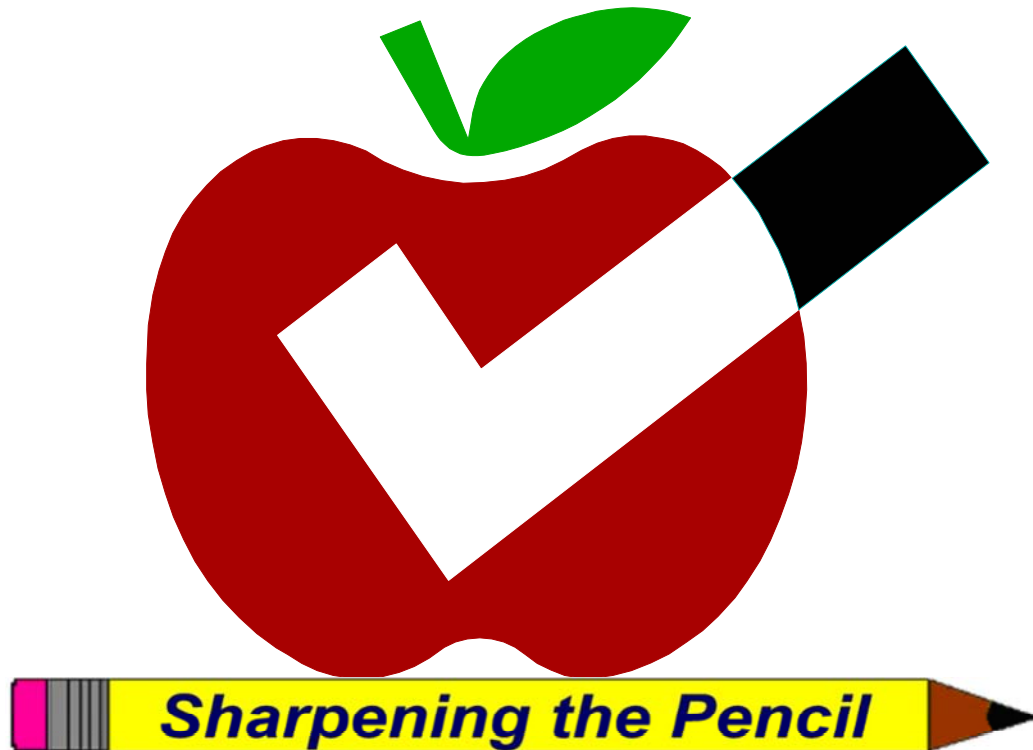


Sharpening the Pencil

Best Financial Management Practices Review

Duval County School District



McCONNELL JONES LANIER & MURPHY LLP
CONSULTANTS BUSINESS ADVISORS

Under contract with
Office of Program Policy Analysis
and Government Accountability
an office of the Florida Legislature

Report 03-41



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



Gary R. VanLandingham, Interim Director

August 2003

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

I have directed that a Best Financial Management Practices Review be conducted of the Duval 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, Duval 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 McConnell Jones Lanier & Murphy LLP of Houston, TX; OPPAGA; and the Auditor General. McConnell Jones Lanier & Murphy LLP 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 McConnell Jones Lanier & Murphy LLP.

Curtis Baynes was the contract manager for this review, which was supervised by David Summers. Other OPPAGA staff included Byron Brown, Janice Foley, Darwin Gamble, Steve Harkreader, Shunti Houston, John Hughes and Don Wolf. Auditor General staff included Randy Arend and Jim Kiedinger under the supervision of David Martin.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Gary R. VanLandingham".

Gary R. VanLandingham
Interim Director

GRV/mc

cc: The Honorable Jeb Bush, Governor
Mr. Jim Horne, Commissioner of Education

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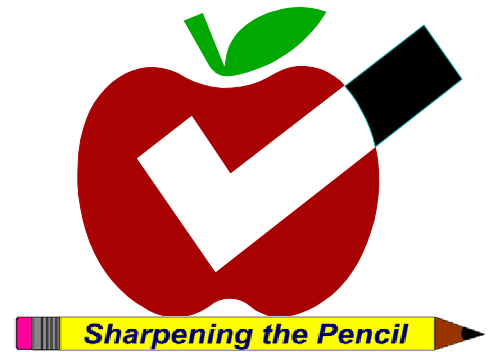
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Digest of the Best Financial Management Practices Review

Duval County School District



Report No. 03-41A

August 2003

Results in Brief

Created in 2001, the Sharpening the Pencil Program (s. 1008.35, *Florida Statutes*) is intended to improve school district management and use of resources and to identify cost savings opportunities. Florida law 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 Florida law, the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General conducted a Best Financial Management Practice Review of the Duval County School District during Fiscal Year 2002-03.¹ The Duval County School District currently is using 71% (102 of 144) of the applicable best practices adopted by the Commissioner of Education.² The district is using a majority of the best practices in 8 of the 10 areas reviewed. The report contains action plans to address the remaining best practices and to make the district eligible for the 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 6 of this report.

¹ This review was conducted by McConnell Jones Lanier & Murphy LLP of Houston, TX under contract with OPPAGA.

² Four best practices do not apply to the district given certain aspects of its operations.

Exhibit 1

The District Is Using 71% of the Applicable Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?		
	Yes	No	N/A
Management Structures (14)	9	5	0
Performance Accountability System (3)	1	2	0
Educational Service Delivery (12)	12	0	0
Administrative and Instructional Technology (9)	6	3	0
Personnel Systems and Benefits (11)	7	4	0
Facilities Construction (24)	17	7	0
Facilities Maintenance (22)	19	3	0
Transportation (20)	8	8	4
Food Service Operations (11)	6	5	0
Cost Control Systems (22)	17	5	0
All Areas (148)	102	42	4

As seen in Exhibit 2, the review identified additional opportunities to reduce costs and increase revenues. Implementing these opportunities would have a positive impact of \$24,558,441 over a five-year period. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district uses these opportunities to reduce costs and increase revenue, it would be able to redirect the funds to other priorities, such as directing more money into the classroom or making improvements suggested by this report.

Exhibit 2

The Review Identified Ways the District Could Further Reduce Costs and Increase Revenues

Ways to Save	Projected Five-Year Cost Savings or Increased Revenue
<u>Administrative and Instructional Technology</u>	
• Terminate the Jacksonville Electric Authority help desk agreement and bring function in-house. (Best Practice 4, page 5-8)	\$ 463,000
• Convert consultants to full-time equivalents on the administrative business system project. (Best Practice 9, page 5-14)	2,932,500
<u>Facilities Construction</u>	
• Implement a plan for closure/consolidation of elementary schools. (Best Practice 1, page 7-9)	3,381,633
• Reorganize the division and reduce the number of support staff. (Best Practice 24, page 7-39)	1,090,000
<u>Facilities Maintenance</u>	
• Exercise the performance requirement in the custodial services contract for custodians to perform light maintenance at schools. (Best Practice 17, page 8-23)	204,500
• Expedite transition to privatized custodial services. (Best Practice 17, page 8-23)	6,128,143
<u>Transportation</u>	
• Increase bus occupancy. (Best Practice 1, page 9-13)	7,312,800
<u>Food Service Operations</u>	
• Ensure timely reimbursement claim submission. (Best Practice 5, page 10-13)	160,000
• Expedite transition to contractor workforce. (Best Practice 6, page 10-15)	2,885,865
TOTALS	\$24,558,441

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.³ Florida law directs OPPAGA and the Auditor General to review 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

Two of the most important provisions of the Sharpening the Pencil Program 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.

Florida law 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 accordance with Florida law, OPPAGA contracted with McConnell Jones Lanier & Murphy LLP of Houston, TX, a private consulting firm, to conduct this review. McConnell Jones Lanier & Murphy LLP was primarily responsible for fieldwork and developing report findings and recommendations. OPPAGA and Auditor General staff monitored the firm throughout the review process to ensure that the best practices and indicators were applied

³ A list of cost saving opportunities identified in prior best practices reviews is available under [Ways to Save](#) on OPPAGA's website, the *Florida Monitor*, at www.oppaga.state.fl.us.

in the district consistent with reviews by consultants and OPPAGA in other districts. OPPAGA and Auditor General staff attended site visits and provided assistance to the consultant during the course of the review, which included report drafting.

With 128,118 students, the Duval County School District is the sixth largest of the state's 67 school districts. Located in northeast Florida, near the Florida-Georgia state line, the district operates 163 schools and programs, including 105 elementary schools, 25 middle schools, 19 senior high schools, and 14 other types of schools and programs.

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 describe the specific steps the district should take if it decides to implement the recommendation within two years. Pursuant to s. 1008.35, *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 Duval County School Board and district employees who provided information and assistance during the review.

General Overview and District Obligations

Currently, the Duval County School District is using 71% 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 the full report contains an action plan detailing how the district could meet the best practices within two years.

As provided by law, 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 Duval County School District is using 9 of the 14 best practices in management structures. The district is using all the best practices related to planning and budgeting, as well as those involving the community in its activities. To meet the remaining best practice standards, the Duval County School District should develop more effective policies and procedures to clarify the roles of the board and the superintendent. The district should also improve its organization, staffing, and resource allocation practices by periodically reviews its administrative staffing and, when necessary, eliminating unnecessary positions and improving operating efficiency. The district should also

more clearly assign school principals the authority to effectively manage their schools while adhering to districtwide policies and procedures.

Performance Accountability System

The Duval County School District is using one of the three performance accountability systems best practices. Although the district generally has clearly stated goals and measurable objectives that can be achieved within budget for each major educational program and some of its operational programs, it should develop goals and objectives for the remainder of its operational and privatized functions. Likewise, while the district formally evaluates the performance and cost of its major educational programs and uses evaluation results to improve program performance and cost-efficiency, it does not do the same for its operational programs. To meet the remaining best practice standards and ensure its performance, efficiency, and effectiveness, the district should expand its performance accountability system to include specific objectives and measures that will apply to non-instructional programs as well as the educational programs. Similarly, it should develop a program-level accountability system for both educational and operational programs with proper reporting to all stakeholders.

Educational Service Delivery

The Duval County School District is using all of the educational service delivery best practices. The district has strong instructional programs, and uses academic and other data to guide decision making. The district also efficiently and effectively meets the needs of students with disabilities, gifted students, and at risk students. The district makes textbooks and other instructional materials available in core subjects to meet the needs of teachers and students. In addition, the district has sufficient school libraries and media centers, uses instructional technology to enhance curriculum, and provides necessary support services to ensure that students are able to learn.

Administrative and Instructional Technology

The Duval County School District is using six of the nine administrative and instructional technology best practices. Overall, the division has cost-effective acquisition policies and practices, adequate professional development, and dependable infrastructure and network communications. To meet the remaining best practice standards, the district should establish a consistent strategic technology planning process, dramatically improve technical support responsiveness, and develop project management capabilities across the Division of Technology.

Personnel Systems and Benefits

The Duval County School District is using 7 of the 11 Personnel Systems and Benefits Best Practices. To meet

the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its personnel function, the district should formalize its exit interview process and improve its staff development program for non-instructional and administrative personnel by providing increased district-level coordination and structure. The district could take advantage if opportunities to privatize more of its custodial and food services.

Facilities Construction

The Duval County School District is using 17 of the 24 facilities construction best practices. The district is using the best practices related to approving and raising construction funds, as well as those pertaining to new construction, renovation and remodeling. To begin using the remaining best practices, the district should improve aspects of its facilities planning, facilities design, and facilities occupancy and evaluation practices.

Facilities Maintenance

The Duval County School District is using 19 of the 22 best practices in facilities maintenance. The district is using all the best practices related to resource allocation and utilization, information systems, and health and safety. To meet the remaining best practice standards, the district should establish and implement accountability mechanisms to ensure the overall performance and efficiency of maintenance and operations programs; obtain and use customer feedback to facilitate ongoing program improvements; and regularly review the program's organizational structure to ensure that appropriate staffing levels are in place.

Transportation

The Duval County School District is using 8 of the 16 applicable transportation best practices.⁴ The district's transportation department has privatized student transportation and effectively oversees its school bus contractors to ensure they meet contract requirements. The district also has negotiated a fuel contract whereby it can purchase fuel at a favorable price. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation department, the district should reduce route miles, monitor program costs and performance, increase training, and fully document procedures.

Food Service Operations

The Duval County School District is using 6 of the 11 food service operations best practices. In 1990, the district outsourced the management of its food service program to

⁴ Four transportation best practices are not applicable to the district because private providers are responsible for maintaining buses and other district vehicles and hiring and training bus drivers.

a private food service management company. The private contractor has served as the district's food service management contractor for the past 12 years. The food service program (district and the management contractor) operates with program plans and budgets, conducts systematic training, inspects and evaluates its operational components, effectively manages program costs, and uses stakeholder feedback to enhance its program. To begin using the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should position itself to have increased authority, involvement, and oversight of the food service program and the management contractor. This involvement includes the district's regular, continuing oversight and supervision of the food service program and participation in the development and implementation of plans, budgets, policies and procedures, performance and cost-efficiency measures, cost-saving and revenue-generating opportunities, management reports, formal program inspection and evaluation systems, and customer feedback mechanisms. The district should submit and receive federal reimbursement claims in a timely manner, while establishing a sound methodology and equitable practices for charging direct and non-direct costs to the food service program. Formal plans, policies, procedures, systems, and processes should be established to aid in management decision making.

Cost Control Systems

The Duval County School District is using 17 of the 22 best practices in cost control systems. To use all the best practice standards the district needs to

- complete, codify, and distribute all standard operating procedures concurrently with the implementation of the financial system upgrade and adopt a comprehensive fraud policy as a means of communicating its commitment to a highly ethical business environment;
- adopt a policy requiring that weaknesses in internal control be resolved within a specified time frame;
- develop a cost/benefit analysis for implementing an internal audit function; contract with a certified public accounting firm to conduct an initial risk assessment of the district's operations and activities, identifying high-risk areas and prioritizing the assignment of these areas; and develop a rating system and abbreviated audit programs to streamline audits of internal funds;
- develop comprehensive procedures manuals for the purchasing function and review and update procedures periodically; implement a plan for districtwide use of the purchasing card program, and report results of program cost savings to the board quarterly; develop evaluation tools to analyze the overall cost-effectiveness of the Purchasing Department and whether purchasing options are maximized; and

reclassify the stock clerk II job title to buyer assistant to provide continuity in the alignment of job titles and responsibilities; and

- evaluate the warehouse operations to determine the cost-effectiveness of its services and develop performance measures and evaluation tools for periodic evaluation, and compare the warehouse operations with other peer districts to identify potential enhancements to the inventory operations.

Duval County School District Best Financial Management Practices

Currently, the Duval County School District is using 71% (102 of 144) of the applicable best practices adopted by the Commissioner of Education, and at this time, is not eligible for a Seal of Best Financial Management. The detailed list below contains 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>	YES	NO	PAGE
1. The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have policies to ensure that they have effective working relationships.		✓	2-6
2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	✓		2-8
3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.		✓	2-9
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.		✓	2-11
5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	✓		2-13
6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.		✓	2-14
7. The superintendent and school board exercise effective oversight of the district's financial resources.	✓		2-18
8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.		✓	2-19
9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	✓		2-21
10. The district has a system to accurately project enrollment.	✓		2-22
11. The district links its financial plans and budgets to its annual priorities in the strategic plan and its goals and objectives; and district resources are focused towards achieving those goals and objectives.	✓		2-23
12. When necessary, the district considers options to increase revenue.	✓		2-23
13. The district actively involves parents and guardians in the district's decision making and activities.	✓		2-24
14. The district actively involves business partners and community organizations in the district's decision making and activities.	✓		2-25

<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"> Vocational/Technical Education, English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security.⁵ 		✓	3-4
2. 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.		✓	3-7
3. 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.	✓		3-10

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
1. District administrators use both academic and nonacademic data to improve K-12 education programs.	✓		4-8
2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. ⁶	✓		4-11
3. The district provides effective and efficient programs to meet the needs of at-risk students [including English for Speakers of Other Languages (ESOL), Title I, and alternative education]. ⁷	✓		4-15
4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	✓		4-16
5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	✓		4-18
6. The district ensures that schools use effective planning and evaluation processes to improve student outcomes, including school improvement plans and other data driven processes such as the Sterling process.	✓		4-22
7. The district ensures effective progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards and prepares students for work and continued education	✓		4-23
8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	✓		4-24
9. The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students.	✓		4-26
10. The district has sufficient school library or media centers to support instruction.	✓		4-27
11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	✓		4-28

⁵ Each district should define those programs considered "major" within these two broad areas. At a minimum, they should include the programs listed. However, the district should have some defensible, logical criteria to identify major educational and operational programs. Criteria may include funding, number of children or full-time equivalents (FTEs) served, or state or federal requirements.

⁶ Programs for students with disabilities are required by federal law to serve children aged 3 through 21.

⁷ These are students who need academic and/or social skills interventions to assist them to perform to their capacity.

Best Practices

**Is the District Using
Best Practices?**

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
12. The district provides necessary support services (guidance counseling, psychological, social work and health) to meet student needs and to ensure students are able to learn.	✓		4-30
<u>ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY</u>	YES	NO	PAGE
1. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.		✓	5-4
2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs. ⁸	✓		5-6
3. District and school-based staff receive professional development training for all technologies used in the district.	✓		5-7
4. The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.		✓	5-8
5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	✓		5-10
6. The district uses technology to improve communication.	✓		5-11
7. The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	✓		5-12
8. 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.	✓		5-13
9. The information needs of administrative and instructional personnel are met by applying appropriate project management techniques to define, schedule, track and evaluate purchasing, developing, and the timing of delivering IT products and services requested.		✓	5-14
<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	✓		6-6
2. To the extent possible given factors outside the district's control, the district works to maintain a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale. ⁹		✓	6-7

⁸ Instructional needs include incorporating technology into the curriculum and needs of students learning how to use technology.

⁹ A reasonably stable work force is characterized by a turnover rate that is low enough so that vacancies can be filled in a timely manner without requiring extraordinary recruitment efforts. This includes both a focus on the district as a whole as well as individual schools and departments. Evidence of an unstable work force could include situations in which school sites or a support departments have been beset by an extremely high turnover rate so that programs and activities have been disrupted, discontinued or have decreased value.

Best Practices

**Is the District Using
Best Practices?**

<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
3. The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among non-instructional, instructional, and administrative employees. ¹⁰		✓	6-10
4. The district's system for formally evaluating employees improves and rewards excellent performance and productivity, and identifies and addresses performance that does not meet the district's expectations for the employee.		✓	6-13
5. 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. ¹¹	✓		6-15
6. The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	✓		6-16
7. The district maintains personnel records in an efficient and readily accessible manner.	✓		6-17
8. The district uses cost containment practices for its Workers' Compensation Program.	✓		6-17
9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	✓		6-19
10. The district's human resource program is managed effectively and efficiently.		✓	6-21
11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	✓		6-23

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
1. The district has effective long-range planning processes. ¹²		✓	7-9
2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.		✓	7-17
3. The five-year facilities work plan establishes budgetary plans and priorities.	✓		7-20

¹⁰ In some districts, the staff development programs and issues related to non-instructional, instructional, and administrative employees may vary widely. In such cases, it is acceptable to separate this best practice into two or three separate best practices, and to deal with these employee groups separately.

¹¹ Evidence of a problem in this best practice area could include one or more of the following examples:

- the forced reinstatements of employees who had been dismissed;
- large monetary settlements to employees who had been dismissed;
- public forum, survey or focus group results that suggest that poor performing employees are transferred from site to site rather than being dismissed; or
- incidents occur that are adverse to students involving employees who had previously been identified by the district as poor-performers or as potentially harmful to students.

Evidence that a district is performing this best practice should include

- general consensus from the public forum, survey, and/or focus groups that behavior and performance problems are dealt with effectively by the district;
- if there are cases or incidents as those described above, the district should be able to explain how such cases or incidents were exceptional and should not repeatedly occur within the district; and
- on the indicators listed under this best practice, it is more important that the district provide examples of the application of these procedures than that it provide evidence that a particular procedure is written down some place.

¹² Long-range covers 5-20 years out.

Best Practices

**Is the District Using
Best Practices?**

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.		✓	7-21
5. The district has an effective site selection process based on expected growth patterns.	✓		7-22
6. The board considers the most economical and practical sites for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.	✓		7-22
7. Funds collected for school projects were raised appropriately.	✓		7-24
8. The district approves and uses 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.	✓		7-25
9. The district develops thorough descriptions and educational specifications for each construction project. ¹³		✓	7-25
10. The architectural design fulfills the building specification needs as determined by the district.	✓		7-27
11. New construction, remodeling, and renovations incorporate effective safety features.	✓		7-28
12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.		✓	7-29
13. The district has effective management processes for construction projects.	✓		7-30
14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	✓		7-31
15. All projects started after March 1, 2002, comply with the Florida Building Code.	✓		7-32
16. The district requires appropriate inspection of all school construction projects.	✓		7-32
17. The district retains appropriate professionals to assist in facility planning, design, and construction.	✓		7-33
18. The district follows generally accepted and legal contracting practices to control costs.	✓		7-33
19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	✓		7-34
20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	✓		7-35
21. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.	✓		7-36

¹³ This includes such descriptions as a rationale for the project; 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 that 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.

Best Practices

**Is the District Using
Best Practices?**

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
22. 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.		✓	7-37
23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	✓		7-38
24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.		✓	7-39

<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
1. The district's maintenance and operations department has a mission statement and goals and objectives that are established in writing.	✓		8-7
2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.		✓	8-7
3. The district obtains and uses customer feedback to identify and implement program improvements.		✓	8-9
4. The district has established procedures and staff performance standards to ensure efficient operations.	✓		8-10
5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	✓		8-11
6. The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision and staffing levels.		✓	8-12
7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	✓		8-13
8. The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.	✓		8-14
9. The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.	✓		8-16
10. The district accurately projects cost estimates of major maintenance projects.	✓		8-17
11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	✓		8-19
12. The district minimizes equipment costs through purchasing practices.	✓		8-19
13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	✓		8-20
14. The district uses proactive maintenance practices to reduce maintenance costs.	✓		8-21
15. The maintenance and operations department identifies and implements strategies to contain energy costs.	✓		8-21
16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	✓		8-22

Best Practices

**Is the District Using
Best Practices?**

<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	✓		8-23
18. A computerized control and tracking system is used to accurately track work orders and inventory.	✓		8-26
19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	✓		8-26
20. District policies and procedures clearly address the health and safety conditions of facilities.	✓		8-27
21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	✓		8-28
22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	✓		8-29

<u>STUDENT TRANSPORTATION</u>	YES	NO	PAGE
1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.		✓	9-13
2. 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.	✓		9-16
3. The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation. ¹⁴	✓		9-17
4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.		✓	9-18
5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	N/A		9-21
6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	N/A		9-21
7. The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.	N/A		9-22
8. The school district has a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.		✓	9-23
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	✓		9-24
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		9-26
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	✓		9-27

¹⁴ Measures of cost-efficient student transportation services include reasonably high average bus occupancy and reasonably low cost per mile and cost per student.

Best Practices

**Is the District Using
Best Practices?**

<u>STUDENT TRANSPORTATION</u>	YES	NO	PAGE
12. The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balances the concerns of immediate need and inventory costs.		N/A	9-27
13. The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly.	✓		9-28
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.		✓	9-30
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns	✓		9-33
16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.		✓	9-34
17. The district provides appropriate technological and computer support for transportation functions and operations.		✓	9-36
18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.		✓	9-38
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	✓		9-40
20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.		✓	9-44

<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
1. The program has developed strategic or operational plans that are consistent with district plans, the program budget, and approved by the district.	✓		10-8
2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.		✓	10-9
3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	✓		10-11
4. Program management has developed comprehensive procedures manuals that are kept current.		✓	10-12
5. The district performs sound cash and account management.		✓	10-13
6. District and program management optimizes its financial opportunities.	✓		10-15
7. Food service program management has developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and better manage operations.		✓	10-18
8. At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.	✓		10-20

Best Practices

Is the District Using Best Practices?

<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
9. District and program administrators effectively manage costs of the food services program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.	✓		10-21
10. The food service program and district complies with federal state and district policy.		✓	10-22
11. The district conducts activities to ensures that customer needs are met and acts to improve services and food quality where needed.	✓		10-23

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
1. The district periodically analyzes the structure and staffing of its financial services organization.	✓		11-8
2. Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management practices.		✓	11-9
3. The district has adequate financial information systems that provide useful, timely, and accurate information.	✓		11-12
4. District financial staff analyzes significant expenditure processes to ensure they are appropriately controlled.	✓		11-14
5. The district has established adequate internal controls.	✓		11-15
6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.		✓	11-17
7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	✓		11-18
8. Management analyzes strategic plans for measurable objectives or measurable results.	✓		11-21
9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	✓		11-23
10. The district has an effective internal audit function and uses the audits to improve its operations. ¹⁵		✓	11-25
11. The district ensures that audits of internal funds and discretely presented component units (foundations and charter schools) are performed timely.	✓		11-28
12. The district periodically reviews cash management activities, banking relationships, investment performance, and considers alternatives.	✓		11-29
13. The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets.	✓		11-31
14. The district ensures significant capital outlay purchases meet strategic plan objectives.	✓		11-33
15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	✓		11-34
16. The district ensures that significant debt financings meet strategic plan objectives.	✓		11-35

¹⁵ Most school districts do not have an internal auditor. They generally do have internal accounts auditors, whose responsibility is to audit the school internal accounts. These internal accounts auditors should not be confused with internal auditors. However, school districts that do have internal audit functions often assign the audits of the school internal accounts to the internal auditor for efficiency purposes.

