or banking institution selected through a request-for-proposal process under the terms and conditions contained therein, to include permitted securities as authorized by Section 218.415, F.S. Principals shall invest temporarily idle internal account funds in qualified depositories or securities as defined in Florida statute or the SBA through the School Internal Account Investment Program.”

The Cash Manager accesses bank balance information through the online banking system each morning. At that time, he transfers any excess cash to the SBA investment pool. All interest earnings are posted to the general ledger once a month upon receipt of the investment statement.

22 Receivables: The district has established effective controls for recording, collecting, adjusting, and reporting receivables.

The Accounts Receivable Department has documented procedures in place.

According to Board Policy and Procedure 7.28:

“The superintendent shall establish procedures to ensure that receivables due the district are collected in a timely manner and that responsibility for maintaining detailed accounts receivable records are segregated from collections and general ledger posting.”

The district has developed a detailed accounts receivable procedures manual. The Accounts Receivable Handbook outlines the following procedures:

Cost Control Systems

- An official district invoice shall be requested using the form entitled Invoice Request, available in the district forms section of the email system. Individual forms have been made for recurring invoices;
- The number of the journal voucher recording the receivable, along with the applicable revenue account number must be provided on the request;
- Invoices shall be prepared, logged, and mailed by the Word Processing Department; and
- Information Services shall provide a report showing receipts for invoices to the Word Processing Department after each financial run.

In addition, the Accounts Receivable Handbook documents the procedures for dealing with delinquent accounts:

- After 30 days have passed, a second invoice is sent;
- After 60 days have passed, a third invoice is sent; and
- After 90 days have passed, a letter is sent informing them that the district will either:
 - Discontinue to provide services if payment has not been received by a specific date; or
 - Deduct the outstanding amount from any payments the district may owe them.

A memo signed by a supervisor, requesting that an item be written off the district's general ledgers must be sent to the Director of Budget & Cash Management. The item is then submitted to the board for approval.

The Cash Manager has created a cash receipt tracking mechanism based on historical deposit schedules for the primary revenue sources.

The Hillsborough County Tax Assessor collects property taxes. The Cash Manager maintains a spreadsheet that tracks the historical receipt rates so that he has some indication of when to expect receipts and can estimate how much will be received. At the beginning of each fiscal year, the Cash Manager creates a new spreadsheet that estimates key collection dates and deposit amounts based on the prior year's collection patterns. A similar spreadsheet is created to track the FEFP funds received from the State each month.

The current system does not generate an Accounts Receivable (AR) aging report.

The current system does not provide the accounting staff with a system generated aging report. Instead, the aging report is maintained through a spreadsheet. The new Lawson ERP system should eliminate this extra step and generate an AR aging report.

Recommendation

- *We recommend that the district ensure that the ERP system has the capability to generate an AR aging report.*

Action Plan 14-10 provides the steps needed to implement this recommendation.

Action Plan 14-10

Ensure ERP can generate AR aging report	
Strategy	Ensure that the ERP system has the capability to generate an AR aging report.
Action Needed	Step 1: The Director of Cash Management and Budget outlines the report requirements. Step 2: The Director of Cash Management and Budget meets with project insight programmers to map out the required processes. Step 3: The programmers customize the ERP according to the process mapping. Step 4: The Director of Cash Management and Budget tests the report feature. Step 5: The programmers make any required programming changes. Step 6: The Director of Cash Management and Budget signs off on the report.
Who is Responsible	Director of Budget and Cash Management Project Insight Team
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

23 Salary and Benefits Costs: The district has effective controls that provide accountability for the payment of salaries and benefits.

School districts require accurate and detailed payroll accounting to ensure that employees are paid for their services correctly and on-time. The payroll function is one of the most visible functions in the district. When an error occurs with an employee’s check, it quickly becomes public knowledge.

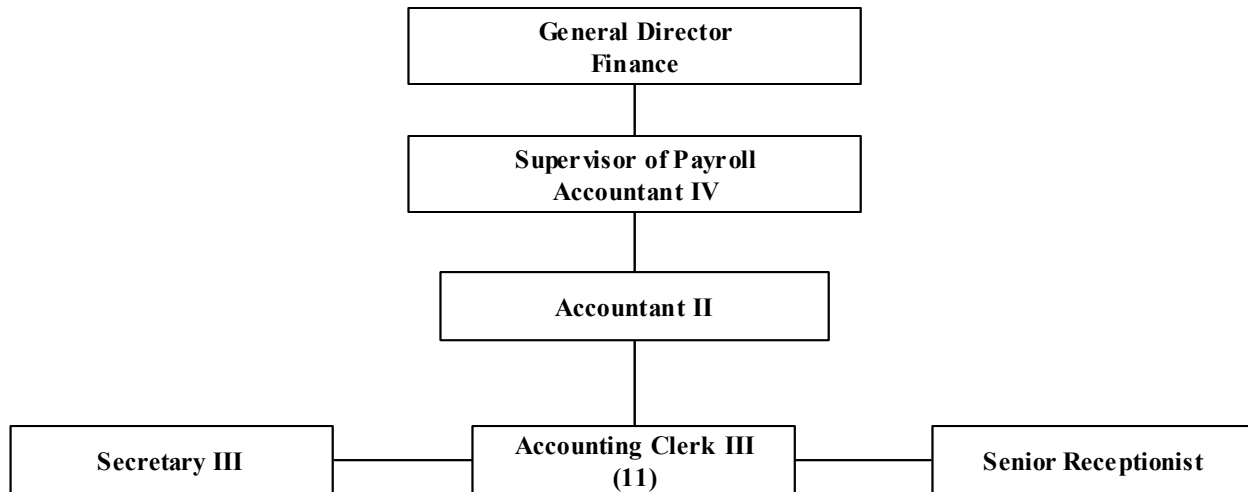
Accurate payroll data is vital to the district’s budgeting process as payroll is generally the largest single expense category. If the district does not have access to accurate historical payroll data, it becomes difficult to project future payroll expenditures with any degree of certainty. The General Director of Finance is responsible for generating detailed salary projections for HCSD.

The payroll function in HCSD falls under the direct supervision of the General Director of Finance. The department is responsible for processing payroll checks for district employees and ensuring that the district is in compliance with all federal and State withholding requirements. The human resources division is responsible for maintaining and updating personnel records; these duties are explained in depth in Chapter 7 of this report.

Exhibit 14-31 presents the organization chart for the Payroll Department.

Exhibit 14-31

Payroll Department Organization Chart



Source: The Hillsborough County School District.

The district has procedures in place to pay all employees under an approved salary schedule.

Section 236.02(4), F.S., and State Board of Education Rule 6A- 1.052, F.A.C., require school districts to annually adopt salary schedules for employees that shall be the sole instrument used to determine employee compensation. The district annually adopts and includes in the board minutes the approved salary schedules for district staff (Board Policy Section 6.05 – Human Resources). The three union contracts also specify the use of salary schedules and the timing of payment to district employees. The district has approved procedures in place to ensure that amounts paid to employees are appropriate according to the salary schedule.

Changes in compensation are properly reviewed and approved.

Personnel, payroll processing, timekeeping, and general ledger functions are segregated and performed by different departments in the district. The human resources division is responsible for establishing employee records and approving any changes to salaries and wages. Timekeeping is performed by individual site locations. Separate departments within the Business and Information Technology Services division perform payroll processing and general ledger functions.

Payroll staff reviews both detailed and summary reports to ensure that they are correct. Summary payroll reports are reviewed and approved by the office manager before disbursements are made. Employees are paid biweekly on Fridays. The instructional payroll is run one week and the non-instructional payroll is run the next week. The Payroll Department runs exception reports that list employees with excessive gross pay or time reports, on Tuesday, Wednesday and Thursday. The office manager reviews this report daily and immediately takes corrective action if necessary. Paychecks and direct deposit advices are processed on Wednesday night for a Friday payroll release.

Personnel changes are handled two different ways. At the district level, human resources can input changes directly on-line to the mainframe system. The changes are data entered, reviewed and approved by the Human Resources Supervisor and verified by accounts control staff before being released to the mainframe. The current process at the majority of the individual site locations is manual. The site

supervisor assigns the appropriate human resources code to an employee's record and sends it to accounts control for verification. Once verified, accounts control forwards the paperwork to the Information Services Department to be data-entered. Once keyed, the electronic record is forwarded to accounts control for final verification. The changes are then uploaded to the mainframe. Currently the district's high schools, new schools, and the Transportation Department can enter personnel changes on-line. The district is in the process of phasing in all schools and eliminating the manual process. The district hopes that the new ERP system will further automate the process.

Access to the master payroll file is limited by the district's mainframe security system. Human resources staff enters the data to the system and the information services staff releases the file once they receive approval from accounts control. The Payroll Department staff cannot update payroll records.

Timekeeping and attendance records are maintained at the site locations. Principals and department managers are responsible for documenting attendance for all staff on their site including teachers and non-instructional personnel.

The district maintains proper accounting of employees' compensation.

Personnel transactions, whether processed online or on paper, require appropriate account code information in order to be processed. This information is entered by the initiating site location and reviewed by accounts control staff before payroll records are updated. Accounts control staff review each personnel transaction to verify the accounting codes. If the transaction is a new position or employee, the job code and salary code are reviewed to ensure accuracy. The accounts control staff member that is responsible for verifying payroll codes does not have access to the payroll system. The Employee Benefits and Risk Management Department updates the system for changes in benefits. Other changes to payroll records, including employee-initiated changes for deductions such as union dues, United Way contributions and changes to child support are reviewed by accounts control and must be in writing.

Salary distributions to the general ledger accounts are reconciled to the payroll registers on a weekly basis by the Budget Department. Each weekly payroll is reviewed to ensure reasonableness. In addition, the Budget and Finance Department staff compares the actual payrolls to current year projections and to the corresponding payrolls from prior years.

Written payroll deduction procedures specify how each deduction is authorized, when deductions are taken, how changes are made, and the process and timing of payments to appropriate recipients. The Accounting Department is not responsible for initiating or authorizing these payments.

The district maintains two payroll bank accounts, one for payroll expenditures and one for the payment of payroll taxes to the IRS. The Payroll Department has detailed procedures in place to confirm that accurate balances are maintained in the district's employee database. These procedures ensure that accurate data is provided to the Internal Revenue Service and to employees on their annual W-2 forms.

The district transmits retirement data to the Florida Division of Retirement on a monthly basis through electronic transfer. The data includes the earnings and retirement contributions for each employee for the reporting period. The district also completes and mails a control summary (FRRRSM35) prior to the 19th of each month. The Early Retirement Program (ERP) is funded annually based upon an actuarial review.

The Payroll Department has customized pay stubs to provide employees with critical information.

In a number of organizations, the pay stub reports payroll codes that are difficult to decipher on the pay stub included with the employee's paycheck. This makes it difficult for the employee to understand deduction codes and year-to-date balances. In addition, these coded pay stubs do not provide a useful tool to identify any errors or discrepancies on the check. This, however, is not the case at HCSD.

The district provides easy to understand information on the employees' pay stub. Leave balances are updated in a timely manner and reported to employees on their pay stubs. In May 1995, the district reformatted the pay stubs to include the details of each district's work site that reported substitute time during the current pay period and the number of hours reported by each site. With this information, substitutes can compare actual pay to time worked and identify any omissions, as well as the site making the error so that they may be corrected. In addition, the Payroll Department periodically includes a universal "pay stub message" pertaining to important information regarding anticipated payroll changes or notifying them of the benefits of a certain payroll related plan, such as direct deposit.

The district implements federal and State mandated payroll related changes in a timely manner.

The Payroll Department, perhaps more than most departments, is subjected to ongoing changes in State and federal regulations. Over the last four or five years, there have been a number of changes related to the State's retirement program. In July 1998, the Deferred Retirement Option Program (DROP) was initiated. In August 2000, the district implemented a Section 401(a) terminal plan that offered employees the tax saving benefits of mandatory pretax contributions to a qualified retirement plan, in most situations, where terminal pay applies. Most recently, the State has instituted additional new requirements related to terminal pay. These new regulations include very complex limitations on vacation and sick leave payouts.

The district is in the process of implementing a new human resources computer system.

The human resources portion of the ERP is scheduled to be implemented October 1, 2002. The project insight team is in the process of mapping out the functional processes. District personnel agree that the new system will provide a great benefit to the district. However, the scheduled date to be implemented may not be optimal. Human resource functions are more concerned with the calendar year than the fiscal year. W-2 forms are based on a calendar year. October is in the middle of the district's fiscal year and will require that the annual tax records and totals be maintained in two systems. In addition, August and September are the busiest times for the human resource staff with all of the staffing changes that can occur at the beginning of a school year. It would be much cleaner for the district to move the implementation date back to January 1, 2003.

As of January 1, 2002, the district has made it mandatory for all new instructional employees to participate in the direct deposit plan.

The district first offered direct deposit of all employee pay, including substitute and temporary personnel, in January 1985. At that time, only 30% of the district's employees opted to participate. The Payroll Department made a concerted effort to encourage participation. The department's efforts have included:

- Displaying an annual "poster" at the beginning of each school year;
- Providing employees with enrollment forms and brochures explaining the program and its benefits;
- and

- Periodically including a pay stub message highlighting the benefits of direct deposit.

Due in part to the efforts of the Payroll Department, as of January 2002, 66% of district employees, more than 15,000 individuals, participate in direct deposit.

Beginning January 1, 2002, the direct deposit program become mandatory for new instructional district employees as provided in union negotiations for 2001-02. All instructional employees hired subsequent to January 2, 2002, will have 90 days from their employment date to enroll in direct deposit program. The program will continue to be voluntary for current employees; however, the district hopes that participation will continue to increase as the benefits of the program become more apparent. The district has yet to institute this requirement for non-instructional employees. The topic is expected to be included on the agenda for the next round of bargaining for the clerical and paraprofessional workers.

Direct deposit offers employees a safe and convenient way to have the net amount of their pay deposited directly in their designated bank account. Deposits are posted on payday for most major banks and credit unions. Direct deposit can be initiated at any time for existing employees and takes approximately three to four weeks to be fully established. Once established, all compensation will be deposited automatically until the employee withdraws from the program. Current employees can enroll in this program at any time during the school year.

A rubber signature stamp is stored in the Payroll Department in an unlocked safe during business hours.

The Payroll Department keeps a signature stamp in the safe located in an Accounting Clerk II's office. The signature stamp is used only in the rare event that a manual payroll check must be written and the Headman machine cannot be used to sign the check with a machine generated signature. The fact that this rubber stamp is stored in a safe that stays open during business hours is an internal control issue.

Recommendations

- *We recommend that the district move the implementation date for the payroll module of the ERP system back to January 1, 2003. The project team should have the module ready for exhaustive testing and training by October 1, 2002.*
- *We recommend that the district expand its mandatory direct deposit policy for new instructional employees to include all newly hired district employees.*
- *We recommend that the district store the rubber signature stamp in the vault with the Headman machine. Only the Assistant Superintendent of Business and Information Technology Services, the General Director of Finance, the Cash Manager, and the Supervisor of Payroll should have access to the safe.*

Action Plan 14-11 provides the steps needed to implement these recommendations.

Action Plan 14-11

Delay the Implementation Date for the Human Resources Module to January 1, 2003

Strategy	The project insight team should have the module fully developed by October 1, 2002. However, the implementation date should be pushed back to January 1, 2003, so that adequate testing and training can be completed.
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Action Needed	<p>Step 1: The project insight team completes the configuration of the human resources module by October 1, 2002.</p> <p>Step 2: The team begins extensive testing of the module using district data and compares it to reports generated by the existing legacy system.</p> <p>Step 3: The team begins extensive user training of the system.</p> <p>Step 4: The team and the users sign off on the system.</p> <p>Step 5: The system is implemented.</p>
Who is Responsible	<p>Assistant Superintendent of Business and Information Technology Services</p> <p>Assistant Superintendent of Human Resources</p> <p>Project Insight Team</p>
Time Frame	January 2003
Fiscal Impact	This recommendation can be implemented with existing resources.

Expand Direct Deposit Requirement to New Non-instructional Employees

Strategy	Expand the district's direct deposit program to make it mandatory for new non-instructional employees to participate. Include the issue on the agenda for the next bargaining session with the unions.
Action Needed	<p>Step 1: The Assistant Superintendent of Human Resources prepares an agenda item to be included in the next round of collective bargaining sessions for both the clerical and paraprofessional workers and the blue collar workers that makes it mandatory for all new employees to participate in the district's direct deposit program.</p> <p>Step 2: The Supervisor of Payroll prepares a presentation detailing the benefits of participating in the program.</p> <p>Step 3: The issue is discussed during the collective bargaining sessions and approved by the unions.</p>
Who is Responsible	<p>Assistant Superintendent of Human Resources</p> <p>Supervisor of Payroll</p> <p>Union Representatives</p>
Time Frame	All new Non-instructional employees hired subsequent to January 1, 2003
Fiscal Impact	This recommendation can be implemented with existing resources.

Keep Rubber Signature Stamp Locked in Vault

Strategy	Store the rubber signature stamps in the district's vault.
Action Needed	<p>Step 1: The signature stamp is placed in the vault.</p> <p>Step 2: The Supervisor of Payroll creates a log sheet for the vault that must be completed each time the vault is opened. The log sheet should specify the name of the person accessing the vault, the reason, the date and time the vault was opened, the date and time the vault was closed, and a signature verifying that all items removed from the vault have been replaced.</p>
Who is Responsible	<p>Assistant Superintendent of Business and Information Technology Services</p> <p>General Director of Finance</p> <p>Supervisor of Payroll</p>
Time Frame	August 2002
Fiscal Impact	This recommendation can be implemented using existing resources.

Source: Gibson Consulting Group, Inc.

24 Debt Financing: The district's financial advisor assists it in analyzing, evaluating, monitoring, and reporting debt-financing alternatives.

The district has retained a financial advisor to assist the district in all aspects of debt financing. The firm of Ford & Associates is under a long-term contract for the purpose of providing continuity in the issuance of debt, specifically the Certificates of Participation (COP). The contract was updated January 8, 2002, and provides for continuous financial advice on relevant current and prior year's debt issues. The scope of services in the contract agreement specify that the financial advisor will perform the following services:

- Provide the board with certain assistance, advice, and services in the issuance of its bonds, notes or other debt instruments until such financings are completed, and such services include, but shall not be limited to:
 - Analyze financial and economic factors, which would determine if the board should proceed with the issuance of the bonds, notes, or other debt instruments;
 - Develop a financing plan in concert with the board's staff which would include recommendations as to the timing and the structure of the financings under consideration;
 - Advise as to various financing methods and refunding structures available to the board;
 - Analyze the sensitivity of different interest rates and financing plans on the board's annual debt service and on the overall debt structure of the board;
 - Advise as to the advantages and disadvantages of public versus negotiated sale;
 - If a negotiated sale is planned, develop a Request for Proposal (RFP) for underwriter services and assist in the selection of investment banking firm(s). Make recommendation as to the number of investment bankers to be selected; and
 - Assist in the selection of bond counsel through a RFP process or by obtaining fee quotations.
- Attend any and all scheduled and non-scheduled meetings;
- Address the board and/or staff from time to time as requested;
- Develop a timetable for the board's financing program and update as necessary;
- Conduct the required mathematical calculations to determine any arbitrage rebate due;
- Attend rating presentations, and assist with and participate in such presentations as necessary and appropriate;
- Provide expert testimony;
- Keep the board and staff continually informed of relevant developments in the credit markets;
- Provide debt service schedules to staff to help ensure that the exact amount of annual debt service requirements are budgeted each fiscal year; and
- Evaluate millage impact on various financing alternatives.

The district has a high level of debt, but has been able to keep the cost of borrowing relatively low through the efforts of the Assistant Superintendent of Business and Information Technology Services and the district's financial advisor.

The district has an AA bond rating in spite of a low fund balance.

The district completed a \$236 million sales tax revenue bond issue in February 2002. The district dealt with rating issues for the prior year to ensure that the district maintained its strong rating. Currently, HCSD is the only school district in the State with an AA rating. Ford & Associates actively safeguards the district's interests by managing all contact with the rating agencies and establishing performance goals within the brokering marketplace. They have established a methodology that elicits competition among the rating agencies to find the best options available. The district anticipates another bond issue of approximately \$112 million during the fall of 2003.

Generally when issuing a bond rating, bond-rating companies such as Moody's prefer school districts to have a general fund balance of between three and five percent of budgeted revenues. The district, at 2%, remains below this level. However, the Assistant Superintendent of Business and Information Technology Services does not feel that the district is at risk of being downgraded. The district has been able to maintain its strong reputation in the bond market through sound financial management, primarily through the strength of its capital program seeking different sources of revenue sources.

Over the last three months, the district has been tasked with reducing its budget by \$20 million due to the reduction of State funding. The district was able to find these cost savings without having to cut major programs. In addition, HCSD has a revolving credit line of \$80 million. This line of credit was established in 1983 to protect the district's financial position in the event of a major catastrophe, such as a hurricane. The line of credit is part of the district's banking contract. The district has 24-hour access to the funds at 67% of the prime interest rate. It has never had to access this line of credit. The district believes that it has proven its financial stability to the financial markets and is not overly concerned that the general fund balance is below market standards. However, it should be noted that improving the general fund balance would only enhance the district's financial standing.

25 Grant and Entitlement Monitoring: The district has established procedures to ensure that grant activities are monitored in accordance with grantor requirements.

The federal grants and special revenue funds are well managed in the district and are in compliance with the requirements set out in the grant award documents.

The district receives a significant amount of grant awards from both State and federal sources. Most of the grants in place are recurring and have been in place for a number of years. Accordingly, the district has established procedures to ensure that all compliance issues have been met and that each grant is closely monitored. District personnel actively manage each grant and maintain the records for each grant individually to ensure that all activities are segregated and appropriate. As required, the district institutes procedural changes when necessary to improve the overall management of the grants. Because the district is so familiar with managing grants, there are procedures in place to closely review any newly received grants to ensure that appropriate procedures exist or are created.

The district spends 99% of grant moneys that it receives.

Grant revenues must be carefully managed and budgeted to ensure that they are being spent in the manner intended in the grant award. Any proceeds that are not spent must be returned to the grantor at the end of

the grant period. Mismanaging these moneys could result in the district returning the moneys rather than spending them on the program for which they were intended.

Over the past three years, the Federal Finance and Special Revenue Departments have spent 99% of grant awards as budgeted. This is a testament to the dedication and focus of the staff in these departments.

Purchasing

Efficient purchasing and warehousing requires that management processes be in place to ensure that supplies, equipment and services vital to the school's education mission are purchased from a competitive source, in the right quantity, delivered timely to the correct location, and stored in a secure location. These criteria should be met for each purchase without sacrificing quality.

An efficient warehouse operation should ensure that all purchases and deliveries to schools and units are complete and timely; inventory levels are sufficient to meet requests for supplies from individual schools and units; property and equipment are accounted for properly and controlled; and surplus or obsolete property is disposed of properly and removed from district records.

Section 237.02(1), F.S., states, "Each district shall develop and adopt policies establishing the plan to be followed in making purchases as may be prescribed by the state board." The Florida State Board of Education Administrative Rules 6A-1.012 Purchasing Policies states "each district board shall establish purchasing rules, which shall include but not be limited by the following:

- The superintendent may be authorized to purchase products or services where the amount received does not exceed an amount prescribed by the board and does not exceed the applicable appropriation in the district budget.
- Before making any purchase or contracting for services which the superintendent is authorized by the board to make or before recommending any purchase to the board, the superintendent shall, insofar as possible, propose standards and specifications. He or she shall see that the purchase or contract conforms to those standards and specifications, and shall take such other steps as are necessary to see that the maximum value is being received for any money expended.
- In each district in which the purchasing agent for the public agency of the state is authorized by law to make purchases for the benefit of other governmental agencies within the county, the board shall have the option to purchase under the current contracts as may be established for any of the public agencies set forth above.
- As required by Section 230.23(10)(j), F.S., the board shall receive and give consideration to the prices available to it under rules of the Department of Management Services, Division of Purchasing. Boards may use prices established by the Division of Purchasing through its stated negotiated agreement price schedule.
- In lieu of requesting bids from three or more sources, boards may purchase at the unit price in contracts awarded by other city or county governmental agencies, other boards, community colleges, or State university system cooperative bid agreements.
- Except as authorized by law or rule, bids shall be requested from three or more sources for any authorized purchase or contract for services exceeding the amount established in Section 287.017, F.S., for purchasing category two. (\$25,000) Boards by rule shall set this amount or a lesser amount and shall establish a purchasing policy relative to purchases of a dollar value less than this formal bid threshold.

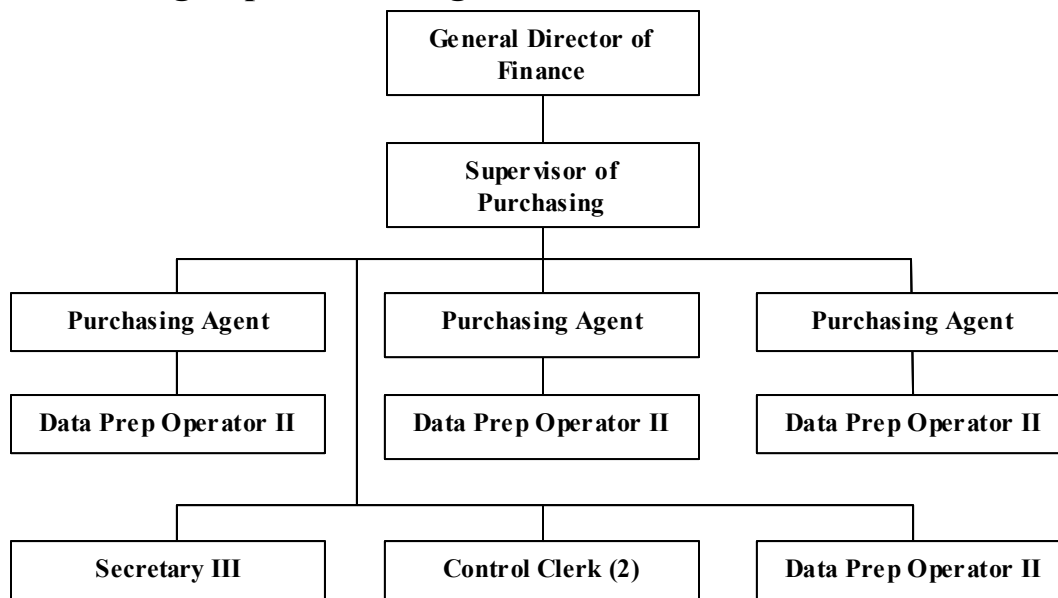
Cost Control Systems

- The requirement for requesting three or more sources is hereby waived as authorized by Section 237.02, F.S., for the purchases of professional or education services, education tests, textbooks, printed instructional materials, computer software, films, filmstrips, videotapes, disc or tape recordings, or similar audio-visual materials, and for library and reference books, and printed library cards where such materials are purchased directly from the producer or publisher, the owner of the copyright, and exclusive agent within the State, a governmental agency or a recognized education institution.”

The HCSD Purchasing Department falls under the direction of the General Director of Finance. The department has eleven full-time positions of which two are currently vacant and are temporarily on hold to be filled due to the budget cuts. The two vacant positions are one purchasing agent position and a control clerk. Exhibit 14-32 shows the organizational structure of the Purchasing Department.

Exhibit 14-32

Purchasing Department Organization Chart



Source: The Hillsborough County School District.

The Hillsborough County School District mission statement states that the:

“Purchasing Department will contribute to the delivery of a low cost education by enabling our schools and other departments to obtain quality equipment, goods, and services at the best possible value on the basis of competitive bids considering costs, quality, suitability, service, and delivery.”

The Purchasing Department goals are:

- Purchase as efficiently as possible;
- Provide continuous training and education to customers;
- Provide knowledge, advice, and consulting;
- Identify vendors who meet internal customer needs at reasonable prices;

- Process documentation within reasonable timeframes;
- Minimize disputes between internal customers and vendors;
- Maintain ethical business standards and full legal compliance;
- Develop written procedures to assure continuity within the department;
- Develop methods to keep abreast of changes/improvements in technology;
- Create a work environment that fosters personal, professional and departmental growth;
- Encourage employees to question the current ways of doing things in order to improve efficiency and effectiveness;
- Promote and enhance employee morale and camaraderie;
- Develop cohesive teams who work together to produce quality and timely results; and
- Prepare for district growth by devising and implementing a long-term plan.

Procurement is the responsibility of the Purchasing Department with the exception of textbooks and direct purchasing, which was discussed in the Asset Management section of this chapter. The responsibility of purchasing textbooks will be moved to the Warehouse Department Coordinator in January 2002. The two direct purchasing employees report directly to the general director of Finance. The Purchasing Department also does not oversee the purchase of items bought with student activity funds.

All schools and departments are required to prepare purchase requisitions when ordering goods and supplies using the automated purchasing system. The school or department secretary receives an internal request form from the employee requesting the item, which has been signed by the principal or supervisor for approval. The secretary data enters the requisition in the purchasing module. The principal, department supervisor, or designee is notified when the requisition has been entered and is ready for approval and submission. The requisition is approved by the principal, department supervisor or designee and is then forwarded electronically to the Purchasing Department. The purchasing system verifies that adequate budget funds are available and authorized signatures are present. If the system accepts the requisition, a purchase order number is assigned and the funds are encumbered. If the system does not accept the requisition due to budget funds not being available, the system will not generate a purchase order and will display the requisition as a rejected item. Requestors are required to check the system frequently to check if any requisitions submitted by them have been rejected since the system does not have the capability to notify the requestor.

Once the Purchasing Department receives the requisition, the control clerk reviews each order and performs the following functions:

- Processes purchase order if purchase order has current bid number otherwise continues following functions;
- Reviews selected vendor to ensure that the appropriate vendor is being used;
- Reviews items for proper coding, bid numbers, and correct prices;
- Forwards purchase order without a vendor number to the data prep clerk to set up in the vendor master file;
- Reviews coop catalogs to determine whether the items can be purchased through coops;
- Submits the purchase order to the vendor or orders the goods from the coop; and
- Submits purchase order copies to the originating school or department, Property Control Department, Accounts Payable Department, and keeps a copy for the file kept in Purchasing.

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Field purchase orders and Telephone Purchase Authorizations (TPAs) are used for emergency procurement of materials, services, and supplies. Only certain departments, such as maintenance, are authorized to use TPAs.

The district policy thresholds for total one-time purchases valued between \$5,000 and \$24,999 requires three written quotations from at least three suppliers and purchases of \$25,000 or more require competitive sealed bids. The district's policy does not require quotes for purchases less than \$5,000. Exhibit 14-33 presents a summary of the purchasing and bidding approval processes based on the district's purchasing and bidding policies.

Exhibit 14-33

HCS D Purchasing and Bidding Policies

Purchase Levels	Bid Requirements (if no bid or contract exists)	Approval Requirements
\$25,000 and greater	Formal competitive sealed bid	User department/school approvals Supervisor of Purchasing Board
\$5,000 to \$24,999	Three or more written quotes shall be solicited.	User department/school approvals Supervisor of Purchasing
\$0 to \$4,999	District ensures that the price paid for item is fair and that the cost of the item is not in excess of the published price or list price.	User department/school approvals Supervisor of Purchasing

Source: HCS D Purchasing Policies and Bidding Summary of Procedures.

HCS D's purchasing policies require that all one-time purchases valued at \$25,000 or more, with the exception of those items waived in the Department of Education rules, be made by competitive bidding, competitive sealed proposals, requests for proposals, catalog purchases, or through inter local cooperative agreements.

Designated school and department staff receives all goods ordered in the district, which they log, count, and sign for. Once the items are checked in, they distribute the ordered goods to the appropriate employee in their school or department. School and department staff forward receiving information through the system or internal mail to the Accounts Payable Department so that invoices can be paid.

On December 7, 1999, the district signed a contract with Information Onvia, previously known as On Demand, Inc., for an online competitive bid processing service called Demand Star. Demand Star is a service offered to government agencies throughout the nation. The service helps government agencies find suppliers online, while helping businesses secure government contracts. Onvia manages the distribution and reporting of requests for proposals, bids and quotes from more than 300 government agencies nationwide in the \$400 billion State and local government market place. The size and strength of Onvia's network allows suppliers and agencies to find better matches quickly, saving time and money.

Demand Star is free to the district and the vendors are charged a minimal subscription fee each year. The service provides benefits to the district by streamlining the bid process, creating significant savings, and creating a larger and more diverse pool of suppliers. Increased bid competition drives costs down as well as reduces marketing and administrative expenses.

After the purchasing agents have prepared the bids, request for proposals, or request for offers, the secretary data enters the information into Demand Star. The Demand Star system posts the bids online and notifies subscribed vendors of the posting. Vendors contact Demand Star directly if they have any

questions or prefer the bid to be faxed or mailed. The vendors are not charged for a fax and are mailed copies at a minimal charge.

With Demand Star, the district is notifying more vendors than it was able to on its own. For example, the Purchasing Department staff stated that before using Demand Star, the district would mail out approximately 300 packets per bid. In a bid issued October 2001, Demand Star notified 1,642 vendors for the bid for the Rapid Response Delivery System.

The district calculated a savings of \$30,912 per year during the analysis to determine whether to pursue the service for just the cost of paper and postage alone. Other costs not included in the calculation that would have a direct positive impact by this service would be a reduction in labor hours required to prepare the bid packets and answering calls from the vendor.

The district recognizes that there are local vendors that do not have access to the online services. In an effort to address these local vendors, the district provides a listing of bids at the district's Office of Supplier Diversity. Local vendors visit the Office of Supplier Diversity to review the list of outstanding bids and can request a copy of the bid packet from the Purchasing Department if they are interested in bidding.

The district is currently piloting purchasing cards as a means of controlling recurrent purchases for items such as classroom supplies, groceries, and travel. The initial pilot involved only district staff at the assistant superintendent level or above. The district is in the process of expanding the pilot program to add more schools. The Budget Department is responsible for overseeing the procurement card pilot program.

26 The district segregates purchasing responsibilities from the requisitioning, authorizing, and receiving functions for district level purchases; however, there is no segregation of duties at the school level.

At the district level, the district ensures that it segregates the requisitioning, purchasing, receiving, invoice processing, accounts payable, general ledger, and disbursement functions; however, there are three purchasing functions that are operating in departments other than the Purchasing Department.

The school or department staff that initiates the purchase is responsible for the requisitions and receiving functions. The Purchasing Department is responsible for processing the purchase orders. The Accounts Payable Department is responsible for invoice processing and payment of the invoice. The general ledger is automatically updated when the data is entered into the automated accounts payable system. The Supervisor of Accounts Payable is responsible for preparing adjusting entries to the general ledger and the Supervisor of Accounts Control reviews the adjusting entries. The Accounts Payable Department at the time it receives and verifies the purchase order, invoice and receiving form prepares disbursements. The approval for disbursement is made when the site prepares the requisition.

Other departments in the district are responsible for purchasing functions. Individuals responsible for the purchasing of textbooks, construction materials and procurement cards are all reporting to department heads other than the Supervisor of Purchasing. The district employee that purchases textbooks reports to the Textbook Depository supervisor. The Direct Purchasing staff reports directly to the General Director

of Finance. The Budget Department is overseeing the procurement card pilot program. It is critical that all aspects of purchasing be under the control of the Supervisor of Purchasing. This will ensure that all staff responsible for purchasing for the district follow policies and procedures and are consistent in their purchasing processes.

HCS D schools do not have controls in place that segregate the requisitioning, purchasing, receiving, invoice processing, accounts payable, general ledger, and disbursement functions in school activity funds.

At three of the four schools visited by the Gibson Consulting review team, the school secretary performed all the acquisition and accounting functions listed above. In one of the schools, another school employee receives the purchased items. Aware that the schools lack controls in segregating duties, the district’s internal audit has implemented an audit plan for school activity funds and audits the funds annually. The review team reviewed the audit plan and believes that adequate procedures are performed during that audit that ensure any material discrepancies or misappropriations of funds will be discovered; therefore no recommendation to the best practices is needed.

Recommendation

- *We recommend that purchasing functions for textbooks, direct purchasing and procurement cards be directed by the supervisor of Purchasing. Requisitions will continue to be prepared by the textbook committee and the general contractors. The employees currently responsible for purchasing textbooks and making direct purchases of construction items can be transferred into the Purchasing Department. The department will need one additional employee to perform procurement card duties.*

Action Plan 14-12 provides the steps needed to implement this recommendation.

Action Plan 14-12

Consolidate all District Purchasing Functions under the Purchasing Department	
Strategy	Consolidate the textbook, direct purchasing and procurement cards purchasing functions to the Purchasing Department.
Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services directs the General Director of Finance and the Supervisor of Purchasing to meet with the Textbook Depository Supervisor and the Budget Supervisor to plan the transition of the textbook purchases and procurement cards.</p> <p>Step 2: The General Director of Finance transfers the responsibility of the supervision of the direct purchases to the Purchasing Supervisor.</p> <p>Step 3: The Textbook purchasing clerk is transferred to the Purchasing Department.</p> <p>Step 4: The General Director of Finance prepares a board agenda item requesting a data preparation operator position for procurement card processing be created.</p> <p>Step 5: The Assistant Superintendent of Business and Information Technology Services presents the agenda to the board.</p> <p>Step 6: Board approves the position.</p> <p>Step 7: The Supervisor of Purchasing with the assistance of human resources hires the data preparation operator.</p>

Who is Responsible	Assistant Superintendent of Business and Information Technology Services Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	The salary plus benefits for a data preparation operator will be \$21,134 per year and \$105,670 for five years.

Source: Gibson Consulting Group, Inc.

27 The district has generally established effective requisitioning controls; however controls related to requisitions made with blanket purchase orders, no purchase orders, telephone purchase authorizations, and field purchase orders should be improved.

Controls are in place in the requisition process that ensure that signatures for officials authorized to approve are in place, the requisition number is included, the appropriation to be charged is indicated, and non-shelf items are accompanied by technical specifications.

The purchasing system automatically verifies authorization signatures for requisitions handled by the Purchasing Department. However, the verification of the warehouse requisitions is still manual and weaknesses were identified with respect to emergency purchase orders by the Gibson Consulting review team. Recommendations for improving this process are noted in the Inventory Management section of this chapter.

Unique requisition numbers for requisitions handled by the Purchasing Department are automatically generated by the purchasing system. Requisitions processed by the warehouse are manually stamped with a unique number using a stamp machine.

The requesting school or department is responsible for entering the appropriation number that is to be charged, and the Purchasing Department control clerk reviews the coding. The purchasing system will not accept a requisition without this information. Warehouse staff interviewed by the review team stated that requisitions submitted to the warehouse are not processed unless appropriations are listed on the form.

Controls are not in place for ensuring that adequate appropriation funds are available for requisitions when using non-purchase orders, telephone purchase authorizations, field purchase orders, and that blanket purchase orders do not exceed the appropriated fund amounts.

In addition to the normal requisition process, the district allows other instruments on an exception basis. These other instruments used do not verify that there are appropriations are available before the purchase with the exception of blanket purchase orders.

Blanket purchase orders are used when the district is purchasing products or services from a vendor on an ongoing basis. A blanket purchase order is created with a determined amount and date of expiration. Purchasing Department staff stated that on occasion the school or department requester calls to request that the Purchasing Department extend the contract and increase the amount of the blanket purchase order. This practice occurred more often in previous years than it does now. The review team found when verifying a sample of blanket purchase orders that expired blanket purchase orders were still being

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used. The current district procedures state that the term for a blanket purchase order should not exceed a six-month period. The district should consider extending the time period to one year or the end of the fiscal year which ever is less. This will allow the blanket purchase orders to be in alignment with the district's budget. Exceptions can be made at the discretion of the district for out of the ordinary circumstances.

Although blanket purchase orders are verified, the system allows the purchase order to exceed the amount authorized. The 1998-99 and the 1999-2000 fiscal years' audits noted that the district continues to pay amounts that exceed the maximum purchase authorization amount. In the review of blanket purchase orders for fiscal years 2000-01 and 2001-02, the review team also found blanket purchase orders where paid amounts exceeded the amount authorized. In fiscal year 2000-01, 197 purchases exceeded the blanket allotment by \$1,699,776, and three blanket purchase orders exceeded by \$6,794.49 during the first four months of this fiscal year.

Field purchase orders and telephone purchase authorizations are used for emergency purchases and are not encumbered before purchasing products or services. Mainly schools and office staff use field purchase orders (FPOs) to purchase instructional or office supplies. FPOs cannot exceed \$100 or be used to purchase equipment. The FPO form states that orders cannot exceed \$100, but it does not note that equipment cannot be purchased.

Only Maintenance Department staff is allowed to use telephone purchase authorizations (TPAs) to purchase maintenance products and services. Authorized maintenance personnel request a TPA number from the Purchasing Department clerk. The maintenance employee purchasing the item takes it to the vendor. The vendor calls the Purchasing Department to confirm that the purchase has been approved.

During the 2000-01 fiscal year's audit, the district's external auditors expressed concern that invoices received for TPAs were not checked against the Purchasing Department's vendor information received at the time the TPA was initiated. The district does not have a mechanism in place that verifies the invoices with the approved prices negotiated with the vendor. The external auditors recommended that the district discontinue TPAs and use procurement cards. This was also a recommendation in OPPAGA's 1997 performance review. District staff stated that their records do not indicate that the use of procurement cards has substantially reduced the number of TPAs. The district plans to eliminate TPAs with the implementation of the new accounting system.

Procurement cards are credit cards issued by the district to designated employees. The district can set spending limits for each card when issued and place restrictions on the types of purchases made. Procurement cards are paid monthly to the issuing bank in one lump-sum payment. Cardholder charges can be reviewed daily, weekly, or monthly by the cardholder and accounts payable staff.

As a temporary solution to the TPA discrepancies, purchasing staff are going to prepare a log that includes the department name, requestor name, site number and name, invoice number, amount, item description, vendor name, TPA number, and date of payment. District staff will verify 50% of the TPAs processed in a year and notify the General Director of Finance, department supervisor, and the Internal Auditing Department of discrepancies with invoice numbers, amounts with differences of 10% or greater, or vendor name.

The district should consider limiting the issuance of procurement cards to only district staff that currently use TPAs and FPOs. These are employees that primarily work in schools, repair shops or the Maintenance Department. Keeping control on the number of cards issued will prevent the management of the cards from being overly cumbersome and time consuming.

The district began its procurement card pilot program in Fall 2000. It has issued the procurement cards in phases. The central office administrators and board members were issued procurement cards during Phase I. Eighteen schools were issued cards in Phase II in Spring 2001. The repair technicians in the Office Machine Repair, Technology Repair, and AV/CCTV/LAN Departments were issued cards in Phase III in Fall 2001, and 19 schools received cards during Phase IV in January 2002.

HCSD should consider adding the Maintenance Department staff in its next phase. Like the repair departments, the Maintenance Department makes numerous emergency purchases on a routine basis. The district would benefit by providing procurement cards to the maintenance staff because it can set limits on purchasing amounts, types of purchases, and vendors used.

According to the Purchasing Department Manual Non-Purchase Orders (NPOs) Payments section, “the board does not allow after the fact purchase orders. No purchase is to be made without first issuing a purchase order or field purchase order with the exception of utilities, contracts, and debt payments. Any request for a non-purchase order must have special approval from the Assistant Superintendent of Business and Information Technology Services prior to payment. The principal or department supervisor must write a memo of explanation that includes the accounting code to be charged. A payment will be made without a purchase order, if approved.” The Purchasing Department and the Accounts Payable Department staff were not able to provide any type of tracking report for NPOs when asked by the review team. In order to ensure that the district is abiding by its board policy, a management report should be generated that reports NPOs by the various categories allowed so that staff can monitor these types of purchases. Accounts payable staff also stated that in addition to the utilities, contracts, and debt payments, NPOs are used when an invoice is received after a purchase order has been closed.

Prior to the January 2002 meeting with district staff, the Gibson Consulting team was planning to recommend that NPOs be eliminated. However, the Federal Grants and Special Revenue Departments provided valid reasons why NPOs were necessary for purchases involving some grant expenditures. An example is that the district pays for subsidized daycare services, and it is required to pay daycare centers within 30 days of the service or they will be in violation of their contracts. If the Federal Grant or Special Revenue Departments went through the regular purchase order process, it would not be able to meet its requirements. Another example is unforeseen expenditures such as a head start student qualifying for assistance, but not being on an approved list at the time of registration; therefore, the parents must pay and must be reimbursed by the district.