Best Practices

**Is the District Using
Best Practices?**

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
17. The district has established written policies and procedures and periodically updates them to provide for effective risk management	✓		11-35
18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	✓		11-37
19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	✓		11-38
20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.		✓	11-41
21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	✓		11-45
22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.		✓	11-47

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.

[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

The 2001 Florida Legislature created the Sharpening the Pencil Program to improve school district management and its use of resources and to identify cost savings. Florida law requires each school district to undergo a Best Financial Management Review once every five years, and provides a review schedule. The best practices are designed to encourage school 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.

The Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General developed the Best Practices, which were adopted by the Commissioner of Education. Under these reviews, OPPAGA and the Auditor General examine school district operations to determine whether districts are using the best practices to evaluate programs, assess operations and performance, identify cost savings, and link financial planning and budgeting to district policies. OPPAGA has contracted this review to McConnell Jones Lanier & Murphy LLP (MJLM). As illustrated in Exhibit 1-1, the practices address district performance in 10 broad areas.

Exhibit 1-1 Best Financial Management Practices Review Areas

Management Structures	Facilities Construction
Performance Accountability Systems	Facilities Maintenance
Educational Service Delivery	Student Transportation
Administrative and Instructional Technology	Food Service Operations
Personnel Systems and Benefits	Cost Control Systems

The State Board of Education awards a Seal of Best Financial Management to districts using the Best Financial Management Practices. Districts that are not using Best Financial Management Practices are provided a detailed action plan for achieving best practice standards within two years. Under Florida law district school board must vote whether or not to implement this action plan.

Methodology

McConnell Jones Lanier and Murphy used a variety of methods to collect information about the district's use of the Best Financial Management Practices. The evaluation team made several site visits to the Duval County School District and public schools. The evaluators interviewed district administrators and personnel, held four public forums, conducted focus groups with principals, teachers, and regional superintendents, and attended school board and School Advisory Committee meetings. Evaluators also gathered and reviewed many program documents, district financial data, data on program activities, and data on student performance.

To put Duval's programs and activities in context with other Florida school districts, MJLM gathered information from five peer districts around the state: Broward, Hillsborough, Orange, Palm Beach, and Pinellas. The peer districts were selected based on their similarities across a number of categories, including the size of the student population and demographic information.

County Profile

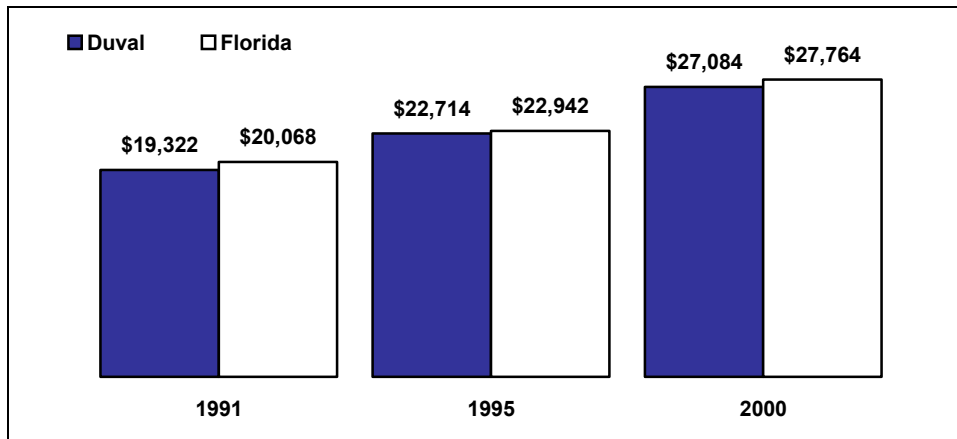
As of July 1, 2001, the U.S. Census Bureau estimated that the total population of Duval County was 792,434. Between 1990 and 2000, the county's population increased by 15.7%, which was slower than the state's growth rate of 23.5% during that same period. The major population centers include Jacksonville, Atlantic Beach, Baldwin, Jacksonville Beach, and Neptune Beach.

The largest proportion of the population is White (61%), with persons of Hispanic or Latino origin comprising 4% of the population, a quarter of the statewide figure of 16.8%. In addition, 29% of the county's residents are Black or African-American, which is almost double the statewide figure of 14.6%. Five percent (5%) of the county's population is some other race or ethnicity.

Approximately 22% of Duval County's population is of school age (5 to 19 years old), while an additional 7.2% are under five years of age. By contrast, 10.5% of the county's population is 65 years old or older. Approximately 82.7% of the county's residents aged 25 years or older are high-school graduates, while 21.9% have graduated from college. These percentages are nearly equal to the statewide figures of 79.9% and 22.3%, respectively. Therefore, the level of educational attainment in Duval County is in line with other counties across the state.

Duval County's per-capita income in 2000 was \$27,084, which was \$680 below the state average. As shown in Exhibit 1-2, the per-capita income of Duval County residents has been consistently near the per-capita income of the state as a whole.

Exhibit 1-2
Per-Capita Income of Duval County Residents
Was About Even With the State Average in 2000



Source: Florida Research and Economic Database, 2003.

While 11.5% of the county's residents live below the poverty level, a larger percentage of the county's children (16.6%) live below the poverty level. These figures are lower than for the state as a whole.

With the exception of 2002, the unemployment rate in Duval County has been slightly lower than the state's rate for the past five years. This suggests that students who graduate from high school in Duval County should not have more difficulty finding employment than graduates in other parts of the state. Duval County has a civilian workforce of 409,243 people. The county's primary sources of employment include the service industries related to professional and business services, transportation, healthcare, and finance and insurance. The major employers in the school district influence the workforce development programs offered by the district.

School District Profile

The district operates 163 schools, as shown in Exhibit 1-3.

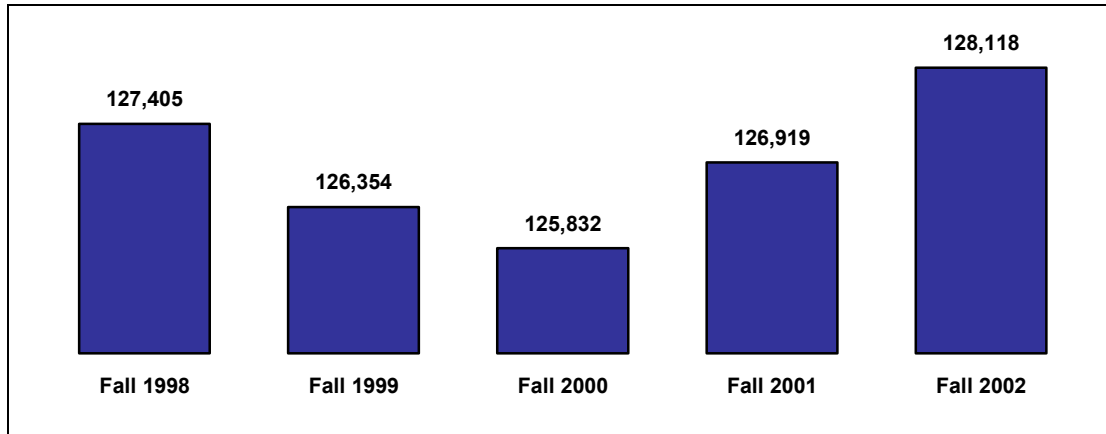
Exhibit 1-3
Duval County Operates 163 Schools

Number and Type of School		
105 - Elementary Schools	19 - High Schools	8 - Alternative Schools
25 - Middle Schools	6 - Charter Schools	

Source: Duval County School District, Office of Research, Assessment, and Evaluation, 2002-03.

With 128,118 students in 2002-03, the School District of Duval County is the sixth largest school district in the state. The student population growth has fluctuated slightly between 1998-99 and 2002-03, for a total net increase of less than 1%, as shown in Exhibit 1-4. This rate was much smaller than the 8.71% increase in enrollment across the state.

Exhibit 1-4
Enrollment Growth in Duval Has Fluctuated Slightly Over the Past Five Years



Source: Florida Department of Education, 2002-03.

The Duval County School District spent \$893.51 million for the 2001-02 fiscal year. The district receives revenues from federal, state, and local sources. Most of the revenue that the district receives from the state is generated through the Florida Education Finance Program (FEFP). The FEFP takes into consideration a number of factors in distributing funding to Florida's 67 school districts, such as varying local property tax bases, education program costs, costs of living, and costs for equivalent programs due to the sparsity and dispersion of the student population. This funding source, established by the Legislature, annually prescribes state revenues for education as well as the level of *ad valorem* taxes (property taxes) that can be levied by each school district in the state. It also includes some restricted funding provided through categorical programs, through which the Legislature funds specific programs such as instructional materials or student transportation. Exhibit 1-5 describes the district's revenue, expenditures, and fund balances for the 2001-02 fiscal year.¹

¹ Fiscal Year 2001-02 statements are the first to be reported under GASB 34 and includes all Governmental Funds. GASB 34 was issued in June 1999 and requires all capital assets to be reported in the financial statements net of depreciation. GASB 34 requires districts to maintain cost or fair market value, age and useful life information for its depreciable assets.

Exhibit 1-5**District Funds Include Federal, State, and Local Sources and Expenditures**

Revenues and Expenditures		Total (Millions)
Revenues		
Federal Direct		5.79
Federal Through State		78.52
State		441.19
Local		319.29
Total Revenues		844.79
Expenditures		
Instruction		424.96
Pupil Personnel Services		42.14
Instructional Media Services		15.32
Instruction and Curriculum Development Services		17.69
Instructional Staff Training Services		11.87
Board		1.83
General Administration		5.12
School Administration		32.23
Facilities Acquisition and Construction		40.32
Fiscal Services		5.13
Food Services		39.03
Central Services		29.50
Pupil Transportation Services		38.92
Operation of Plant		45.55
Maintenance of Plant		14.54
Community Services		0.60
Fixed Capital Outlay:		
Facilities Acquisition and Construction		95.23
Other Capital Outlay		5.12
Debt Service:		
Retirement of Principal		17.02
Interest		11.37
Other		0.02
Total Expenditures		893.51
Excess (Deficiency) of Revenue Over (Under) Expenditure		(48.72)
Other financing sources:		
Loans Incurred		0.03
Proceeds from the Sale of Capital Assets		0.60
Loss Recoveries		0.05
Transfers In		9.98
Transfers Out		(9.98)
Total other Financing Sources		0.68
Total Excess or Deficiency		(48.04)
Fund Balances, July 1, 2001		381.08
Adjustment to Fund Balances		0.15
Fund Balances, June 30, 2002		333.19

Source: Duval County Budget Director, Ending Fiscal Year 2002.

Introduction

As Exhibit 1-6 illustrates, the percentage of administrators and instructional staff in the Duval County School District is lower than those districts used for comparison. Exhibit 1-7 illustrates the actual numbers of administrators, instructional personnel, and support positions in the district.

Exhibit 1-6

Comparative District Staffing Ratios of Administrative, Instructional, Classroom, Guidance Employees and Students

School District	Staff Ratios					
	Administrators to Classroom Teachers	Administrators to Total Instructional Staff	Administrators to Total Staff	Classroom Teachers to Students ¹	Teacher Aides to Classroom Teachers	Guidance to Students
Broward	1: 18.23	1: 19.78	1: 34.57	1: 19.76	1: 5.91	1: 534.65
Hillsborough	1: 18.1	1: 20.37	1: 36.51	1: 15.77	1: 4.98	1: 395.42
Orange	1: 16.12	1: 18.55	1: 33.55	1: 17.75	1: 4.97	1: 511.73
Palm Beach	1: 14.93	1: 16.78	1: 30.07	1: 17.92	1: 4.32	1: 481.95
Pinellas	1: 13.64	1: 15.78	1: 28.49	1: 16.72	1: 3.32	1: 458.28
Duval	1: 12.01	1: 13.05	1: 21.16	1: 19.22	1: 5.23	1: 579.6
State	1: 14.20	1: 15.89	1: 29.04	1: 17.68	1: 4.29	1: 438.18

¹ This is not the same as average classroom size. This ratio is calculated by DOE by numbers reported through a survey of salaries in districts. The classroom teacher ratio includes all staff paid under the instructional salary schedule, and some of these positions may actually be administrative positions.

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

Exhibit 1-7

Duval County School District Employed 11,887 People in Year 2002-03

Full-Time Employees	Number	Percentage
Administrators	578	4.9%
Instructional	7,372	62.0%
Support	3,937	33.1%
Total	11,887	100.0%

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

The Duval County School District faces a number of distinct challenges. The school district is part of the consolidated government Duval County and the City of Jacksonville, which can affect the district's decision-making. The district also is experiencing a unique demographic shift in which the overall county population is increasing, but student enrollment is fairly constant or only increasing very slightly. Throughout this report, we will discuss these challenges and advantages faced by this district.

2 Management Structures

Summary

The Duval County School District is using 9 of the 14 best practices in management structures. The district is using all the best practices related to planning and budgeting, as well as those involving the community in its activities. To meet the remaining best practice standards, the Duval County School District should develop more effective policies and procedures to clarify the roles of the board and the superintendent. The district should also improve its organization, staffing, and resource allocation practices by periodically reviews its administrative staffing and, when necessary, eliminating unnecessary positions and improving operating efficiency. The district should also more clearly assign school principals the authority to effectively manage their schools while adhering to districtwide policies and procedures.

Background

The Duval County School District's management structure is a standard hierarchical structure, with publicly elected school board members bearing the responsibility for setting policy direction, maintaining fiduciary oversight, appointing and supervising the activities of the superintendent. The superintendent is responsible for carrying out the directives of the board in the form of policy implementation and is mandated by district policy to be responsive to the directives of the board as a collective entity and not to any single board member since they do not have any authority over district affairs when acting as individuals.

The district's seven board members are elected from single-member districts that represent specific areas within the county. Each member is elected to a four-year term and once the board is fully constituted, the board members elect a chairman and vice-chairman of the board to serve annual terms.

Despite the loss of two board members with a combined 20 years of board experience in 2002, the district remains well-balanced between experienced and new board members. In November 2002, districts two, four, and six elected three first-time board members. The members representing districts one, three, and seven are all entering their third year as board members. The representative for district 5 is the most tenured member of the board, having been first elected in 1996. Exhibit 2-1 shows the length of time board members have served and their previous experience.

Exhibit 2-1

Four of Seven Board Members Are Serving in Their Second or Third Term

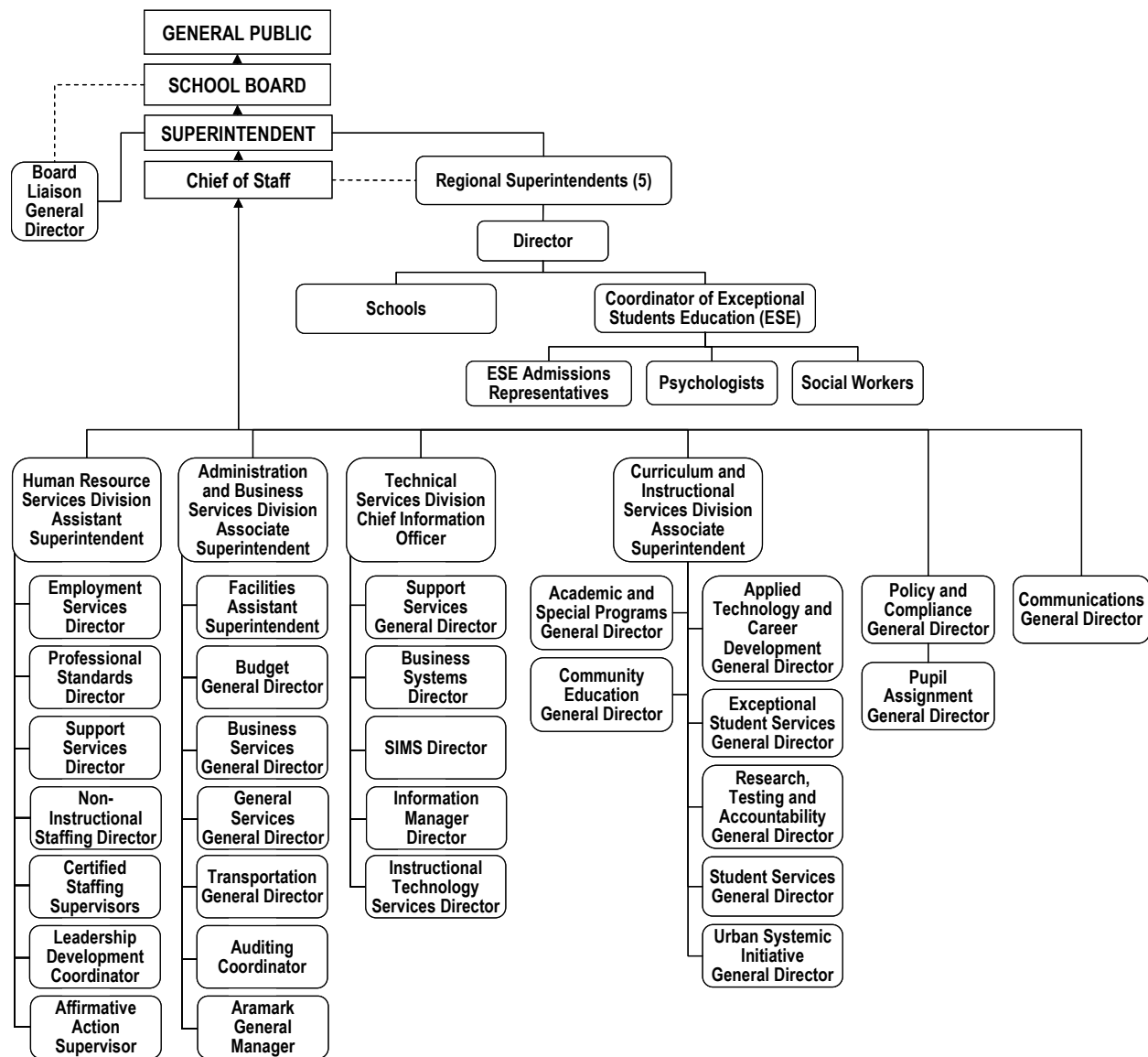
District Represented	Board Member	First Elected	Current Term Expiration	Status
One	Martha Barrett	2000	2004	Vice Chair
Two	Nancy Broner	2002	2006	Board Member
	Susan S. Wilkenson	1994	2002 (term limited)	Previous Board Member
Three	Kris Barnes	2000	2004	Chairman
Four	Brenda A. Priestly Jackson	2002	2006	Board Member
	Gwendolyn Gibson	1990	2002 (term limited)	Previous Board Member
Five	Jimmie A. Johnson	1996	2004	Board Member
Six	Vicki Drake	2002	2006	Board Member
	Linda Sparks	1994	2002 (term limited)	Previous Board Member
Seven	Cindy Rounds	2000	2004	Board Member

Source: Duval County School District.

The current superintendent, John Fryer, was hired by the school board in August 1998. Fryer is a Florida native and previously served 31 years in the United States Air Force where he reached the rank of major general. While in the Air Force, the superintendent served as the Commandant of the National War College and the Interim President of the National Defense University. Upon retirement from military service, Fryer served as a vice-president and general manager of a public company. The superintendent holds a master's degree in political science from Auburn University and has completed the Senior Managers in Government course at Harvard University.

The superintendent is the secretary and executive officer of the school board and as such, is responsible for organizing the district's administration. Exhibit 2-2 illustrates the current district-level administrative structure. The district's school-level administration is comprised of the principals and assistant principals of the district's 163 schools covering grades K through 12.

Exhibit 2-2
The Duval County Schools District's Organizational Structure Is Hierarchical



Source: Duval County School District.

Activities of particular interest

The district makes use of a master planning room, which it refers to as the “war room” or “mission control.” In this area, the district has posted data to the wall regarding all of the academic goals and objectives that the district is trying to achieve. This allows the district to track its very latest performance indicators in areas of student achievement such as minority student reading levels compared to statewide averages, dropout rates, and standardized test scores. The data of the mission control room is compiled and maintained by the research and evaluation division of the district, which can disaggregate student information by numerous criteria including race, school, gender, or individual classroom teacher. The district can also view information relative to previous years, statewide averages, or against district-determined performance indicators. The use of the war room also serves as a means of keeping the

Management Structures

district focused on student performance and achievement. As a result, the district strategic plan is driven by goals designed to enhance student academic accomplishment throughout the district.

In 1997, the New Century Commission on Education produced a report of recommendations of how to improve the district. This report was most recently updated to the community in a November 2002 follow-up report, which highlighted the district's progress in implementing the recommendations. In September 2002, the district was reviewed by the Council of Great City Schools in a report delineating ways to improve management performance. The district's use of consultants to produce these reports is significant for two reasons. First, it represents the district's commitment to operational improvement. Second, the district also demonstrated a high degree of responsiveness to the community and business leaders who served as the catalysts for generating the New Century Report.

Conclusion and Recommendations

Summary of Conclusions for Management Structures Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Board and Superintendent Roles and Responsibilities	1. The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have policies to ensure that they have effective working relationships.	No	2-6
	2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	Yes	2-8
	3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	No	2-9
	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.	No	2-11
Organization, Staffing and Resource Allocation	5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	Yes	2-13
	6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	No	2-14
	7. The superintendent and school board exercise effective oversight of the district's financial resources.	Yes	2-18
	8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.	No	2-19
Planning and Budgeting	9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	Yes	2-21
	10. The district has a system to accurately project enrollment.	Yes	2-22
	11. The district links its financial plans and budgets to its annual priorities in the strategic plan and its goals and objectives; and district resources are focused towards achieving those goals and objectives.	Yes	2-23
	12. When necessary, the district considers options to increase revenue.	Yes	2-23
Community Involvement	13. The district actively involves parents and guardians in the district's decision making and activities.	Yes	2-24
	14. The district actively involves business partners and community organizations in the district's decision making and activities.	Yes	2-25

BOARD AND SUPERINTENDENT ROLES AND RESPONSIBILITIES

Best Practice 1: Not Using

The roles and responsibilities of the board and superintendent have not been clearly delineated, nor do the board members and the superintendent have policies to ensure that they have effective working relationships.

To be effective, school districts must have a constructive, trusting relationship between their school boards and superintendents. This relationship is jeopardized most often when the parties do not understand or fail to adhere to their distinct roles in the educational process. Thus, districts should have mechanisms in place to maintain a distinct separation of roles and responsibilities between the school board and superintendent. In the most simple of terms, the school board should be the policymaking entity in the district, and the superintendent should have the primary responsibility for implementing these policies during the course of the daily administration of the district. School board members should not be directing daily operations and should address operational concerns through the superintendent. The superintendent should not make broad, districtwide policies without the approval of the board. A district may use both formal and informal mechanisms to ensure that each entity adheres to its proper roles and responsibilities. At a minimum, the district (regardless of size) should have clearly written policies in place that comply with state statutes regarding these roles and responsibilities.

The Duval County Schools District school board and superintendent stay in contact with one another and adhere to the Florida Sunshine law for the purpose of handling potentially controversial issues. For example, the district superintendent periodically conducts community talks that are designed to give the public an opportunity to weigh in with their opinions and questions before the actual board meeting. Through this process, the district can gain greater awareness of the community concerns and prepare them accordingly in advance of the meeting. As a result of one community talk, the district's board knew in advance of the board meeting that the community was opposed to the idea of making alterations to the school year calendar or daily schedule. The district may take other steps to handle controversial items such as allotting additional time for speakers or agenda items. The previous board had also completed Master Board Training. Four members of that board remain on the school district board.

However, the district needs to address several issues to meet best practice standards. For instance, the district should develop clearer, effective policies. During our focus groups with district principals, most indicated that individual board members have been directed them to take specific action regarding campus management and student discipline at the direction of individual board members. Intervention in the administration of the district is contrary to board policy, which indicates that board members are not to act individually, or as administrators, but as a board. The board's policies also state that school board members may attend the schools to be better informed, but may not request information that would expend staff time except through the superintendent. Nevertheless, according to the information we received, individual board members frequently request information from the site-based administrators. Intervention by individual board members could encumber the superintendent's ability to fulfill his role as being the manager and overseer of the day-to-day operations of the district.

Another sensitive area that strains the relationship between the board and the superintendent is the way the district handles constituent requests for information. School board members state that they go through either their regional superintendent or contact staff directly when requesting information or processing constituent requests or concerns. However, in an effort to be more responsive to their constituents, particularly those regarding discipline, some board members have directed district employees to take specific action rather channeling them through the superintendent. The district should implement a

system of board member orientation and training to instruct members on their specific roles and responsibilities.