After meeting with the federal grant, special revenue, and accounts payable staff and reviewing the grant files, the Gibson Consulting review team believes that the system that is in place for NPO purchases has adequate controls in place.

Therefore, the district should limit its use of NPOs to the Federal Grant and Special Revenue Departments and only on rare circumstance should anyone else in the district be allowed to use this method of purchasing. If any other department or school does require an NPO, these purchases should be recorded in a report with a memorandum to the Assistant Superintendent of Business and Information Technology Services and the approval should be filed in a central location. The district should ensure that the new ERP system is able to track these types of purchases so that reporting can be generated by the system.

The district should also revise its NPO procedures to route all NPOs through the Purchasing Department since it is the purchasing function. Currently, NPOs are handled through the Accounts Payable Department.

The district takes a risk of not having available funds by allowing purchases to be made without verification of the appropriations. Additionally, the district is not complying with Section 237.02, F.S.,

and Florida Department of Education Rule 6A-1.012 F.A.C. The Florida Department of Education Rule 6A-1.012 F.A.C. states, “the superintendent may be authorized to purchase products or services where the amount received does not exceed an amount prescribed by the board and does not exceed the applicable appropriation in the district.”

Recommendations

- *We recommend that the Purchasing Department implement a manual review process to ensure that amounts paid do not exceed authorized amounts. The Purchasing Department will need an additional employee while it is performing this recommendation manually.*
- *We recommend that the district revise its blanket purchase order policy to extend the life of a blanket purchase order from six months to a one-year term, or the end of the fiscal year which ever is less. This will allow the district to stay in alignment with the budget and will lessen the workload of district staff.*
- *We recommend that the district eliminate the use of field purchase orders (FPOs) and telephone purchase authorizations (TPAs) and provide procurement cards. Using procurement cards in lieu of TPAs and FPOs will reduce the number of payments processed annually since the cards will only require one monthly payment.*
- *We recommend that the district limit its use of procurement cards to cover only emergency purchases such as those currently being provided by TPAs and FPOs and issue cards to the Maintenance Department during the next phase. Limiting the use of procurement cards to individuals that use TPAs and FPOs will also ensure that the procurement card process is manageable.*
- *We recommend that the district allow NPOs for Federal Grant and Special Revenue Department expenditures and on an emergency basis only for other departments. The district’s policies and procedures should include detailed information of what constitutes an emergency purchase. NPOs should be eliminated for utilities, contracts, and debt payments and be replaced with blanket purchase orders. Using a blanket purchase order allows these costs to be encumbered at an estimated amount based on budgeted numbers and it provides a monitoring tool for staff to ensure that the costs are in line with the budget.*
- *We recommend that the new ERP system allow purchase orders that are closed be reopened when invoices are subsequently received instead of using NPOs.*
- *We recommend that the new ERP system is programmed to:*
 - *Provide checks that will not allow amounts paid to exceed authorized amounts.*
 - *Automatically close blanket purchase orders when it has reached the maximum amount allowed, its term has expired, or there has been no activity within a six-month period. The system should include a feature that notifies the Purchasing Department, the vendor, and the requesters that the blanket purchase orders will be closed out on a designated date so that the Purchasing Department staff has the opportunity to override the system if needed. A manual procedure should be implemented immediately until the district converts to the new ERP system.*
 - *Track NPOs and provide a report detailing the purchases made. This will provide the district an analytical tool to determine the number of NPO purchases occurring and to*

identify abuse. This will also assist in communicating to auditors the number of these types of purchases that occur during a period of time.

Action Plan 14-13 provides the steps needed to implement these recommendations.

Action Plan 14-13

Implement a Review Process to Ensure Payments do not Exceed Authorized Amounts	
Strategy	Implement a manual review process to ensure that amounts paid do not exceed authorized amounts.
Action Needed	<p>Step 1: The General Director of Finance prepares a board agenda item requesting a control clerk position</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda to the board.</p> <p>Step 3: Board approves the position.</p> <p>Step 4: The Supervisor of Purchasing prepares a work plan for the position.</p> <p>Step 5: The Supervisor of Purchasing submits the request to human resources to post the position.</p> <p>Step 6: The Supervisor of Purchasing hires control clerk.</p> <p>Step 7: The control clerk manually verifies that amounts billed are equal to or less than authorized amounts.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services General Director of Finance Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	The salary for a control clerk will be \$26,947 per year and \$134,735 for five years.

Extend Life of Blanket Purchase Orders	
Strategy	Revise blanket purchase order policy to extend the life of a blanket purchase order from six months to a one-year term or the end of the fiscal year, which ever is the least number of days.
Action Needed	<p>Step 1: The Supervisor of Purchasing and the General Director of Finance revise the board policy and prepare a board agenda item.</p> <p>Step 2: The Assistant Superintendent of Business and Information and Technology Services presents the agenda item to the board.</p> <p>Step 3: The board approves the revised policy.</p> <p>Step 4: The Supervisor of Purchasing implements the revised policy extending the life of blanket purchase orders to one year or the end of the fiscal year, which ever is the least number of days.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services General Director of Finance Supervisor of Purchasing
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Eliminate Field Purchase Orders and Telephone Purchase Authorizations	
Strategy	Eliminate the use of field purchase orders and telephone purchase authorizations and provide procurement cards.

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Action Needed	<p>Step 1: The Supervisor of Purchasing and the General Director of Finance revise the board policy and prepare a board agenda item.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda item to the board.</p> <p>Step 3: The board approves the revised policy.</p> <p>Step 4: The Supervisor of Purchasing implements the revised policy eliminating the use of field purchase orders and telephone purchase authorizations and provides procurement cards.</p>
Who is Responsible	Supervisor of Purchasing
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Limit Use of Procurement Cards

Strategy	Limit use of procurement cards to cover only emergency purchases such as those currently being provided by TPAs and FPOs and issue cards to the Maintenance Department in the next scheduled release date.
Action Needed	<p>Step 1: The General Director of Finance and the Supervisor of Purchasing review the current plan of which district staff will be receiving procurement cards and eliminate those that are receiving a procurement card that is for a matter of convenience instead of necessity or emergency.</p> <p>Step 2: The General Director of Finance and the Supervisor of Purchasing add the Maintenance staff needing procurement cards to the next scheduled release date.</p>
Who is Responsible	General Director of Finance Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Revise Policies and Procedures for Non-Purchase Orders

Strategy	Change the district's NPO policies and procedures to only allow routine use by the Federal Grant and Special Revenue Departments and other district staff on an emergency basis and provide in detail the types of purchases that constitute an emergency.
Action Needed	<p>Step 1: The Supervisor of Purchasing and the General Director of Finance revise the board policy and prepare a board agenda item.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda item to the board.</p> <p>Step 3: The board approves the revised policy.</p> <p>Step 4: The Supervisor of Purchasing implements the revised policy allowing NPOs to be routinely used by the Federal Grants and Special Revenue Departments and other district staff on an emergency basis.</p> <p>Step 5: The Supervisor of Purchasing requires all utilities, contracts and debt payments to be processed as a blanket purchase order.</p>
Who is Responsible	Assistant Superintendent of Business and Information Technology Services General Director of Finance Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Reopen Purchase Orders if Charges are Received Subsequent to Closing the Purchase Order

Strategy	Reopen purchase orders if outstanding charges are received.
Action Needed	<p>Step 1: The Supervisor of Purchasing meets with the project insight team to determine whether the new ERP system is specified to allow purchase orders to be reopened. If yes, no further action is necessary. If no, go to step two.</p> <p>Step 2: The Supervisor of Purchasing and the project insight team meet with the software company representative to spec out the requirements.</p> <p>Step 3: The software company representative implements the specs.</p>
Who is Responsible	Supervisor of Purchasing Project Insight Team
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Provide System Controls for Purchasing Processes

Strategy	<p>Program the new ERP system to:</p> <ul style="list-style-type: none"> • Provide system checks that will not allow amounts paid to exceed authorized amounts. • Automatically close blanket purchase orders when the maximum amount allowed has been reached, the term has expired, or there has been no activity in six months. Should include a feature that notifies Purchasing Department staff that the blanket purchase orders will be closed out on a designated date and allow staff to override the system if needed. • Track NPOs and provide a report detailing the purchases made.
Action Needed	<p>The Supervisor of Purchasing meets with the project insight team to determine whether the new ERP system is specified to provide controls not allowing the payment amount to exceed the appropriated amount; automatically close blanket purchase orders exceeding appropriated amounts and reaching expiration dates; and providing a report that tracks NPOs. If yes, no further action is necessary. If no, go to step two.</p> <p>The Supervisor of Purchasing and the project insight team meet with the software company representative to spec out the requirements.</p> <p>The software company representative implements the specs.</p>
Who is Responsible	Supervisor of Purchasing Project Insight Team
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

28 **The district has established authorization controls over purchasing; however, the controls pertaining to thresholds are not enforced.**

The district does not have the capability to adhere to its purchasing policy pertaining to obtaining at least three written quotes from suppliers for one-time purchases between \$5,000 and \$24,999.

The district's threshold policy requires that written quotations from at least three suppliers for one-time purchases valued between \$5,000 and \$24,999. The Purchasing Department staff stated it was the school or department's responsibility for obtaining this information and the quotes are kept at the sites.

HCSD is violating its policy by not monitoring whether quotes are being requested and only tracking annual purchases to vendors of \$5,000 to 24,999 by the school level instead of at the district level. The district needs to keep records in a central location in order to track that everyone is requesting quotes as required by the HCSD policy. During the site visits, the Gibson Consulting review team asked school and department staff how quotes were tracked and if the quotes were centrally located. Most were not aware of the policy and stated that they did not purchase items between \$5,000 and \$24,999. Tracking the threshold amounts by the entire district instead of by school or department requires that the Purchasing Department perform or at least coordinate the quoting for purchases between \$5,000 and \$24,999.

Additionally, instead of tracking purchases by vendors, many districts track their purchases by item type in order to determine those products or services that are reaching the threshold limits. Once the product or service is approaching the limit, the purchasing staff requests a minimum of three written quotes in order to comply with its board policy. According to the Purchasing Department staff, the district purchasing system does not allow access to items purchased by item type, so verification of recurring purchases cannot be checked. The district should consider tracking thresholds by item type and ensure that the new ERP system includes a designated field to track this information and also has the capability to notify the Purchasing Department when it is reaching threshold limits.

Currently, the Purchasing Department staff checks threshold levels after the fact in preparation for the following year's budget. If the product or service costs are close to the threshold levels, the purchasing agent solicits for written quotes or sealed bids using its online bidding system, Demand Star.

The district has established guidelines for key considerations such as prices to be paid, acceptable vendors and terms, asset quality standards, and the provision of grants or bonds that may finance expenditures; however, it is not consistent in obtaining bids for all purchases over \$25,000, which is required by law.

The district is not bidding for purchases over \$25,000 from a vendor if the acquisitions occur in increments of less than \$25,000 instead of a one-time purchase of this amount. The Purchasing Department is not always capturing information of when the purchases from a particular vendor will be reaching the threshold due to the current purchasing system not being able to track this information and not having the manpower to perform this task manually. This not only violates district policy, it is also violating State law. As discussed in the previous section, the district should ensure that the new ERP system include a feature to track purchases by item type and notify the Purchasing Department when it is reaching the \$25,000 threshold. In the meantime, the district should consider hiring a temporary employee to track this information manually.

The district does not have a procedure in place to coordinate or consolidate planned purchases.

The current purchasing system does not have the capability to consolidate purchase orders and the Purchasing Department does not have a manual system in place to coordinate or consolidate planned purchases.

Purchasing departments in other districts have implemented a system where an order schedule is prepared for recurring items purchased. The order schedule displays the items and the scheduled order date. The schedule is submitted to schools and departments, and they are asked to order by the schedule date any items they will need for the school year. Coordinating and consolidating purchases allows districts to get products and services at lower costs. It also helps the Purchasing Department run more efficiently and ensures that the district is bidding or requesting quotes if needed.

The Purchasing Department maintains price lists and other appropriate records of price quotations; however, this information is currently not being distributed to schools or departments.

The Purchasing Department is in the process of providing a catalog database electronically through E-mail for the schools and departments. The Purchasing Department staff is entering the data and plans to implement it by July 1, 2002. The review team observed the catalog database during the second site visit. The catalog is going to provide current information informing the schools and departments which vendors to use and the current prices for the products and services.

Previously, the Purchasing Department provided schools and departments a hard copy catalog of this information. The latest catalog is dated and a new one is not going to be distributed since the electronic catalog will be available in July 2002. Alternatively, the Purchasing Department has asked the schools and departments to call them for information.

The Purchasing Department does not maintain a record of suppliers that are not meeting quality or other performance standards.

By maintaining a record of poor performing suppliers, the district can notify district schools and departments of any suppliers that the district has experienced problems with and should not be used. According to the Purchasing Department staff, each purchasing agent individually maintains a list; however, this list is not distributed to other Purchasing or district staff.

The Quality Assurance section of the purchasing procedures manual states that the Purchasing Department will work with all departments and district staff to develop standards for items being purchased. Items will be judged in terms of suitability, quality, service, and life expectancy as well as cost.

The district has adequate records of open purchase orders and agreements; however, there is no mechanism in place that will review the orders and close the dated ones.

Although the district's accounting system maintains appropriate records of open purchase orders, it is not programmed to close out open purchase orders that are dated. The Purchasing Department staff stated that the district makes an effort to close out open purchase orders over six months or older before the end of the fiscal year. The Budget Department staff reviews and closes out dated purchase orders as part of the budget process each year. Purchase orders are kept opened based on previous delivery history of a product.

Additionally, sites are provided a report from the Information Systems Department every three months and the sites are also required to monitor and request that the Purchasing Department close out dated purchase orders.

Recommendations

- *We recommend that the district ensure that the ERP system will provide the following:*
 - *Include a data field for item type codes so that the Purchasing Department can monitor thresholds limits.*
 - *Track threshold limits and prompt the Purchasing staff to obtain written quotes or bids.*
 - *Close out purchase orders older than six months. The system should include a feature that notifies the Purchasing Department staff that the purchase orders will be closed out on a designated date and allow staff to override the system if needed.*
- *We recommend that the responsibility to obtain written quotes for all purchases between \$5,000 and \$24,999 be performed by the Purchasing Department instead of the principals or department supervisors. This will ensure that this procedure is being done and the written quotes are kept in a central location. The Purchasing Department will be able to more efficiently, and in less time, obtain quotes than the schools and departments with Demand Star, which can be used for the majority of its acquisitions. The Purchasing Department will need two additional permanent employees with junior level purchasing agent experience in order to perform this task.*
- *We recommend that the Purchasing Department implement a manual system of tracking threshold limits to ensure that written quotes and bids are prepared for all purchases meeting this requirement until the process can be automated in the new ERP system. This will ensure that the district is in compliance with its policy for acquisitions of \$5,000 and more and the State law for purchases \$25,000 and over. A temporary employee will need to be hired to perform this task until the ERP system is implemented.*
- *We recommend that the district amend its purchasing threshold policy from one-time purchases to cumulative purchases per commodity per year. Changing to cumulative purchases will allow the district to negotiate for lower prices by bidding in larger quantities.*
- *We recommend that the Purchasing Department implement procedures to coordinate and consolidate planned purchases. Coordinating and consolidating purchases will decrease the number of purchase orders processed and the costs the district pays for products.*
- *We recommend that the Purchasing Department develop and maintain a record of non-compliant suppliers and provide the selection criteria used in the purchasing procedures manual. Since the Purchasing agents are individually maintaining their own list, they need to create a master list and provide to schools and departments on the HCSD web site.*
- *We recommend that the district lift the temporary freeze on the vacant purchasing agent and control clerk positions in the Purchasing Department. In addition to the new positions requested for the added responsibilities that will be assumed, the department needs to fill the current vacant positions to perform work that is currently not being performed due to lack of staffing. For example, Purchase orders are currently being reviewed by one control clerk with the assistance of the Purchasing supervisor, the department was assigned to monitor telephone purchase authorizations to ensure that the district is not paying more than the*

amount quoted, and increase in bids will occur if an individual is hired to identify more purchases needing formal bids.

Action Plan 14-14 provides the steps needed to implement these recommendations.

Action Plan 14-14

Establish Purchasing and Bid Controls in the ERP System	
Strategy	<p>Ensure that the ERP system will provide the following:</p> <ul style="list-style-type: none"> • Include a data field for item type codes so that the Purchasing Department can monitor threshold limits. • Track threshold limits and prompt the purchasing staff to obtain written quotes or bids. • Close out purchase orders older than 6 months. The system should include a feature that notifies the Purchasing Department staff that the purchase orders will be closed out on a designated date and allow staff to override the system if needed.
Action Needed	<p>Step 1: The Supervisor of Purchasing meets with the project insight team to determine whether the new ERP system is specified to include a data field for item type codes and track threshold limits by code, prompt Purchasing Department to bid by tracking threshold limits, and close out purchase orders older than six months including a notification feature. If yes, no further action is necessary. If no, go to step two.</p> <p>Step 2: The Supervisor of Purchasing and the project insight team meet with the software company representative to spec out the requirements.</p> <p>Step 3: The software company representative implements the specs.</p>
Who is Responsible	Supervisor of Purchasing Project Insight Team
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Make Purchasing Department Responsible for Obtaining Quotes for Purchases Between \$5,000 and \$24,999	
Strategy	Move the responsibility to obtain written quotes for all purchases between \$5,000 and \$24,999 to the Purchasing Department instead of the schools and individual departments and hire two associate purchasing agents.
Action Needed	<p>Step 1: The General Director of Finance prepares a board agenda item requesting two associate purchasing agents.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda to the board.</p> <p>Step 3: Board approves the positions.</p> <p>Step 4: The Supervisor of Purchasing and the purchasing agents prepare a work plan for the positions.</p> <p>Step 5: The Supervisor of Purchasing notifies principals and department heads of the change in procedures.</p> <p>Step 6: The Supervisor of Purchasing submits the request to human resources to post the position.</p> <p>Step 7: The Supervisor of Purchasing hires associate purchasing agents and implements the new work plan.</p> <p>Step 8: The associate purchasing agents assume the responsibility of obtaining written quotes for purchases between \$5,000 and \$24,499.</p>

Cost Control Systems

Who is Responsible	General Director of Finance Supervisor of Purchasing
Time Frame	October 2002
Fiscal Impact	The salary plus benefits for two associate purchasing agents will be \$65,366 per year and \$326,830 for five years.

Implement System to Track Purchasing Threshold Limits

Strategy	Implement a manual system of tracking threshold limits to ensure that written quotes and bids are prepared for all purchases meeting this requirement until the process can be automated in the new ERP system. Hire a temporary employee to perform this task until the ERP system is implemented.
Action Needed	<p>Step 1: The General Director of Finance prepares a board agenda item requesting a temporary control clerk position.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda to the board.</p> <p>Step 3: Board approves the position.</p> <p>Step 4: The Supervisor of Purchasing and the purchasing agents prepare a work plan for the position.</p> <p>Step 5: The Supervisor of Purchasing notifies principals and department heads of the change in procedures.</p> <p>Step 6: The Supervisor of Purchasing submits the request to human resources to post the position.</p> <p>Step 7: The Supervisor of Purchasing hires a temporary control clerk.</p> <p>Step 8: The control clerk assumes the responsibility of identifying purchase orders that need written quotes or formal bids.</p>
Who is Responsible	General Director of Finance Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	The salary for a temporary control clerk will be \$21,110. This position will not be required after the first year.

Amend Purchasing Threshold Policy to Cover Annual Cumulative Purchases by Commodity

Strategy	Amend the district's purchasing threshold policy from one-time purchases to cumulative purchases per commodity per year to take advantage of discounts.
Action Needed	<p>Step 1: The Supervisor of Purchasing and the general director of Finance revise the districts policy to change one-time purchases to cumulative purchases in determining threshold limits.</p> <p>Step 2: The General Director of Finance prepares a board agenda item requesting a temporary control clerk position.</p> <p>Step 3: The Assistant Superintendent of Business and Information Services presents the agenda to the board.</p> <p>Step 4: Board approves the position.</p>
Who is Responsible	Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Implement Procedures to Coordinate and Consolidate Planned Purchases

Strategy	Implement procedures to coordinate and consolidate planned purchases.
Action Needed	<p>Step 1: The Supervisor of Purchasing and purchasing agents review previous year and year-to-date products, equipment, furniture and services to identify purchases that are routinely ordered by schools and departments.</p> <p>Step 2: The Supervisor of Purchasing and purchasing agents prepare a schedule that includes the item, vendor, price, and requisition dates. The requisition dates will be staggered to prevent Purchasing Department staff from being inundated with requisitions all at once.</p> <p>Step 3: The Supervisor of Purchasing notifies the schools and departments and places the schedule on the district’s web site.</p> <p>Step 4: School and department requestors begin ordering routine items based on the schedule.</p>
Who is Responsible	Purchasing Supervisor
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Develop and Maintain Vendor Performance Records

Strategy	Develop and maintain record of non-compliant suppliers and provide the selection criteria used in the purchasing procedures manual.
Action Needed	<p>Step 1: The Supervisor of Purchasing requests from each purchasing agent their current non-compliant suppliers list.</p> <p>Step 2: The Purchasing secretary creates the non-compliant suppliers list from the lists received from the Purchasing agents.</p> <p>Step 3: The Supervisor of Purchasing meets with the Purchasing Department to discuss the preliminary master list and develop criteria of how to develop a process to identify and communicate which vendors are not performing, and therefore be placed on the non-compliant suppliers list.</p> <p>Step 4: The Supervisor of Purchasing notifies the schools and departments and places the non-compliant supplier list on the district’s web site.</p>
Who is Responsible	Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Lift Temporary Hiring Freeze and Hire a Purchasing Agent and a Control Clerk

Strategy	Lift the temporary freeze on the vacant purchasing agent and control clerk positions to ensure that the Purchasing Department is performing work that is currently not being done due to lack of staffing.
Action Needed	<p>Step 1: The General Director of Finance prepares a board agenda item requesting the board to lift the freeze on the Purchasing agent and control clerk position.</p> <p>Step 2: The Assistant Superintendent of Business and Information Technology Services presents the agenda to the board.</p> <p>Step 3: Board approves the agenda item.</p> <p>Step 4: The Supervisor of Purchasing submits the request to Human Resources to post the position.</p> <p>Step 5: The Supervisor of Purchasing hires a Purchasing agent and control clerk.</p>
Who is Responsible	Supervisor of Purchasing

Time Frame	October 2002
Fiscal Impact	The salary plus benefits for a purchasing agent and control clerk will be \$66,631 per year and \$333,155 for five years.

Source: Gibson Consulting Group, Inc.

29 The district has established controls to ensure that quality standards are met; however, receiving procedures need to be expanded to ensure that staff is receipting goods properly and consistently.

Procedures for receiving goods should be enhanced.

While verifying accounts payable records, the review team identified many hard copy receipts that only had the receiver's signature. In many cases the receipts were the invoices. In reviewing the documentation, there was no indication that the items were checked off against the goods received, the receipt date, and the written word "received" to show the signature was from the receiver. The HCSD purchasing procedures do not include steps to ensure that an audit trail is left to verify that the receiver is appropriately receiving the items. The following are receiving procedures for non-furniture items:

- Verify Count – Make sure you are receiving as many cartons as are listed on the delivery ticket. If any shortage is discovered, note exactly how many cartons are short on the carrier's delivery ticket and have the driver note the shortage on your copy. Keep your originals showing shortages. Check with freight lines every ten days. If the shortage is not found within 30 days, notify the vendor so they can ship any shortages.
- Carefully examine each carton for damage – If damage is visible, note this fact on the delivery receipt and have the driver clearly note that fact on your copy. If carton has the appearance that contents inside may possibly be damaged, insist that it be opened at that time, and both you and the driver jointly inspect the contents. Any concealed damage discovered should likewise be noted on the delivery receipt and on your copy. Be sure to retain your copy of the delivery ticket.
- Immediately, after delivery, open all cartons and inspect for concealed damage – Even though the driver has already left, all cartons should immediately be opened and the contents inspected for possible concealed damage. Most freight lines allow seven days to notify them of damage.

Some departments in the district use a receipt stamp. This is a good tool to ensure that the receiver is providing the necessary information. The district should require that each school and department site have a receipt date stamp that includes a space for the receiver's signature.

A significant number of employees continue submitting receipt of goods manually instead of electronically.

Also in verifying the accounts payable documents, the review team noted that district employees continue to receipt goods manually. The new ERP system will only allow receivers to submit receipts electronically. In order to prepare users of the new system requirement, the district should require all employees receiving goods to submit receipts electronically. The district has until July 1, 2002, to get employees trained and comfortable with this procedure.

An explanation for the low usage could be that the purchasing procedures manual does not include procedures on how to use the current system to receive goods.

Recommendations

- *We recommend that the Purchasing Department provide receivers with detailed receiving instructions. This will ensure that the district is providing an adequate audit trail of the receipts of goods. Additionally, providing receivers with specific instructions will increase consistency and lessen the chance paying for items not received.*
- *We recommend that the district require schools and departments to submit receiving reports electronically. This is critical since the new ERP system will not allow manual receipts.*
- *We recommend that the Purchasing Department write procedures for submitting receiving reports electronically and offer training classes to get employees comfortable using the computer to receipt goods.*

Action Plan 14-15 provides the steps needed to implement these recommendations.

Action Plan 14-15

Provide Detailed Receiving Instructions to Ensure Adequate Audit Trails	
Strategy	Provide receivers with detailed receiving instructions and require all sites to obtain a receiving date stamp to ensure that the district is providing an adequate audit trail of the receipts of goods.
Action Needed	<p>Step 1: The Supervisor of Purchasing and the General Director of Finance revise the receiving section of the purchasing procedures manual to provide detailed steps for receiving goods including how to check off items and writing the date and “received.”</p> <p>Step 2: The General Director of Finance requests all sites to acquire a receipt date stamp.</p> <p>Step 3: The Supervisor of Purchasing notifies all schools and departments of the new procedures.</p> <p>Step 4: The Budget Department staff incorporates procedures into their training classes.</p>
Who is Responsible	Supervisor of Purchasing
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Require That All Schools and Departments Submit Receiving Reports Electronically	
Strategy	Require schools and departments to submit receiving reports electronically. This is critical since the new ERP system will not allow manual receipts.
Action Needed	<p>Step 1: The General Director of Finance notifies all schools and departments that all receiving reports must be submitted electronically.</p> <p>Step 2: The accounts payable staff track and prepare a report of employees not submitting receiving reports electronically and forwards report to the General Director of Finance and Internal Audit staff weekly.</p> <p>Step 3: The Budget staff contacts employee and schedule training if necessary.</p>

Who is Responsible	General Director of Finance
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Write Procedures for Submitting Receiving Reports Electronically

Strategy	Write procedures for submitting receiving reports electronically and offer training classes to get employees comfortable using the computer to receipt goods.
Action Needed	Step 1: The Supervisor of Purchasing and General Director of Finance prepare electronic receiving report procedures. Step 2: The Supervisor of Purchasing notifies all schools and departments of the new procedures. Step 3: The Budget Department staff incorporates procedures into their training classes.
Who is Responsible	Supervisor of Purchasing
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

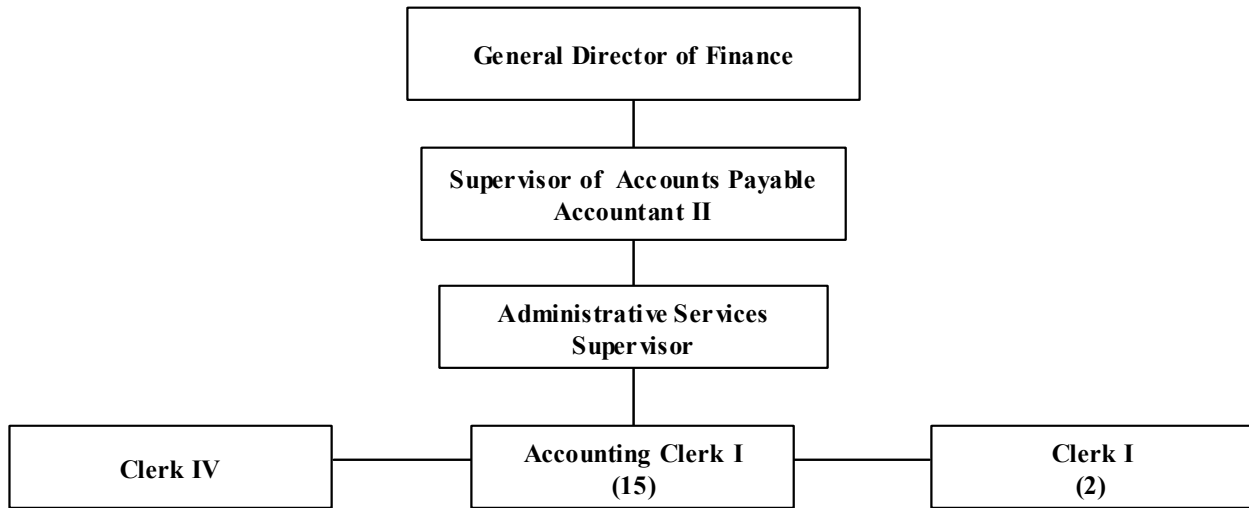
Payment Processing

Within the finance function is an Accounts Payable Department that is responsible for processing bills and invoices for payment. In HCSD, the General Director of Finance oversees the accounts payable function. The Supervisor of Accounts Payable is responsible for managing the daily activities of the department.

Internal controls are essential to this function. The Accounts Payable Department is responsible for disbursing funds for vendor payments. Without the proper controls in place, the district is at risk for paying for items it has not received, making duplicate payments for the same purchase or paying for unauthorized items. Exhibit 14-34 presents the organizational chart for the Accounts Payable Department.

Exhibit 14-34

Accounts Payable Department Organization Chart



Source: The Hillsborough County School District.

30 The district has established controls to ensure that disbursements are properly authorized, documented, and recorded, but does not perform an independent quality assurance review.

The district should enhance quality assurance review controls related to the review of invoices and supporting data.

The district has established a quality assurance audit process for accounts payable warrants. According to the Accounts Payable Procedures Manual, the audit process consists of verifying vendor name and address and ensuring that each warrant is supported with proper payment documents. As a part of this review, designated accounts payable staff audit each warrant and the accompanying support documentation after the checks are signed but before the warrants are mailed. Under this process, the potential exists that accounts payable staff will audit their own work. The Supervisor of Accounts Payable told the review team that it is rare that a clerk would audit his or her own work since the auditing function is a random assignment. However, internal controls are weakened when a clerk audits his or her own work.

A sound quality assurance audit control should require that individuals performing the audit be independent of the function being audited. Normally the individuals doing the work should not audit their own work. An employee reviewing his or her own work would be less likely to identify errors. For example, during our review of a random sample of warrants, we noted discrepancies in the supporting documentation. Approximately 37% of the warrants reviewed did not have purchase orders attached. The Supervisor of Accounts Payable told the review team that the reason for the missing purchase orders was that they had been filed in a different place until recently. Nevertheless, there should have been some reference made to the purchase order that corresponded to the payment being remitted.

The district can minimize documentation problems if one staff member is assigned the audit task for all warrants processed. When the Accounts Control Department is dissolved, one of the former accounts control clerks can be assigned this all-important task. Given the high turnover rate among accounts payable clerks, it is essential that some continuity be provided to the audit of district warrants before they are processed and mailed to vendors.

Recommendation

- *We recommend that the one of the former accounts control clerks be assigned the duty of auditing supporting documentation for all warrants that are scheduled to be processed prior to an accounts payable check run.*

Action Plan 14-16 provides the steps needed to implement this recommendation.

Action Plan 14-16

Assign One Staff Member with the Task of Auditing Supporting Accounts Payable Documentation	
Strategy	Assign one of the accounts control clerks the duty of auditing the supporting accounts payable documentation for all warrants prior to releasing for payment.
Action Needed	<p>Step 1: The General Director of Finance reassigns an accounts control clerk to the accounts payable section. The job description for this position will entail auditing all supporting documentation prior to a warrant being processed for payment.</p> <p>Step 2: The Supervisor of Accounts Payable prepares a report of all scheduled warrants prior to the check run.</p> <p>Step 3: The auditing clerk reviews the supporting documentation for each warrant listed. The audit will include:</p> <ul style="list-style-type: none"> • A receiving report that verifies that all items listed on the invoice have been received by the district; • A purchase order or some notation of the purchase order that corresponds to the payment being made; • Verification that the amount being invoiced matches the purchase order or has an appropriate signature authorizing the payment and explaining the difference; • Verification that the vendor being paid is an approved vendor; and • Verification that the amount being paid matches the amount being invoiced. <p>Step 4: The auditing clerk notes the results of each audit on the warrant report. Any exceptions are brought to the attention of the Supervisor of Accounts Payable. No warrant is released until it has been cleared through this process.</p> <p>Step 5: The Supervisor of Accounts Payable notifies the IS Department that the check run is ready to process.</p> <p>Step 6: The audited warrants are generated and prepared for mailing.</p>
Who is Responsible	General Director of Finance and Supervisor of Accounts Payable
Time Frame	October 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

31 The district has sufficient controls for processing invoices to ensure that quantities, prices, and terms coincide with purchase orders and receiving reports; however, there are instances when payments are processed without adequate review.

The Energy Management Department closely monitors utility bills to ensure that they are correct and any discounts have been taken.

The Accounts Payable Department does not review utility bills for correctness. Rather, the Energy Management Department reviews every utility bill received and compares the expected usage to the kilowatt-hours that are being charged. The Energy Management Supervisor can access the utility bills on-line and download all activity to verify the correctness of each bill. The review team was told that this review has resulted in a number of instances when the utility company was required to refund money to the district for erroneous billing.

The volume of payments processed has increased while the staff has been reduced by 15%.

Accounts Payable Department staff has decreased by 15% over the past three years. The number of payments processed has increased by 18.5% over the same time period. The new ERP system is expected to provide additional control and ultimately reduce the number of staff required to perform the district’s accounts payable function; however, the ERP system is not installed yet. The understaffing of the department and high staff turnover is having the result of increased errors by existing staff and established controls to fail. Exhibit 14-35 shows the number of purchase orders processed by type and accounts payable employees from 1998-99 through 2000-01.

Exhibit 14-35

HCS D Accounts Payable Payments Processed and Number of Accounts Payable Employees

Payment Type	1998-99	1999-00	2000-01	Percentage Change
Regular Purchase Orders	122,271	122,337	135,618	10.9%
Non-Purchase Orders	136,866	151,576	155,758	13.8%
Food Service Payments	59,260	85,103	85,792	44.8%
Total	318,397	359,016	377,168	18.5%
Accounts Payable Employees	20		17	(15.0%)

Source: HCS D Accounts Payable Department.

The current department structure does not utilize staff resources effectively.

The reporting hierarchy in an Accounts Payable Department should be relatively flat. However according to the organization chart, the HCS D Accounts Payable Department has an additional reporting level between the Supervisor of Accounts Payable and the clerks. District staff stated that the position, Administrative Services Supervisor, is not supervisory position. A job study was performed which determined that the district needed a Clerk V level position. The Administrative Services supervisor was the only position in the district’s pay scale that met the salary criteria.

The current accounts payable system does not automatically take credits when processing payments if the credit is recorded in a different fund than the payment being processed.

The Supervisor of Accounts Payable receives a credit report weekly and reviews the report to identify vendors that have outstanding payments due. When a vendor is identified, the supervisor must determine the fund from which the payment will be made and move the credit if necessary to the same fund so that the credit can be taken. This process is time consuming and only addresses the credits from vendors that the district will be purchasing goods and services from in the near future. There are a large number of outstanding credits that have been in the system since the early 1990s. The district has not been able to receive any benefit from these credits since they have not been applied against a future purchases.

The accounts payable function should not be responsible for maintaining vendor files.

The review team was shown a document itemizing the best practices related to the Purchasing Department that will be controlled by the new ERP system. Under the section discussing the vendor files, the document states “The Vendor File will be maintained by Accounts Payable utilizing vendor applications provided by Purchasing.” Under no circumstances should accounts payable staff have the ability to set up and maintain vendor files. Accounts payable is responsible for making vendor payments. Responsibility for paying vendors should be segregated from the responsibility for maintaining vendor files to protect the district from a fictitious vendor being established and paid.

Recommendations

- *Until the new ERP system has been implemented, we recommend that the district hire two temporary employees to fill two vacant clerk positions. After the ERP system is implemented, staffing requirements for the department should be reassessed.*
- *We recommend that the district create a Clerk V position for its pay scale and rearrange the organizational chart to move the Clerk V position, previously the Administrative Services supervisor position, down to the same level as the other clerical positions.*
- *We recommend that the district ensure that the new accounting system will allow, regardless of fund, credits to be taken against payments.*
- *We recommend that the ERP best practices be changed to require that the Purchasing Department maintain all vendor files rather than the Accounts Payable Department.*

Action Plan 14-17 provides the steps needed to implement these recommendations.

Action Plan 14-17

Hire Temporary Clerks to Increase the Efficiency of the Department

Strategy	The freeze on hiring should be lifted to allow the district to hire two temporary employees. The department is currently understaffed and district controls are suffering as a result. Once the new ERP system has been fully implemented the staffing requirements should be reassessed.
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Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services requests that the board lift the hiring freeze to allow the department to hire two temporary employees to get the district through the new system implementation.</p> <p>Step 2: The board approves hiring the temporary employees.</p> <p>Step 3: The Supervisor of Accounts Payable requests that the Human Resources Department advertise the job openings.</p> <p>Step 4: The Supervisor of Accounts Payable selects two clerks from the pool of candidates that apply for the positions.</p>
Who is Responsible	<p>Board</p> <p>Assistant Superintendent of Business and Information Technology Services</p> <p>Supervisor of Accounts Payable</p>
Time Frame	September 2002
Fiscal Impact	This recommendation will cost the district \$36,513. It is assumed that these temporary employees will only be needed for one year.

Flatten the Organization Structure of Accounts Payable

Strategy	The district should flatten out the organizational structure of the Accounts Payable Department and create a Clerk V position to replace the Administrative Services supervisor position.
Action Needed	<p>Step 1: The General Director of Finance prepares a request to create a Clerk V position and submits to the Human Resources Department.</p> <p>Step 2: The Director of Human Resources approves the new pay step position.</p> <p>Step 3: The Administrative Services Supervisor is notified that her title has been changed to Clerk V.</p> <p>Step 4: The Supervisor of Accounts Payable creates the new organization chart.</p>
Who is Responsible	<p>General Director of Finance</p> <p>Supervisor of Accounts Payable</p>
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Ensure New ERP System Processes Credits Properly

Strategy	Ensure that the new accounting system will allow credits to be taken against payments regardless of which fund is involved.
Action Needed	<p>Step 1: The Supervisor of Accounts Payable outlines the steps involved in the credit process.</p> <p>Step 2: The Supervisor of Accounts Payable presents the process outline to the project insight team.</p> <p>Step 3: The project insight programming staff makes the necessary programming customizations to ensure that the ERP can automate the credit process.</p> <p>Step 4: The Supervisor of Accounts Payable tests the automated process and requests any necessary modifications.</p> <p>Step 5: The project insight team programming staff incorporates any necessary revisions.</p> <p>Step 6: The Supervisor of Accounts Payable retests the process and signs off on it once it works the way it is required.</p>
Who is Responsible	<p>Supervisor of Accounts Payable</p> <p>Project Insight Team</p>

Cost Control Systems

Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Ensure ERP System Prevents Accounts Payable from Maintaining Vendor Files

Strategy	The ERP system should include controls that block unauthorized staff from making changes to a vendor file. Only selected staff in the Purchasing Department should have the ability to update or create a vendor file.
Action Needed	<p>Step 1: The General Director of Finance requests that the project insight team and consultants change their proposed best practice to have accounts payable maintain the vendor file and assign the task to the Purchasing Department.</p> <p>Step 2: The Supervisor of Purchasing determines which purchasing staff will be authorized to maintain vendor files.</p> <p>Step 3: Project insight programmers establish system security criteria that block all district staff from making changes to a vendor file other than those individuals authorized by the Supervisor of Purchasing.</p> <p>Step 4: The project insight team revises the best practices to change the responsibility for vendor file maintenance from accounts payable to purchasing.</p>
Who is Responsible	<p>General Director of Finance</p> <p>Supervisor of Purchasing</p> <p>Project Insight Team</p>
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

Action Needed	<p>Step 1: The Assistant Superintendent of Business and Information Technology Services requests that the board lift the hiring freeze to allow the department to hire two temporary employees to get the district through the new system implementation.</p> <p>Step 2: The board approves hiring the temporary employees.</p> <p>Step 3: The Supervisor of Accounts Payable requests that the Human Resources Department advertise the job openings.</p> <p>Step 4: The Supervisor of Accounts Payable selects two clerks from the pool of candidates that apply for the positions.</p>
Who is Responsible	<p>Board</p> <p>Assistant Superintendent of Business and Information Technology Services</p> <p>Supervisor of Accounts Payable</p>
Time Frame	September 2002
Fiscal Impact	This recommendation will cost the district \$36,513. It is assumed that these temporary employees will only be needed for one year.

Flatten the Organization Structure of Accounts Payable

Strategy	The district should flatten out the organizational structure of the Accounts Payable Department and create a Clerk V position to replace the Administrative Services supervisor position.
Action Needed	<p>Step 1: The General Director of Finance prepares a request to create a Clerk V position and submits to the Human Resources Department.</p> <p>Step 2: The Director of Human Resources approves the new pay step position.</p> <p>Step 3: The Administrative Services Supervisor is notified that her title has been changed to Clerk V.</p> <p>Step 4: The Supervisor of Accounts Payable creates the new organization chart.</p>
Who is Responsible	<p>General Director of Finance</p> <p>Supervisor of Accounts Payable</p>
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Ensure New ERP System Processes Credits Properly

Strategy	Ensure that the new accounting system will allow credits to be taken against payments regardless of which fund is involved.
Action Needed	<p>Step 1: The Supervisor of Accounts Payable outlines the steps involved in the credit process.</p> <p>Step 2: The Supervisor of Accounts Payable presents the process outline to the project insight team.</p> <p>Step 3: The project insight programming staff makes the necessary programming customizations to ensure that the ERP can automate the credit process.</p> <p>Step 4: The Supervisor of Accounts Payable tests the automated process and requests any necessary modifications.</p> <p>Step 5: The project insight team programming staff incorporates any necessary revisions.</p> <p>Step 6: The Supervisor of Accounts Payable retests the process and signs off on it once it works the way it is required.</p>
Who is Responsible	<p>Supervisor of Accounts Payable</p> <p>Project Insight Team</p>

Cost Control Systems

Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Ensure ERP System Prevents Accounts Payable from Maintaining Vendor Files

Strategy	The ERP system should include controls that block unauthorized staff from making changes to a vendor file. Only selected staff in the Purchasing Department should have the ability to update or create a vendor file.
Action Needed	<p>Step 1: The General Director of Finance requests that the project insight team and consultants change their proposed best practice to have accounts payable maintain the vendor file and assign the task to the Purchasing Department.</p> <p>Step 2: The Supervisor of Purchasing determines which purchasing staff will be authorized to maintain vendor files.</p> <p>Step 3: Project insight programmers establish system security criteria that block all district staff from making changes to a vendor file other than those individuals authorized by the Supervisor of Purchasing.</p> <p>Step 4: The project insight team revises the best practices to change the responsibility for vendor file maintenance from accounts payable to purchasing.</p>
Who is Responsible	General Director of Finance Supervisor of Purchasing Project Insight Team
Time Frame	September 2002
Fiscal Impact	This recommendation can be implemented with existing resources.

Source: Gibson Consulting Group, Inc.

15

Community Involvement

The School District of Hillsborough County has developed an extensive, well-received community involvement program. With further program definition and consolidation of initiatives into an integrated plan, the district can focus efforts to maintain an efficient and cost effective program

Conclusion

The School District of Hillsborough County (the district) has several mechanisms in place to communicate with parents and the general public on school district issues. The district has implemented methods and procedures to actively solicit their input. The district also has strong and positive business relationships, an extensive community outreach network and initiatives, an active volunteer program and a successful partnership with the local education foundation. The district's community involvement effort is decentralized reflecting the district's philosophy of putting accountability at the lowest organizational level. With proper program definition and integrated planning, the district can ensure that the program is efficiently and cost effectively maintained.