The district could also improve the board's and superintendent's working relationship by clarifying other policies. The lack of clarity in some areas of board policy is compounded by the fact that many policies are not written but are practiced informally. For example, the district's practice is to have individual board members submit requests for information to the superintendent who is then able to delegate it to the appropriate district administrator and minimize duplication of effort. However, the district policy mandates that not only should board members filter their requests for information to the superintendent but also that those requests "shall have the school board's approval prior to staff implementing the request." Correcting the problem of how the board receives information from staff is further complicated by the opinion of many upper-level district staff members that attempts to clarify board member roles are seen by board members as attempt to limit their access or effectiveness. The district should review, clarify, and update all policies governing board member roles and responsibilities.

Finally, the district could improve the working relationship between the board and the superintendent by providing a method for the board to evaluate its efforts. The board evaluates its performance as part of the Master Board Training Program, but has no other means of doing so besides that process. The current board has not yet been scheduled to attend this training. Board members attest that master board training has been effective in laying the foundation for their understanding of how boards should function within a school district. However, the Duval County School Board does not regularly assess its performance to take corrective action or to improve the manner in which it operates as a board and does not have a means of identifying and correcting issues that may be having a detrimental effect on board effectiveness. These issues may be related to communication, collaboration, or board management. A process of evaluation will allow the district to continually strengthen its ability to govern the district by engaging board members in an on-going process of identifying and addressing ways to improve its effectiveness.

Action Plan 2-1 depicts the steps needed to more clearly delineate the roles and responsibilities of the board and superintendent, and to ensure that they have effective working relationships.

Action Plan 2-1

We recommend that the district develop and implement a policy and procedures for a system of board member orientation and training to instruct board members on their specific roles and responsibilities and to provide guidance into the operation of the district and to develop a process for assessing its performance.

Action Needed	<p>Step 1: Executive Team and School Board meet to establish the orientation and training design and format. The training program should cover board duties, process of communication with staff, process of communicating community concerns to staff, understanding academic and financial data, and a schedule for training in understanding district operations, which may include open house sessions of the departments for the board members and board member to board member mentoring.</p> <p>Step 2: Executive Team establishes a work plan to develop orientation and training session in accordance with areas of step 1 and any additional board or staff specifications. Board reviews and approves the work plan. The work plan should be inclusive of timelines for completion and parties responsible for each activity.</p> <p>Step 3: Superintendent presents draft of orientation and training program to the board for their review in work session. Board members should be prepared to discuss any additional best practices to include in the program. Superintendent and staff make revisions to the draft program as directed.</p> <p>Step 4: Superintendent presents program to the board for their approval at a board meeting.</p> <p>Step 5: Board votes to approve program and passes policy to formally institute a training and orientation program to be conducted following each election regardless of outcome the with attendance mandatory for all board members.</p> <p>Step 6: Policy compliance officer drafts work plan to review the policies regarding the school board. This work plan should be inclusive of timelines and persons bearing responsibility and will be presented at the board work session.</p> <p>Step 7: Board members, superintendent, board liaison, executive team, and policy compliance officer identify or develop process to identify current district practices that do not reflect policy guidelines.</p> <p>Step 8: In work session, board members, superintendent, board liaison, policy compliance officer, and executive team discuss means of correcting identified disconnects between practice and policy, particularly in the areas of contact with staff, requests for information, staff reports to the board and participation in the strategic plan.</p> <p>Step 9: Based on the feedback in step 3, the policy compliance officer drafts the updated board policies to be submitted to the board in work session for their comment, review, and revision.</p> <p>Step 10: Board approves updated policies.</p> <p>Step 11: In a board work session, discuss the general framework for evaluation. This discussion should be inclusive of the time of evaluation, method of identifying opportunities for improvement, and methods of implementing improvements.</p> <p>Step 12: Board members draft the process of self-evaluation.</p>
Who Is Responsible	School Board and Superintendent.
Time Frame	June 2005

Best Practice 2: Using

The board and superintendent have established procedures to ensure that board meetings are efficient and effective but the district has opportunities to increase board meeting effectiveness by creating a schedule for policy and program evaluation.

The primary goal of all school board meetings should be to come to a decision on the majority of policy issues presented during a particular meeting. To meet this best practice, the school board and

superintendent should have formal and informal mechanisms in place to ensure that board meetings run efficiently and effectively, and to ensure that all policy discussions and decisions are open and accessible to the public. Board meetings that consistently last longer than the time allotted is usually a telling sign that appropriate mechanisms are not in place, or are ineffective. Board members should not have to ask staff frequently for more information on agenda items, or ask for clarifications of the materials provided. More importantly, regardless of how well board meetings are run, board members and the superintendent should ensure that meetings are accessible and open to the public at large. For example, meetings should be located in large population concentrations at times that are not in conflict with the work hours of the majority of the public (e.g., board meetings should usually begin after 6:00 p.m.). If possible, board meetings should be broadcast live, or taped for later broadcast, on local public access television channels.

The Duval County School District has procedures to ensure that board meetings are efficient and effective. School Board meetings are scheduled at 6 p.m. on the first Tuesday of each month, and are held in the School Board auditorium, which is a central location for all of Duval County. School Board members receive the agenda for the upcoming meeting one week in advance. To ensure the efficiency of the board meetings, the district maintains formal policies reflected in practice that govern how board meetings are to be conducted and organized. In addition to these policies, the district maintains a master calendar on the wall of the “war room,” which the district uses to make certain that all statutory requirements of the board are posted on the agenda in a timely manner by highlighting all of the needed steps for the district’s board in the “war room”. The district also maintains a smaller version of the war room calendar that is distributed to the board and staff.

The board receives a summary for each item on the agenda requiring board action. This summary includes the strategic planning goals and objectives that are related to the item as well as the estimated financial impact of the item and an introduction of the issue surrounding the item. Each of the board members interviewed expressed satisfaction with this template, which was given to them for comment and editing before it was ultimately put into place.

Best Practice 3: Not Using

The board and superintendent have not established a means of ensuring that written policies and procedures are routinely updated and are relevant to district practices.

To meet this best practice, school districts must have relevant and complete policies in order to remain in compliance with federal and state laws. Up-to-date districtwide procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner. Appropriate procedures also ensure that staff and students are treated equally and consistently when applying board policies. The larger the district or the more decentralized its administration, the more important the overarching set of extensive policies and procedures. All districts should have, at minimum, written board policies that are consistent with the *Florida Statutes*. Most districts should also have detailed written policies pertaining to specific areas like pupil progression, transportation, and services for Exceptional Student Education (ESE) populations. Districts should also have procedures to ensure that these policies are implemented consistently within administrative units, grade levels, and among schools. Finally, districtwide policies and procedures should be readily accessible by staff, students and their guardians, and the general public.

The Duval County School District is currently undergoing a process to update its policy manual. This process is comprised of the district’s policy compliance officer selecting sections of the policy manual to present to board members during their monthly workshop meetings. Attached to the selected policies under review are recommendations from the policy officer on how the policies should be revised to meet the requirements of relevant legal authorities such as the state or federal governments. Board members review the policy sections and then vote on them at the board meeting once any needed revisions are complete. Once the board has approved the policy, the policy compliance officer sends a memo to district personnel instructing them on what policy change has occurred.

However, the district is not using this best practice because it needs to take additional steps to ensure that written policies and procedures are routinely updated and are relevant to the district's practices. First, though the district is taking steps to ensure that policies are in keeping with statutory requirements, the district is not critically reviewing the policies to identify and correct disconnects between policy and practice, thereby ensuring the relevance of the policy manual. Focus groups and interviews with board members, regional superintendents, principals, teachers, and district staff revealed that the district relies on informal practices that have evolved through the years and professional discretion more than approved district policy. Several high school principals reported that they rely on their professional expertise, rather than consulting the policy manual, to avoid potential problems. Although one upper level staff member told the review team that "we hope the policies are aligned with practice," there are several instances, besides those previously mentioned, indicating that policies and practice are not aligned. For example:

- According to the principals who participated in the focus groups, a majority of them employ a practice of removing teachers' names from their classroom evaluations before sharing them with the remainder of the faculty. This use of professional discretion exists despite the fact that the superintendent suggested that the teachers' names be left intact for greater accountability;
- District policy states that board requests for information are to be sent to the district superintendent via the board chairman. However, several of the board members said that they are more comfortable with the practice of contacting the regional superintendents, principals, or district staff directly. Several board members said that this practice allows them to be more responsive to constituents;
- District practice is that board members receive agenda packets one week prior to the scheduled meeting. However, district policy states that they shall receive the agenda no fewer than 10 days in advance.

The substitution of practice in the place of approved policy may not have detrimental effects to the district in cost or efficiency in all cases. However, the consistent substitution of practice for policy subverts the ability of the district to enforce and institutionalize board-approved policy. As a result, the capacity of the board to fulfill its responsibilities as policy stewards for the district is lessened. The district should review district policies in comparison to district practices to determine how either should be amended for consistency.

Second, the district should routinely update an electronic version of the policy manual. Though the board has been reviewing policies in effect as of February 2002, and when appropriate, updating these policies, the hard copy policy manual does not reflect any changes since 1997. District staff informed the review team that the district does not have an electronic version of the comprehensive policy document and that their current review efforts represent a massive undertaking. As a result, updates and revisions to the policy manual are distributed through written correspondence from the policy compliance officer who distributes the item throughout the district. The district should maintain an electronic version of the policy manual to facilitate distribution and updates.

Action Plan 2-2 depicts the steps needed to establish procedures to ensure that board meetings are more efficient and effective.

Action Plan 2-2

We recommend that the board members and superintendent review district policies against current district practices to determine how policies or practices should be amended.

Action Needed	<p>Step 1: Policy compliance officer includes a brief summary of current district practice for each of the policies under review during the board work session policy review and proposes updated policies to address cases where policy and practice differ.</p> <p>Step 2: Board and superintendent review impact, benefits, rationale, and recourse to correct discrepancies between policy and practice.</p> <p>Step 3: Policy manual is updated accordingly.</p> <p>Step 4: Create an electronic version of the district policy manual to be maintained by the Office of Policy Compliance.</p>
Who Is Responsible	Board Members, Superintendent
Time Frame	January 2004

Best Practice 4: Not Using

The district routinely obtains legal services to reduce the risk of lawsuits but does not have effective written policies and procedures to control costs and clarify the process by which legal advice is rendered.

To meet this best practice standard, school boards should have appropriate, responsive legal counsel. Legal services should be comprehensive, providing input on district policies and personnel issues, and advice to ensure that the district complies with federal and state legal requirements. Legal services should support the board, its individual members, the superintendent, and district staff. In smaller districts, legal services are more likely to be contracted out, while the largest districts may have several in-house attorneys as well as contracted attorneys. Regardless of the district's size, legal expenses (including hourly rates, retainer fees, and total annual expenditures) should be evaluated for accuracy and appropriateness.

The Duval County School District is part of the consolidated government of Duval County. As such, the district is required by charter to use the central services of the consolidated government, including the legal services of the city's general counsel, who is appointed by the mayor. The Office of General Counsel provides both administrative and legal guidance throughout the consolidated government of the City of Jacksonville. The services provided by the Office of General Counsel to the school district include, but are not limited to contract negotiations, administrative hearings, litigation, transportation, facilities, and business services. The Office of General Counsel assigns as many attorneys as necessary to address matters of the school district. The General Counsel chooses those attorneys on the basis of the issue and the attorney's expertise. One attorney serves as lead attorney who receives the board meeting agendas and attends all regularly scheduled board meetings and workshops. Although the Office of General Counsel is generally not involved in the school district's administrative policy creation, a designee of the General Counsel does review administrative policies requiring Board approval. According to the General Counsel, the school district infrequently makes legal requests of the General Counsel for legal assessments of administrative policies due to the district's internal structure. The district assigns responsibilities for school district policy review to a policy compliance officer, a former general counsel's office attorney who reports to the superintendent and chief of staff. Whenever the city Office of General Counsel provides legal services to the district, it charges for those services. Exhibit 2-3 shows district legal costs for calendar years 2000, 2001 and 2002.

Exhibit 2-3

Although The District's Legal Costs Were Higher In 2001 Than In 2000, They Were Less In 2002 Than In 2000

Calendar Year	Legal Expenses
2000	\$976,864
2001	\$1,006,871
2002	\$571,296

Source: Duval County School District.

While the district's legal costs have declined since 2000, it could take additional steps in three areas to improve access to legal services and meet this best practice standard. First, the district should assess the appropriateness of relying on advice provided by its policy compliance officer in situations where there may be legal exposure. As previously stated, the consolidated government charter requires the district to use the city's Office of General Counsel for all legal services. However, the policy compliance officer currently advises the board and superintendent and provides legal advice on board policy development and other matters. For example, the compliance officer has directed school principals on their legal culpability in releasing children into the custody of separated parents or guardians. Use of the policy compliance officer to address these issues may save the district legal fees; however, it is unclear whether the recommendations made by the policy compliance officer offer the same legal defense and protection to the school district that legal advices from the Office of General Counsel would if the district's actions were challenged.

Second, the district does not have a written policy governing the contact between district employees and the general counsel. According to the policy compliance officer, no board policy specifies the conditions under which district employees should contact the general counsel's office to address legal questions. The policy compliance officer serves as a liaison between the district and the general counsel to coordinate legal issues for the district, and district employees are not required to direct legal questions through the policy compliance officer. Moreover, the general counsel assumes all requests for legal advice are appropriate and bills the district accordingly. As a result, the district may be incurring unnecessary excessive legal fees by not having a formal process to filter requests for legal work. A written policy on this issues also would clarify the circumstances when advice from the policy compliance officer is appropriate.

Third, the district does not have a process to review legal services to identify patterns in legal expenses. By reviewing the types of legal expenses, the district may be able to identify operational problems resulting in these legal costs and reduce future exposure to lawsuits. For example, a review which would identify excessive construction contract litigation expenses could indicate a need to improve contracting practices.

Action Plan 2-3

We recommend that the district establish written policies and procedures relating to legal services. These should include policies and procedures regarding and criteria for using counsel.

Action Needed	Step 1:	Work with the Office of the General Counsel to clarify the role and latitude of responsibility for the policy compliance officer.
	Step 2:	Work with the Office of the General Counsel to update district policies detailing who may solicit legal services on the district's behalf, the circumstances under which it would be appropriate to seek advice from the Office of General Counsel rather than from the policy compliance officer, and the process by which those services may be requested. <ul style="list-style-type: none"> The superintendent assigns a staff person to draft a policy and procedures relating to legal services. The assigned staff person drafts the policy and procedures in consultation with the district's attorney.
	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.
	Step 4:	The board votes to approve the policy and procedures.
	Step 5:	The policy and procedures are disseminated to all district staff that may have contact with the district's attorney of the policy compliance officer.
	Step 6:	Policy manual is updated accordingly.
	Step 7:	Create an electronic version of the district policy manual to be maintained by the Office of Policy Compliance.
	Step 8:	Create a process to review legal expenses to identify areas of consistent legal expense and opportunities to mitigate the legal cost exposure on those areas.
	Step 9:	Board and superintendent review impact, benefits, rationale, and recourse to correct discrepancies between policy and practice.
Who Is Responsible	Board Members, Superintendent	
Time Frame	July 2004	

ORGANIZATION, STAFFING, AND RESOURCE ALLOCATION

Best Practice 5: Using

The district's organizational structure has clearly defined units and lines of authority, but the district could probably further reduce its administrative costs by implementing recommendations from previous studies of the district.

To use this best practice, a school district's organizational structure should enable the effective and efficient delivery of support services to the schools, teachers, and students. In general, school districts should organize their administration so that similar support services are grouped together and lines of authority are clear to staff and the general public. In addition, school districts should minimize administrative staff, especially at the district level. No one-size-fits-all district organizational structure exists, although several common administrative structures are employed by school districts statewide. Smaller districts are more likely to have a simple hierarchical structure with all administrative units reporting directly to the superintendent and ultimately to the board. Larger districts may group their administrative units by distinct functions [i.e., school operations, instructional support services (curriculum, evaluation); business support services (finance, budgeting, MIS); operational support (food services, transportation, safety and security)]. Regardless of organizational structure, staff and the general public should be able to clearly understand who is responsible for what in the district.

The Duval County School District has detailed organizational charts that clearly and accurately depict its existing organizational structure and uses Accountability Placards to clearly define the responsibilities, mission, and goals of each department within the organization. Accountability Placards include each department's mission statement, customers, goals, measurements, current performance, performance targets and barriers. The superintendent and district administrators regularly review the district's organizational structure and the superintendent made organizational changes in 1997-98, 2000-01, and 2001-02, effectively reducing his span of control to seven direct reports from 10 and creating five regional offices to provide support for schools throughout the district.

Over the past six years, the district has commissioned three separate reviews by the New Century Commission (1997), School Match (1998), and the Council of Great City Schools (2002). In the most recent of these, the Council of Great City Schools conducted a management assessment of the district and issued a final report in September 2002 entitled: *The 3Rs for the Duval County Schools: Reengineering, Realignment, and Restructuring*. The report contained recommendations to reengineer the business process, restructure the organization, and realign business functions. For example, the report recommended that the district implement a flattened organizational structure consisting of seven direct reports to the superintendent, to enhance communication, oversight of any reengineering effort, and give important priorities appropriate visibility and influence in the system.¹ To avoid duplication of effort, or the possibility of receiving contradictory organizational or management recommendations, the superintendent decided to wait until OPPAGA completed its Best Financial Management Practices Review before implementing any recommendations.

The district could benefit from many of the recommendations contained in some of the previous reports and should begin reviewing those recommendations for their appropriateness. For example, the district should re-evaluate districtwide and regional responsibilities assigned to regional superintendents and directors to proportionally reallocate districtwide responsibilities among regions and to provide adequate support for schools within each region. The district should also review the spans of control for supervisors and managers. The wider a supervisor's or manager's span of control, the fewer supervisors and managers needed to operate the district. There are a number factors that affect span of control, including the nature of the work to be supervised, the knowledge, skills, and abilities of the person or persons to supervised, and the knowledge, skill, ability of the supervisor or manager, etc.²

We recommend that the district conduct an internal review of recent studies about the district's organizational, staffing, and management practices to assess the recommendation made in each, identify those that are appropriate for the district to implement, and develop a plan to implement them.

Best Practice 6: Not Using

The district periodically reviews its administrative staffing, but does not always make changes to eliminate unnecessary positions and improve operating efficiency.

To use this best practice, school district staffing should promote efficiency and effectiveness while minimizing administration, especially at the district level. Low administrative to instructional staff ratios

¹ *The 3Rs for the Duval County Schools: Reengineering, Realignment, and Restructuring*, Council of Great City Schools, September 2002, Page 33.

² *Span of Control and Public Organizations: Implementing Luther Gulick's Research Design*, Kenneth J. Meier, Department of Political Science, Texas A&M University and John Bohte, Department of Political Science, Oakland University, Page 4. According to conventional management theory, managers can more easily supervise the work of a large number of people doing the same job than they can a large number of people doing different jobs. Also, an organization that combines diverse functions typically will need to reduce the size of its spans of control because the supervisor must interact with more different types of individuals. Thus, there are a number factors that affect span of control, including the nature of the work to be supervised, the knowledge, skills, and abilities of the person or persons to supervised, and the knowledge, skill, ability of the supervisor or manager, etc

generally indicate that resources are being concentrated in the classroom, the main objective of most school boards and the state. However, districts must balance the goal of minimizing administration with the fact that some support services provided at the district level are more cost-effective than multiple site-based staff.

The Duval County School District periodically reviews its administrative staffing. Each year, as part of its zero-based budgeting process, the district's budget review committee reviews the various departments' administrative staffing. In addition, the district has undergone independent reviews of its management and organization. The most recent such study was in 2002 by the Council of Great City Schools. The Council of Great City Schools recommended that the district reengineer its business processes, realign administrative functions, and reorganize to achieve greater administrative and operational efficiencies. The report recommended consolidating functions in the materials management department to avoid duplication of administrative activities, mapping the business process in the human resources division to reduce the number of employees, examining the functions of the minority business affairs unit to determine if it is staffed appropriately, and realigning the job functions of the transportation unit to the existing outsource contract to consolidate or reduce administrative positions.

However, to meet best practice standards, the district also should eliminate unnecessary positions and improves operating efficiency as discussed below.

District Has Reduced Administrative Staffing

The district chose not to implement any of the Council of Great City Schools' recommendations until after the completion of OPPAGA's best practice review of the district, but, on other occasions, it has modified its organizational staffing to reduce costs. In fiscal years 1996-97 and 1997-98, the district made significant budget cuts, including almost \$800 thousand in administrative salary and benefits for 1996-97 and another almost \$3.6 million for 1997-98. The district has also substantially privatized its food service, custodial, and, for about the past 20 years, transportation services. However, since October 1998, the district's administrative staffing has increased about 5% because the district has been assuming responsibility for some of the support functions that had been done previously by the consolidated government of the City of Jacksonville. When Duval County originally adopted the consolidated charter, the district was required to use the internal services of the city. In addition to assuming responsibility for its own technology functions and testing, hiring, and administering its part of the civil service system, the district anticipates also assuming responsibility for student information management. As the district takes responsibility for more of its specific functions, it will need to be especially careful to review its organizational structure and administrative staff.

Although the district has reduced its administrative costs, the district does not always eliminate unnecessary positions to improve operating efficiency, which can be especially problematic as it assumes responsibility for more of its central services. In 2002, an independent study by Council of Great City Schools concluded that district administration and support should be reduced to achieve additional administrative and operational efficiencies. Our own review of the district's organizational charts confirmed many instances of very narrow spans of control. Span of control is the term that characterizes the number of employees one supervises. The more employees one supervises, the wider the span of control; the fewer employees one supervises, the more narrow the span of control. Based upon our analysis of the district's organizational charts, supervisors have very narrow spans of control in too many instances. An appropriate span of control depends upon several factors, including the diversity of functions a manager must supervise, the level of experience of the staff supervised, and the size of the organization. In many instances, supervisors are supervising only one or two other people. In most of these cases, supervisors are overseeing a secretary or other administrative assistant.

Other Staffing Reductions Are Possible

There may be other positions that could be eliminated. Based upon comparisons with its peers, the Duval County School District may have more administrative support staff than necessary given the consolidated nature of government in Duval County and the fact that so much has been privatized in the district. One way to compare administrative and support staffing of districts is to compare the ratio of districts' administrators (i.e., non-instructional employees) to teachers (i.e., instructional employees). Florida Department of Education publishes this information for each of Florida's 67 school districts in a series entitled Profiles of Florida School Districts, Student, and Student Data. These profiles contain many statistics including the number of administrators, classroom teachers, and the ratio between the two. A school district's goal should be to have a high staffing ration, meaning fewer administrators to classroom teachers, with the idea that district resources should be concentrated in the classroom rather than in administration. As shown in Exhibit 2-4, Profiles of Florida School Districts, Student, and Student Data report a better ratio of non-instructional employees to classroom teachers for the Duval County School District than any of its five peers.

Exhibit 2-4

Duval Has Fewer Non-Instructional Employees Per Classroom Teachers Than Any of Its Peers, But This Ratio is Misleading

School District	Total Non-Instructional Employees ¹	Total Classroom Teachers	Ratio of Non-Instructional Employees to Classroom Teachers
Broward	10,597	13,127	1:1.24
Hillsborough	8,178	9,303	1:1.14
Orange	7,879	8,396	1:1.07
Palm Beach	7,419	8,839	1:1.19
Pinellas	6,236	6,762	1:1.08
Weighted Peer Average	8,062	9,285	1:1.15
Duval	4,427	6,633	1:1.50
Difference from Peer Average	3,635	2,652	(0.35)

¹ Includes total administrative staff plus total support staff.

Source: Profiles of Florida School Districts, 2001-02.

However, the ratios in Exhibit 2-4 are misleading. The number of non-instructional employees reported by the Duval County School District is significantly less than its peers because, unlike its peers, it uses many centralized services of the consolidated government and it has privatized a substantial amount of its non-instructional business activities. To make a better comparison, one must adjust for the effect of these centralized and privatized services. There are two ways to make this adjustment. First, we could contact all the peer districts to find out how many employees each had in those functions that the Duval County School District has centralized or privatized and make a post-adjustment comparison. The other is to adjust peer ratios by adding back to the Duval County School District, the equivalent number of positions involved in those centralized and privatized functions. Because of the relative complexity of the second option, we choose to add back the number of positions involved in the privatized functions, and chose to ignore the positions in the centralized functions as the district is assuming responsibility for more of those.

Based upon our adjustments, the Duval County School District's non-instructional staffing may not be as efficient as reported in the Profiles of Florida School Districts, and could be improved. As shown in Exhibit 2-5, after adjusting for the number of privatized bus drivers, custodians, and food service employees, the district's ratio of non-instructional employees to classroom teachers is closer to 1:1.08, indicating that the district is one of the least efficient districts in this analysis.

Exhibit 2-5**After Adjusting for Privatized Functions: Duval Has Relatively More Non-Instructional Employees Per Classroom Teachers Than Any of Its Peers**

Description	
Non-instructional district employees	4,427
Adjustment for privatized services:	
Bus drivers (75% of 1,000 privatized bus drivers)	750
Custodians (100% of 812 privatized custodians)	812
Food service employees (50% of 960 privatized workers)	480
Total Privatized non-instructional equivalents	2,042
Total adjusted equivalent of non-instructional employees	6,469
Total classroom teachers	6,633
Adjusted ratio of non-instructional employees to total classrooms teachers	1:1.03

Note: In estimating the number of full time positions for the privatized functions, we assumed that not all the positions work full-time. For example, we assumed that the 1,000 bus drivers in the district only worked 75% of the time, custodians worked full time (i.e., 100%), and food service employees only worked one-half of the time.