During the course of this review, Gibson Consulting Group, Inc. identified a number of district accomplishments in the community involvement area, some of which are included in Exhibit 15-1 below.

Exhibit 15-1

The District Has Had a Number of Notable Accomplishments in Community Involvement in the Last Three Years

- The number of schools recognized by the Florida Department of Education for exemplary community involvement has increased with 68 schools currently designated as Five Star Schools.
 - The district has developed mobilized resources such as the parent resource bus and career cruiser to expand its services into the community.
 - More than 90 percent of schools have business partners and some have multiple partners.
 - Sixty one percent of the general public perceives the school district's performance favorably.
-

Source: The School District of Hillsborough County.

Overview of Chapter Findings

Gibson Consulting Group, Inc. reviewed the district's community involvement using the Best Financial Management Practices adopted by the Commissioner of Education and associated indicators. The consulting team employed several methodologies to develop chapter conclusions and action plans. To gain an understanding of the district's community involvement organization, policies and procedures, Gibson Consulting Group, Inc. conducted on-site interviews with groups and organizations involved in The School District of Hillsborough County's community involvement functions including: district level managers, the Hillsborough Education Foundation, the Hillsborough County Parent Teacher Association/Parent Teacher Student Association (PTA/PTSA) Council and School Enrichment Resource

Community Involvement

Volunteers in Education (SERVE), the organization coordinating district volunteer efforts. Gibson Consulting Group, Inc. also reviewed district statistics, reports and numerous examples of communication materials that demonstrate the level of the district's community involvement activities. To receive additional input, Gibson Consulting Group, Inc. surveyed principals and conducted focus groups with principals, PTA/PTSA members and volunteers, parent members of the School Advisory Committee (SAC) and the volunteer coordinators from a number of schools. Gibson Consulting Group, Inc. also surveyed the district's selected peer districts, Broward, Duval, Orange, Palm Beach and Pinellas, to determine how the district's community involvement functions compare to its peers. Questions varied depending on the groups surveyed and the results have been validated and incorporated into this chapter where applicable.

An overview of chapter findings is presented below.

Effective Communication

1. The district's community involvement program can be better focused toward achieving the district's strategic priorities by further definition and clear communication of the program's link to the district's strategic plan. (Page 15-4)
2. The district's lack of a formalized, detailed integrated community involvement plan limits its ability to assess the performance, efficiency, and effectiveness of the Community Involvement Program. (Page 15-8)
3. The district solicits and incorporates parent and community involvement and support. (Page 15-11)
4. The district uses a variety of methods to communicate effectively with parents. (Page 15-15)
5. The district needs to expand the scope of its organizational reviews to provide the information necessary to assess its community involvement structure and staffing. (Page 15-18)

Parents and Decisions

6. The district has active Parent Teacher Associations /Parent Faculty Organizations (PTA/PFO) and other effective methods to involve and encourage parent leadership and participation. (Page 15-20)
7. The district provides activities that encourage families to be involved in the schools. (Page 15-22)

Community Involvement

8. The district uses community resources to strengthen schools, families, and student learning and consistently offers school resources to strengthen communities. (Page 15-25)
9. The district has developed school-business partnerships. (Page 15-27)
10. District schools maintain active and effective programs to involve volunteers in the education process. (Page 15-30)
11. District schools solicit economic support through school foundations. (Page 15-36)

Fiscal Impact of Recommendations ---

The chapter's recommendations will strengthen the district's community involvement function, but are cost neutral in terms of their fiscal impact.

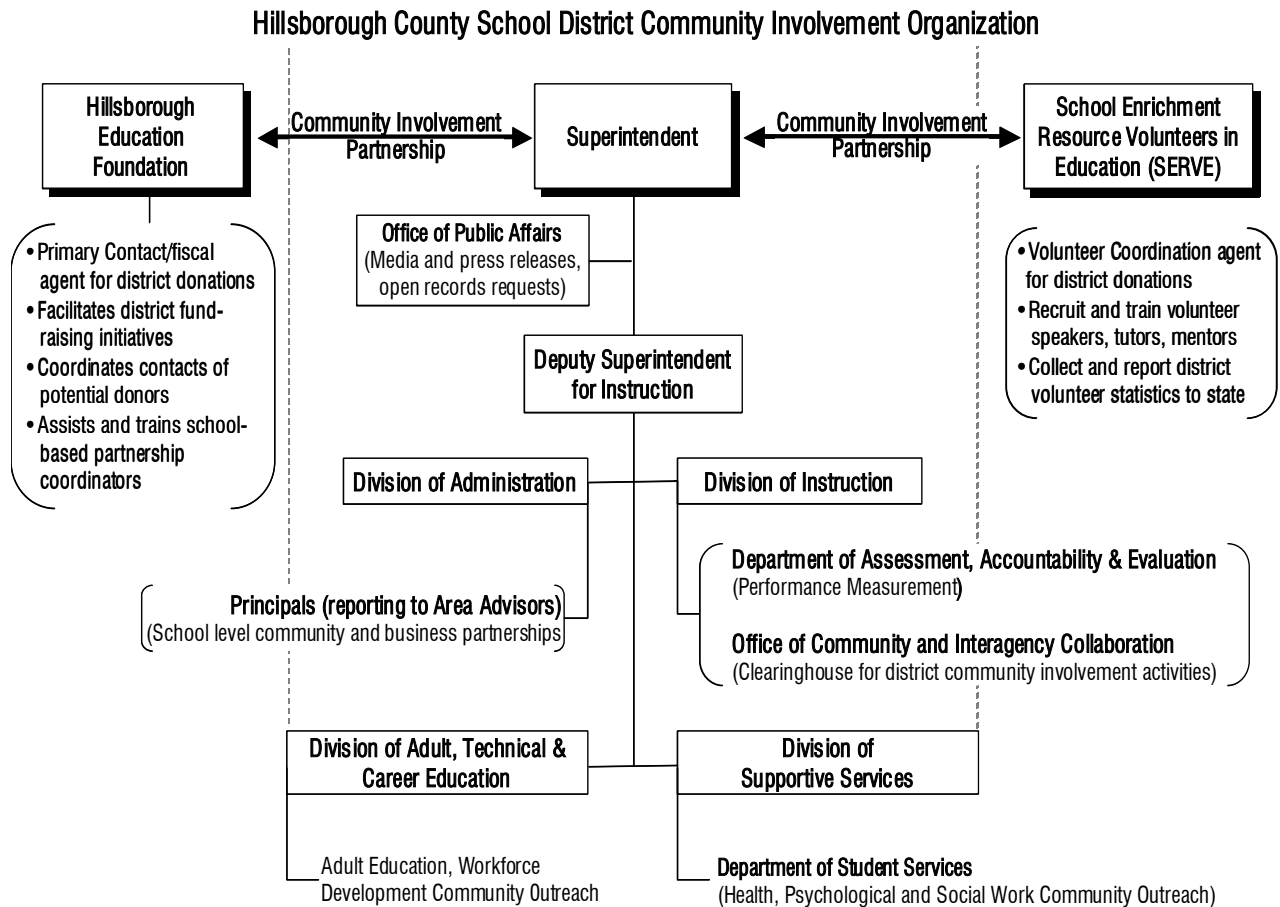
Background

A successful school district community involvement program is founded on and reflects the unique characteristics of the district and its community. External communications with the community and internal communications within the school district are the core of an effective community involvement program as they are essential to gaining the participation of parents, local businesses and other local groups to work with district staff to provide supplemental resources to the school. Other essential program components include methods for recruiting volunteers, soliciting business support for school programs and functions and conducting outreach activities to encourage the community's participation.

The School District of Hillsborough County operated its community involvement in the Office of Public Affairs until 1997 when reorganization created the Office of Community Relations operating within Public Affairs. The Supervisor of Community Relations was created and was responsible for the community involvement functions. In March 1999, the position and function were moved to the Division of Instruction and the Office of Community Relations was replaced by the Office of Community and Interagency Collaboration (OCIC).

Exhibit 15-2

The District Uses A Decentralized, Multi-Tiered Organization And Outside Partnerships To Perform Community Involvement Functions



Source: The School District of Hillsborough County.

Community Involvement

The OCIC functions as the district's clearinghouse or entry point for the community for all donations, volunteer efforts and community initiatives. The OCIC is supported by a 12-member District Review Committee (DRC) composed of representatives from the PTA, the Hillsborough Education Foundation, SERVE (School Enrichment Resource Volunteers in Education), and various district division and program areas including: Instruction, Administration, Supportive Services, Student Services, Adult, Technical and Career Education, Non-Traditional programs, dropout prevention, truancy prevention and parent involvement. The DRC is responsible for evaluating all proposed initiatives to determine if the initiative meets the district's five priorities outlined in the strategic plan; to determine how the initiative will affect youth; to evaluate the cost and benefit of the initiative; and to ensure the initiative does not exploit parents, students or district staff. The existence of OCIC does not prohibit individual schools from community involvement activities. There are criteria to assist school administrators in determining when/how items should be coordinated.

The district's program takes place, both at the district and at the school levels. Each school has a liaison to work with the parents, students, and community. The district's external communications occur at two levels – school and district. Each individual school handles school communications. Districtwide communications to the media are coordinated through the Office of Public Affairs.

The district has a partnership with SERVE, a private non-profit organization, to coordinate the district's volunteer program. SERVE assists schools by recruiting, training and coordinating volunteers for its tutor, mentor, speaker's bureau and school to career programs.

The district has a partnership with the Hillsborough Education Foundation, a non-profit organization that raises funds for the school district programs.

Effective Communication

1 The district's community involvement program can be better focused toward achieving the district's strategic priorities by further definition and clear communication of the program's link to the district's strategic plan.

The district's overall community involvement program and its link to the district's strategic plan are not well defined.

The district's community involvement program is not clearly defined, nor specifically articulated in the district's strategic plan. Community involvement activities permeate the initiatives throughout the strategic plan, but the activities are focused programmatically, not from a community involvement perspective. The strategic plan includes five priority areas with goals, objectives and strategies to support the priorities. It also contains methods to evaluate progress toward achieving the goals and objectives. The links of community involvement initiatives to the five priorities outlined in the strategic plan are implied, rather than directly expressed. The majority of programs and initiatives with community involvement activities primarily support priority five of the strategic plan: improve internal and external communication.

The Office of Community and Interagency Collaboration's mission statement is the district's community involvement mission statement. The mission statement reflects the decentralized nature of the district's

community involvement organization and the OCIC's role as a clearinghouse for community involvement initiatives. The mission statement says:

“Mission: To provide opportunities and capabilities to ensure that the school district and the community partner to provide for the most effective and consistent delivery of all resources that children need to realize their potential.”

Because of the district's community involvement structure, the overall community involvement program needs to be well defined for all key stakeholders to be aware of their roles and responsibilities. Since the district has chosen to structure its community involvement program in terms of individual initiatives that have community involvement activities, then the district's community involvement program needs to be defined to reflect this choice. The initiatives need to be clearly defined and expressly identified as the community involvement program with their performance goals and objectives clearly linked to the five priority areas in the district's strategic plan. The program definition also needs to clearly define and specify OCIC's role as the clearinghouse function.

The district does not have a detailed community involvement plan that integrates functional and programmatic community involvement goals and objectives.

The supervisor of the Office of Community and Interagency Collaboration developed goals and objectives for OCIC for 2001-02 to help focus community efforts. This information was shared with and reviewed by the district review committee, to determine if the goals and objectives were realistic. However, the goals and objectives were not specifically linked to the priorities expressed in the district's strategic plan and there were no detailed strategies, timelines or assigned roles to define how the goals and objectives would be met.

To effectively plan and manage its community involvement function within its chosen organization structure, it is imperative that the district develops a community involvement plan based on its community involvement program. The plan should reflect and incorporate the goals, objectives and performance measures of the initiatives comprising the district's community involvement program. The plan should also integrate the functional goals of community involvement such as increasing the number of partners with the goals of the programs that comprise the community involvement program. The plan must be developed with input from all key areas involved with community involvement and must link to the district strategic plan. The OCIC goals and objectives for 2001-02 and the goals and objectives of the initiatives comprising the district's community involvement program can be used as the building blocks for such a plan. Since the OCIC district review committee (DRC) contains widespread representation from most key players, it should be used as the platform to solicit input throughout the district and with the district's major partners with the expectation that committee members will share the plan with their respective organizations. However, there are two key groups not currently represented on the DRC: principals and the general public. Therefore, the DRC should be expanded to gain input and perspective from these groups.

Despite the lack of integrated functional and programmatic goals in a centralized plan; the district is maintaining ongoing community involvement activities through its individual programs and initiatives. A community involvement plan that integrates both the functional and programmatic goals and objectives will focus and enhance the district's performance of its community involvement function.

The district effectively oversees implementation of community involvement activities through the Office of Community and Interagency Collaboration district review committee structure.

The district uses the Office of Community Interagency and Collaboration (OCIC) to perform the district’s community involvement coordinating activities. The OCIC district review committee acts collaboratively in conjunction with OCIC to: initiate school projects that support collaboration among divisions, organizations, individuals and schools; review and evaluate new and existing programs and proposals; and provide a forum for information sharing. The committee is composed of 12 members with representation from multiple district divisions and departments, the PTA, SERVE, and the Hillsborough Education Foundation. All proposals for new programs and partnerships are rigorously reviewed by the committee to ensure that they meet the priorities outlined in the district’s strategic plan; are beneficial in terms of cost and projected outcomes; and do not exploit staff, parents or students. To clarify community involvement roles and responsibilities for principals and site administrators when developing a proposal or initiative, the district developed a frequently asked questions document when the office was established that outlined operating parameters for various scenarios such as donations, fund raising and new school partnerships with community organization.

Recommendations

- *We recommend that the Office of Community and Interagency Collaboration’s district review committee be expanded to include representation from two key groups: principals and the general public to gain perspective from these two stakeholder groups.*
- *We recommend that the district assign the accountability of community involvement to the Office of Community and Interagency Collaboration to ensure that the district’s community involvement function is efficiently and effectively maintained.*
- *We recommend that the Office of Community and Interagency Collaboration’s district review committee develop a detailed community involvement plan that integrates functional and programmatic goals and objectives and links to the district’s strategic plan to provide guidance and direction to groups involved in the community involvement function. The community involvement plan should include a program definition that identifies community involvement in terms of key programs and initiatives and that specifies the role and function of the Office of Community and Interagency Collaboration as the entry point or clearinghouse for all initiatives.*

Action Plan 15-1 provides the steps needed to implement these recommendations.

Action Plan 15-1

Expand District Review Committee	
Strategy	Expand the district review committee to include representatives from principals and the general public key stakeholder groups.
Action Needed	Step 1: The Supervisor of the Office of Community and Interagency Collaboration (OCIC) identifies potential committee members from the general public. Step 2: The OCIC supervisor solicits participants from general public and principals. Step 3: The OCIC supervisor nominates members from general public and principals and presents to deputy superintendent for Instruction for approval. Step 4: The OCIC adds members per deputy superintendent for Instruction approval.

Who Is Responsible	Supervisor of the Office of Community and Interagency Collaboration
Time Frame	The DRC membership was increased as of January 31, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Assign Accountability for Community Involvement to the Office of Community and Interagency Collaboration

Strategy	Assign the accountability of community involvement to the Office of Community and Interagency Collaboration (OCIC) to ensure efficient and effective maintenance of the district's community involvement function.
Action Needed	<p>Step 1: The supervisor of OCIC develops proposed OCIC roles and responsibilities and presents to deputy superintendent for review and approval.</p> <p>Step 2: The deputy superintendent for Instruction makes recommendation to superintendent for approval of OCIC roles and responsibilities.</p> <p>Step 3: The superintendent approves recommendation and presents to school board for approval.</p> <p>Step 4: The school board adopts superintendent recommendation.</p> <p>Step 5: The school board's adoption of the OCIC's roles and responsibilities is incorporated as a section in the community involvement program plan.</p>

Who Is Responsible	Superintendent and School Board
Time Frame	The school board adoption of recommended OCIC roles and responsibilities is completed by June 30, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Develop a Detailed Community Involvement Plan

Strategy	Develop a community involvement plan with integrated functional and programmatic goals and objectives that links to the district strategic plan and includes a program definition that specifies the role and function of the Office of Community and Interagency Collaboration as the entry point or clearinghouse for all initiatives.
Action Needed	<p>Step 1: The District Review Committee (DRC) led by the supervisor of the Office of Community and Interagency Collaboration (OCIC) develops the following:</p> <ul style="list-style-type: none"> • a list of functional community involvement goals and objectives such as increasing the number of volunteers, increasing the number of school business partnerships, etc.; • a matrix outlining strategic plan priorities and strategies that identifies the community involvement programs and activities under each priority/strategy; • a definition of the DRC's roles and responsibilities as a clearinghouse for community involvement initiatives; • the procedure used by the DRC to evaluate proposed initiatives to assure that they support strategic plan priorities and strategies; and • a quick reference guide to assist principals, area directors and staff in appropriately developing and referring initiatives to the DRC. <p>Step 2: The DRC uses the chart showing the community involvement programs and activities under each strategic plan priority/strategy to develop a matrix that links functional goals and objectives to community involvement program goals and objectives.</p> <p>Step 3: The DRC documents the functional goals and objectives for each community involvement program/activity that supports the strategic plan priorities and strategies.</p>

Step 4:	The DRC documents the integrated functional/programmatic matrix and supporting documentation as a section in the community involvement program plan.
Step 5:	The DRC documents the roles and responsibilities, evaluation criteria and “quick reference” guide as a section in the community involvement program plan.
Step 6:	The OCIC supervisor and the DRC present the plan to the deputy superintendent for Instruction for review and approval.
Step 7:	The deputy superintendent for Instruction and the OCIC supervisor present the plan to the superintendent for approval.
Step 8:	The superintendent presents the plan to the board for approval.
Step 9:	The OCIC supervisor distributes the plan to area directors and supervisors for information.
Who Is Responsible	The Office of Community and Interagency Collaboration’s District Review Committee
Time Frame	The plan should be completed for presentation to the superintendent and board for approval by August 31, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

2 The district’s lack of a formalized, detailed integrated community involvement plan limits its ability to assess the performance, efficiency, and effectiveness of the Community Involvement Program.

The Office of Community and Interagency Collaboration has clearly stated goals and measurable objectives but does not incorporate budget expenditures.

The Supervisor of the Office of Community and Interagency Collaboration (OCIC) developed the mission, vision, goals and objectives for the Office. There are three distinct goals dealing with partnerships, community service projects and collaboration activities. The first two goals each have five to seven measurable objectives. However, there are no detailed strategies to outline how the objectives will be met and the organization that will be responsible for implementing the strategies. Without detailed strategies and because the community involvement function is so widely dispersed among various agencies throughout the district, it is impossible to tie specific expenditure levels to the achievement of OCIC objectives. The district is approximating costs of community involvement activities that support specific programs, but does not have a clear definition of appropriate costs for the overall community involvement program.

The district measures the performance of individual initiatives, but not the overall community involvement program.

The district has implemented performance measurement of several of the non-traditional programs that support the district’s community involvement program. However, the overall community involvement program has not been evaluated for performance. Statistical information has been captured such as overall budgetary costs, number of business partners, and volunteer hours. However, there is not an indication what components are efficient and effective and the performance information does not exist to assist management in making decisions such as what initiatives that should be expanded or reduced for performance reasons.

In order to evaluate the performance of the program, it must be clearly defined with detailed and measurable objectives and strategies. Since a clearly defined community involvement plan is not in place, the district cannot evaluate the program in terms of efficiency and cost effectiveness.

Recommendations

- *We recommend that the district expand the OCIC mission, vision, goals and objectives document into a detailed community involvement plan that integrates functional and programmatic goals and objectives and includes detailed strategies and performance measures, assigns responsibilities for achievement of objectives and links expenditures to strategies.*
- *We recommend that the district develop a method to define and allocate costs of community involvement activities on a districtwide basis to capture the information necessary to evaluate the program's performance.*
- *We recommend that the district analyze the capabilities within its financial system and design the means to use the financial system to efficiently capture and track actual expenditure information based on the district's cost allocation method.*
- *We recommend that the district design a system to capture and track performance measurement information.*

Action Plan 15-2 provides the steps needed to implement these recommendations.