Source: Calculations by the Office of Program Policy Analysis and Government Accountability.

The district could improve efficiency by reducing its support costs by privatizing the remainder of its custodial and food services. In 1991-92, the district privatized its food services operations. At the time, the district privatized approximately 1,162 food service positions, agreeing with the employee's collective bargaining agent to use attrition to phase out the district's positions. As of February 2003, the district had phased out about 960 of these positions, but still had 202 on its payroll. Likewise, in 1996-97, the district privatized about 812 custodial positions, agreeing to phase out those positions through attrition. At the same time, the district had phased out about 466 of these positions, but still had 346 on its payroll. At the current rate, the district is not likely to complete the privatization of custodial services for another 13 years or of food services for another 18 years. Phasing out the remaining food service and custodial positions could cost the district another \$20 million over the next five years alone (For more information about these particular practices, see the following: Chapter 6, Personnel, Best Practice 9; Chapter 8, Facilities Maintenance, Best Practice 17; and Chapter 10, Food Services, Best Practice 6).

As the district increases its administrative capacity to assume more responsibility for currently centralized services, it will need to periodically review its administrative staffing. Accordingly, the district should develop a plan to review and adjust its total administrative staff appropriately. Action Plan 2-4 describes the steps necessary to implement this recommendation.

Action Plan 2-4

We recommend that the district review its organizational structure, related functions, and business processes to assess the reasonableness of its administrative staffing levels and reduce its administrative staff appropriately.

Action Needed	Step 1:	Review organizational structure, business functions, business processes, and total administrative staffing levels, including support staff.
	Step 2:	Determine the extent to which the district could improve staffing efficiency.
	Step 3:	Identify departments, divisions, and functions with excess administrative staff.
	Step 4:	Reduce excess administrative staffing during the annual budget cycle.
Who Is Responsible	Superintendent	
Time Frame	May 2004	

Best Practice 7: Using

The superintendent and school board exercise effective oversight of the district's financial resources.

The school board and superintendent must have a clear and up-to-date understanding of the financial condition of their district in order to exercise effective oversight. To meet this best practice, board members should be able to understand the fiscal effects of their decisions, both short and long term. When fiscal problems arise, the district should be able to react quickly in a manner that prevents significant disruption of school operations. In general, financial reports and budget information should be clear and useful to board members and the general public. These documents should not require extensive explanation by district staff or the superintendent. Financial information should be updated and presented to the board on a regular basis, and all agenda items that have an impact on the budget should include detailed explanations of these effects.

Duval County School Board members receive both group and individual training sessions on the district's budget and finances from the director of the Budget Department. For example, the director of the Budget Department delivered an extensive budget presentation to board members in Budget workshops I, II, and III, which were conducted on October 16, 2001, December 4, 2001, and January 8, 2002.

In addition, the board has established purchasing guidelines requiring all expenditures exceeding \$50,000 to be approved by the board, and has been at the vanguard of encouraging the superintendent to ensure that the district take advantage of opportunities to improve management structures, increase efficiency, and reduce costs. For example, the district has taken advantage of opportunities to reduce costs through outsourcing and improving management structures, such as entering into contracts to outsource transportation, custodial services, food services, and early intervention services.

During our follow-up visit, the general director of Budget provided an analysis of the district's "cost avoidance" as a result of outsourcing custodial operations 1996-97. This analysis compares estimated custodial costs, including payroll, benefits, capital outlay, supplies, and other services, to the actual expenses the district incurred with ServiceMaster from 1996-97 through 2001-02. Based on the analysis provided, the district calculates its total cost avoidance through 2001-02 to be \$27,175,710 as follows in Exhibit 2-6.

Exhibit 2-6

Annual Cost Avoidance 1996-97 through 2001-02

Year	Amount
1996-97	\$ 2,942,905
1997-98	3,679,768
1998-99	3,966,562
1999-2000	6,520,513
2000-01	4,091,798
2001-02	5,974,165
Total	\$27,175,710

Source: The Duval County School District Budget Department.

Food Service is a revenue fund that accumulates fund balance and, therefore, the district determined cost avoidance was not a true measure of the performance of the contractor; rather revenue growth and profitability were more appropriate performance measures. Accordingly, the district measured food service revenue growth from 1992-93 (second year of contract) to 2001-02 (eleventh year of contract) and the growth in fund balance for the same period. Food services revenue grew to \$41,481,029 from \$25,359,292, an increase of 63 percent. Moreover, the Food Service fund balance grew to \$9,346,501 in 2001-02 from \$1,029,069 in 1992-93, an increase of 808 percent.

The superintendent and director of Budget report changes in or concerns about financial condition to the board in a timely manner so the board can take the appropriate action. For example, in 2001-02, the state cut \$15.2 million from the district due to a revenue shortfall. District staff immediately met with the board and subsequently the principals, informing them of the crisis and proposed methods for resolving the shortfall. The director of Budget and superintendent held subsequent meetings related to the shortfall on at least three separate occasions: (1) informally in September with several board members; (2) informally with the Duval County legislative delegation; and (3) formally at board workshops in October, December, and January.

Best Practice 8: Not Using

The district has clearly assigned, but not communicated to school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.

Principals should have the authority and ability to manage the day-to-day operations of their schools with minimal oversight from the district. At the same time, it is important that principals adhere to districtwide policies and procedures so that students are treated equally from school to school. Principals, as the top administrators in the schools, should have the ability to respond to most situations in their schools without first having to receive approval or acknowledgment from the district. Principals should be held accountable for the performance of their faculty and students, but should also have the authority to modify programs to improve this performance. To this effect, principals should have discretion in the way they allocate the school funds that is consistent with the level of accountability required by the district. Principals must be aware of and adhere to districtwide policies and procedures, regardless of the level of “site-based management” used in the district. Districtwide policies and procedures ensure legal compliance and promote the equal treatment of students from school to school, and among grade levels.

Principals within the Duval County School District have the flexibility to spend their budgets to best meet the needs of their students and still meet any restricted categorical or legal requirements for the allocations. They have the authority to hire personnel for budgeted positions related to discretionary items that will best meet the needs of their students while meeting the goals of the district and work with stakeholders serving on the School Advisory Councils to allocate resources. The district also has sufficient controls to ensure that principals adhere to the district’s policies and procedures, regularly assesses the authority it has assigned to them and makes changes as appropriate, and holds them accountable for their performance in achieving school, district, and state educational goals. For example, the regional superintendents use financial audits of school internal account funds, visits to schools, Climate Surveys, School Improvement Plans, and the Appraisal/Plus performance evaluation instrument to hold principals accountable for adhering to district policies and procedures and meeting educational goals.

However, the district does not meet best practice standards because it could more clearly assign and communicate to school principals the authority they need to effectively manage their schools. The superintendent and regional superintendents have not clearly communicated to principals the authority assigned to them. Based on our focus groups with elementary, middle, and high school principals, we found the district communicates principals’ authority to them formally through Board Policy and the *Principals’ Manual*, and informally through various regional and district meetings. However, some of the new principals participating in the focus groups told us the district has never formally communicated their authority to them and they did not know the *Principals’ Manual* existed.

We reviewed the Principal’s Manual updated as of February 4, 2002, noting the manual is to be used as a “Guide to Being a Successful Leader.” The manual does not reference the authority assigned to principals; rather, it serves as a procedures manual to assist principals with effectively discharging their day-to-day responsibilities as school leaders. The manual outlines DCSD’s educational philosophy and

mission and includes school calendars for 2001-02, 2002-03, and 2003-04. It also provides guidelines and procedures for academic programs, athletics and extracurricular activities, code of ethics, communications, custodial services, Exceptional Student Education, Facilities Services, field trips, Finance, Food Services, and Human Resources. The manual also covers instructional leader responsibilities, legislative and legal guidelines, professional development, safety and security issues, school and community organizations, student services, and Transportation.

We also reviewed the *Duval County Schools Policy Manual, Section C: General School Administration*, to determine the extent to which the district has given school administrators sufficient authority over school operations to achieve education goals and has clearly communicated the authority it has assigned to them. Policy CC(b) describes the responsibilities of principals, but does not address the express authority granted them. For example, Policy CC(b) describes principals as “personnel who are assigned direct and primary responsibility of schools and serve as the administrative and supervisory heads of school centers.” The policy further states the principal is responsible for enforcement of Florida Statutes, State Board of Education Rules, School Board Policies, and directives of the superintendent. It also states the principal “shall provide leadership in the development or revision and implementation of a school improvement plan pursuant to s. 230.23(18), *Florida Statutes*. The principal is also responsible for organizing, implementing, and managing a continuous program of curriculum development and revision in the school of assignment and for prescribing the duties of any school-based administrative positions.”

Policy CFA(1), however, addresses the principals’ authority to contract with outside agencies. The policy states “each principal shall have the authority and responsibility for contracting for all athletic contests, school publications, school yearbooks, programs, and other contracts incidental to the operation of the individual school unit when such contracts are to be funded from internal accounts only. This policy is the only instance in Duval County School District’s Policy Manual that addresses school administrators’ authority.

The regional superintendents and some of the principals participating in the principals’ focus groups told us the principals’ authority is “implied” in Board Policy. However, there is no evidence in Policy CC(b) that this is the case and Policy CFA(1) addresses only school administrators’ authority to contract with outside agencies with internal school funds.

Examples of principals’ misunderstanding their authority because of this lack of communication include:

- Not understanding that school resource officers provided by the Duval County Sheriff’s Department do not take direction from them.
- Not understanding that the private contractor is responsible for custodial assignments and providing the appropriate direction for custodians and related cleaning responsibilities—not the principal.

The district should develop a formal board policy specifically outlining the authority assigned to school administrators and communicate this authority to principals annually. The steps needed to implement this plan are included in Action Plan 2-5.

Action Plan 2-5

We recommend that the district develop a formal board policy specifically outlining the authority assigned to school administrators and communicate this authority to principals annually.		
Action Needed	Step 1.	Prepare draft of formal policy for board to review.
	Step 2.	Review and approve policy.
	Step 3.	Revise <i>Principal’s Manual</i> to include board policy.
	Step 4.	Communicate authority via memoranda and <i>Principal’s Manual</i> at the beginning of each school year.
Who Is Responsible	Board members, superintendent, and regional superintendents	
Time Frame	January 2004	

PLANNING AND BUDGETING

Best Practice 9: Using

The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues, but can improve board participation in the planning and evaluation process.

To meet this best practice, school districts should have a multi-year strategic plan. A strategic plan enables the district to identify its critical needs and establish strategies on how to address these needs. A strategic plan should provide guidance to a district both in policymaking and program development. A strategic plan must address both instructional and non-instructional programs and have reasonable goals and objectives that can be accomplished, in most cases, with existing resources. All strategic plans should be developed with broad stakeholder input. The complexity and breadth of the strategic plan will vary based on the size of the district. All strategic plans should include an accountability and evaluation component or else the plan becomes ineffectual.

The Duval County School District has a five- year strategic plan for 2002-07 that provides the vision and objectives of the district based upon identified or projected needs, budget, and students. All other district plans such as the facilities, technology, and human resource plans are then linked to the strategic plan through the budgeting process, during which templates are provided to each department requiring them to show how their proposed budget and objectives will propel the district towards meeting the targets of the strategic plan. To demonstrate connectivity between a department's proposed budget item and the district strategic plan, the reporting department must specify how their requested item is aligned with the strategic plan priorities. Thus, while the district strategic plan does not actually contain the facilities, technology, or human resource plans, it provides the framework around which these plans are based and references them as a part of the district objectives. The district's strategic plan received a commendation from the Council of Great City Schools for its thoroughness and link to the district's budget.

The district's strategic plan is organized around the superintendent's "High-Five" priorities

- Academic Performance,
- Safety and Discipline,
- High Performance Management,
- Learning Communities, and
- Accountability.

The district has identified strategies for accomplishing each of the High-Five priorities outlined by the plan and labeled them "Priority Action Strategies," and established measurable goals and objectives. Groupings of the strategies are organized around the goals of the plan. These goals are to be annually reviewed by various entities within the district that bear the responsibility of their implementation and are denoted accordingly in the document. The district is in the midst of completing a calendar of evaluation for the board, which will institutionalize the reporting and evaluation of specific elements of the plan.

While not necessary to meet this best practice standard, the district board could increase their leadership for the districts strategic plan. The district's strategic plan is more the superintendent's five-year operational plan than the board's strategic plan. The current "High-Five" objectives were developed by the superintendent and presented to the board and have been annually renewed. As a result, this process results in the board's not driving the planning process by delineating their own goals and objectives and presenting them to the staff which is its responsibility. Though the board does participate in the priority-setting process by approving the "High Five," approval comes at the completion of the plan and board

members are expected to only comment upon or make minor modifications to the priorities that have remained unchanged during the superintendent's tenure in the district. In effect, the board revises the priorities set by the staff as opposed the staff's operating from the priorities set by of the board.

In addition to lacking sufficient board input, the district's strategic plan does not have explicit timeframes for completion for any of the strategies. The de facto timeframes are set by the fact that it is a five-year plan with annual targets to be reached in each of the five years. In addition, the board does not assess the progress of the plan. Instead, they are presented with data prepared by the staff as to what the district has accomplished in the past year in any given priority area. However, this data has not in years past been presented in such a way that the board can determine the extent to which the district has implementing the strategies, or achieved the planned results. The establishment of timeframes attached to the accomplishment of district goals and objectives would allow the district to assess progress during the course of the strategic plan. An effective strategic plan will consist of strategies and priorities set by the school board.

We recommend that the district develop a process to increase the participation of the board in setting planning priorities. Once the board has developed its strategic priorities, they should develop reasonable timeframes for the achievement of individual targets and objectives.

Best Practice 10: Using

The district has a system to accurately project enrollment.

To meet this best practice, school districts must have a system to provide the most accurate student enrollment projections possible. Full-time equivalent (FTE) enrollment projections are used for many purposes in districts, including budgeting and funding, zoning, estimates of facility requirements, and staffing ratios. Because of the critical nature of FTE projections, districts must have trained staff and formal procedures for applying both the state projection methodologies and local corrective methodologies. At a minimum, the district must use the cohort survival methodology provided by the Florida Department of Education to establish its FTEs for the coming year. However, medium- to large-districts or districts with above average student growth rates should supplement the DOE models with additional projection methodologies. These additional methodologies should include in-depth demographic information not used in the DOE models. The information from each methodology should be reconciled to produce the actual FTE projection. Districts may choose to supplement the DOE model with information from local planning departments, state universities, or private demographers.

The Duval County School District Pupil Accounting Department has a methodology for projecting enrollment that uses statistical enrollment techniques, city census tracts, Duval County survival ratios, historical enrollment by school, lists of emerging subdivisions, and housing starts. Using this methodology, the director of Pupil Accounting maintains eight years of projected versus actual enrollment figures and is consistently within 1 percent of districtwide projections when compared to actual enrollment.

We reviewed projected versus actual enrollment figures for eight years beginning 1995-96 to test the accuracy of the district's enrollment projections. Exhibit 2-7 presents projected versus actual enrollment from 1995-96 through 2002-03, which shows that the district's districtwide enrollment projections are consistently within 1 percent of actual enrollment.

Exhibit 2-7**Actual versus Projected Enrollment 1995-96 through 2002-03**

Year	Projected Enrollment	Actual Enrollment	Projection Over (Under) Actual	Percentage Over (Under) Actual
1995-96	123,828	123,470	358	0.3%
1996-97	125,972	125,971	1	0.0008%
1997-98	126,215	126,435	(220)	(0.2%)
1998-99	125,899	126,333	(434)	(0.3%)
1999-2000	125,700	126,053	(353)	(0.3%)
2000-01	125,911	125,612	299	0.2%
2001-02	127,452	126,781	671	0.5%
2002-03	128,414	127,140	1274	1%

Source: Duval County School District, Pupil Accounting Department.

To minimize the adverse effect of projection errors and ensure the accuracy of school full-time equivalent (FTE) student counts, the director of Pupil Accounting collaborates with the Facilities and Budget Departments. The director compares student enrollment projections at the beginning of the year with those prepared by the Facilities Department and reconciles discrepancies. The Budget Services Department uses an extensive multiple count process to ensure the accuracy of school FTE counts and provides training to school principals in verifying enrollment projections. The department's finance specialist issues detailed memoranda to principals related to: (1) Preparing for the FTE Survey; (2) Corrections to Creation Reports and Individual Student Schedules; (3) First FTE Funding Reports; (4) Second FTE Funding Reports; (5) Third and Final FTE Funding Reports; (6) Amendments to Survey 2 FTE; and (7) FTE Audit Trail for Survey 2 FTE.

Best Practice 11: Using

The district links its financial plans and budgets to its annual priorities in the strategic plan and its goals and objectives, and district resources are focused toward achieving those goals and objectives.

To meet this best practice, school districts' financial information should reflect the district's priority goals and objectives. These goals and objectives (which should be part of a strategic plan) may either be explicitly stated in the budget or may be reflected in changes in allocations that are concurrent with the district's shifting priorities. For example, if improving reading scores is a priority goal, then the district's budget should include resources that assist schools in pursuing this goal (e.g., hiring additional resource teachers or purchasing a new reading curriculum).

The Duval County School District's budget analysts review the information submitted by the various district divisions on their budget templates to ensure that they are supportive of identified district goals and priorities. This information forms the basis on which the budget is built. As a result, the district ensures that its budget and strategic planning initiatives are linked and coordinated. Through this process, the district is able to determine the goal, measurement, current performance, target performance potential benefit and required resources for each item in the budget as it pertains to the strategic plan.

Best Practice 12: Using

When necessary, the district considers options to increase revenue.

To meet this best practice, a school district should be able to demonstrate that it has considered raising additional revenue if cost-efficiencies have been maximized, yet student or staff needs remain. In

general, districts usually need to increase revenue in times of rapid growth or when demographics within the district change significantly. However, the ability to raise funds varies considerably among districts and is dependent on a district's ability to levy additional taxes (if not already at the maximum allowed by law) and their current debt load. There are several options available to school districts to increase revenues. These additional revenue sources may include property taxes, sales taxes, bond issues, impact fees, or grants in aid. Some revenue sources can be used only for operational expenses, while others can be used only for capital expenditures, and still others can be used for both.

The Duval County School District pursues local options to increase revenue; has taken actions to obtain private, state, and federal grants; and has taken advantage of opportunities to improve management structures, increase efficiency and effectiveness, and reduce costs. For example, the district routinely pursues local options for debt financing, including lease purchase financing, certificates of participation, and Qualified Zone Academy Bonding. The Duval County School District also refunded its Series 1992 General Obligation Bonds, with a par value of \$84,105,000 on August 1, 2002, saving \$6,458,648 on the refinancing, plus an additional \$1,682,100 in debt service payments in the district's bond sinking fund, for a total of \$8,140,748. As a result of this refunding, the district increased its cash flow by the amount of the savings and debt service reductions.

The Duval County School District also received \$4.6 million in School Infrastructure Thrift Awards in 2001-02 to build three new schools and has taken advantage of opportunities to reduce costs through outsourcing transportation, custodial activities, food services, and early intervention services.

Although the district is using this best practice, it can further increase its operating efficiency and effectiveness by evaluating the performance contractors to which it has outsourced non-core services. For example, the Duval County School District has not conducted evaluations of its custodial, food service, and transportation contractors. The private custodial provider requires its lead custodians and assistant zone managers to conduct quality assurance surveys and inspections monthly at their respective schools. The contractor's business manager compiles and summarizes the survey results for each zone and includes the evaluation results in the contractor's Executive Monthly Joint Review, which is presented to the Duval County School District facility administrators. However, the district has not used this information and additional performance measures to prepare a formal evaluation of its private custodial provider.

We recommend that the district conduct annual evaluations of its custodial, food service, transportation, and early intervention services contractors to monitor their performance and service quality.

COMMUNITY INVOLVEMENT

Best Practice 13: Using

The district actively involves parents and guardians in the district's decision-making and activities.

To meet this best practice, school districts must actively engage parents and guardians in the activities of the district and the individual schools. The greater the parental involvement, the better most schools perform. However, in order to involve parents, they must be well informed. The extent to which schools and the district are able to reach parents is directly linked to their involvement in activities and decision making. Parents should be encouraged to participate in district and school activities and in certain decision-making processes. Some educational activities require parental involvement (e.g., development of the school improvement plans by participating on the School Advisory Councils, development of

academic improvement plans, or EIPs), while others may just benefit from their participation (e.g., school carnivals, parent-teacher associations {PTA/PTOs} meetings).

The Duval County School District provides many opportunities for parents to be informed as to the activities of the district. These opportunities include newsletters, websites, open-houses, community forums, and cable access broadcasts. In addition, the district has a community involvement office dedicated to the task of increasing the amount of parental participation in the district. This has resulted in active volunteer and PTA programs throughout the district. The PTA maintains an office in the district administration building and the PTA ranks have produced two current board members. The district also provides opportunities for interested community members to make their voices heard at board meetings and through parent advisory groups. Another avenue of parental participation is the state required school advisory councils, which the district utilizes to create the school improvement plans for individual campuses. In addition, the principals interviewed during the focus group discussion in the district commended their SACs and PTA's for their help and participation.

During the 2001-02 school year, the district reported to the Florida Department of Education that it had made use of 577,739 volunteer hours as the result of the efforts of 13,523 volunteers. The efforts of these volunteers are organized around yearly needs- assessments questionnaires administered by the district's community involvement office.

Best Practice 14: Using

The district actively involves business partners and community organizations in the district's decision-making and activities.

To meet this best practice, school districts and individual schools should actively engage local and regional businesses and community groups so that these entities will participate in educational activities. Business and community groups are able to provide not only financial assistance, but also in-kind services, mentoring, and other support services that benefit students and schools. Some of the major ways to involve businesses and community groups include direct contact and solicitation for services, participation in educational committees of service and business associations, and encouraging business and community group leaders to participate in the School Advisory Councils (SAC). Districts should also coordinate with these groups to create a fundraising foundation. These nonprofit foundations can better leverage contributions and can often receive matching funds from the state or federal government for certain projects (e.g., the Take Stock in Children scholarship program). Regardless of how business partners and community groups are approached, the district and schools should work to ensure that business and community leaders have an impact on school performance. This requires more than accepting money or services from these entities.

The Duval County School District provide numerous opportunities to engage local business partners. First, each of the SACS has business community members on the committee, as do the PTAs. The board has also been traditionally very open to the input of business leaders, which was a significant factor in the selection of the current superintendent who was hired in part because of his facility in understanding the concerns and input of business leaders. In September 2002, the district received a management assessment study from the Council of Great City Schools. The project was funded by the Alliance for World Class Education, which was formerly the Duval County Education Foundation. The Alliance is comprised of Jacksonville area CEOs and other top business leaders. This group requested the study as a means of determining in what areas the district could improve its management efficiency. The findings and recommendations of the report were presented to the school board and have been integrated into the planning documents of the district. The district also received a report from the New Century Commission, which was designed to, "provide a roadmap to improve Jacksonville's public school system." The report received input from 225 business, government, and business leaders who developed 160 recommendations for improvement. Of the recommendations, 54 have been completed, 86 are underway and 20 were shelved.

3 Performance Accountability Systems

Summary

The Duval County School District is using one of the three Best Practices in Performance Accountability Systems. Although the district generally has clearly stated goals and measurable objectives that can be achieved within budget for each major educational program, and some of its operational programs, it should develop goals and objectives for the remainder of its operational and privatized functions. Likewise, while the district formally evaluates the performance and cost of its major educational programs and uses evaluation results to improve program performance and cost-efficiency, it does not do the same for its operational programs. To start using the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its performance accountability systems, the district needs to expand its performance accountability system to include specific objectives and measures that will apply to non-instructional programs as well as the educational programs. Similarly they must develop a program-level accountability system for both educational and operational programs with proper reporting to all stakeholders.

Background

The Duval County School District developed a five-year strategic plan in 2002. The plan contains a mission statement, beliefs, goals, and strategies. The plan serves as the foundation for the district's performance accountability system, which to date has primarily been comprised of ad hoc evaluations of programs and services. In an effort to improve the district's accountability systems, the district established an evaluation system to monitor its progress toward achieving its goals and objectives in the strategic plan. The district's evaluation system targeted areas in which the inability to achieve the desired goal or objective puts the district at substantial risk.

Activities of particular interest

Some school districts have developed noteworthy programs that can serve as a model for other school districts to follow. The Duval County School District developed a system of profiles to examine school, department, and learner data to make adjustments to school improvement plans that will affect student achievement at higher levels. Educators receive three profiles to assist them in monitoring student progress: a school profile, a department profile, and a learner profile.

School Profile. The School Profile assesses campus performances in relation to its peers. The district uses the School Profile report to encourage educators to examine issues based on a variety of data elements that address performance of grade- and race-specific groups of students in their school, as well as the school's relative standing within the entire district. The report provides disaggregated data that include Florida Comprehensive Assessment Test (FCAT), FCAT, SAT9, and Lexile scores, student grades, promotion, attendance, socioeconomic status, mobility, conduct, and School Climate Survey responses from parents, staff, and students. The report offers the disaggregated data elements for each school in comparison to the following:

- Performance of all students in the school;
- Range of performance (ranked from low to high) of all schools in the district; and
- Mean performance of all students in the district.

In addition, the School Profile report is a graphic representation of a school's overall performance. Its broad range of data elements provides educational problem solvers with an avenue for exploring a school's level of performance within its own subgroups and within the district as a whole. This report's wide range of data elements encourages educators to look at the whole picture and to examine causal factors in the identification of problems and solutions.

Department Profile. The Department Profile provides teacher-specific data to principals for administrative planning purposes (for example, professional development, and mentoring assignments at the individual teacher, department, and total school levels). The report is generated at the end of the school year, allowing school-based leaders to make appropriate plans for diagnosis and prescription prior to the beginning of the next school year.

The Department Profile reports test scores for both the 2001 and 2002 administrations for the same group of students. The report is useful in that it gives a two-year picture of reading and mathematics performance for each teacher's unique classroom: first, for the year in which the teacher taught the specific group of students; and second, for the year prior to that for the identical student population.

The Department Profile chart is divided roughly into three parts: (1) classroom grades for end-of-the-year 2002; (2) median test scores for Lexile reading and subtests for FCAT reading and mathematics for 2001 and 2002 administrations; and (3) a graphic representation of the information. The last column on the chart (labeled "Change") shows the percentage of change in FCAT scores from the 2001 and 2002 administrations. The "Change" column is divided by a center line that represents no change from year 1 to year 2. A bar to the left of the center line represents the degree of negative growth, and a bar to the right of the center line represents positive change over the two-year testing period.

At the elementary level, a separate report is provided for reading and mathematics for each school. At the secondary level, the report is provided by individual subject for reading and mathematics.

Learner Profile. The learner profile shows data for each student's mastery of the Florida Comprehensive Assessment Test (FCAT) objectives to assist each teacher in working with students. The Learner Profile report is generated for use by teachers. Its primary purpose is to provide student-specific data to help the teachers identify their students' individual and collective strengths and weaknesses and to assist them in prescribing needs-driven instruction. The report is generated at the beginning of the school year, providing teachers with timely data for decision-making.

The Learner Profile report is produced for each teacher at the elementary level and for language arts and mathematics teachers at the secondary level. It provides the following data by individual student with a visual representation of a teacher's entire class:

- Attendance and enrollment for the previous year;
- Retention for the previous year;

- Lexile reading scores for the previous year;
- FCAT criterion- and norm-referenced test scores for reading and mathematics;
- Symbolic representation of FCAT achievement levels by subtest score and standard; and
- FCAT writing scores, including the mode of writing response (for example, narrative, expository, descriptive).

The test data is divided into percentiles. A red box under a subtest heading indicates less than 50% mastery or achievement at less than the fiftieth percentile. A heavy blue box with a white center represents a range of 69% to 50%; a thin-lined green box with a white center indicates a range of 84% to 70%; and no box under a subtest heading denotes a range of 100% to 85%. A black dot represents a missing test score.

The teachers obtain immediate, easy identification of individual students' FCAT needs from the graphic matrix, as well as needs shared by the majority of the class. For example, a predominance of red boxes under a specific standard indicates a need for relatively intensive whole-class instruction. The teacher might also identify peer tutors as an instructional strategy by locating students with no box at all under that subtest heading, indicating that the student's mastery level for the standard in question was better than 85%.

Conclusion and Recommendations

Summary of Conclusions for Performance Accountability Systems Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Goals and Measurable Objectives	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 Basic Education (K-3, 3-8, 9-12), Exceptional Student Education, Vocational/Technical Education, and English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security. ¹	No	3-4
	2. 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.	No	3-7
	3. 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.	Yes	3-10

¹ Each district should define those programs considered "major" within these two broad areas. At a minimum, they should include the programs listed. However, the district should have some defensible, logical criteria to identify major educational and operational programs. Criteria may include funding, number of children or full-time equivalents (FTEs) served, or state or federal requirements.

GOALS AND MEASURABLE OBJECTIVES

Best Practice 1: Not Using

The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational program, but most non-instructional programs and privatized functions do not. The district should develop goals and objectives for its non-instructional and privatized programs to ensure that those activities continue to serve the public policy goals intended.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs. To do this, school districts should have an effective accountability system that includes clearly stated goals and measurable objectives that provide performance expectations for their instructional and non-instructional programs, and mechanisms for measuring the district's progress in meeting these expectations.

Objectives should include high-level outcome measures that board members and the public can use to assess the efficiency and effectiveness of the district's programs. Objectives should also include lower-level interim outcome or process measures that managers can use to administer programs effectively. To assess the progress of its programs toward achieving desired results, school districts should establish standards for the progress they would like to obtain within available resources. Districts should also benchmark their performance data against past results or the results of other comparable districts.

The Duval County School District uses a number of plans to set goals and measurable objectives. It has developed a strategic plan with goals and objectives for the district and published the plan in August 2002. The strategic plan is a summative document based on the extensive research of numerous reviews. It is intended to outline for the community the district's strategic goals, priority strategies, action plans, supporting programs, measurements of performance, and progress targets. The strategic plan sets out the district's mission, vision, and core values. The core values are intended to guide goal setting in each area. The superintendent and the leadership team have developed the Aim High strategic plan with five goals or priorities: (1) academic achievement; (2) learning communities; (3) accountability; (4) safety and discipline; and (5) high performance management. Strategies, actions/programs, funding, measures, results, and targets are developed for each of the goals.

In addition to the strategic plan, each school develops School Improvement Plan. The School Improvement Plans are published annually after the district board has approved them. Each plan examines district long-range goals and sets both school goals and the action steps needed to meet those goals. The School Improvement Plans are ratified by the School Advisory Council, reviewed by the regional superintendent, and adopted by the Duval County School Board.² The District Leadership Team ensures that schools, divisions, and departments align their improvement plans to the district strategic plan. As a result, the school improvement plans are detailed with references to both district and school long-range targets for all students in all curriculum groups. The school improvement plans include strategies complete with action steps, the person who is responsible for the actions, the evidence by which the action will be measured, the resources needed for the action, and the timeline for completion of the action. School improvement plans are available on the district's web site for each school.

The district has also developed a Comprehensive Educational Plans to be used as a resource for making operational plans. The Comprehensive Educational Plan is an operational plan that deals with eight educational areas: Standards, curriculum, instruction, assessment, targets, best practices, school as an Experience, and infrastructure. The district prepares comprehensive educational plans for its core

² The Duval County School Board adopted the 2002-03 school improvement plans on February 4, 2003.

subjects, which consists of language arts, mathematics, science, and social studies, and about 14 non-core subjects.³

The district also has clearly stated goals and measurable objectives for its educational programs, but has not developed such goals and measurable objectives for its non-instructional and privatized programs. The district does not have measurable goals and objectives for administrative and instructional technology (see Chapter 5), facilities maintenance (see Chapter 8), transportation (see Chapter 9), and food services (see Chapter 10). The district has privatized significant portions of its custodial, transportation, and food services, and had identified reasonable public purposes for doing so, including improving service quality, reducing costs, reducing vehicle downtime, and improving cost-effectiveness. For example, for about 20 years, the district's student transportation has been privatized, but in 2001, in the district significantly changed its practices to reduce the number of private contractors from about 110 to 5.⁴ The announced goal for this change in business practice was to improve service quality and reduce costs. In 1997, the district embarked upon one of its most recent privatization efforts when it began privatizing all other fleet maintenance. The goal of privatizing fleet maintenance is to improve quality control, reduce vehicle downtime, and improve cost-effectiveness. However, like others, the district has not developed measurable objectives for these goals.

Action Plan 3-1 sets out the steps necessary to start using this best practice. By implementing Action Plan 3-1, the district will be able to establish clearly stated goals and measurable objectives that can be achieved within budget for its non-instructional and privatized program.

³ These non-core subjects include art, music, physical education, health, foreign language, applied technology and career development, exceptional student education, pre-kindergarten education, English Speakers of Other Languages, dropout prevention, Title I, professional development, student services, and community education.

⁴ The district originally reduced the number of private bus contractors to five, and, by the end of 2002, subsequent mergers reduced this number to three.

Action Plan 3-1

We recommend that the district expand its performance accountability system to include specific objectives and measures that will apply to non-instructional programs as well as the educational programs. We also recommend that the district develop a program-level accountability system to examine whether programs are having the desired results. Finally, we recommend that the district develop a system to incorporate and report performance information to improve district operations.

Action Needed	<p>Step 1. Identify a few high-level outcome and efficiency measures for inclusion into the district's strategic plan that reflect board priorities for educational and operational programs and services. In addition, for each major educational and operational program identify supporting measures that reflect the primary purpose of each program that managers can use to monitor performance.</p> <p>Step 2. For each measure, identify the data needed and determine the information below.</p> <ul style="list-style-type: none">▪ Who will collect performance data and how often?▪ What is the source of the data (e.g., state or district reports)?▪ In what format is the data needed?▪ How often should the data be collected?▪ Who (program staff, department head, assistant superintendent, superintendent, school board) will the data be reported to and how often?▪ How should the data be used? <p>Step 3. Identify and prioritize data needs by classifying data into the following two categories:</p> <ul style="list-style-type: none">▪ data currently available, accessible, and in the format needed to determine progress toward program goals and objectives and▪ data currently either not available, accessible or in the format needed to determine progress toward program goals and objectives. <p>Step 4. For each measure, determine a standard (benchmark) for performance the district would like to achieve, which may be based on past performance, the performance of comparable districts, or industry standards.</p> <p>Step 5. For each measure or related measures develop a written statement (objective) that indicates the desired performance (result) or improvement target. For academic programs, objectives should be stated in terms of student outcomes (that is, the effect the program will have on participating students if the program is successful). For operational programs objectives should be stated in terms of the quality and cost of service provided of desired performance. Objectives should be</p> <ul style="list-style-type: none">▪ either short-term (two to three years) or mid-term (four to five years);▪ address major aspects of the program's purpose and expenditures;▪ be specific;▪ be easily understood;▪ be challenging but achievable;▪ be measurable and quantifiable; <p>Examples of objectives include:</p> <p>"The food service program will maintain a labor margin of ____% in 2003-04."</p> <p>"By 2005, the facilities department will decrease average energy cost per gross square foot from \$____ to \$____ which is consistent with the average of its peers (identify peers)."</p> <p>"By 2004, the maintenance department will reduce number of custodians per net square foot to ____ which is consistent with the industry standard of 1:____."</p> <p>Step 6. Periodically compare district performance data to data from other, comparable districts or programs to determine whether the district could improve its operations.</p>
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- Step 7. Based on the ongoing analysis described in Step 6 above, identify undesirable trends in performance and cost that need more in-depth evaluation.
- Step 8. Conduct more in-depth evaluations to identify the cause and potential remedies to address trends identified in Step 7. Put the results of these in-depth evaluations in writing.
- Step 9. At least annually, report performance related to high-level measures to the school board. Provide the written results of in-depth evaluations to the school board.

Who Is Responsible	Superintendent
Time Frame	June 30, 2005

Best Practice 2: Not Using

The district formally evaluates the performance and cost of its major educational programs and uses evaluation results to improve program performance and cost-efficiency, but does not do the same for its operational programs.

School districts should periodically evaluate their operations to identify ways in which they can improve their efficiency and effectiveness and then use evaluation results to improve program performance either by implementing new strategies or by outsourcing. Districts should use performance data and other relevant information (such as the cost of a program or service, or the potential detrimental effect that poor program performance might have on students) to determine which programs to evaluate. The findings and recommendations resulting from these evaluations should be presented in writing to district administrators and, if needed, the school board and used to improve district operations. Districts should also have interim performance measures that assist in the daily administration of its programs.

The Duval County School District has implemented a formal, well-defined process by which programs and services used in the schools undergo periodic reviews and evaluations for efficiency and effectiveness, which resulted from the plethora of programs, projects, and services throughout the district. With only limited funds and resources available to support these programs and services, it is imperative that all major initiatives undergo formal review. The programs and services that do not demonstrate significant, measurable influence on student achievement will undergo appropriate revision or elimination.

To evaluate its educational programs, the district uses the following program evaluation model. A program or service is best described as:

- A specific group of instructional delivery or behavior management strategies designed to accomplish a clearly delineated set of objectives and that include identified participants, materials, professional development, accountability (expectations/outcomes), and an operational budget.
- An organized delivery of services mandated by federal, state, or local requirements.

(Note: From this point forward, use of the term “program” by itself implies any program or service within Duval County School District that satisfies the above definition.)

Some programs in the district that meet, at least technically, the definition described above, are minimal in scope and often limited to an individual school, classroom, or involve a very small number of students only. In addition, some district programs already undergo substantial evaluation and review (for example, Title I). Inclusion of these programs in the review process does not provide the most efficient use of limited district resources. Therefore, the district includes only those programs that meet the following criteria in the review process:

- Implementation is controlled by Duval County School District;
- Participation includes at least three schools or 1,000 students;

- The budget is in excess of \$25,000; and
- Implementation requires accountability.

Review Schedule

To accommodate review of all programs within the district, the district views each program on a three-year cycle. The district schedules each program identified in the review process for a full review every third year. Any newly established program requires a full review following the end of the first year of implementation. The district's Research and Evaluation Department is responsible for maintaining the program review schedule with annual approval by the regional superintendents.

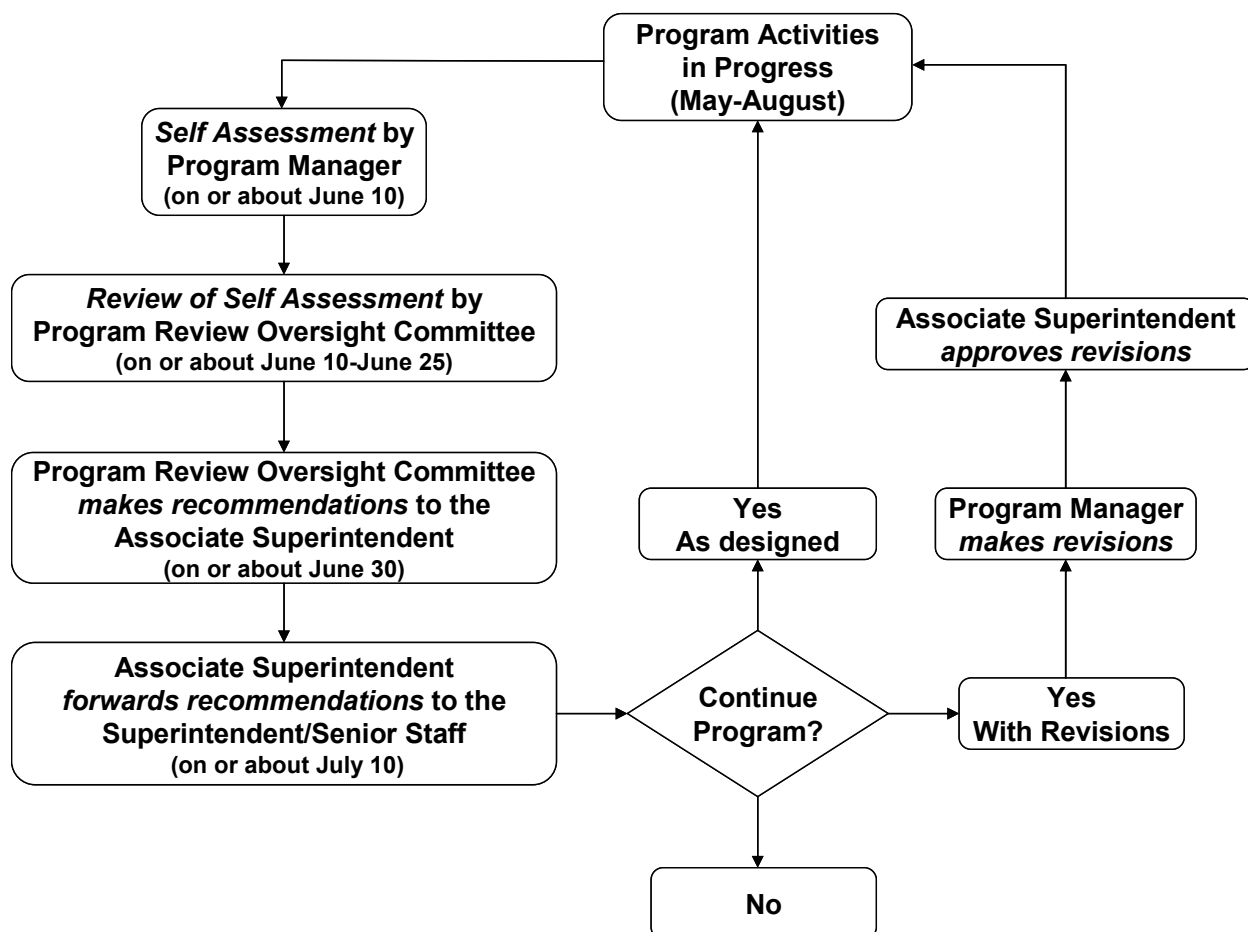
The program manager of each of the identified programs is required to complete an *Instructional Program Self-Assessment Form* every year for submission to the Research and Evaluation Department. In the years in which the program is scheduled for a full review, the program manager submits a form as outlined in the process section below. During the "off years" when the program is not scheduled for full review, the Research and Evaluation Department will send the *Instructional Program Self-Assessment Form* to the appropriate division of instruction director for informal review.

On occasion, the Program Review Oversight Committee, the associate superintendent for Curriculum and Instructional Services, or the superintendent's senior staff may recommend that a program undergo major revisions before being allowed to continue. In this event, the Research and Evaluation Department reschedules the program for full review during the next cycle.

The Process

The program review process, outlined in Exhibit 3-1, is essentially a combination of several well-known processes molded to align with the structure of Duval County School District. The district communicated to district staff that all existing programs, as defined above and any that might be added in the future, will participate in the program review process.

Exhibit 3-1
Duval County School District—Program Review Process



Source: McConnell Jones Lanier & Murphy LLP.

The review focuses on policy- and program-relevant factors, including:

1. This program is well aligned with the Sunshine State Standards and the New Standards Performance Standards.
2. This program is well aligned with other initiatives in the district and does not compete with them for resources (nor duplicate services).
3. Disaggregated student performance data demonstrates that this program is highly effective with all groups of students.
4. This program is effective in all schools in which it is being implemented.
5. A comparison of program cost with program results demonstrates this program to be highly cost-effective.
6. This program requires only a minimum of ongoing support and training to be effective.
7. Based on the evidence presented, classify this program using the categories described below:
 - A = Highly Effective: Should be continued regardless of the cost.
 - B = Effective: Should be continued provided sufficient funds are available.

C = Satisfactory: Should be continued if it is not competing with more effective programs for funds.

D = Needs Improvement: Shows indications that it might become effective with extensive revision.

F = Needs Replacement: Should be discontinued immediately.

The district uses a Lickert scale from 1-10 to judge the program's effectiveness for each of the rubric questions 1-6. Question 7 asks for the program to be classified according to effectiveness. In the final analysis, subjective judgment determines the evaluation; however, the exercise is an important thought process for decision making. It is an appropriate approach to evaluating qualitative educational programs.

While the district has conducted evaluations of its educational programs, the district has no process for evaluating the privatized operational programs such as administrative and instructional technology, facilities maintenance, transportation services, and food services. The district does not monitor performance indicators to demonstrate improvements in service quality and has not prepared an analysis to determine the savings of the change in business practice. For example, as previously reported, the district has changed its contracting practices to reduce the number of contractors for student transportation. While the district has laudable goals for this change, it has yet to evaluate transportation to determine if it achieved the intended benefits. In addition, the district has privatized its white fleet maintenance but has not established an accountability system for management of its white fleet and does not evaluate the performance and cost of vehicle maintenance of its white fleet.

Action Plan 3-1, at the end of this chapter, sets out the steps necessary to start using this best practice. By implementing Action Plan 3-1, the district will be able to evaluate the performance and cost of its non-instructional and privatized programs.

Best Practice 3: Using

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.

Without regular performance reports, school board members and the public may not be aware of the efficiency and effectiveness of the school district in meeting its major goals and objectives. Therefore, school districts should clearly report on the performance and cost-efficiency of its major educational and operational programs. School districts that can demonstrate their ability to manage their programs efficiently and effectively are likely to receive greater support than those who do not provide accountability information.

The Duval County School District reports to its internal stakeholders the results of some of its program reviews and progress in meeting the objectives of the strategic and other plans, but it does not provide comprehensive reporting to the parents and other taxpayers of those results. The district does not regularly track and does not make public reports on its performance in comparison with established benchmarks or performance standards for either student transportation or the white fleet. The district does receive some performance reports from its food service provider, but does not provide ample time for examination of the reports to make them useful.

Notwithstanding the above, the district published and posted a response to New Century Commission on Education to its Website on November 14, 2002 as a major initiative. The New Century Commission was a broad-based effort intended to provide a roadmap for the improvement of Duval County's public school system. It involved most of Jacksonville's stakeholders: parents, educators, business and government leaders, and other prominent community citizens. More than 225 citizens contributed to the final product, the New Century Commission Report. The report clearly identified a key element in any design for growth was the need for a first-class public school system that could provide a quality education for all of Jacksonville's youth. To that end, the New Century Commission made 160 recommendations that it

considered key to the development of a world-class public school system for Jacksonville in the twenty-first century. These 160 recommendations were organized into six priority areas:

- Raise student performance;
- Increase the quality of student experiences;
- Strengthen personnel, management, and operations;
- Build capacity to support change;
- Implement a standards-based accountability system; and
- Re-think school funding.

The district reports that 54 of the recommendations have been completed or closed; 86 are well underway; 15 are in the “too-hard file” or belong to other agencies that have not acted positively upon them; and 5 have been judged to be worthy of being bypassed.

We recommend that the district develop strategies and means for reporting non-instructional performance measures to the board and to the public.

4

Educational Service Delivery

Summary

The Duval County School District is using all of the educational service delivery best practices. The district has strong instructional programs, and uses academic and other data to guide decision making. The district also efficiently and effectively meets the needs of students with disabilities, gifted students, and at risk students. The district makes textbooks and other instructional materials available in core subjects to meet the needs of teachers and students. In addition, the district has sufficient school libraries and media centers, uses instructional technology to enhance curriculum, and provides necessary support services to ensure that students are able to learn.

Background

The Duval County School District served 126,919 students during the 2001-02 school year, with an ethnic breakdown of 48% white, non-Hispanic; 43% black, non-Hispanic; 4% Hispanic; 3% Asian/Pacific Islander; and 2% other. For Fiscal Year 2001-02, the operating costs in the district were \$5,554 per pupil, less than all its comparison peer districts with the exception of Orange County School District, which spent \$5,528 per pupil and less than the state average of \$5,820.

Students from stable home situations, in which learning is valued and efforts for the child's progress are jointly supported by both the home and the school, have a much better chance of success in learning the material that enables them to score well on all types of exams. By contrast, students who are moved frequently, come from broken families, or who have not had the opportunity to be exposed to educational vocabularies used by parents with high levels of education have a greater learning challenge. These challenges can be overcome with the availability of proper resources at the schools and with adequate time in an educational system designed for their success.

Duval County School District serves a challenging student population whose adult population has a 46% functional illiteracy rate. Additionally, the population has a divorce rate of 73%, a poverty rate of 17%, and a mobility rate of almost 40%, which is approximately 7% higher than the state's mobility rate.

As Exhibit 4-1 shows, the Duval County School District has a higher dropout rate than any of its peers. The district has a very low percentage of students served in the English for Speakers of Other Languages (ESOL) program. The percentage of students who are eligible for free or reduced-priced lunch is one of the highest among its peer districts and just slightly lower than the state.

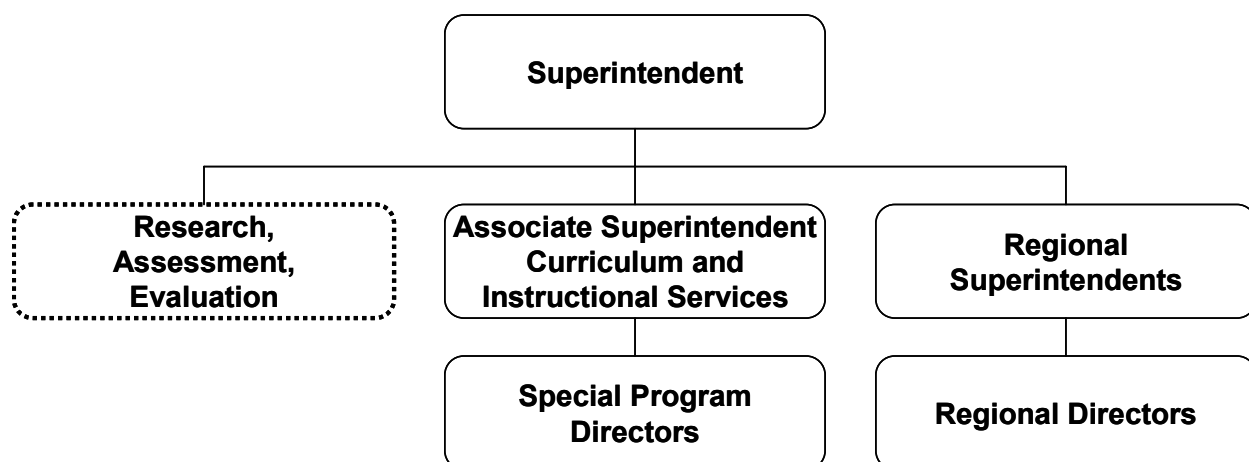
Exhibit 4-1**Duval County School District Student Demographics**

District	Total Students	2000-01 Graduation Rate	Dropout Rate	English for Speakers of Other Languages (ESOL) ¹	Percentage Eligible for Free or Reduce Price Lunch
Broward	262,028	65.2%	1.3%	11.6%	37.5%
Hillsborough	169,948	77.5%	2.2%	10.7%	47.0%
Orange	157,498	68.3%	2.8%	11.6%	43.6%
Palm Beach	160,145	66.6%	2.6%	11.5%	40.2%
Pinellas	114,601	66.4%	5.2%	2.5%	34.5%
Duval	127,417	61.0%	5.7%	1.9%	41.6%
State	2,499,781	67.9%	3.2%	8.2%	43.7%

¹ The percentages listed for ESOL students in each of the peer districts reflects end of the 2001-02 school year statistics.