Action Plan 15-2

Expand the OCIC Mission, Vision, Goals and Objectives	
Strategy	Expand OCIC mission, vision goals and objectives document into a community involvement plan with detailed strategies, performance measures, assignments and expenditures that integrates functional and programmatic goals and objectives.
Action Needed	<p>Step 1: The District Review Committee (DRC), led by the supervisor of the Office of Community and Interagency Collaboration (OCIC), reviews the current OCIC mission, vision goals and objectives document.</p> <p>Step 2: The DRC expands the existing OCIC document and develops detailed strategies, assignments, timelines and performance measures for each objective.</p> <p>Step 3: The DRC incorporates the expanded document as a section in the community involvement plan developed in Action Plan 15-1.</p> <p>Step 4: The OCIC supervisor and DRC present the plan to the deputy superintendent for Instruction for review and approval.</p> <p>Step 5: The deputy superintendent for Instruction and the OCIC supervisor present the plan to the superintendent for approval.</p> <p>Step 6: The superintendent presents the plan to the board for approval.</p> <p>Step 7: The OCIC supervisor distributes the plan to area directors and supervisors for information.</p>
Who is Responsible	OCIC District Review Committee and OCIC supervisor
Time Frame	The plan should be completed for presentation to the superintendent and board for approval by August 31, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Develop a System to Allocate and Track Community Involvement Program Costs	
Strategy	Develop a method to define and allocate costs to capture information for program evaluation.
Action Needed	<p>Step 1: The District Review Committee (DRC), led by the supervisor of the Office of Community and Interagency Collaboration (OCIC), develops a list of community involvement activities including the organization that performs the activities.</p> <p>Step 2: The DRC works with the director of Finance to identify costs and cost allocation methods for community involvement activities contained in the list developed under Step 1.</p> <p>Step 3: The DRC works with the director of Finance and documents the cost allocation methodologies to be used to track community involvement costs.</p> <p>Step 4: The OCIC supervisor, DRC and director of Finance present the cost allocation/cost tracking document for community involvement activities to the deputy superintendent for Instruction for review and approval.</p> <p>Step 5: The deputy superintendent for Instruction approves the cost allocation document and directs OCIC supervisor and DRC to use it in capturing community involvement costs for program evaluation.</p>
Who is Responsible	OCIC District Review Committee, OCIC supervisor and director of Finance
Time Frame	The cost allocation document should be completed for approval by the deputy superintendent for Instruction by October 31, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Track Actual Expenditure Information	
Strategy	Analyze the capabilities within the district financial system and design the means to use the system to efficiently capture and track actual expenditure information based on the district's cost allocation method.
Action Needed	<p>Step 1: The supervisor of the Office of Community and Interagency Collaboration (OCIC), using the cost allocation document approved by the deputy superintendent for instruction, meets with the director of Finance and the assistant superintendent of the Business and Information Technology Services Division to discuss community involvement cost information needs and the capabilities of the district's financial system to capture needed cost information.</p> <p>Step 2: The assistant superintendent of the Business and Information Technology Services Division assigns staff to work with the OCIC supervisor and the director of Finance to analyze system capabilities and design means (e.g. project numbers or account numbers) to easily capture and track community involvement related expenditure information.</p> <p>Step 3: The Business and Information Technology Services Division staff person develops report outlining existing system capabilities and options to track community involvement cost information.</p> <p>Step 4: The OCIC supervisor and director of Finance review the report and select the most appropriate options to track community involvement cost information and recommend options to the deputy superintendent for Instruction.</p> <p>Step 5: The deputy superintendent for Instruction approves recommendations for implementation.</p> <p>Step 6: The Business and Information Technology Services Division staff implements approved options.</p>

Who is Responsible	Supervisor of the OCIC, director of Finance, Business and Information Technology Services Division assigned staff.
Time Frame	The report options should be implemented by June 30, 2003.
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Detailed Performance Measures

Strategy	Develop detailed performance measures and a system to capture and track performance measurement information.
Action Needed	<p>Step 1: The District Review Committee (DRC), led by the supervisor of OCIC, develops detailed performance measures for the functional and programmatic goals and objectives in the community involvement plan.</p> <p>Step 2: The DRC and the supervisor of OCIC identify data requirements for capturing and tracking performance measurement information.</p> <p>Step 3: The DRC and the supervisor of OCIC document how performance measures will be captured and reported and who will be responsible for tracking and reporting performance measures as a section in the community involvement plan developed in Action Plan 15-1.</p> <p>Step 4: The OCIC supervisor and DRC present plan to the deputy superintendent for Instruction for review and approval.</p> <p>Step 5: The deputy superintendent for Instruction and the OCIC supervisor present the plan to the superintendent for approval.</p> <p>Step 6: The superintendent presents the plan to the board for approval.</p> <p>Step 7: The OCIC supervisor distributes the plan to area directors and supervisors for information and implements the performance measurement systems outlined in the community involvement plan.</p>
Who is Responsible	OCIC District Review Committee and the supervisor of OCIC
Time Frame	The plan should be completed for presentation to the superintendent and board for approval by August 31, 2002. Implementation of performance measurement systems (including cost) should be completed by June 30, 2003.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

3 The district solicits and incorporates parent and community involvement and support.

The district uses a variety of surveys to determine community perceptions about its operations and programs.

An important element of any community involvement program is to survey stakeholders to solicit their input regarding school educational programs and initiatives. When input is received, school districts must demonstrate that input is valued and incorporate it in decision-making or participants will cease to believe their input has value. The School District of Hillsborough County uses a variety of surveys to gather information that helps the district develop strategies and programs to address the educational needs of families and students. To evaluate overall effectiveness, the district uses two main district level surveys, the Hillsborough County Residents and Their Opinions About the Public School System telephone survey, and the Whole School Effectiveness Survey, both conducted in the April-May 2001 timeframe. The telephone survey conducted by a market research and consulting firm, was a sampling of 400 residents who responded to nine questions. In addition to demographic information, the residents were

Community Involvement

asked about school issues such as academic excellence, communicating with the public, school safety and recruitment/retention of staff. The Whole School Effectiveness Survey was conducted internally by the district and included surveys of students, family and staff. Data included nine areas or dimensions that were chosen by the district based on *Effective Schools* research as well as school culture, climate and professional development research.

In addition to district level surveys, surveys are also conducted by individual schools and programs (Exhibit 15-3). These surveys target responses to general school climate or programs that address a specific area such as truancy, parent involvement or careers.

Exhibit 15-3

The School District of Hillsborough County has Several Surveys that Solicit Community Input

Survey	Purpose	Participants
Whole School Effectiveness Survey	Identify perceptions related to nine school effectiveness dimensions.	School District Parents, Students, Staff
Hillsborough County Residents and Their Opinions About the School System	Identify overall public perceptions related to school system in areas of academic excellence, school safety, communication and staff recruitment/retention.	General Public
Alternative to Out of School Suspension (ATOSS) Parent and Student Surveys	Determine if ATOSS is user friendly and to identify components that were most helpful for ATOSS families.	ATOSS Program Students and Parents
School Truancy Parent Survey	Used as part of the School Truancy Analysis to develop a plan to reduce truancy including goals, objectives, strategies and performance measures.	Parents picking up truant children from Truancy Intervention Center
School Truancy Focus Group Inventory	Used as part of the School Truancy Analysis to develop a plan to reduce truancy including goals, objectives, strategies and performance measures.	Juvenile Justice employees Law Enforcement groups Service providers School system personnel
African-American Family Support Analysis Focus Group Information	Collect information to be used by service providers to more effectively support families in four neighborhoods: Progress Village, West Tampa, East Tampa and Plant City.	Successful African-American children and parents Senior Citizens Residents Educators Service Providers
IASA Title VI Program Implementation Evaluation Survey	Determine the level of need and use of Title VI funds in enhancing student literacy through use of technology supplemental books and software.	Participating Private Schools
READS/Nonpublic Title I program	Perception of READS/Title I instructional services to make program improvements.	READS/Title I principals, teachers and parents
Parent Involvement Surveys	Determine the types of activities and information that parents would be interested in to assist them with their needs.	Title I Parents

Source: The School District of Hillsborough County.

Parents are encouraged to be school advisory council members.

Florida Statute 229.58 requires the establishment of a school advisory council (SAC) for each school in a district. The statute outlines the composition of the SAC membership, which is to include parents and business and community citizens. The group members should be representative of the ethnic, racial, and economic community served by the school. The School District of Hillsborough County complies with the law and has established the required School Advisory Councils with the appropriate composition.

As part of the Whole School Effectiveness Survey conducted in April 2001, parents were asked to respond to the following statement: *I have the opportunity to be involved in the school through the PTA, School Improvement Team and/or other committees.* Responses were graded on a scale from 1 (Almost Always/Always or Strongly Agree) to 5 (Rarely/Never or Strongly Disagree). The individual scores were compiled and a mean score developed. The mean scores were used to identify areas of strength or that needed additional development. There are three ratings based on the mean scores: *Developmental Need* for scores in the range from 3.51 to 5.0; *Adequate* for scores in the range from 2.5 to 3.5; and *Strength* for scores in the range from 1.0 to 2.49. According to the survey results, parents at all levels strongly believe they have the opportunity to be involved through advisory groups or committees (Exhibit 15-4).

Exhibit 15-4

Parents Believe They Have Opportunities to Be Involved in Schools

School Level	Number of Respondents (N)	Mean Score	Rating
Elementary	7,205	1.5782	Strength
Middle School	2,567	1.8644	Strength
High School	1,620	2.0352	Strength
Alternative/Special Center	103	1.8835	Strength

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

The review team conducted an informal e-mail survey to determine the extent of parent participation on the SAC. Ninety-five schools responded. The average size of the SAC for schools responding to the survey was 18 members with the average number of parents on the SAC as eight. The number of parents on the SAC varied from school to school with some schools having parents represent as much as 68 percent of the SAC. The majority of schools responding indicated that the parents on their SAC were active.

The review team also conducted a focus group with parent members of the SAC to determine if they were actively encouraged to belong to the SAC at their school. Of the 15 members of the focus group, 87 percent indicated that the schools did encourage them to become SAC members (Exhibit 15-5).

Exhibit 15-5

Community and Parents are Encouraged to be SAC Members

Question	Yes	No
Do schools encourage parents and other stakeholders to be members of the SAC?	87%	13%

Source: Gibson Consulting Group, Inc., SAC Focus Group Responses, December 6, 2001.

The district extensively uses committees to gain community input and support.

In addition to School Advisory Councils, the school district and individual schools provide many opportunities for the community to participate in decision-making via committees. Committees are formed to identify issues and develop strategies to address the issues. For instance, the District Parent/Family Involvement Advisory Council (DPFIAC) is composed of parents, teachers and administrative representatives from each school along with community groups and other agencies that work with the district. The DPFIAC was created to establish a district-wide, comprehensive parent involvement program. The focus of the program is to get more parents active in school-related activities because parent involvement is a key factor in determining student achievement. Another committee that provides district-wide involvement is the Council for Technical and Career Education. The Council is created to help market Career and Technical programs; expand and strengthen partnerships with local business groups that sponsor the School to Work programs; and provide feedback to the district on the types of workforce development activities needed to meet evolving skill requirements. The district also forms committees to develop proposals to implement important initiatives. The digital divide committee, for example, is developing the proposal and guidelines to provide financially disadvantaged students (eligible for free/reduced lunches) and their families with in-home computers. The 50-member committee, representing various business, community, government and education organizations, is developing the application and guidelines used to determine how the initial grant of \$40,000 of computers will be allocated and how student usage will be evaluated to retain the computers. The committee has expanded its focus from students and their families to form a long-term coalition to make technology skills and access available to all members of the community. The district’s Citizen Advisory Committee (CAC) is an advisory group that reports to the School Board throughout the year. The CAC researches and studies various issues at the request of the Board, the superintendent or various committee members. Examples of issues studied by the CAC include violence prevention, public relations and S.T.A.R. (Short Term Action and Response).

District schools offer extended hours for parent convenience.

To increase opportunities for parent involvement, district schools have scheduled hours before and after school for parents to meet with teachers and administrators. In the Whole School Effectiveness Survey, staff was asked to respond to the following statement: *I schedule parent activities and conferences so working parents can participate.* At each level, staff consistently rated the statement as a strength area. On a scale of 1 to 5, with 1 being the strongest, the mean scores ranged from 1.4656 for elementary schools to 2.0000 for Alternative/Special Center schools (Exhibit 15-6).

Exhibit 15-6

Staff Believes That Activities Are Scheduled To Gain Working Parent Participation

School Level	Number of Respondents (N)	Mean Score	Rating
Elementary	2,749	1.4656	Strength
Middle School	998	1.6754	Strength
High School	925	1.8768	Strength
Alternative/Special Center	135	2.0000	Strength

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

4 The district uses a variety of methods to communicate effectively with parents.

The district uses a wide range of written materials to communicate district and school information.

Recognizing the importance of keeping parents informed of district and school policies and events, the School District of Hillsborough County (SDHC) has developed and uses a wide range of written materials to communicate with parents. At the district level for instance, the Office of Public Affairs produces press releases that are distributed to the media regarding school events, award recognitions and meetings and discussion items of public interest such as boundary meetings. In addition, the *Superintendent's Column*, a monthly column with a timely topical message from the superintendent, is published on the district's Web site as well as in local newspapers and the PTA council newsletter. To keep parents and the public informed about school board actions, the Office of Public Affairs publishes the *School Board Digest*, a summary of the school board agenda and actions taken at each meeting. Public Affairs also publishes an annual report, *District Report to the Community*, that provides a summary of the district and its initiatives, district performance comparisons against national and state measures, and an update of the district's goals and priorities from the strategic plan. These documents are available in print version as well as via the Internet on the district Web site.

At the school level, district schools distribute regular newsletters that include school news, calendars and other upcoming items of interest. To provide immediate topical information, schools will also develop and distribute fliers and brochures that are sent home with students. At the beginning of the school year, schools will distribute information regarding school policies and procedures using innovative formats. For example, many schools use folders that have printed general information regarding school hours, volunteer opportunities, procedures for notification of student absences, school dress codes and uniform policies on the folder. The folder contains the school handbook and other forms to be completed by parents and returned to school. Some schools print the information both in English and Spanish. Another innovative format used by several schools is to print general school policy, calendar, dress code and contact information in a student planner that is distributed to the student for use during the school year. Many schools also use refrigerator magnets and stickers with the school's main and student absence telephone numbers printed on them to assist parents with reporting student absences.

The School District of Hillsborough County uses the Internet extensively to provide district and school information.

The district's Web site can be found at www.sdhc.k12.fl.us. At the site, there is a link, or portal, designed specifically for parent information. When the link is selected, parents can choose from seven categories including: Resources, Budget, Extra-Curricular, District Information, School Information, Assessment and Academics. Within the categories there is additional information ranging from child resource programs to budget reports to report cards, boundary information and uniform requirements for individual schools. The portal also allows the parent to select from a dropdown menu of choices or to search for specific information. There are also links to outside Web sites. A parent can select the link to outside Web sites by indicating whom the link is for (student, parent, teacher or administrator) and the type of link desired (informational, reference or instructional).

The district Web site also includes a generic Web page with general information for each district school. Types of information found on this Web page include: school name, address and contact numbers (main, fax and attendance line); grade levels served; uniform requirements; school hours; location and driving

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directions; school boundaries and history; and the latest report card grade information including FCAT test scores. From this site, a parent can download a copy of the Student Handbook or pupil progression plan, search the district site or provide feedback. In addition to the district's generic school Web page, many individual schools have their own Web page that contains school specific information such as newsletters, calendars, PTA information and more detailed policies.

The district maintains parent hotlines to facilitate communication.

In addition to the school's main number, district schools maintain attendance hotlines to assist parents with reporting student absences. To help keep the attendance hotline number handy, several schools distribute numbers using refrigerator magnets or stickers. The attendance number is also posted on the district's Web site on the individual school's generic Web page. The district also has a citizen's information call center to assist parents and the public with questions. If the call center cannot directly answer the question, the caller is transferred to the appropriate party to answer the question. Individual schools also have voice messaging systems to assist parents in communicating with teachers and administrators.

The School District of Hillsborough County uses translators and bi-lingual materials to communicate with non-English speaking parents.

The review team surveyed school administrators to determine the extent and use of translators in district schools. The administrators were asked if the school had translators and if so, how many. Overall, 63 percent (120 of 191) elementary, middle, high and alternative schools and exceptional student centers responded to the survey. The number of translators varied greatly from school to school. Crestwood and Dover Elementary Schools had the largest number of translators with 26 and 25 respectively. Many schools had 2 to 3 translators. The average number of translators per school for the overall sample group was 5.2 (Exhibit 15-7).

Exhibit 15-7

District Schools Surveyed Provide Translators to Assist Parents

School Level	Responses	Number of Schools	Response Rate	Average Number of Translators
Elementary/Early Childhood	74	114	65%	5.2
Middle School	25	36	69%	4.7
High School	14	20	70%	5.9
Alternative	3	12	25%	8.0
Exceptional Student Centers	4	9	44%	6.0
Totals	120	191	63%	5.2

Source: Gibson Consulting Group, Inc., Survey, November 2001.

In addition to translators, district schools also use translated written materials to communicate with parents. One of the major examples of use of multi-lingual materials is a home/school communication form that accompanies materials sent to parents of Limited English Proficient (LEP) students. The form includes appropriate translation of the sentence *"Please come to the school's main office if you need assistance in understanding the information contained in this communication, or if you need assistance with any other school communications."* The sentence is translated in English, Spanish, Vietnamese, French, French Creole, Korean and Bosnian. Other types of translated materials included notices of school events such as reading nights and announcements of programs such as the Extended Year Program at Chamberlain High School.

The School District of Hillsborough County uses conferences with parents to communicate student performance.

Title I of the Elementary and Secondary Education Act identifies specific parental involvement requirements under Part A, Section 1118. Subsection d, Shared Responsibilities for High Student Performance states that each school shall develop a school-parent compact to share the responsibility for improved student performance and that “...Such compact shall--.... (2) address the importance of communication between teachers and parents on an ongoing basis through, at a minimum—(A) parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates to the individual child’s achievement;...” The School District of Hillsborough County meets and exceeds the annual Title I requirement since schools generally conduct conferences during the Fall and Spring semesters. Some schools have scheduled additional conferences that coincide with the end of a grading period. Conferences are used to discuss a student’s performance and achievement with parents and to identify strengths and areas needing improvement. To assist working parents in attending the conference, many schools schedule conferences during late afternoon and evening hours. Parents receive an appointment form from the school and are asked to confirm the appointment or schedule an alternative time. Schools report conference meeting statistics such as the number of conferences requested and held, on a Conference Day Report form submitted to the Assistant Superintendent for Administration.

The district surveyed parents, students and staff in April 2001 as part of the Whole School Effectiveness Survey. In the area (dimension) of Parent and Community Involvement, parents and staff were asked to respond to the following statement: Teachers communicate with me the first week of school and at least once during each grading period. Responses were graded on a scale from 1 (Almost Always/Always or Strongly Agree) to 5 (Rarely/Never or Strongly Disagree). The individual scores were compiled and a mean score developed. The mean scores were used to identify areas of strength or that needed additional development. There are three ratings based on the mean scores: Developmental Need for scores in the range from 3.51 to 5.0; Adequate for scores in the range from 2.5 to 3.5; and Strength for scores in the range from 1.0 to 2.49. According to the survey results, parents and staff differed in their perception of adequacy of communications at the middle and high school levels. At both of these levels, parents rated communications as adequate while staff rated it as a strength (Exhibit 15-8). The widest difference in mean scores occurred at the high school level. Parents’ mean score was .84 higher than staff. At the middle school level, parents’ mean score was .67 higher than staff.

Exhibit 15-8

Parents and Staff Differ in Rating Teacher Communications

School Level	Mean Scores		Rating	
	Parent	Staff	Parent	Staff
Elementary	1.8424	1.7406	Strength	Strength
Middle School	2.6916	2.0191	Adequate	Strength
High School	3.1366	2.2947	Adequate	Strength
Alternative/Special Center	1.6635	2.2500	Strength	Strength

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

As part of the same survey, staff was asked to respond to the statement: *I schedule parent activities and conferences so working parents can participate.* Staff overwhelmingly responded positively with mean scores ranging from 1.4656 at the elementary level to 2.0000 at the Alternative/Special Center level.

School district parents believe that district communications are clear, effective and timely.

In April 2001, the district conducted a Whole School Effectiveness Survey in which parents were asked to respond to the following statement: *Communication from the school is clear, effective and timely.* Parents responded on a scale from 1 (Almost Always/Always or Strongly Agree) to 5 (Rarely/Never or Strongly Disagree). The individual scores were compiled to develop a mean score. The mean scores were used to develop ratings to identify areas of strength or that needed additional development. There are three ratings based on the mean scores: *Developmental Need* for scores in the range from 3.51 to 5.0; *Adequate* for scores in the range from 2.5 to 3.5; and *Strength* for scores in the range from 1.0 to 2.49. According to the survey results, parents rated district communications as a strength in three of the four school levels surveyed (Exhibit 15-9).

Exhibit 15-9

Parents Rate District Communications Favorably

School Level	Number of Respondents (N)	Mean Score	Rating
Elementary	7,173	1.9281	Strength
Middle School	2,564	2.3924	Strength
High School	1,620	2.6352	Adequate
Alternative/Special Center	104	1.8558	Strength

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

5 The district needs to expand the scope of its organizational reviews to provide the information necessary to assess its community involvement structure and staffing.

The district maintains a streamlined program organization structure.

The district’s community involvement program organization, the Office of Community and Interagency Collaboration, is staffed by one full time and one part time position. To minimize administrative layers and processes and represent the widest range of community perspectives and issues, the OCIC is supported by the district review committee that is structured as a matrix organization. Committee members have programmatic duties for their specific area of expertise as well as responsibilities related to community involvement. The committee members represent seven internal divisions plus three external organizations (SERVE, the PTA and the Education Foundation). Committee members were selected based on their level of collaboration with community organizations, individuals and agencies. The committee structure minimizes the duplication of efforts and increases efficiency in the delivery of community involvement activities since all initiatives are coordinated through the committee. The committee structure is also cost effective since the district achieves this coordination and oversight without dedicating full time resources.

The district has completed limited reviews of its organizational structure and staffing.

Since its inception in 1999, the district has only completed limited reviews and analysis of the community involvement function performed by the Office of Community and Interagency Collaboration. One review titled *Communications/Community Relations/Involvement* was completed that identified costs and program output and statistics such as number of business partners, number of volunteer hours and number of internal and external communication pieces. The review did not include any comparative benchmarks

to similar programs in other large Florida counties. The second review, a comparison of volunteer programs in large Florida counties, was developed by the SERVE Executive director and analyzed Hillsborough County’s volunteer programs against the programs in Pinellas, Palm Beach, Orange and Broward counties. The analysis listed budgeted costs by category and the types of volunteer programs provided in each county. While the two reviews provide budget and program output information, they do not provide performance information and the costs reported do not tie to specific initiatives to determine the program’s efficiency and effectiveness. While output information is important, it does not provide the basis for the district to determine if it is appropriately staffed or efficiently organized. The presentation of overall costs without determining the allocation to components of the program such as volunteer coordination, business partnerships or fund raising does not allow the district to identify if the individual components are operating efficiently. To properly analyze its structure and staffing, the district needs to expand the scope of its reviews to add comparisons to programs in other large Florida counties for all of the program components as well as staffing and operating ratios such as dollar spent per volunteer hour generated. The district’s review should also tie expenditures to specific strategies and program components to determine if the program is operating efficiently and effectively.

Recommendations

- *We recommend that the district institute a scheduled review program complete with identified benchmarks for comparisons with other similar organizations.*

Action Plan 15-3 provides the steps needed to implement this recommendation.