Source: Department of Education (DOE) Profiles of Florida School Districts 2000-01.

The Duval County School District's instructional program is led by the superintendent with the assistance of an associate superintendent for curriculum and five regional superintendents. As shown in Exhibit 4-2, this team is also assisted by the directors in the respective areas. The research, assessment and evaluation department supplies a multitude of data to assist this team in managing and leading the instructional program.

Exhibit 4-2**District-level Educational Service Delivery Functions**

Source: Duval County School District.

The Duval County School District serves students through several types of programs, including the K-12 basic education program, the Exceptional Student Education program, at-risk programs, accelerated programs, and vocational and adult education programs.

K-12 Basic Education. Basic education refers to a wide array of curriculum and instruction offered to students in pre-kindergarten through twelfth grade. In 1996, the State Board of Education approved the Sunshine State Standards for student achievement in basic education. These standards apply to seven subject areas and are divided among four separate grade clusters (PreK-2, 3-5, 6-8, and 9-12). The grade division provides flexibility to school districts in designing curricula that are based on local needs. In language arts, mathematics, science, and social studies, the Sunshine State Standards are further defined

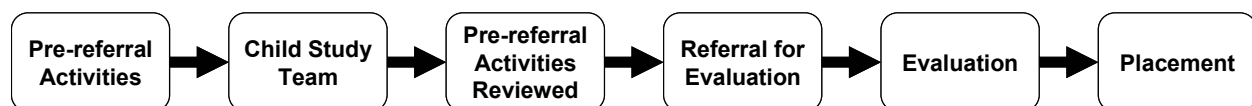
to include grade-level expectations that are the basis for the Florida Comprehensive Assessment Test (FCAT).

The purpose of the FCAT is to assess achievement of the Sunshine State Standards in reading, mathematics, and writing. The FCAT also includes a norm-referenced test, which reports the performance of Florida students compared to students nationwide. Currently, students in grades 3 to 10 take both forms of the FCAT reading and mathematics tests. Students in grades 4, 8, and 10 take the FCAT writing test.

Exceptional Student Education (ESE). ESE is designed for students who meet specific federal and state criteria. In Florida, an “exceptional student” is a student with disabilities or a student who is gifted and is enrolled in (or eligible for enrollment in) a district public school. School districts must provide students with disabilities and students who are gifted the opportunity to receive a free appropriate public education that will maximize their learning. Schools use a variety of strategies, such as modifying schedules, changing teachers, or varying instructional techniques to help ESE students meet their potential and succeed in the classroom. Districts identify students who are eligible for ESE programs and provide special education programs and related services to meet the individual needs of those students.

The percentage of Duval County School District students identified and served in the district’s ESE program (19%) is lower than most of its peers. Approximately 16% of the district’s students have disabilities, while 3% are gifted. Teachers, parents, or guidance counselors begin the ESE process by referring students for assessment. Child study teams (comprising of at a minimum, principal/designee, student services representative, and ESE director/designee) address written requests for formal evaluations of students who are suspected of needing special education according to the process outlined in the Special Programs and Procedures for Exceptional Students. The child study team initially screens students at the school level by reviewing the case, assessing the student, and determining whether appropriate interventions implemented to assist the student have been successful. If the child study team finds that these attempts prove unsuccessful, the team refers the student for further evaluation as appropriate. The results of this evaluation determine the student’s ESE status. If the student requires ESE services, the child study team meets to decide the most appropriate placement for the student. Exhibit 4-3 illustrates this process.

Exhibit 4-3 The Child Study Team Referral Process



Source: Developed by OPPAGA.

At-Risk Programs. The Duval County School District provides several programs for students who need academic or social skills interventions to assist them to be successful, including Title I, ESOL, and alternative education programs. Title I is funded by both federal and state sources and provides services to schools with high concentrations of poverty as determined by the number of students who receive free or reduced lunch. For a school to qualify for school wide Title I services, at least 50% or more of its students must meet the criteria for free or reduced lunch.

As noted earlier, the percentage of students in the district’s ESOL program is very low. The district uses the inclusion approach to educate ESOL students, placing students in the regular classroom. School administrators identify ESOL students based on the results of the home language survey administered through the ESOL district office. Guidance counselors are responsible for ensuring that students progress and that their needs are met. To exit the program, students must achieve certain reading and writing criteria.

The district also offers several alternative education programs for economically disadvantaged students and for students who are at risk of failing to meet the district's standards by providing academic assistance and recreational/enrichment opportunities. Developed in partnership with the Jacksonville Children's Commission and community-based agencies to provide academic assistance and recreational/enrichment opportunities for students in grades K-12, these safety net programs include:

- Extended Day Enrichment Program,
- TEAM UP,
- Accelerated Learning Centers, and
- Graduation Initiatives.

Accelerated Programs. The Duval County School District provides students several accelerated opportunities, including advanced placement, dual enrollment, early admission to postsecondary education, and access to the Florida Virtual School. The district also has two campuses offering the International Baccalaureate program, a course of study that provides an advanced level of high school coursework based on a specific curriculum designed to allow students to meet various international university entrance standards.

Dual enrollment programs allow high school students to enroll in courses for which they can receive both high school and college credit. These courses can be academic courses that count toward an associate or baccalaureate degree or vocational courses that count toward meeting vocational certificate requirements. Florida Community College at Jacksonville instructors teach dual enrollment classes at some high schools.

The advance placement program allows high-achieving and self-motivated high school students to enroll in advanced courses of study and earn college credit or advanced placement credit while still enrolled in high school. Core advanced placement courses are offered at each high school and select advanced placement courses are offered at each high school depending upon the interest of the students at that high school.

The district's students may also take courses through the Florida Virtual School. Students who enroll in this online school take classes for graduation credit over the Internet, allowing them to learn at their own pace. Students do not physically meet as a group but access coursework over the Internet, using email, fax machines, and telephones to communicate with teachers and other students. Certificated personnel proctor required exams.

Vocational and Adult Education. Unlike its peers, Duval County School District does not provide vocational and technical education for postsecondary students. This function is assumed by the Florida Community College of Jacksonville. The district does provide applied technology and career development programs for secondary students. These programs reflect community needs by obtaining input from the Jacksonville Chamber of Commerce, local labor union involvement in pre-apprenticeship programs, local community college involvement with technical preparation articulation and dual enrollment agreements, and feedback from local business and industry partners and advisory committee members.

Student Support Services. In the Duval County School District, the Student Services Department provides psychological services, social work services and guidance services. The district partners with the Duval County Department of Health to provide students with school health services. The objective of these student support services is to provide support outside of the classroom, which helps students to overcome problems that could interfere with their academic success and to broaden their education experience. Further description of student support services appears later in this chapter.

Activities of particular interest

Some school districts have developed programs that are especially noteworthy and can serve as a model for other school districts to follow. In the Duval County School District, these programs include the Safety Net Programs, the Standards Based Initiative, School Profile, and the War Room.

Safety Net Programs Replace Traditional Summer School. The district ended traditional summer school in favor of more educationally sound practices. These practices, known as year-round safety nets and grade recovery efforts, assist students in their subject areas all year long as opposed to making up course work for a few short weeks during the summer. Schools are assuming responsibility for those students who are being challenged in their academics at an earlier stage, and teachers are providing additional guidance and instruction to students before they get too far behind in their studies.

Standards Based Initiative. The standards based training initiative was designed to build capacity to sustain elements of the America's Choice design. The America's Choice design, funded by Duval County School District, was implemented in 62 schools. The staff for the standards based programs has experience with best practices, as well as knowledge in effective coaching techniques.

School Profile. The School Profile report encourages educators to examine issues by looking at a variety of data elements that address performance of grade and race specific groups of students in their school as well as the school's relative standing within the entire district. The report provides disaggregated data that include FCAT, SAT9, and Lexile scores; student grades; promotion; attendance; socioeconomic status; mobility; conduct; and school climate survey responses from parents, staff, and students. The report offers those disaggregated data elements for each school in comparison to the following:

- performance of all students in the school,
- range of performance (ranked from low to high) of all schools in the district, and
- mean performance of all students in the district.

The School Profile report is a graphic representation of a school's overall profile at both the micro and the macro levels. Its broad range of data elements provides educational problem solvers with an avenue for exploring a school's level of performance within its own subgroups and within the district as a whole. The report's wide range of data elements encourages educators to look at the whole school picture and to examine causal factors in the identification of problems and solutions.

War Room. The War Room demonstrates the power of data to transform school system performance. Duval County School District examines many performance indicators not directly related to assessments in an effort to improve the overall K-12 basic education plan. The superintendent has instituted a mission control room, the War Room, built around five goals known to district personnel as Superintendent Fryer's "High Five." They are (1) Academic Performance: All students are held to the same high standards and are provided with the opportunities to reach their full potential; (2) Safe Schools: All students and teachers learn and teach in an orderly, secure, and disciplined environment; (3) Accountability: Efforts bring desired results, and people know it; (4) Learning Communities: Everyone in the school system is a learner and a teacher; and (5) High Performance Management Teams: People focus on the mission and work together to achieve the greatest possible results. The Superintendent established a mission control room to examine data that will lead to the accomplishment of his five goals. The War Room has 27 indicators depicted with data charts on the wall to guide the data decisions for the district. Exhibit 4-4 shows each goal with the accompanying indicator that measures the goal.

Exhibit 4-4

The Superintendent's Mission Control Room Goals and Indicators of Success Exemplify Data-Driven Improvement Decision Processes

Goal 1: Academic Performance	Goal 2: Safe Schools	Goal 3: High Performance Management Teams	Goal 4: Learning Communities	Goal 5: Accountability
FCAT Performance by Program	Student Services	General Services/Safety	Jacksonville Urban Systemic Initiative (JUSI)	Research/Evaluation
FCAT Results by Subtest/Content	Facilities Division—Construction	General Services/Purchasing	Professional Development	FCAT—Four Years
Academic/Special Programs	Facilities Division—Maintenance	Instructional Materials/Media Services		FCAT Performance vs. Satisfactory Grades
Applied Technology and Career Development	Facilities Division—Custodial Services	Division of Technology		School Profiles
Community Education				Readiness for College
Exceptional Student Education (ESE)				Learner Profiles
Title I Results				Department Profiles
Magnet Programs/School Choice				JUSI Program Data
				RESearch Data Affects Change (RESDAC)

Source: McConnell Jones Lanier & Murphy LLP.

Conclusion and Recommendations

Summary of Conclusions for Educational Service Delivery Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Effective and Efficient Instructional Programs	1. District administrators use both academic and nonacademic data to guide them in their decision making about improving K-12 education programs.	Yes	4-8
	2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	Yes	4-11
	3. The district provides effective and efficient programs to meet the needs of at-risk students (including English for Speakers of Other Languages [ESOL], Title I, and alternative education).	Yes	4-15
	4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment).	Yes	4-16
	5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	Yes	4-18
	6. The district ensures that schools use effective planning and evaluation processes to improve student outcomes, including school improvement plans and other data-driven processes such as the Sterling process.	Yes	4-22
	7. The district ensures effective progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards and prepares students for work and continued education.	Yes	4-23
	8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	Yes	4-24
Effective and Efficient Instructional Support	9. The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students.	Yes	4-26
	10. The district has sufficient school library or media centers to support instruction.	Yes	4-27
	11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	Yes	4-28
	12. The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet student needs and to ensure students are able to learn.	Yes	4-30

EFFECTIVE AND EFFICIENT INSTRUCTIONAL PROGRAMS

Best Practice 1: Using

District administrators use both academic and nonacademic data to guide them in their decision making about improving K-12 education programs.

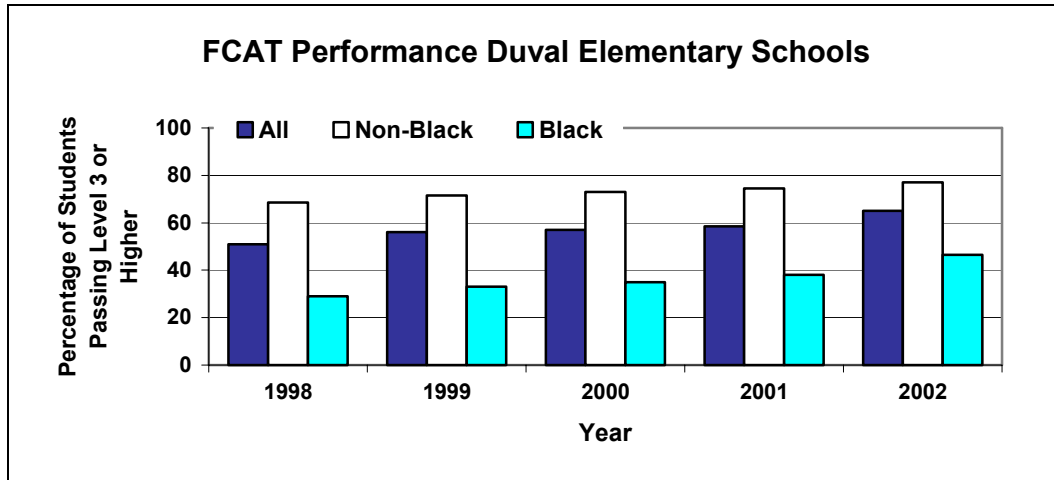
Effective school districts use academic and nonacademic data to drive decisions related to their instructional programs and to improve the performance of all students. To meet this best practice, districts should collect, analyze, and use data regularly to monitor the performance of schools and subgroups of students, identify areas requiring intervention strategies, and evaluate the effectiveness of intervention strategies. In addition to performing well or showing steady improvement, an effective district uses academic and nonacademic data to establish district goals and priorities, target interventions, and allocate resources.

The Duval County School District, under the leadership of the superintendent, focuses on using academic and nonacademic data to improve the learning of the students in the district. The superintendent has five results-oriented goals for the district. These “High Five” are (1) Academic Performance: All students are held to the same high standards and are provided with the opportunities to reach their full potential; (2) Safe Schools: All students and teachers learn and teach in an orderly, secure, and disciplined environment; (3) Accountability: Efforts bring desired results, and people know it; (4) Learning Communities: Everyone in the school system is a learner and a teacher; and (5) High Performance Management Teams: People focus on the mission and work together to achieve the greatest possible results. The superintendent has established a mission control room, the War Room to examine data related to his five goals. The War Room has charts on the wall used to guide administrators’ decisions and follow progress meeting goals. The superintendent follows 27 indicators, some of which are the most recent FCAT scores, FCAT scores over four years, school grades, FCAT performance for Title I schools, and drop-out/retention rates.

Of particular note is the district’s ability through its Research, Assessment, and Evaluation Department to gather, analyze, and provide evaluative information to district and school administrators. The Research, Assessment, and Evaluation Department is the statistical hub of Duval County School District. Its main responsibility is to monitor the progress of students and schools and to help the classroom teacher focus on areas where students are in greatest need of assistance. The department is responsible for providing data to school-based and district personnel; parent, business, and community organizations; and other educational agencies.

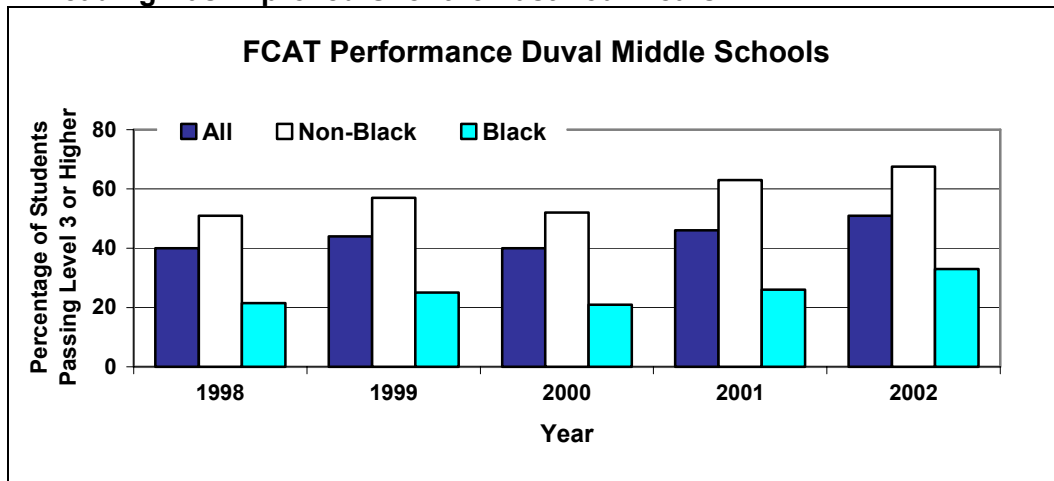
The district’s efforts at improving instruction through the use of data are evident. Exhibits 4-5, 4-6, and 4-7 show the progress the district has made in student performance in FCAT reading scores over the last five years. Except for 2002 scores for high school students, the charts indicate continued improvement. The district has made similar progress with student performance on FCAT math assessments.

Exhibit 4-5
Duval County School District Student Performance
in Reading Has Improved Over the Past Four Years



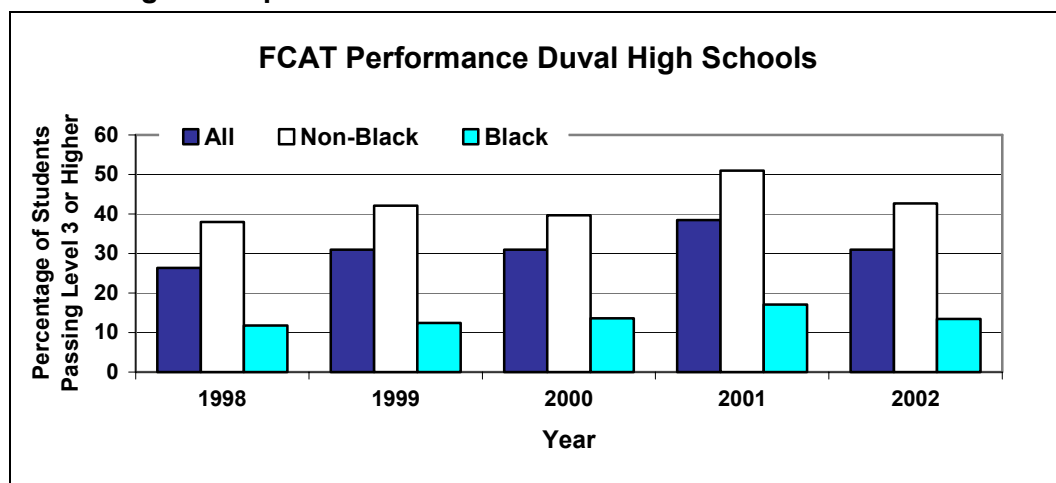
Source: Duval County School District Research Department.

Exhibit 4-6
Duval County School District Student Performance
in Reading Has Improved Over the Past Four Years



Source: Duval County School District Research Department.

Exhibit 4-7
Duval County School District Student Performance
in Reading Has Improved Over the Past Four Years



Source: Duval County School District Research Department.

We commend the district for its record of improving student performance. However, Exhibits 4-5, 4-6, and 4-7 indicate that a large percentage of students, especially high school students (approximately 70%), did not meet Sunshine State Standards as measured by the FCAT Reading assessment. When compared to peer districts, Duval County School District is at the bottom on the percentage of schools receiving an “A” or “B” grade from the state (see Exhibit 4-8). School grades are based primarily on FCAT reading, math, and writing scores.

Exhibit 4-8
Duval County School District Has a Lower Percentage
of “A” and “B” Schools than Its Peer Districts

	Percentage Grade A	Percentage Grade B	Percentage Grade C	Percentage Grade D	Percentage Grade F
Broward	36.8%	24.0%	26.0%	7.8%	0.5%
Pinellas	41.9%	19.7%	32.5%	4.3%	0.9%
Hillsborough	37.6%	27.2%	20.2%	4.6%	2.3%
Palm Beach	37.1%	14.7%	25.2%	11.2%	4.9%
Orange	27.5%	20.1%	35.6%	4.7%	7.4%
Duval	28.2%	14.1%	30.9%	14.8%	8.1%
State	34.2%	22.3%	28.1%	6.9%	2.7%

Source: Duval County School District Research Department.

While the district is at the bottom of this comparison with its peers, it is currently on the right track using data to correct many of the concerns regarding poor-performing schools. Interviews with principals and teachers make it apparent that a concerted effort is in place to improve the overall rating of the district. They supported their beliefs by showing the in-depth in-service training of their teachers, the detailed campus school improvement plans, the detailed academic improvement plans on their lower quartile of students, and the many tutoring and extra help programs that they have initiated.

The district has focused its efforts on those campuses receiving a grade of “F.” They refer to these schools as challenge schools. For three years, the district has provided structured support to the elementary schools that received a state grade of “F” in 1998-99. Assistance meetings were conducted

each month and a schedule of ongoing monitoring was implemented. At the end of the three-year period, four schools achieved satisfactory academic status. The fifth school has one more year to document satisfactory status. That school received a grade of “C” for the 2001-02 school year. The district is providing similar assistance to the schools that most recently received an “F.”

In addition to academic assessments, the district evaluates nonacademic data such as graduation and dropout rates and discipline reports. For example, in response to low graduation and retention rates, the district created Accelerated Learning Centers and the Graduation Initiative Programs for students at high risk of leaving school. Accelerated Learning Centers provide older students who have fallen behind with the opportunity to complete a standard diploma through flexible teaching methods that combine textbook, Internet, computer, and school-to-work assignments. Students entering the Graduation Initiative Program working part time are supported academically through traditional and computer-assisted instruction as they complete a GED. Last year, 63% of these students passed the FCAT and GED and were allowed to graduate with their classmates. The district credits these programs with improving graduation rates and lowering dropout rates (see Exhibit 4-9).

Exhibit 4-9

Duval County School District Has Reduced Its Dropout Rate

	2000-01	2001-02
District Graduation Rate	55.9%	61.0%
District Dropout Rate	8.3%	5.7%

Source: Duval County Research Department.

Best Practice 2: Using

The district provides effective Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. However, the district needs to pursue fee-for-service Medicaid reimbursement for direct services.

Under federal and state law, school districts must provide appropriate services designed to meet the learning needs of students with disabilities and students who are gifted. To meet this best practice, school districts should identify and place students who require Exceptional Student Education (ESE) services in a timely manner and ensure access of minority students to the gifted program. To increase student success, districts should promote parental involvement and ensure that teachers receive adequate support and training. Districts should also periodically assess the needs and progress of ESE students and make adjustments as needed to ensure that students perform to their capacity.

The pre-referral process of the Duval County School District is designed to prevent the over-identification of students in the ESE program. The pre-referral process is working effectively. During the period August 1, 2001, to July 29, 2002, the district had 3,139 referrals for service and staffed 2,404 or 76.6% of those students. Those not staffed were deemed to be ineligible for services. The district has implemented student/teacher assistance teams to ensure that all appropriate interventions are implemented before referral to special education. The district implements specific procedures to ensure that all appropriate interventions are employed prior to referral to the Psychological Services Department for identification and placement in the special education program. Pre-referral activities are those interventions that address a student’s learning problems prior to referral for a complete multidisciplinary evaluation. The pre-referral process is cost-effective and saves the district funds by eliminating the cost of psychological testing for students who do not qualify for special education. The pre-referral process consists of the following activities: conferences, anecdotal records/behavioral observations, interventions, and review of records.

Timely psychological assessment of students suspected of having a disability is an important issue. Most students in the district are assessed within 60 days. The district also conducts assessments over the

summer to reduce the number of pending cases at the beginning of each school year. If the assessments are not completed by October, the district cannot receive funding until February, resulting in a loss of one-half of the additional state funds for the following year. State funding is adjusted after FTE counts, while federal funding is calculated only once a year. Consequently, reporting child count has a significant impact on the district's additional state and federal funding for ESE programs.

The district actively pursues trying to identify gifted students in under-represented groups through "plan B" referrals as outlined in Rule 6A-6.03019, *Florida Administrative Code*. Thirty percent of the district's gifted referrals in 2001-02 were "plan B" referrals resulting in 191 (22% of all referrals found to be eligible for gifted programs) students eligible for gifted programs under "plan B." Despite being successful in substantially increasing the number of gifted students through "Plan B" minority students remain underrepresented in the district's gifted programs, as they are across the state. According to Fall 2001 student membership data, the district student population is 48.2% white non-Hispanic and 42.8% black non-Hispanic. For the same year 69.4% of the gifted students were white and only 16.4% were black.

The Individuals with Disabilities Act (IDEA) requires that students with disabilities be educated in general education classrooms unless "the nature and severity of the disability is such that education in the regular classes with the use of supplementary aids and services cannot be achieved satisfactorily." The ESE program provides a range of placement options from the least restrictive to the most restrictive. Students are included in the general classroom with accommodations and curricular adaptations. Special classes and special schools are considered when students' needs cannot be met in a general classroom with supplementary support or services. There are five Exceptional Student Education schools. In addition, several self-contained classrooms are located on school campuses where students with severe disabilities can interact in nonacademic instructional settings with their nondisabled peers.

The percentages in Exhibit 4-10 represent the number of students with disabilities in general education placements in the district and its peer districts. The Duval County School District places comparable percentages of students with disabilities in general education as its peer districts. In the district, approximately 2% of children with disabilities ages 3-5 are educated with their nondisabled peers and 49% of students ages 6-21 spend 80% or more of their instructional time in general education settings.

Exhibit 4-10

Percentage of ESE Students in General Education Classrooms 80% or More and Number of Special Schools in Duval County and Peer Districts 1999-2000 to 2000-01

District	1999-2000 Ages 3-5	1999-2000 Ages 6-21	Number of Special Schools 2000-01
Broward	10%	68%	8
Duval	2%	49%	5
Hillsborough	7%	49%	9
Orange	3%	56%	4
Palm Beach	4%	57%	3
Pinellas	10%	53%	7
State	7%	49%	140

Source: LEA Profiles, 1999-00 School Year; Profiles of Florida School Districts 2000-01.

Duval County School District has a high percentage of its ESE students participating in the FCAT (see Exhibit 4-11). Students in ESE who follow the standard curriculum are expected to meet the promotional standards of their grade level. Teachers provide appropriate test accommodations as indicated on the student's Individualized Education Plan (IEP). Only students who meet all the State Department of

Education criteria are excluded from the state and district assessment and are eligible to take an alternative to the FCAT, the Performance Assessment System for Students with Disabilities (PASSD).

The district-developed alternative curriculum incorporates the state's performance standards for ESE students. District administrators provide directions to teachers through the Excent Manual and the IDEA Resource Book. The ESE Director monitors the district's efforts through its Evaluation Plan Component 3(A-I). The evaluation plan includes reports of FCAT results, PASSD results, diploma report, and school reports. In addition, the ESE staff examines graduation, promotion and retention and drop-out rates of students in the ESE program.

Exhibit 4-11

FCAT 2002 Participation and Performance Students with Disabilities and All Students

	FCAT Reading					
	Grade 4		Grade 8		Grade 10	
	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above
Pinellas	92%	22%	69%	15%	52%	11%
Broward	93%	26%	82%	14%	56%	9%
Orange	80%	19%	74%	12%	47%	13%
Palm Beach	79%	23%	73%	13%	51%	9%
Hillsborough	80%	25%	71%	17%	61%	11%
Duval	84%	26%	74%	11%	70%	6%
Dade	84%	11%	80%	5%	64%	4%
	FCAT Math					
	Grade 5		Grade 8		Grade 10	
	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above	Percentage Students with Disabilities Tested	Percentage Students with Disabilities Scoring at Level 3 and Above
Pinellas	92%	17%	68%	19%	53%	25%
Broward	91%	24%	81%	21%	57%	27%
Hillsborough	78%	24%	70%	28%	62%	30%
Orange	83%	16%	74%	17%	47%	31%
Palm Beach	81%	18%	73%	18%	50%	24%
Duval	83%	19%	73%	13%	71%	14%
Dade	85%	10%	80%	5%	64%	8%

Source: LEA Profiles, 1999-00 School Year; Profiles of Florida School Districts 2000-01.

The superintendent's emphasis on student performance and data-driven decisions is beginning to pay off. The district has a pattern of better performance among ESE students in lower grades. This pattern is similar to that of non-disabled students. The district compares well to its peers on grade 4 reading and grade 5 math FCAT assessments for ESE students. However, as with the FCAT scores for nondisabled students, FCAT scores for Duval disabled students are lower than its peers for grades 8 and 10. The same is true for graduation rates with a standard diploma. In 2001, Duval County School District graduated 39% of ESE students compared to Hillsborough's 66%, Palm Beach's 64%, and Pinellas County's 66% standard diploma graduation rate.

Duval's ESE high school students have had fewer years under a system of strong, focused accountability, such as the district is currently experiencing. The elementary students know only the current successful system. Over time, the favorable comparison enjoyed by the district's elementary students will progress with these students as they move through the system. By the time the current grade 4 students become grade 10 students, their higher scores will reflect more favorably for the district.

The district does a good job at providing ESE students with employment opportunities. The district provides job coaches who work with the community in finding jobs for many ESE high school students. Following graduation, many of these students are able to hold down a job and be productive members of society. This is apparently a well-received practice of the district and receives cooperation from the community, where more than 60 job locations are currently available for ESE students.

The district filed a report with the appropriate ESE state agency in which they listed 16 schools as participating in community based instruction, an increase of 5 schools over the previous year. They reported 508 students, an increase of 157; and worked with 21 job coaches, which was up 5 from the previous year. The number of employment sites rose from 61 to 98. It is anticipated that 114 graduating students will continue in their employment with these employers, up from 98 the year before. The community based instruction is one of the ESE programs that the district is committed to expanding as needs of students dictate such action.

The district does not maximize Medicaid reimbursement. Two Medicaid reimbursement programs are available to all Florida school districts: (1) fee-for-service reimbursement for direct services and (2) administrative claiming fees. The district is not collecting fee-for-service funds at this time. Exhibit 4-12 illustrates that of its peers, Duval is the only district not claiming the fee-for service reimbursement. In 1999-2000, the district's speech therapists, physical therapists, and occupational therapists opted out of participating in the program and became a part of their employment contracts. All of Duval's peer districts participate in Medicaid reimbursement for therapy services and nursing services. Five out of six of the peers are reimbursed for mental health psychological services. By not pursuing Medicaid reimbursement for direct services the district is forgoing an estimated \$161,000 annually in revenue.

Exhibit 4-12

Unlike It's Peers, the Duval County School District Does not Maximize Medicaid Reimbursements for Services It Provides to ESE Students

	1998-99 Disabled Enrollment	1/1—12/31, 1999 Reimbursement	2001-02 Disabled Enrollment	1/1—12/31, 2002 Reimbursement
Dade	37,567	\$636,631	41,583	\$1,400,908
Hillsborough	21,197	629,862	25,525	541,592
Broward	26,014	0	29,682	415,340
Pinellas	20,467	342,558	20,276	384,140
Palm Beach	20,454	168,815	22,346	377,682
Orange	21,686	51,537	24,821	223,970
Duval	20,386	\$128,874	20,058	\$0

Source: Duval County Research Department.

We recommend that the district reinstitute claiming Medicaid reimbursement for direct services provided to ESE students. Based on the billing per student of peer districts for similar services provided by the Duval County School District, we estimate an increase in revenue of \$285,000 annually. Subtracting the funds needed for the salary and benefits of administrative personnel to implement billing for direct services, the district can net \$161,000 annually. (Based on hiring a Coordinator I, Administrative Support Specialist, and a Secretary II.)

Best Practice 3: Using

The district provides effective and efficient programs to meet the needs of at-risk students including English for Speakers of Other Languages (ESOL), Title I, and alternative education.

Students at risk for failing or falling behind grade level often have significant barriers to learning, and therefore, need various specialized services and programs to address these barriers and to be academically successful. School districts should have programs in place to meet the diverse needs of these students, especially those students who need academic and/or social skills interventions to assist them to perform well. School districts should periodically assess the academic and social needs of their students and use this information to identify or develop programs to meet those needs. To increase student success, districts should promote parental involvement and provide teachers adequate training and support. Districts should also periodically assess the progress of at-risk students, making adjustments to programs as needed to ensure that students perform to their capacity. Students in the Duval County School District are placed in effective and efficient programs to meet their needs if they are at-risk students, including alternative education, Title I, and ESOL.

As with its regular education programs, the superintendent's emphasis on student performance and data-driven decisions is driving improvements in the district's alternative education, Title I, and ESOL programs.

The Duval County School District has responded to the needs of its students who require non-traditional alternative education approaches. Developed in partnership with the Jacksonville Children's Commission and community-based agencies to provide academic assistance and recreational/enrichment opportunities for students in grades K-12, these safety net programs include:

- Extended Day Enrichment Program – a before and after school program for working parents that includes academic enhancement activities, academic remediation, and homework assistance
- TEAM UP – a after school program focusing on individualized academic assistance closely linked to school day instruction
- Accelerated Learning Centers – a dropout prevention program using flexible hours, self-paced instruction with strong teacher support, computer software support, Internet access, and open-entry, open-exit, personalized educational programs.
- Graduation Initiatives - a dropout prevention program in which students earn a district-designated high school diploma via the GED Exit Option strategy.

The district tracks the performance (e.g., grades, FCAT scores, promotion rates, and graduation rates) of the students in these alternative education programs and compares their performance to their peers in regular programs. The grades and promotion rates of students in these programs routinely exceed those of their peers. The district structures these alternative education programs based on identified student needs and comparisons of student performance. The district compiles data on selected indicators for each school and ranks the schools based on nine-grade retentions, percentage of satisfactory English and mathematics grades, FCAT scores, mobility rate, dropout rate, percentage of students absent 20 days or more, percentage of students ready for college, and graduation rate. Based on these rankings, the district implements Accelerated Learning Centers and Graduation Initiative programs at school sites.

These initiatives are having a positive impact on student success for the district, and have contributed to the district's reducing its dropout rate from 8.3% in 2000-01 to 5.7% in 2001-02. The Graduation Initiatives Program had 298 students enrolled in 2001-02. Sixty-three percent of 189 of these students passed both their FCAT and GED and graduated with their classes. The Accelerated Learning Centers had 346 enrolled in 2001-02, and they earned an additional 868 credits. More than 100 Exceptional

Student Education students completed their workplace studies and received employment within the community.

The Duval County School District's ESOL program has benefited from the superintendent's emphasis on student performance and data-driven decisions. The district's Limited English Proficient (LEP) plan encompasses the timely identification, assessment, and placement of limited English proficient students based on identified needs; appropriate programming based on student needs; and monitoring of student progress after program exit. Through the efforts of the district's Research, Assessment, and Evaluation Department ESOL student academic assessments are disaggregated for use in school improvement plans to drive program improvement.

In addition, our review of the district's records of the ESOL program confirmed the ESOL supervisor's statements that the program provides mechanisms to ensure comprehensible instruction to students with limited English proficiency. The ESOL program utilizes grade/course curriculum using the standard ESOL methodologies at a level appropriate to the students' knowledge of the English language. The program is consistent with the Multicultural Education Training and Advocacy agreement, Florida State Board of Education Administrative Rules, and Florida School Laws

The Title I program provides extra resources to the district to help improve instruction in high-poverty schools and ensure that poor children have the same opportunity as other children to meet the Florida state standards. Title I schools use the district's school improvement planning process to identify student academic and nonacademic needs, design strategies to meet these needs, and track the improvement of their students' outcomes. Title I schools have aligned and integrated required Title I school-wide plans with the districts school improvement planning process discussed in section 6 on this chapter.

Best Practice 4: Using

The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment). However the district needs to improve the academic performance of students taking advanced placement exams.

Highly motivated and academically talented high school students need educational challenges and opportunities to accelerate their learning and meet their academic potential. To meet the needs of these students, districts should provide an appropriate number and type of accelerated programs, such as Advanced Placement, International Baccalaureate, and Dual Enrollment. Districts should periodically assess the needs of their highly motivated and academically talented high school students and use this information to identify and develop accelerated programs to meet those needs. Districts should ensure that accelerated programs are made accessible to all eligible students and that teachers, parents, and students are aware of such opportunities. To increase student success, districts should ensure that teachers receive adequate support and training. Districts should also take advantage of incentives and technical assistance offered through the Florida Department of Education and the College Board.

The Duval County School District provides Advanced Placement, International Baccalaureate, Dual Enrollment, Accelerated College, and Early Admissions programs. Advanced placement programs are offered at the high school level and through the Florida Virtual School. The International Baccalaureate Program is available at two high schools. These high schools were recently honored by being named by *Newsweek Magazine* to the top 100 high schools in the U.S. for their accelerated programs. Stanton High was rated number one and Paxon High was number seven. All Duval County School students can participate in the Dual Enrollment program, even if it is not offered at their schools.

The district has made a concerted effort to enroll all students who meet program criteria regardless of racial, ethnic, or minority status. The district makes a good-faith effort to inform all its students of accelerated programs and special programs. This is communicated through the Website, counselors, district printed brochures, memos, letters to parents, and various other methods. Counselors, principals, and central office personnel annually monitor and measure the need for course offerings through

discussions with parents, students, and community members. Additionally, principal interviews and campus visits reveal that all students, not just a select few, are notified, recruited, and encouraged to take courses that are more advanced.

The district offers Advanced Placement classes on all high school campuses. Stanton and Paxon High Schools have the greatest participation numbers in AP classes because of the International Baccalaureate programs located at their schools. However, more than 60% of the AP students are distributed among the other high schools. Advanced Placement class offerings are not the same at all 18 high schools because the interests of the students vary across the district.

The schools pay for Advanced Placement examination fees for students from funds generated by additional FTE as authorized and provided by the Legislature for every student who earns a three or higher on the examinations, and the district offers Advanced Placement workshops to teachers. AP teachers are given incentive pay from the funds generated by the additional FTE as authorized and provided by the Legislature for every student who earns a three or higher on the examinations. The schools pay for International Baccalaureate examination fees for these students with funds generated by additional FTE for every student who earns a passing score on the examinations. The district pays for the textbooks for Dual Enrollment courses for these students. The district, in cooperation with Florida Community College at Jacksonville (FCCJ), provides Dual Enrollment agreements for Career Education students, utilizing both college-credit and vocational non-credit opportunities.

The percentage of students passing (three or higher) on the Advanced Placement exams is low on some campuses—the success of this program needs to be evaluated on individual campuses. Out of 35 districtwide Advanced Placement classes, only seven had more than 70% of students making three or higher on the end-of-course exam. Exhibit 4-13 shows the Advanced Placement Exam Results by school for 2002.

Exhibit 4-13

The Percentage of Students Scoring a Three or Higher on Advanced Placement Exams is Low on Several Campuses, Indicating the Need for Evaluating the Courses at These Campuses

School	No. Students Taking Exams	No. Exams Taken	No. Exams 3.0+	Percentage Exams 3.0+
Lee	18	22	1	4.5%
Jackson	44	47	1	2.1%
Baldwin	24	24	0	0.0%
Paxon	464	1,069	448	41.9%
Parker	157	224	126	56.3%
Englewood	62	96	27	28.1%
Ribault	35	42	2	4.8%
Anderson	183	315	155	49.2%
Stanton	753	1,848	1,139	61.6%
Raines	58	73	4	5.5%
Fletcher	197	319	138	43.3%
Wolfson	174	314	129	41.1%
Sandalwood	206	308	140	45.5%
Forrest	63	87	31	35.6%
White	23	24	7	29.2%
Mandarin	266	522	336	64.4%
First Coast	36	68	30	44.1%
District	2,763	5,402	2,714	50.2%

Source: Advanced Placement Program, The College Board, June 2002.

While it is generally recognized that students who take more advanced course work will also do well on standardized tests designed by third party sources, a good grade in locally designed advanced courses will only translate into good scores on third-party testing if the curriculum of the locally designed courses is rigorous and is aligned with the material tested by those testing sources. The reason that a score of “3” or higher on an Advanced Placement exam is important is that colleges and universities will grant college credit at their institutions for those courses regardless of a class grade, even a grade of “F.” For example, a grade of “A” in an Advanced Placement course with a corresponding grade below “3” on the exam gets no college credit. A grade of “C,” “D,” or “F” in an Advanced Placement class with a corresponding score of “3” or higher on the exam will gain the student college credit for the course.

Interviews with district personnel at both the campus-and central-office level indicate that there is a concern that some teachers view the assignment of teaching Advanced Placement courses as a privilege to set their own curriculum, and if students do well on their teacher-made tests, that their job is fulfilled. They further indicated that the proper attitude and understanding of the importance of the end result on the part of students and teachers alike is critical for the success of this program. The district must ensure that advanced course offerings challenge students appropriately, and lead to the future college credit benefits for which these programs were designed.

We recommend the following:

Select teachers who have Masters Degrees in the core subject areas that they are teaching or at least additional hours above the basic certification requirements. This is especially important for the math and science content areas, because a greater understanding of these academic areas on the part of the teacher is necessary to teach the more advanced work to students.

Ensure that all course curriculums are aligned with the Advanced Placement exams, the Sunshine State Standards, and the ACT and SAT exams. Hold teachers accountable for successful results on these measures by reporting results of their Advanced Placement students on the Advanced Placement exams, the ACT, the SAT, and the FCAT. Teachers must understand that an Advanced Placement class must follow the Advanced Placement curriculum rather than teaching just what the teacher thinks is important. Teaching these courses is a privilege and in some cases, a special assignment to challenge students to perform at a level beyond the norm, but with accountability for results.

Begin recruiting students and their parents at the middle-school level to envision participation in a rigorous, exciting curriculum when they get to high school. This can be done with a variety of communication mechanisms including career fairs, parent-teacher meetings, course-selection materials, Web site postings, counseling efforts, and strategic plan initiatives, modeling the magnet program concept.

Best Practice 5: Using

The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).

Students who do not plan to attend college immediately after high school need to enhance their ability to be economically self-sufficient. Many of these students benefit greatly from workforce development programs, such as career and technical education, which help them to attain the skills they need to become or remain employed. These programs are designed to provide training to meet local and state workforce needs and to help Florida compete in a global economy by building a broadly based, highly skilled, productive workforce. The programs also provide a variety of services, including literacy training, English language skills, or attainment of high school diploma for adults who need these skills to enter the labor market. Districts should have workforce development programs in place that meet the

needs of business and industry in their areas, including high skill/high wage occupations as well as occupations that are in critical demand by the community. Districts should periodically assess workforce development program offerings to ensure that needed programs and newly emerging occupations are addressed. Districts should also provide adult basic education programs that reach all sectors of the population and meet the needs of students at all literacy levels. To assess student success and improve programs, districts should monitor changes in performance funding, student completion, and job placement.

Unlike its peer group, the Duval County School District does not have administrative responsibility for adult education programming in Duval County. Florida Community College at Jacksonville (FCCJ) is the primary provider of Adult High School, GED, and Adult Basic Education classes for the district as outlined in the agreement between the school district and FCCJ. The Duval County School District rents classroom space to FCCJ at six district high school sites.

The district maintains a strong focus to provide workforce development programs to meet the needs of their students and the community. The general director of Applied Technology and Career Development regularly attends meetings and serves on the board of WorkSource, the local Workforce Development Board. Also, Applied Technology and Career Development programs are geared to reflect community needs by obtaining input from the Jacksonville Chamber of Commerce, local labor union involvement in pre-apprenticeship programs, local community college involvement with Tech Prep articulation and dual enrollment agreements, and feedback from local business and industry partners and advisory committee members. Meetings are held monthly with these work advisory committees. Union representatives help not only by attending and actively participating in the meetings, but by funding certain curriculum materials. For example, the National Industry Curriculum used in the Construction Academy at Randolph High School was jointly approved by the district and the unions, which helped purchase the textbooks that meet industry standards. They provided curriculum materials for heating, ventilating and air conditioning, electrical, plumbing, and carpentry. Representatives of the North East Florida Builders Association, various trade unions, academy coordinators, school administrative staff, district-level administrative staff, the University of Northern Florida, and FCCJ all participate in these meetings.

The district's school board, in partnership with the Jacksonville Chamber of Commerce, began implementing the ACT WorkKeys program during the 1997-98 school year. WorkKeys is a program designed to close the gap between the levels of job skills needed in today's workplace and the actual skill levels possessed by high school graduates. District administrators assess the level of workplace skills all students currently possess. The assessments include the areas of applied mathematics, applied technology, listening, locating information, observation, reading for information, teamwork, and writing. Each skill is described by a skill scale. The same skill scale is the basis of the system and its four components: (1) the assessments measure the skills of the individual; (2) profiling measures the level of skill required for a particular job or occupation; (3) instructional support provides structure for teaching the skills in school; and (4) reports and research serve as the communication links between student examinees, employers, and educators. By providing a common language for individuals, educators, and employers, WorkKeys helps create links between the world of business and educational entities. This enables educators and trainers to communicate with individuals and employers, and to focus instructional materials and programs on meeting their mutual needs.

Through quarterly meetings, the Inter-Agency Advisory Council considers Exceptional Student Education (ESE) students' transition goals and skills. Members of the council include representatives from education, industry, business, agencies, the City of Jacksonville, and colleges. The district's Academies of Technology coordinate vocational/technical program offerings. ESE students who qualify participate in the academy programs and high school vocational/business classes. Transition Individual Education Plans (TIEPs) completed for exiting seniors link ESE students to post-secondary options and community services/agencies.

The district offers career academies in selected high schools. Academies are small learning communities organized around a particular career or professional theme. Students, including ESE students with TIEPs, take a rigorous academic curriculum and are expected to graduate with a triple-crown diploma, which includes:

- The Academic Foundation Certificate certifying the students' ability to do college-level work in English/Language Arts and mathematics without remediation.
- Post-secondary credit earned by taking career-related or academic coursework on the campus of a post-secondary partner; and
- Industry certification (or evidence that the student is working toward certification) from a regional/state/national industry coalition or apprenticeship/pre-apprenticeship opportunities.

Employers and colleges partner with the school to provide students with ample opportunities to learn outside of the classroom. Students are expected to participate year-round (postsecondary or work-based experiences in the summer). The Career Academy is divided into an upper and lower level. At the lower level, students concentrate on basic academic skills but still take some career electives. Students who have earned their Academic Foundation Certificate are admitted to the upper level, where the focus is on career and workforce education, and are rewarded with paid internships and apprenticeships their junior or senior year of high school. Mentorships help forge a connection between each academy student and a caring professional adult.

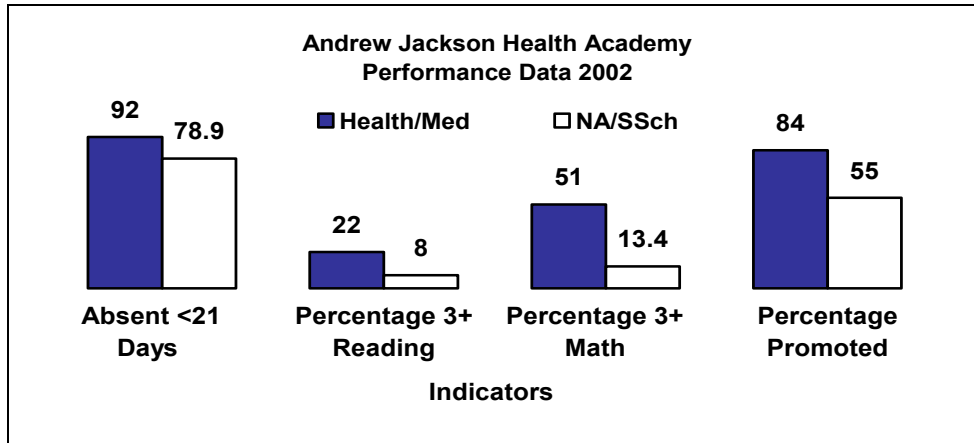
The Academy of Finance at Wolfson High School, a magnet program which became a career academy, has been a successful career academy for more than 10 years. Affiliated with the National Academy Foundation, this program has been identified as a national model. This model for career academies has been implemented at both Peterson and Randolph Academies of Technology. Each of these schools has developed strong business partnerships that are critical elements of the career academy model.

The district's model includes such items as:

- Rigorous academic curriculum.
- Career or professional theme.
- A Freshman Success Academy that is designed to provide a seamless transition from middle to high school. The freshman academy will help prepare students for academic and career success and reduce the high ninth-grade dropout rate.
- Safety net programs to provide extra help to students during the school year, after school hours, and during the summer. Also part of the safety net programs is the Summer Bridge Program for incoming freshmen who need additional academic skills in order to be successful in the career academy.
- Internships that provide practical job experiences.

Students who participate in career academies have a higher attendance rate, score higher on FCAT reading and math, and have a higher promotion rate than non-academy students at the same school. An example is depicted in Exhibit 4-14.

Exhibit 4-14
Students Attending the Andrew Jackson Health Academy
Have Better Student Performance Than Non-Academy Students, 2002



Source: Duval County School District Research Department.