Action Plan 15-3

Periodically Analyze the Community Involvement Organizational Structure	
Strategy	Institute a scheduled review program with identified benchmarks for comparisons with similar organizations.
Action Needed	<p>Step 1: The District Review Committee (DRC), led by the supervisor of the Office of Community and Interagency Collaboration (OCIC), develops a list of benchmarks and peer districts to be used as comparisons for the SDHC community involvement program. Examples of benchmarks include staffing structure and ratios and cost and budget information.</p> <p>Step 2: The DRC develops a proposed timetable for review and the organization responsible for conducting the review and incorporates as a section in the program evaluation plan.</p> <p>Step 3: The OCIC supervisor and DRC present the program review document to the deputy superintendent for Instruction for review and comment.</p> <p>Step 4: The deputy superintendent for Instruction approves the program evaluation plan.</p> <p>Step 5: The OCIC supervisor implements the program evaluation plan according to the plan’s established timetables.</p>
Who is Responsible	Supervisor of Office of Community and Interagency Collaboration and OCIC District Review Committee
Time Frame	The program evaluation plan should be completed and ready for implementation by June 30, 2003.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

Parents and Decisions

6 The district has active Parent Teacher Associations /Parent Faculty Organizations (PTA/PFO) and other effective methods to involve and encourage parent leadership and participation.

The district has widespread PTA representation and active PTAs.

The School District of Hillsborough County PTAs are represented in 98 percent of the district’s elementary, middle and high schools. The middle and high schools have 100 percent representation and the elementary schools have 96 percent representation (Exhibit 15-10). The PTAs meet at a minimum bi-annually with many local units meeting as frequently as monthly.

Exhibit 15-10

PTAs are represented throughout The School District of Hillsborough County

School Level	Number of PTAs in Schools	Total Number of Schools	Percent Representation
Elementary	107	111	96%
Middle School	36	36	100%
High School	20	20	100%
Total	163	167	98%

Source: SDHC and Hillsborough County Council PTA/PTSA Membership Report, November 2001.

In addition to widespread representation, the district has active PTAs as measured by the large number of schools (68) designated as Five Star Award winners by the Florida Department of Education. One of the five areas measured is Family Involvement. To qualify for the award, a school must meet the criterion of *Active parent organization (PTA, PTO, Boosters, etc.)*. To gain insight regarding PTA involvement at individual schools, the review team also conducted a focus group with 10 PTA members. According to focus group participants, PTAs are active in their schools providing funding to supplement classroom enhancements and providing volunteers for a variety of activities including: tutoring, document preparation and production, hospitality and refreshments.

Focus group members were also asked if school administrators valued the PTA in their school. Eighty percent responded positively. Likewise, staff was asked to respond to the following statement in the Whole School Effectiveness Survey: *I think the involvement of our parent organization is a key contribution to the success of our school.* Staff responded on a scale from 1 (Almost Always/Always or Strongly Agree) to 5 (Rarely/Never or Strongly Disagree). The individual scores were compiled to develop a mean score. The mean scores were used to develop ratings to identify areas of strength or that needed additional development. There are three ratings based on the mean scores: *Developmental Need* for scores in the range from 3.51 to 5.0; *Adequate* for scores in the range from 2.5 to 3.5; and *Strength* for scores in the range from 1.0 to 2.49. According to the survey results, staff at the elementary, middle and high school levels identified the involvement of the parent organization as a strong contributing factor to success in their school (Exhibit 15-11). Staff at the alternative schools/special centers rated the involvement as adequate.

Exhibit 15-11**Staff Rates Parent Organizations as Contributing to School Success**

School Level	Number of Respondents (N)	Mean Score	Rating
Elementary	2,781	1.9205	Strength
Middle School	1,003	2.0887	Strength
High School	920	2.1870	Strength
Alternative/Special Center	154	2.7468	Adequate

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

The PTAs advertise and promote meetings but parent attendance is of concern.

In the PTA focus group conducted by the review team, a common concern expressed by focus group members was increasing parent attendance at PTA meetings. The PTAs use a variety of traditional methods such as newsletters, school marquees and newspaper announcements to advertise meetings. However, there was not widespread use of the Internet in promoting meetings. Even with the advertisements, parent attendance particularly in middle and high school is lacking. The focus group participants speculated that parent participation at meetings declined once students reached middle and high school because more parents return to work after their children leave elementary school; there is more competition from other organizations and activities such as band boosters, concerts, and sporting events at middle and high school; and that parents are less inclined to come to the school because their middle or high school student doesn't want them there. Many participants indicated that they are working on strategies to increase parent participation. One strategy is having students perform at meetings to increase attendance. Other PTA members indicated that they have recently developed Web sites and creative newsletters to announce events to increase their parent participation. Another innovative strategy to increase attendance at a PTA sponsored event was that the PTA worked with the school to link parent attendance at the event to extra credit for students. The students had to write a persuasive report indicating why it was important to attend the event. Students got an additional 10 points of extra credit if their parents read the report and signed up to attend the event.

Recommendations

- *We recommend that PTAs survey parents to identify why attendance is low and what would persuade parents to attend meetings and develop appropriate strategies based on survey information.*
- *We also recommend that the PTAs work with individual schools to develop Web sites and links that increase publicity and promote PTA meetings and events to reach a wider audience.*

Action Plan 15-4 provides the steps needed to implement these recommendations.

Action Plan 15-4

Analyze PTA Attendance Rates	
Strategy	Survey parents and devise strategies to increase attendance based on survey information.
Action Needed	Step 1: The county PTA council works with individual school PTAs to develop a brief survey to identify why parents don't attend PTA meetings. Step 2: Individual PTAs administer survey to members.

	Step 3: Individual PTAs gather results and capture information.
	Step 4: Individual PTAs analyze results and develop strategies to improve attendance based on survey results.
Who is Responsible	Individual PTA presidents
Time Frame	The PTA surveys should be distributed by August 31, 2002. The PTA strategies should be implemented by December 31, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Devise Strategies to Increase PTA Attendance

Strategy	Work with schools to develop Web sites and links to promote PTA events.
Action Needed	Step 1: Individual PTA presidents meet with school principals to discuss development of Web sites and/or links to promote PTA events. Step 2: Principals approve use of school Web site/links. Step 3: Individual PTA presidents meet with their school's Web administrator to identify requirements for sharing Web site and/or links. Step 4: School Web administrator works with PTA designee to design Web site and develop template for update. Step 5: PTA designee updates Web site as necessary in coordination with individual school administrator.
Who is Responsible	Individual PTA presidents or designees and school Web administrators.
Time Frame	PTA Web sites should be completed by April 30, 2004 as desired by individual PTAs/schools.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

7 The district provides activities that encourage families to be involved in the schools.

Parents have the opportunity to communicate their views to the school board.

The school board provides opportunities for parent and citizen input at school board meetings. The board's agenda has a section that includes directions for audience participation and a section for audience comments. Speakers complete a *Request to Speak to the School Board of Hillsborough County* form that indicates the topic they wish to speak on and whether it relates to a specific agenda item or the section for audience participation. Speakers are limited to three minutes for items not on the agenda. Those speaking on an agenda topic will be given five minutes to speak unless there is more than one speaker and then three minutes are given.

Parents support a variety of school activities.

The schools and PTAs widely encourage parents to volunteer their support for a wide variety of school activities. They use newsletters and fliers throughout the year to solicit volunteers for these types of activities. To determine the extent and type of activities that parent volunteers support, Gibson Consulting Group, Inc. developed a brief survey instrument of 10 questions. Two of the survey questions pertained to classroom and other types of support provided by parents such as library, tutoring, cafeteria, and field trips. School administrators were asked to also list three to five classroom and other support activities provided by parents. The survey was e-mailed to school administrators. When the responses

were received, similar activities were grouped into 10 categories. Of the 110 elementary, middle and high school responses to the questions, the highest rated activity supported by parents and volunteers was field trips, followed by library support and tutoring. Schools also rated participation in special events such as the Great American Teach In, Storytelling Festival, and Book Fairs highly. Classroom and teacher support varied from school to school, but encompassed speakers and activities to support special lessons. Examples listed by schools included multi-age, multicultural and career-related topics (Exhibit 15-12).

Exhibit 15-12

District Parents Support Varied School Activities

Support Provided	Elementary*	Middle School	High School	Total
Responses	75	22	13	110
Field Trips	93%	73%	77%	87%
Library	84%	68%	31%	75%
Tutoring	72%	50%	23%	62%
Special Events	37%	77%	54%	47%
Classroom/Teacher Support	49%	23%	23%	41%
Reading	52%	5%	0%	36%
Clerical Support	37%	36%	0%	33%
Fund Raising/ Booster/Incentives	20%	41%	31%	25%
Special Skills: Cooking, Art, Computers, Photography	19%	9%	0%	15%
Playground Support	8%	0%	0%	5%

Note: Percents will not total 100 because there were multiple responses for the question.

*Elementary includes 3 early childhood centers.

Source: Gibson Consulting Group, Inc., Survey, November 2001.

Parents with special skills such as cooking, photography or computers are solicited by schools to support classroom activities. Parents are identified and contacted by schools for the Great American Teach In based on topics that the school would like presented. Schools also request speakers with special skills and experience through the SERVE speaker bureau.

Parents and community members are active school advisory council members.

Florida statute 229.58 requires the establishment of a school advisory council (SAC) for each school in a district. The statute outlines the composition of the SAC membership and the method by which council members are elected by their peer groups. The membership includes the principal, teachers, education support employees, students, parents and business and community citizens.

The group members should be representative of the ethnic, racial, and economic community served by the school. The statute further requires that each school advisory council assist in the preparation and evaluation of the school improvement plan required pursuant to s. 230.23(16) and in the preparation of the school's annual budget and plan as required by s. 229.555(1). Hillsborough County complies with the law and has established the required School Advisory Councils. However to be effective, the community and parent SAC members must be active participants, not merely attendees. One measure of an active SAC is the Five Star School Award program sponsored by the Florida Department of Education. The program recognizes schools with exemplary community involvement in five areas. To receive the award, a school must achieve 100 percent of the criteria in the following areas: Business Partnership, Family Involvement, Volunteers, Student Community Service and School Advisory Councils. According to the Five Star School Award Application Form, the criteria for School Advisory Councils include:

Community Involvement

- Minimum of 8 meetings a year;
- Average of 80 percent attendance of members, with a minimum of 50 percent attendance by each member;
- Annual presentation of the School Improvement Plan to school community after public notice to all stakeholders (school marquee, flyers, etc.);
- Evidence of ongoing training and/or development of the School Advisory Council;
- School Improvement Plan reflects one new idea that involves the community in its implementation; and
- School Advisory Council participated in the development and/or interpretation of the needs assessment data.

For 2001-2002, 68 schools, or approximately one third of the district's schools, were designated as Five Star School Award winners.

The review team also conducted a focus group with parent members of the SAC to determine if they were actively encouraged and involved in the decision-making at their school. Of the 15 members of the focus group, 93 percent indicated that they were actively involved in SAC decision-making. Focus group members were also asked to rank their involvement on a scale from 1 to 5 with 1 being little involvement and 5 being significant involvement. Eighty percent of the focus group members ranked their involvement as either 4 or 5 (Exhibit 15-13).

Exhibit 15-13

Community And Parent SAC Members Are Active On Their Committees

Question	Yes		No		
Are parents on the SAC involved in decision-making?	93%		7%		
Question	1: Little Involvement	2: Limited Involvement	3: Some Involvement	4: Considerable Involvement	5: Significant Involvement
Please rate the level of your involvement in SAC decision-making. *	7%	7%	7%	33%	47%

* Totals do not equal 100 because of rounding.

Source: Gibson Consulting Group, Inc., SAC Focus Group Responses, December 6, 2001.

The district's unitary status plan allows parents to choose school assignments.

The district developed a student assignment plan to promote unitary status. The school board approved the plan on September 21, 2000 with a target date of August 2004 for implementation. In March 2001, the 11th U.S. Circuit Court of Appeals removed the district from federal court oversight to begin implementation of the plan. The plan promotes controlled choice, or the ability for parents to choose a school within their region (two or more high school clusters) or zone (combination of urban area satellites and regular area attendance schools). However, choice is controlled by space availability. The district's plan includes controlled choice by region in kindergarten, grade six and grade nine. Controlled choice by zone occurs from kindergarten through grade 12. Besides regular attendance schools, the district offers magnet schools, charter schools and academy programs. The district provides information regarding the unitary status plan via its Web site and through brochures.

Magnet schools are one element of the district's restructuring and unitary status plan. The district has two processes for its application to magnet schools, a high school and an elementary/middle school process. For the high school process, the district mails notices about the high school magnet programs to all district eighth grade students, community agencies, guidance counselors, principals and private schools in October. Public information meetings are held in November at sites that are equitably dispersed around the district. Responding to feedback from parents who indicated they would like to hear about programs in 2-3 of the schools, the district brought all programs together in one location and ran concurrent sessions at the public information meetings. Parents had the opportunity to visit two program sessions per meeting. Applications are distributed at the public information meeting and are due back to the district by January 15. The students are ranked based on the application's criteria for positions in their selected magnet program. Notifications to students who are accepted into magnet programs occur in mid to late February. Parents must accept the position by the March deadline. After parent acceptances are received, if there are still openings in the program, students who were placed on the waiting list are moved into the open positions.

The elementary/middle school recruitment for kindergarten through grade 7 students begins in late December and early January with the district mailing out applications. Public meetings are held in January with applications due by February 15. The district posts two opportunities to do on-line applications. Once applications are received, they are input into the computer lottery database. The lottery occurs in mid-February and students for each program are identified. Notification letters are sent in late February with a 2-week acceptance response required. If there are vacancies, offers are made from the waiting list. If in late May or early June there are still openings, a "hot news" mailer is sent generally targeting overcrowded schools.

The district promotes the magnet school programs at various community events such as the Community Fair, the State Fair, the Volunteer Fair and two Career safaris – one for high school and one for elementary/middle school.

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8 The district uses community resources to strengthen schools, families, and student learning and consistently offers school resources to strengthen communities.

The district effectively provides community resource information to students and parents.

The district uses a variety of media to disseminate information on health, cultural, recreational and community services and programs. The types of media range from newsletters, brochures and fliers to comprehensive resource guides and directories such as the Friends Offering Children Unlimited Success (*FOCUS*) *Guide to Parenting Services and Community Resources*, the *Hillsborough' Promise Volunteer Resource Directory*, and the *Keeping the Promise Checklist*. Many of the district level newsletters and brochures related to health, psychological, and social services are prepared and distributed by the Student Services Department. To disseminate information, Student Services also coordinates with the Office of Public Affairs for media related events and press releases. The district also goes into the community to distribute information. The parent resource bus goes to churches, schools and neighborhood locations. Materials on various topics such as child development, nutrition, substance abuse prevention, discipline and literacy are available on the bus. Student Services Department staff participates in back to school

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fairs held at various community locations. At the fairs, students are given physicals, shots, school supplies and information on their new schools. A recent innovative method to disseminate health-related information to schools is Tele-medicine where 6 nurse practitioners are connected essentially with a videophone to nurses at individual schools.

In addition, the district links students with community service opportunities. The district created an innovative Web site, the Community Service Connection, at <http://apps.sdhc.k12.fl.us/public/connect/> primarily as a resource to assist high school students with finding opportunities to meet their community service work graduation requirements. However, teachers and parents can search the site as well to identify community service opportunities and organizations can contact the district to post their opportunities. The Web site allows the user to search opportunities by agency, category such as animals, office work or medical, or location. The user can also restrict the search by available hours, age or education level required.

District schools and students extensively participate in community service projects.

District schools participate extensively in community service projects. To determine the extent and type of community service projects that schools support, Gibson Consulting Group, Inc. developed a brief survey instrument of 10 questions. One of the survey questions asked school administrators if their school participated in community service projects and to list the top five projects. The survey was e-mailed to school administrators. When the responses were received, similar activities were grouped into five categories. Of the 103 responses from elementary, middle and high schools that perform community service projects and listed the projects, the community service project with the greatest response was food drives and donations, followed by “other” that included a wide variety of projects ranging from fund raising for organizations such as the United Way, American Heart Association, and the American Cancer Society to Adopt A School to intergenerational programs. Nursing home and projects for retirees rated third followed by projects for the American Red Cross (Exhibit 15-14).

Exhibit 15-14

District Schools Extensively Support Community Service Projects

Project	Elementary*	Middle School	High School	Total
Responses	75	24	14	113
Food Drives/Donation	72%	58%	50%	66%
Other	35%	42%	57%	39%
Nursing Home/Senior Projects	36%	33%	7%	32%
Red Cross	40%	13%	14%	31%
Recycling/Environmental	9%	54%	50%	24%
Toy Drive	12%	17%	14%	13%

Note: Percents will not total 100 because there were multiple responses for the question.

*Elementary includes 3 early childhood centers.

Source: Gibson Consulting Group, Inc., Survey, November 2001.

The School District of Hillsborough County offers its services in the community.

The district and its schools offer their services at locations outside of the school setting. For example, the Alternative To Out of School Suspension (ATOSS) program offers its services at recreational centers and clubs throughout the district. The Parent Resource Bus visits various community sites such as churches, community centers, migrant farms, apartment complexes and parks. The resource bus offers computers with educational software and a VCR with parenting videos. The bus has a wide variety of materials available on topics ranging from nutrition to discipline and homework. The parent resource bus volunteers are also available on-site to present workshops on reading and math, effective parent teacher

conferences and FCAT testing. Each family that visits the bus receives a dictionary purchased through grant funds and/or Title I funds. They also receive homework supplies such as paper, pencils, rulers and erasers. The Career Cruiser, a 40-foot mobile career lab, provides 14-21 year olds with a hands-on workplace simulated environment to introduce them to skills that are linked to jobs in the community. There are nine simulation modules ranging from video broadcast technician and production manager to graphics designer, aeronautical engineer and emergency medical technician. The district also participates in back to school fairs at community sites to distribute health and social service information and services.

In addition, individual schools go out in their communities with a variety of activities and services. Some schools hold conferences at alternative sites such as community centers. Others do parent workshops at apartment complexes or churches in their area. Still others do extended learning programs at county parks and day care centers.

9 The district has developed school-business partnerships.

The district and its schools communicate widely with business partners.

The School District of Hillsborough County has developed district and school level mechanisms to communicate with local businesses. At the district level for example, the Corporate Specialist who is responsible for developing districtwide sponsorship from major corporations, has developed a business plan for each of the major corporate sponsors of district programs. The plan includes strategies to strengthen and improve the district's relationship with its partners. It also includes a key contact list, an activity report tracking sheet and a section outlining key concerns expressed by the partner that the corporate specialist uses to develop strategies to address the concerns. For education programs funded by the corporations, the corporate specialist works with businesses to develop a format to gather information to determine if the business is happy with the program efforts and results.

The district also shares information with the business community through its membership of committees such as the Tampa Chamber of Commerce Education Committee, the digital divide committee and the District Parent/Family Involvement Advisory Council. It also shares information through newspaper inserts on various topics.

At the school level, each school is required to complete an Educational Partnership Agreement Form when it solicits resources. The form outlines the purpose and goals of the partnerships, the expected benefits to each partner and an evaluation component with a deadline to review the success of the partnership. In addition to the partnership agreement, many informal contacts with business partners occur on an ad hoc basis.

District schools have active partnerships to fund education programs.

The School District of Hillsborough County has developed active district and school level business partnerships to fund educational programs. Two such district level programs funded by local sports franchises are the "*ThunderBug's Read to Succeed*" and "*Rays Battle of the Books*" programs directed at encouraging students to read. Another district level program, "*Making Visions Possible*" directed at funding three innovative high school-based teacher/counselor projects is co-sponsored by two district partners.

Most district schools have developed active partnerships with local businesses that donate time, funds and supplies to support education programs. According to the *Communications/ Community Relations/Involvement* document, businesses provided \$3.1 million in support to district schools in 2000.

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This was up from \$1.25 million in 1999. To develop and maintain these partnerships, schools have designated an individual or individuals who are responsible for fostering these partnerships. Many district schools (68) have demonstrated exemplary business relationships through their designation as a Five Star School. To win the award, a school must meet eight business partnership criteria including “*Business/agency partnership supports teaching and learning through the donation of human resources and goods/services or financial resources*” and “*School designates a business partnership coordinator*”. In addition, 25 schools that were not five star award winners responded to an informal e-mail survey and indicated that they also had designated business partnership coordinators.

District schools have active mentoring programs involving local businesses.

Many of Hillsborough County’s schools have active mentoring programs. Gibson Consulting Group, Inc. developed a survey instrument that asked school administrators to identify if their school had a mentoring program, to list the program and to identify who provided the services, such as parents, teachers or business partners. Of the 122 responses received, 79 schools, or 65 percent identified that they had mentoring programs. Of the 79 schools, 31 schools (39 percent) specifically listed business partners as providing their mentoring support. However, this number may be low because many schools did not provide sufficient information to determine if their business partners supported their mentoring program. Besides the traditional mentoring programs, there are seven schools that are participating in the E-Mentoring initiative. The e-mentoring initiative was developed to accommodate business and public service representatives whose schedules do not allow them to frequently mentor in person. The program, now in its second year, allows the mentoring to occur primarily through a sustained, ongoing e-mail relationship between the student and the mentor.

District schools successfully apply for grants from local foundations and businesses.

District schools seek many alternative funding sources for their programs. One of the primary sources is the Hillsborough Education Foundation. In 2000-01, the Foundation offered 19 different types of grants with award amounts ranging from \$250 to \$2,500 and awarded 178 mini grants. In addition to the Hillsborough Education Foundation, many schools solicit funds from other foundations and businesses. Sixty-one schools responded to an informal e-mail survey that asked if they solicited funds from businesses or other local foundations. Of the schools that responded positively, examples varied and ranged from grants with cash awards to supplies to providing hands-on experience for students. Exhibit 15-15 shows a sample of the schools that have sought grants from businesses.

Exhibit 15-15

District Schools Seek Grants from Businesses

School	Grantor(s)
Bay Crest Elementary	Box Tops In Education Parental Involvement grant
Bloomington High School	Cargill, Wal-Mart and Swiftmud
Brandon High School	Toyota and National Council of Mathematics
Claywell Elementary	Wachovia Banks
Crestwood Elementary	Sam’s Club
Essrig Elementary	Mobil Gas, Arvida Realty
Greco Middle School	Temple Terrace Chamber of Commerce
Hunter’s Green	Wal-Mart
Kenly Elementary	Target, K-Mart and Box Tops in Education
Lake Magdalene Elementary	Allegheny Franciscan Foundation
Lutz Elementary	Toshiba
Oak Grove Elementary	ExxonMobil
Temple Terrace Elementary	Temple Terrace Community Educational Task Force
Walker Middle School	Citigroup, Allstate, PricewaterhouseCoopers

School	Grantor(s)
Westchase Elementary	ExxonMobil
Nature's Classroom	Southwest Florida Water Management District

Source: The School District of Hillsborough County E-Mail Survey, December 2001.

District schools are assisted in seeking grants by the Grants and Research Operations Office. The office provides training in grant writing, publicizes available grants and grant funding reference links via its Web page, and assists schools in completing grant applications and in designing competitive programs. The Grants and Research Operations Office also facilitates Partnership Agreements and Letters of Support with outside agencies and businesses.

District schools use informal rather than formal surveys of business partners.

Surveys are an important tool for schools to gauge how business partners view their partnerships. Feedback is crucial to making changes that strengthen and maintain longstanding partnerships. While most district schools have business partnerships, very few formally survey their business partners for feedback. Gibson Consulting Group, Inc. surveyed school administrators to determine if schools did survey their business partners and the extent that this practice occurred in the district. Of the 122 responses received, only 11 schools indicated that they did survey their partners. However, while most schools do not formally survey their business partners, many do have informal evaluations to review the success of the partnership as part of the Educational Partnership Agreement. Depending on the school and the relationship, the business partner may prefer that the school use a less formal method than surveys to obtain its feedback. Therefore, the schools need to be cognizant of this and work with their business partners to develop the best method that allows for information sharing, documents feedback and allows the school and business partner to make improvements that strengthen their partnership.

Recommendations

- *We recommend that schools work with their business partners to identify and develop the preferred method(s) of soliciting feedback and evaluating the partnership to make sure that feedback is obtained efficiently and effectively for both partners.*

Action Plan 15-5 provides the steps needed to implement this recommendation.

Action Plan 15-5

Develop Appropriate Methods to Gain Business Partner Feedback	
Strategy	Work with business partners to identify and develop methods to solicit feedback to strengthen business partnerships
Action Needed	<p>Step 1: School Business Partner Coordinators contact business partners for their school to identify best methods to gain feedback on their partnerships including use of existing Partnership Agreement form.</p> <p>Step 2: School Business Partner Coordinators share information with supervisor of Office of Community and Interagency Collaboration (OCIC).</p> <p>Step 3: Supervisor of OCIC gets approval from deputy superintendent for Instruction to modify Educational Partnership Agreement form to gain partner feedback.</p> <p>Step 4: Supervisor of OCIC modifies Educational Partnership Agreement form to add a section for business partnership feedback.</p>

	Step 5: Supervisor of OCIC distributes modified form to all schools with instructions for its use.
	Step 6: School Business Partner Coordinators begin using modified form.
Who is Responsible	School Business Partner Coordinators and supervisor of Office of Community and Interagency Cooperation.
Time Frame	The modified form should be completed and ready for use by July 1, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

10 District schools maintain active and effective programs to involve volunteers in the education process.

The district's strong volunteer program has received state recognition and is positively perceived by parents.

The district has strong volunteer programs at many of its schools as evidenced by the recognition of 123 district schools by the Florida Department of Education as either Five Star Schools or Golden Schools. The Five Star School Award recognizes outstanding performance in five categories including volunteers. According to the application, to qualify in the volunteer category, the school must meet the following criteria:

- Staff training program in which a minimum of 80 percent of the school staff have participated during the school year.
- School volunteer coordinator has been designated to provide leadership for the school volunteer program through recruitment, placement, training, and supervision of participants.
- Total number of hours in volunteer service equals twice the number of students enrolled in the school. Any volunteer activity that contributes to student improvement may be counted.
- School provides recognition of volunteers.

To be recognized as a Golden Award school, the school must meet the first three Five Star Award volunteer criteria. The district had 68 schools designated as Five Star and an additional 55 schools designated as Golden Award winners.

In addition, parents positively perceive the volunteer programs at their schools. In the Whole School Effectiveness Survey conducted in April 2001, parents responded positively to the statement *Volunteers are welcomed and encouraged at my child's school*. Parents responded on a scale from 1 (Almost Always/Always or Strongly Agree) to 5 (Rarely/Never or Strongly Disagree). The individual scores were compiled to develop a mean score. The mean scores were used to develop ratings to identify areas of strength or that needed additional development. There are three ratings based on the mean scores: *Developmental Need* for scores in the range from 3.51 to 5.0; *Adequate* for scores in the range from 2.5 to 3.5; and *Strength* for scores in the range from 1.0 to 2.49. According to the survey results, parents strongly believed that volunteers were encouraged and welcomed at the four school levels surveyed (Exhibit 15-16).

Exhibit 15-16**Parents Believe Volunteers are Welcomed and Encouraged at Schools.**

School Level	Number of Respondents (N)	Mean Score	Rating
Elementary	7,262	1.5803	Strength
Middle School	2,605	2.0345	Strength
High School	1,646	2.3433	Strength
Alternative/Special Center	104	1.9615	Strength

Source: The School District of Hillsborough County Whole School Effectiveness Survey Results, May 2001.

The district tracks its volunteer hours but may have reporting issues.

The district tracks its volunteer hours at the school and district level. The SERVE Coordinator, a school employee appointed by the principal, is the person responsible for compiling and coordinating reporting of volunteer hours at their school. Reports are submitted to the district via a D.O.E. Volunteer Service Report Form. The hours are compiled by SERVE into the annual report submitted to the Florida Department of Education.

Overall volunteer hours have been declining for the past two years. In 1998-99, the district had 1,516,446 volunteer hours. In 1999-2000, hours decreased to 1,312,054 and in 2000-01 further declined to 1,280,898. During the same period, the number of volunteers decreased from 40,317 to 31,653. Despite increases in the hourly rate used by the Florida Department of Education to estimate the value of volunteer contributions, the value contributed decreased from \$20 million to \$17.9 million (Exhibit 15-17).

Exhibit 15-17**Volunteer Hours Are Declining Districtwide**

Year	1998-99	1999-2000	2000-01
Number of Volunteers	40,317	31,760	31,653
Total Volunteer Hours*	1,516,446	1,312,054	1,280,898
DOE Volunteer Hourly Rate	\$13.24	\$13.75	\$14.00
Estimated Volunteer Contribution	\$20,077,741	\$18,040,743	\$17,932,566

*Total volunteer hours have been rounded to the nearest whole number.

Source: The School District of Hillsborough County DOE Reports 1998-99, 1999-2000, and 2000-01.

In discussions regarding the declining trends in hours and volunteers, the SERVE Executive Director, whose office is responsible for compiling and reporting volunteer statistics, thinks that one cause of the decline is that schools may be under-reporting hours. Possible factors contributing to under-reporting may be related to training, staff turnover at schools in the positions that coordinate and report hours, and staff time available to record and report hours. For example, the director is aware of several schools where the person collecting hours at the school had no contact with the PTA and therefore, did not count PTA volunteer hours. Since the process of collecting and reporting hours is labor intensive, there may be insufficient manpower to track all volunteer hours and coordinate with the various clubs and organizations that provide volunteer hours to ensure their hours are reported.

The district supports, manages and recognizes its volunteers.

The district schools support their volunteers by providing training and handbooks that cover a wide range of topics ranging from expectations and helpful hints to benefits for volunteers and volunteer liability. Some volunteer handbooks also include example sign in sheets and forms to record hours. Each school

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has a SERVE Coordinator, a district employee appointed by the principal, who is responsible for coordinating and reporting volunteer hours at their school. Each SERVE Coordinator is provided with a *SERVE Coordinator Handbook* to assist them. The *Handbook* contains extensive information on Florida statutes and district policies and procedures regarding volunteers, management of volunteers, communication techniques, and descriptions of the mentoring, tutoring and Speaker's Bureau programs associated with SERVE. Volunteers who are tutors receive training and a handbook. Schools have established systems to easily identify their volunteers. The schools have a sign in log. The volunteer is issued a badge or sticker depending on the school and whether or not the volunteer comes regularly or only on occasion. All 18 of the SERVE coordinator focus group members indicated that their schools have systems to easily identify their volunteers. The district uses the Mentor Training Institute to request a Florida Department of Law Enforcement background check to screen volunteers such as mentors and tutors that have one on one contact with children.

The school district and individual schools also recognize their volunteers through a variety of awards and recognition activities. At the school level, many schools will host appreciation breakfasts, luncheons or receptions to recognize and thank their volunteers. Some schools nominate and recognize a volunteer of the year at their school. Other schools will present volunteers with key chains or other items as tokens of their appreciation. At the district level, there are several volunteer and award recognition programs. The E.D.D.I.E. (Excellence, Dedication, Devotion In Education) awards honor volunteers, business partners and educators for their ongoing contributions. District volunteers are also recognized at the United Way's Volunteer of the Year Awards Ceremony and at the SERVE Volunteer Awards Ceremonies. The NFL Quarterback Award is open to all districts in the Tampa Bay Buccaneer viewing area. The award is for volunteers who go above and beyond the call of duty in their community. Nominees in the top 10 finalists receive \$1,000 that goes toward their volunteer project. Two runners-up receive an additional \$2,500 to the project that they were nominated for and the winner receives \$10,000. The top winner for each NFL Team is forwarded and competes nationally for a \$25,000 award. The school district's nominee in 2000 was in the top ten and one of the two runners-up for the region.

The School District of Hillsborough County does not focus recruitment of senior volunteers.

The district does not have a focused effort to recruit senior volunteers. Individual schools near retirement villages such as Sun City do recruit seniors. However, most senior volunteers approach the district, rather than the district contacting them as a target group. The district does not have any targeted initiatives with special senior organizations such as the Retired Senior Volunteers Program (RSVP) or the American Association of Retired Persons (AARP). Senior volunteers represent just four percent of the total volunteers in 2000-01 according to the school district's DOE Report. The district believes there are two main contributing factors for their low percent of senior volunteers. One factor was the state's change in 2000-01 of the definition of a senior volunteer from someone 50 years or older to 62 years or older. The other factor is that the senior population in Hillsborough County is much less than the state population or population of some of the district's peers such as Pinellas and Palm Beach counties. According to the *U.S. Census Bureau State and County QuickFacts* link on the National Association of Counties Web site, for the 2000 population, Hillsborough County's percent of total population 65 years or older was 12 percent compared to the state of Florida with 17.6 percent, Pinellas County with 22.5 percent or Palm Beach County with 23.2 percent. Because of these factors, the district will need a focused recruitment effort to attract this group of potential volunteers. The district does recognize the importance of the seniors as volunteers and has just recently pursued and arranged to place district information and volunteer fliers in one of the local restaurant chains that cater to seniors.

Recommendations

- We recommend that the SERVE Executive Director work with the district to analyze trends in the volunteer hours reported to determine if hours have actually declined or are a result of reporting issues.
- We recommend that the SERVE Executive Director work with the Supervisor of the Office of Community and Interagency Collaboration and its District Review Committee to develop strategies to address the cause of declining volunteer hours.
- We recommend that reporting guidelines be established and performance measures be developed to ensure hours are monitored and reported correctly.
- We recommend that the district explore options to automate recording and reporting of hours to streamline the process.
- We recommend that the Supervisor of the Office of Community and Interagency Collaboration (OCIC) contact the AARP and RSVP to discuss partnerships to increase senior volunteers in the district.
- We recommend that the Supervisor of OCIC work with local businesses that cater to seniors and through the local chapter of AARP to provide incentives for seniors that complete a minimum number of volunteer hours supporting the school district.

Action Plan 15-6 provides the steps needed to implement these recommendations.

Action Plan 15-6

Determine the Causes of Decline in Volunteer Hours Reported	
Strategy	Analyze trends in volunteer hours to determine if declines are a result of reporting issues.
Action Needed	<p>Step 1: SERVE Executive Director analyzes trends for individual schools, conducts reviews of schools with declining trends and reports trends/potential causes to supervisor of the Office of Community and Interagency Collaboration (OCIC) and its District Review Committee (DRC).</p> <p>Step 2: The SERVE Executive Director and OCIC supervisor report trends/potential causes to the deputy superintendent for Instruction.</p>
Who is Responsible	SERVE Executive Director and the supervisor of the Office of Community and Interagency Collaboration
Time Frame	The analysis should be completed by June 30, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Strategies to Address the Cause of Declining Volunteer Hours	
Strategy	Develop strategies to address the cause of declining volunteer hours.
Action Needed	<p>Step 1: The OCIC District Review Committee, led by the supervisor of OCIC, discusses strategies to address the causes of declining volunteer hours.</p> <p>Step 2: The OCIC DRC develops strategies to address causes of declining volunteer hours including additional training and emphasis on the importance of correct reporting.</p>

	Step 3: The OCIC DRC documents strategies and recommendations in a report.
	Step 4: The supervisor of OCIC and the SERVE Executive Director present report to the deputy superintendent for Instruction.
	Step 5: The deputy superintendent for Instruction approves report recommendations and authorizes their implementation.
	Step 6: The deputy superintendent for Instruction's office distributes report to area directors with a directive for the recommendations to be implemented by principals at each school.
	Step 7: The SERVE Executive Director provides follow-up training and other support to schools as needed based on report recommendations.
Who is Responsible	SERVE Executive Director and the Office of Community and Interagency Collaboration's District Review Committee
Time Frame	The report should be distributed by August 1, 2002 with ongoing follow-up.

Establish Reporting Guidelines

Strategy	Establish reporting guidelines and develop performance measures to ensure hours are monitored and reported correctly.
Action Needed	<p>Step 1: The SERVE Executive Director works with the OCIC district review committee to develop reporting guidelines and performance measures.</p> <p>Step 2: The SERVE Executive Director and the OCIC supervisor present guidelines and performance measures to the deputy superintendent for Instruction and area supervisors for review and comment.</p> <p>Step 3: The SERVE Executive Director revises guidelines and performance measures to incorporate feedback received.</p> <p>Step 4: The SERVE Executive Director and the OCIC supervisor present final report to deputy superintendent for Instruction for final approval.</p> <p>Step 5: The deputy superintendent for Instruction's office distributes guidelines/performance measures to area directors for immediate implementation.</p> <p>Step 6: The SERVE Executive Director conducts spot checks annually to determine if guidelines are being followed and performance measures met and reports results to area directors, the OCIC supervisor and the deputy superintendent for Instruction.</p>
Who is Responsible	SERVE Executive Director and the Office of Community and Interagency Collaboration's District Review Committee
Time Frame	The guidelines/performance measure report should be distributed by August 1, 2002. Review and reporting of compliance and should occur annually.
Fiscal Impact	This recommendation can be completed with existing resources.

Automate Recording and Reporting of Hours

Strategy	Explore options to automate recording and reporting of hours to streamline the process.
Action Needed	<p>Step 1: The SERVE Executive Director meets with a group of SERVE Coordinators from schools to identify their reporting concerns and types of automation that would assist their reporting.</p> <p>Step 2: The SERVE Executive Director and the supervisor of OCIC meet with the assistant superintendent of the Business and Information Technology Services Division to discuss volunteer hour reporting needs based on feedback gained in Step 1.</p>

	<p>Step 3: The assistant superintendent of the Business and Information Technology Services Division assigns staff to work with the OCIC supervisor and the SERVE Executive Director to research options for automating reporting of volunteer hours.</p> <p>Step 4: The Business and Information Technology Services Division staff person develops report outlining options and associated timelines to automate reporting of volunteer hours.</p> <p>Step 5: The OCIC supervisor, the SERVE Executive Director and SERVE coordinators from individual schools review the report and provide feedback to select the most appropriate options to track volunteer hours.</p> <p>Step 6: The OCIC supervisor and the SERVE Executive Director select the most appropriate options to track volunteer hours and review the recommended options with the deputy superintendent for Instruction.</p> <p>Step 7: The deputy superintendent for Instruction authorizes implementation of selected options.</p> <p>Step 8: The Business and Information Technology Services Division staff implements authorized options.</p>
Who is Responsible	SERVE Executive Director and the Office of Community and Interagency Collaboration's District Review Committee and the Business and Information Technology Services Division staff.
Time Frame	The report outlining options for automation should be completed by March 1, 2003. The authorized options should be implemented by April 30, 2004.
Fiscal Impact	This recommendation can be completed with existing resources.

Develop Strategies to Recruit Senior Volunteers

Strategy	Contact the AARP and RSVP to discuss partnerships to increase senior volunteers.
Action Needed	<p>Step 1: The supervisor of OCIC designates members of the OCIC District Review Committee to work on this initiative.</p> <p>Step 2: The OCIC supervisor and designated workgroup members contact AARP and RSVP to discuss partnerships and methods to increase volunteer participation.</p> <p>Step 3: The OCIC supervisor and workgroup members work with AARP and RSVP to develop strategies and programs to increase senior volunteer participation.</p> <p>Step 4: The OCIC supervisor and workgroup implement strategies and programs.</p> <p>Step 5: The OCIC supervisor or designee meets with AARP/RSVP at least quarterly to gain feedback on how programs and strategies are working.</p>
Who is Responsible	Supervisor of Office of Community and Interagency Collaboration
Time Frame	Initial meetings with the AARP and RSVP should be held by May 31, 2002. Implementation of strategies should begin August 1, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Work with Local Business to Develop Incentives for Senior Volunteers

Strategy	Work with local business to develop incentives for senior volunteers.
Action Needed	<p>Step 1: The supervisor of OCIC designates members of the OCIC District Review Committee to work on this initiative.</p> <p>Step 2: The OCIC supervisor and designated workgroup members identify businesses that cater to seniors.</p>

	<p>Step 3: The OCIC supervisor and designated workgroup members contact businesses to discuss partnerships and incentives and/or discounts that they could offer to seniors who provide a certain number of volunteer hours to the school district and gain their commitment.</p> <p>Step 4: The OCIC supervisor and workgroup members develop a senior volunteer incentive program that includes recognition and acknowledgement of participating businesses and present it to the deputy superintendent for Instruction.</p> <p>Step 5: The deputy superintendent for Instruction approves the incentive program and authorizes its implementation.</p> <p>Step 6: The OCIC supervisor and designated workgroup members implement the incentive program including recognition of participating businesses.</p>
Who is Responsible	Supervisor of Office of Community and Interagency Collaboration
	The incentive program should be ready for presentation to the deputy superintendent for Instruction by July 31, 2002.
Time Frame	The program should be implemented by December 1, 2002.
Fiscal Impact	This recommendation can be completed with existing resources.

Source: Gibson Consulting Group, Inc.

11 District schools solicit economic support through school foundations.

District schools use the Hillsborough Education Foundation to supplement funds.

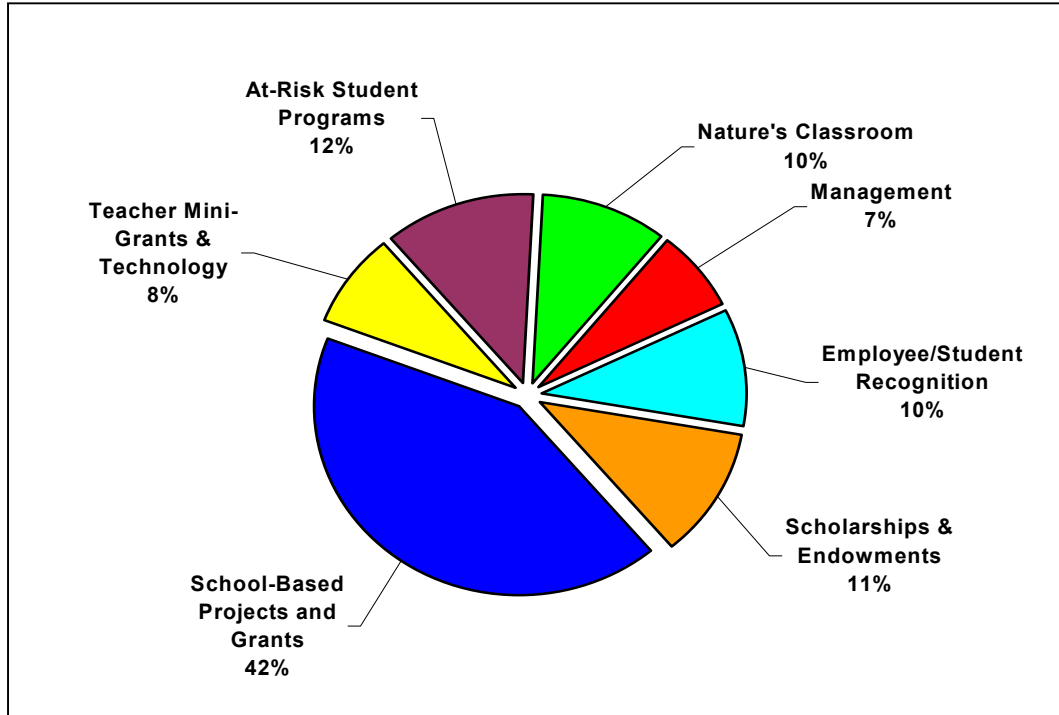
Like many school districts in the state, the School District of Hillsborough County has a local education foundation, the Hillsborough Education Foundation, which assists the district in raising funds from local resources for school programs. The Hillsborough Education Foundation, founded in 1988, seeks and obtains resources from individuals, businesses and other foundations to support supplemental programs for teachers and students that are not funded by tax dollars. Since 1988, the foundation has raised more than \$35 million.

The foundation provides grants to teachers for innovative classroom programs; scholarships for students attending college or technical school; support of “at-risk” students through various Communities in Schools programs; and publicity and support of various recognition events such as the Teacher of the Year and Business Partnership Breakfast. The foundation also provides the publicity for the *Great American Teach In*, a program where more than 9,000 business and community leaders go into the classrooms to speak on career topics. One of the major projects supported by the foundation is Nature’s Classroom, an outdoor environmental program curriculum for sixth graders located on 365 acres on the Hillsborough River.

During 2000-01, the foundation provided more than \$5 million to supplement a wide variety of district programs and initiatives. The largest expenditure, school-based projects and grants, totaled \$2.4 million and represented 42 percent of funds expended (Exhibit 15-18).

Exhibit 15-18

The District Foundation Supplemented a Variety of District Programs



Source: Hillsborough Education Foundation 2001 Annual Report.

The district maintains close coordination and cooperation with the foundation in two ways: school district representation by the superintendent and a school board member on the foundation's board of directors and foundation representation on the district review committee of the Office of Community and Interagency Collaboration.