Students also have opportunities to earn college credit while still in high school through dual enrollment and tech prep articulation agreements with FCCJ. Some career academy students can earn 22 or more college credits while still in high school. In addition, career academy participants are prepared for both college and today's workforce because they receive instruction based upon current industry standards; they have mentors from the business community; and they are engaged in job shadowing and internships while still in high school. Finally, participants have increased motivation to succeed because they can relate their education to a career of their choice. Instruction in a Career Academy is contextual, which means it directly relates to their chosen career area.

The district has initiated a number of successful programs to ensure that their at-risk students make a smooth transition to the workforce, including a GED program through its Graduation Initiatives. The Graduation Initiatives Program for Dropout Prevention is designed to award a high school diploma to students who are over-age and have not been successful in earning the credits required for graduation.

The GED Exit Option Model is a program approved through an agreement between the Florida DOE and the American Council of Education (ACE) to assist overage-for-grade students in graduating from high school through successful completion of the GED Test and the FCAT exam. Generally, students currently enrolled in high school are not allowed to take the GED test as a means for graduation. This is done to avoid encouraging students to leave school before graduation. However, ACE has given authorization to several states, including Florida, to use GED testing as an exit option for over-age-for-grade students.

As indicated in Exhibit 4-15, the school-to-work programs for the district meet or exceed those of their peers in all instances with the exception of continuing education data for Pinellas County.

Exhibit 4-15**Fall 2001 High School Graduates From Duval County School District's School-to-Work Programs Compare Favorably to Those of It's Peers**

	Florida Employment Data		Florida Continuing Education Data
	Percentage Employed	Percentage Employed Full-Time	
Broward	47%	29%	57%
Duval	60%	35%	57%
Hillsborough	61%	32%	57%
Orange	52%	29%	52%
Palm Beach	50%	33%	54%
Pinellas	56%	31%	62%

Source: Florida Education and Training Placement Information Program, 2001.

Best Practice 6: Using

The district ensures that schools use effective planning and evaluation processes to improve student outcomes, including school improvement plans and other data-driven processes such as the Sterling process.

High-performing districts and schools use effective processes to assess and improve student outcomes. Florida law requires that each district school have a school improvement plan that establishes the school's specific goals, objectives, and strategies to meet the educational needs of their students. Districts should ensure that all schools effectively plan and evaluate programs and strategies to improve student outcomes. Districts should ensure that each school's improvement plan addresses the needs of major subgroups of students (regular, ESE, ESOL, Title 1, and so on.) and incorporates and integrates to the extent possible other school-level improvement planning processes (Title I, technology, school improvement, Sterling, and so on.). To increase effectiveness of the school improvement process, districts should provide training for school improvement teams that includes using academic and nonacademic data to identify areas needing improvement, developing measurable objectives, and evaluating progress in meeting objectives. Districts should also oversee the school improvement planning process and provide additional assistance to schools that do not make adequate progress.

All schools in the Duval County School District have a board-approved school improvement plan. The school improvement plan process is coordinated through the Office of Research, Assessment, and Evaluation. This office provides data to school principals for use in the planning process, enabling principals to compare school and district achievement levels and to examine achievement levels of students at the classroom level. Data is disaggregated, enabling principals to determine the achievement levels of subgroups of students. The school improvement plans emphasize measurable objectives focused on student outcomes, action steps to achieve the objectives, assignment of responsibility for completing actions steps, and timelines for implementation. Copies of the school improvement plans are available on the district's Web site and in the office of Research, Assessment, and Evaluation.

A plan for assisting schools that have a state grade of D or F has been developed and implemented through the Office of Academic/Special Programs. The goal of the district's assistance plan is to enable the schools to improve students' achievement based on mastery of Sunshine State Standards. The objectives of the plan are:

- Provide student achievement data to school leaders to enable them to target students with identified needs in mastery of Sunshine State Standards in reading, writing, mathematics, and science.
- Improve students' mastery of Sunshine State Standards in reading so that they will achieve at or above FCAT Level 3.

- Improve students' mastery of Sunshine State Standards in mathematics so that they will achieve at or above FCAT Level 3.
- Maintain students' high level writing skills.
- Improve students' test taking skills.
- Train teachers to implement best practices in reading, writing, mathematics, and science instruction.

Some low-performing campuses may also be Title I schools. Title I schools not only have the Florida school grades to consider, but also Title I standards. Title I schools will follow the procedures outlined in the *No Child Left Behind Act of 2001* (Title I Part A, Section 1116). As soon as a Title I school is identified as needing Title I School Improvement (not making adequate yearly progress for two consecutive years), a notice will be sent to the parents of all children enrolled in the school explaining what the identification means; the reasons for the identification; what the school is doing to address the problem; how the district and the state will help; how parents can become involved; and an explanation of their option to transfer their child to another public school. After the second year of identification, the parents of those children remaining in the school must be notified of their right to obtain supplemental instruction for their child. After the third year of identification, the district will publish and disseminate information regarding any corrective action to the public and the parents at the identified school through such means as the Internet, the media, and public agencies in a language that the parents can understand. Throughout this period of time, technical assistance will be provided to the school to assist in making adequate yearly progress. Assistance will be provided by the district, the Region II Title I Technical Assistance Center, the Region XIV Comprehensive Center, the Office of School Improvement, local universities, and other agencies approved by the district or the state.

Best Practice 7: Using

The district ensures effective progression of students from kindergarten through grade 12 that maximizes student mastery of the Sunshine State Standards and prepares students for work and continued education.

In 1996, the State Board of Education adopted the Sunshine State Standards as content expectations for K-12 students in Florida. Since that time, the standards have been refined and expanded to include grade level expectations and represent the academic expectations for Florida students by grade level and subject. Florida districts and schools should have modified their instructional programs and aligned curriculum to include the standards to ensure that students master necessary skills and will be able to perform at the next grade level. Thus, districts must have a clear, comprehensive, easy-to-follow student progression plan that meets state requirements and incorporates the Sunshine State Standards. The plan should be specific, informing teachers and school administrators of factors to consider in deciding whether to promote or retain a student. The plan should also specify the steps schools should take to ensure that retained students either receive intensive remedial assistance or are placed in a program different from what the student received the previous year. To ensure that students progress as expected from kindergarten through grade 12 and are prepared for work and continued education, districts should have and use strategies that facilitate smooth transitions from one school level to the next. Districts should also periodically assess how well their students progress and use this information to make adjustments as needed.

The Duval County School District's pupil progression plan provides the framework for progression of students in grades K-12 to ensure effective progression of its students that maximizes student mastery of the Sunshine State Standards and prepares students for work and continued education. The plan is annually reviewed and revised at the elementary-, middle-, and high-school levels by review committees consisting of teachers, district- and school-based administrators, counselors, parents, representatives from ESE, and representatives of the bargaining unit.

The pupil progression plan, published by the district and issued to all schools, is available to students and parents and is a complete compilation of a student's expectations and requirements to both enter the school and eventually to exit the school. It elaborates on requirements for enrolling, determining grades, promotion policies, retention policies, course requirements through high school, graduation requirements, and questions parents could have regarding policies and procedures for entering school to graduation. The district's plan is continually updated to reflect current state and federal guidelines and changes.

Teachers regularly assess student progress toward meeting district expectations, develop academic improvement plans for students, and provide intensive remedial instruction to maximize the student's ability to progress to the next grade or level. For the past two years, the district implemented an ongoing system for monitoring the achievement of students who scored below the fortieth percentile on a standardized test. Campus staff analyzes data at the school level to assist in development and revision of academic improvement plans and to identify students who need to be served through supplemental remedial programs implemented by the school. Additional funds are allocated to each school based on FTE and students' achievement levels to fund supplemental academic instructional programs.

Teachers regularly refer students needing additional help to the many Safety Net programs throughout the district, such as the Students Taking Academic Responsibility (STAR) Program at the elementary level and the Graduation Initiative Program, the Performance-Based Diploma Program, and the Accelerated Learning Centers at the secondary level.

Academic improvement plans are developed and remedial instruction is offered before school, after school, and on Saturdays for all dropout-prevention students. If the academic improvement plan is not readily available at the opening of school, dropout-prevention teachers are instructed to complete the dropout Safety Net Improvement Plan form which serves to cover this until the academic improvement plan arrives.

Regional meetings as well as feeder pattern meetings are held for principals and teachers to discuss common needs for the children and to devise plans focused on improvement. Additionally, meetings are scheduled for teachers between grade levels at each campus and between transition grades from one campus to the next so that there will be a smooth progression for the child moving through the system.

District report cards are sent to parents each quarter. In addition, scholarship warnings are sent home at any time during the quarter that a student's progress is considered unsatisfactory. Parental contact is emphasized on a weekly basis in the Accelerated Learning Center Program through the Parental Contact Form and in TEAM UP by the TEAM UP Progress and Tracking forms.

Both progress reports and notes to parents, as well as conferences, keep parents informed of their student's progress. Reports of student success on statewide assessments are sent home to parents. Translations are available through a service that provides written, telephone call on-the-spot, and in-person translations.

Best Practice 8: Using

The district's current organizational structure and staffing of educational programs minimize unnecessary administrative layers and processes.

School districts that operate efficiently meet the needs of their teachers and students with minimal administrative layers and staff. To meet this best practice, school districts should have a central office organizational structure that ensures adequate administrative oversight of education programs, adequate curriculum and instructional support for teachers, and adequate support to enable schools to identify their needs and evaluate their effectiveness. In addition, districts should ensure that individual school staffing levels are sufficient to meet the needs of students and are comparable across schools in the district.

Duval County School District operates a decentralized organizational structure, which places district services closest to campus needs. Regionalization of schools and departmentalization of administrators provide clear lines of responsibility and authority to assist schools and implement successful programs.

The district has a well-defined organizational structure for educational programs. Based on national comparisons prepared by the Educational Research Service (ERS), the district does not appear to be out of line. The district reviews administrative responsibilities annually and makes changes accordingly.

An examination of the district's organization indicates reasonable spans of control for the work assigned. The only area that may be of concern is the five regions. The district is divided into five regions with a regional superintendent in charge of each region. Dividing 163 campuses into five regions places more than 30 schools under each regional superintendent. A regional director assists the regional superintendent in the work directly with principals. This mitigates the large span of control of each of the region superintendents. Still, this pushes the limit for the span of control. Political and budgetary concerns are usual reasons for a reluctance to add additional administrative staff. Normal supervisory spans of control range from 3 to 14 persons. Educational entities typically have larger spans of control than do private enterprises, usually due to budget constraints.

Principals interviewed indicated that having the regional director in addition to the regional superintendent has helped to decentralize the central staff and made administrative support more readily available to the building administrator. They feel that the central office is very responsive to them under this arrangement.

During the annual budget process, jobs are reviewed for value added, as well as whether additional staff is needed. Additional staff requests are reviewed by the budget review committee and salary review committee for need. Positions were reviewed in 1995-96 as part of administrative redirect and programs were reviewed four years ago. The Instructional Services program will be reviewed in 2003-04.

The district is entirely accredited, and, at a minimum, meets School Advisory Council (SAC) guidelines determined at each campus. If workloads are too high, campuses may appeal to the appropriate regional superintendent and budget office for additional staffing.

Also, the district uses Educational Funding Accountability reports from the state, educational resource services, and outside service resources to compare itself to districts from around the state and nation as to comparable expenditures. According to the district's comparability report filed with the Florida DOE, the district chooses option 2, which uses pupil-teacher ratios for comparability purposes. Exhibit 4-16 compares the district with its peers on average class sizes. In most cases, the district's average class size is on par with its peers.

Exhibit 4-16

Duval County School District Average Class Sizes Compare Favorably with Peers

District	Language Arts	Math	Science	Social Studies	Elementary
Grades 6-8					K-5
Broward	29.5	29.3	29.9	29.5	26.6
Dade	28.4	30.4	32.0	32.8	24.7
Duval	25.8	27.0	27.9	27.4	23.9
Hillsborough	21.4	20.7	24.4	24.4	23.7
Orange	23.9	25.6	27.8	26.9	21.3
Palm Beach	27.4	26.5	29.3	29.0	25.9
Grades 9-12					
Broward	32.3	32.5	32.3	32.7	
Dade	27.8	28.5	29.3	30.4	
Duval	27.6	28.0	29.1	31.2	
Hillsborough	22.8	25.2	26.0	28.5	
Orange	25.8	28.2	28.5	29.0	
Palm Beach	26.8	23.7	28.6	30.0	

Source: Florida School Indicators Report, 2001.

EFFECTIVE AND EFFICIENT INSTRUCTIONAL SUPPORT

Best Practice 9: Using

The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students. However the district can improve its lost textbook collections by implementing a bar-code inventory system in all schools.

To meet the needs of teachers and students, school districts should ensure that all schools have sufficient numbers of current, state-adopted textbooks and other instructional materials available to support instruction in core subjects. Districts should solicit input from teachers when selecting textbooks and other instructional materials. To increase availability of textbooks, districts should seek to purchase, maintain, and dispose of textbooks in a cost-effective manner. Districts should collect monies from students who have damaged or lost textbooks and use these monies to offset materials costs or to purchase additional materials.

The Duval County School District follows Florida DOE procedures and implements adoption cycles as specified to provide sufficient current textbooks and other instructional materials. Textbook selection committees comprised of teachers, principals, and parents participate in the selection and adoption process.

All schools place individualized instructional materials orders on an as-needed basis. New adoptions costs are estimated and updated based on Florida Association of District Instructional Materials Administrators cost estimates and FTE counts. Quantities are purchased based on FTE and teacher and subject area supervisor recommendations. Principals are apprised of options available under the adoption criteria and can select options that are deemed most suitable in meeting students' needs. Supplemental texts, manipulatives, and other ancillary materials are purchased for the STAR Program students and for LEP students and teachers.

When materials are ready to be disposed of due to updating or wear, the district follows the procedure found in State Board Rules and Florida Statutes in discarding those materials. Disposals involve community give-away items, credit for trade-ins and recycling, and from time to time, textbooks are lost and must be paid for.

The district collects lost textbook funds from individual campuses and deposits these funds in the instructional materials account. Collecting for lost textbooks has been a challenge. The district has implemented a bar code system in 94 of 163 schools, making accounting of books easier. The district has tried to aggressively collect through building principals, who have responsibility for textbooks and lost textbooks. Duval is making a conscious effort to improve the collection process for lost textbooks. It has reduced the value of textbooks lost and not paid from \$708,275 in 1999-00 to \$362,270 in 2001-02. Exhibit 4-17 shows the amount of textbooks lost and paid for versus the amount lost and not paid for.

Exhibit 4-17

Duval County School District Has Improved It's Collections for Lost Student Textbooks

School Year	Lost and Not Paid	Lost and Paid
1988-89	\$731,270	\$ 68,536
1989-90	715,220	75,146
1990-91	720,020	89,936
1991-92	535,718	110,529
1992-93	440,080	144,387
1993-94	523,660	143,907
1994-95	478,210	116,990
1995-96	347,560	93,048
1996-97	614,181	98,839
1997-98	494,523	100,012
1998-99	550,785	110,050
1999-00	708,275	98,241
2000-01	362,220	140,570
2001-02	362,270	181,996

Source: Duval County School District.

While the district is using this best practice it should implement more efficient means that are available to collect for lost textbooks, such as mandating the use of the barcode system at all campuses. The district could also consider invoicing principals for any amounts owed by the school that have not been recouped.

We recommend mandating the use of the barcode system at all campuses. The district needs to continue to, at the campus level, implement the bar code accounting and should consider invoicing the building principals for amounts owed by the school. This would speed up bar code adoption and aggressive lost textbook programs.

Best Practice 10: Using

The district has sufficient school library or media centers to support instruction.

To use this best practice, school districts should have sufficient school library/media center resources to support instruction. Library materials and equipment should be up to date and centers should operate during hours that meet the needs of students. To maximize the availability of library materials, the district should have and regularly use procedures to reduce library and media costs, such as coordinating orders across schools to take advantage of bulk rate discounts.

The Duval County School District has sufficient school library or media centers to support instruction and is a part of the annual Southern Association of Colleges and Schools (SACS) accreditation report completed by school-based administrators to document the adequacy of the media center collection and staff allocation. Annual inventory reports ensure all schools meet SACS standards. Continual collection weeding and growth are encouraged. The district is a Sunlink district, which ensures statewide interlibrary loan capabilities and Sunlink computers.

All media centers operate during the school operating hours or as determined at the school site by use of school-based decision-making authority on library hours of operation at each school. Library personnel make all efforts to be available when the students need their services. Additionally, district staff works cooperatively with the Jacksonville Public Library System staff to coordinate program offerings and family literacy.

The district funds classroom libraries, which are coordinated with and circulated through the media center. In 2002-03, the district allocated the \$700,000 they received from the state plus an additional \$6,000,000 locally to upgrade and purchase new library books.

Principals use their local campus budget and receive additional funds specifically earmarked from the state to purchase books. All campuses meet SACS requirements for numbers of materials and personnel and are in the process of refurbishing and upgrading their inventories.

The district purchases countywide online services and library automation software at substantial savings. Library books usually are purchased through the state bid, thus ensuring bulk pricing. The district has purchased Follett library automation software and support for all schools. The district office maintains a union database of holdings.

Best Practice 11: Using

The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.

Technology has the potential to enhance curriculum and instruction, help improve student achievement, and assist students in attaining basic computer skills needed for the twenty-first century. Whenever possible, districts should use technology to support classroom learning. For instance, districts should offer a variety of courseware focused on helping students achieve grade-level academic benchmarks as well as learning to use common software packages. To increase student success, districts should ensure that all students have opportunities to use computer software while in school. Districts should also periodically obtain feedback from teachers and principals related to the usefulness and adequacy of instructional technology and use this information when selecting future materials.

The Duval County School District uses instructional technology to enhance curriculum and improve student achievement. The district provides opportunities for students to utilize technologies in order to benefit by graduating with skills needed for post-secondary education and employment in the twenty-first century. Also, the district ensures that all students are encouraged to use technology in school and are required to use computers and current, appropriate software in completing assignments as part of the regular curriculum. Students at all schools are regularly given time to work on computers, and students without computer access at home are able to access computers through school. The district formally obtains feedback from teachers and principals as to the usefulness of instructional technology in the classroom and uses this information when selecting future materials.

The district has been exploring technology skills assessment options. The district piloted the use of Taking a Good Look at Instructional Technology (TAGLIT) assessment tool originally funded through a Gates grant and now managed through FloridaLeaders.Net for the state. The previous state *Technology Resource Survey* (TRS) was primarily an inventory of equipment and access. In January 2003, the state revised the TRS to focus on how technology was used in schools by principals, teachers, and students.

The No Child Left Behind (NCLB) Legislation states (Title II Part D) that the district must ensure by 2006 that every student is technologically literate by the time the student finishes eighth grade. Additionally, the district must ensure that teachers and principals are technologically literate. Instructional Technology has designed a series of courses for teachers that provide the necessary skills to help the district achieve that goal. The Instructional Technology Department also conducted a Technology Integration Needs Assessment online survey during the month of February 2003 at www.educationcentral.org/intech/TechNeeds.htm to assist the department in determining whether these courses do indeed meet the needs of teachers and in prioritizing the courses to offer teachers given our limited staff and resources. The schools were requested to have teachers complete the survey between 1/21/2003 and 2/28/2003.

The district media center makes available an array of computer software which is aligned with and integrated into the current mathematics curriculum in geometry and statistics for all secondary schools. It also provides two classroom sets of graphing calculators, together with calculator projection tablets for each middle school. Additionally, the district media center makes available for school checkout four classroom sets of graphing calculators together with projection tablets, and two classroom sets of four-function calculators for selected elementary schools.

Many of the ESOL Center Schools have Compass Learning ESOL software available for use. The Department of Instructional Materials and Media Services has purchased the BigChalk online research database for all secondary schools and administrators. The research component of this program is aligned with the SSS. The content of the databases supports research in all curricular areas, as well as professional education.

A list of approved software, primarily network-based software, is published on the Instructional Technology Web site at www.educationcentral.org/intech/approvedsw.htm, which is updated regularly. Instructional Technology staff has coordinated software reviews with Academic Programs staff, Testing staff, and Technology Research and Development staff for such solutions as an Integrated Learning System (ILS) for the high school dropout prevention initiative and FCAT assessment. The review addresses instructional content, alignment with standards, and technical support issues. The Technology Research and Development Department reviews all school and district purchases of network-based or district wide licenses of instructional software prior to purchase. All items reviewed through this process are published on the Web site listed above.

The state conducted a Technology Resource Survey in October 2001. The district report for Duval County School District is available at www.firn.edu/webfiles/others/edtech/district_login01.php and selecting Duval at log in. Some highlights from the report follow.

- The district has 25,821 computers in use for instructional purposes at least once per week. Computers for administrative use are not included in this figure.
- One thousand five hundred forty seven modern computers are in media centers (Power Mac; G3; G4; iMac; Pentium I-IV).
- One hundred fifteen schools reported that the technology is available for teacher and student use after regular school hours.
- One hundred four schools have computers labs for student use.
- One hundred twenty seven schools use computers with students in their media centers.
- One hundred fifty two schools use computers in their classrooms with students.
- Fifty one schools report that the majority of their students are able to create products to present/communicate in simple ways, such as presentation software.
- Sixty eight schools report the majority of their students are able to independent conduct electronic information searches.

- Sixty five schools report the majority of their students use ILS regularly in the curriculum.

The Compass Learning Management System (Compass) and high school courseware were purchased for 13 high schools in support of the Graduation Initiative, Accelerated Learning Centers, and other in-school and after-school safety net programs. Implementation began in the summer of 2001. Compass software is an important instructional tool in the implementation of the Graduation Initiative at 13 high school sites, the Comprehensive Accelerated Learning Center Program at Forrest and Jackson High Schools, and the Modified Accelerated Learning Center Program at 12 high schools. In the Comprehensive Accelerated Learning Center and Modified Accelerated Learning Center Programs, components of Compass software, along with textbook and computer assignments, are integrated into the course matrices, which students complete in order to earn high school credits.

Compass software has made an important contribution to the success of the Graduation Initiative and Comprehensive Accelerated Learning Center Programs (implemented in 2001-02) and the Modified Accelerated Learning Center Program (implemented in 2002-03). In 2001-02, 63% (189 of 298) students satisfactorily completed the Graduation Initiative Program and received their high school diplomas. In 2002-03, 388 students are attending the Graduation Initiative program and using Compass software as a normal part of their coursework. During 2001-02, 346 students attended the Comprehensive Accelerated Learning Centers at Forrest and Jackson, earning a total of 868 credits, with 23 students graduating. In 2002-03, 375 students have earned a total of 261 credits, with 22 students already meeting the requirements for high school graduation. In September 2002, 297 students earned 54 credits through the Modified Accelerated Learning Center Program. The district is currently exploring the possibility of expanding the use of Compass to middle schools for course recovery and to accelerate learning.

Best Practice 12: Using

The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet student needs and to ensure students are able to learn.

To be successful learners, students often need a variety of non-academic services to meet their health, social, and emotional needs, which if left unattended may present significant barriers to their ability to learn. Districts should ensure that schools offer sufficient support services, such as counseling and social work to help maintain the overall well being of students. An effective district periodically reviews and assesses its support services plan and uses this information to make adjustments as needed to help resolve barriers to student learning.

The Duval County School District provides necessary support services to meet student needs and to ensure students are able to learn. The Duval County Health Department develops and maintains the district's School Health Services Plan mandated by the School Health Services Act. The School Health Services Plan identifies the health services needs of students and provides an organized system for planning and reporting on all school health services. The Health Department addresses student health needs by providing direct nursing services and utilizing dental vans and other community health agency services. The district's Guidance Department, in conjunction with the University of North Florida, has implemented the Supporters of Academic Rigor initiative to improve the quality of guidance services to students.

The district provides nursing, social work, and counseling services to students at five schools through its Health Club USA program. Health Club USA's staff identifies student needs by conducting health fairs, surveys, and parent workshops.

The district's six Full Service Schools programs provide case management, counseling, mentoring, and youth development services to students. The Full Service Schools' oversight committees and staff identify student needs by conducting parent, student, and community surveys.

Additionally, the Student Services Department reviews information from parents, school personnel, and the ESE Department to evaluate the effectiveness of its services. The department also reviews information from the department's internal referral database, as well as staff's reports and logs, to improve the quality and effectiveness of psychological, guidance, health, and social work services.

The district's Research, Assessment, and Evaluation Department conducts an annual Customer Satisfaction Survey. This survey provides the schools the opportunity to evaluate the services provided by the various departments at the district office. In addition, a School Climate Survey of parents, students, and employees is conducted that provides feedback from these three groups regarding the operation of the schools.

The Pre-kindergarten School Readiness Program is available in 42 elementary schools, serving more than 1,000 three- and four-year-old, economically disadvantaged children. Each child is provided a high-quality nationally accredited preschool experience, along with vision screening, health screening, and referrals to other agencies, if needed.

The Office of Early Education and Intervention also provides early learning experiences through the Even Start Family Literacy Program (which also includes GED classes for parents of young children), the Florida First Start Program, and the Home Instruction Program for Preschool Youngsters. Together, with support of the district and the community at large, young children are better prepared to enter school ready to learn.

5 Administrative and Instructional Technology

Summary

The Duval County School District is using six of the nine administrative and instructional technology best practices. Overall, the division has cost-effective acquisition policies and practices, adequate professional development, and dependable infrastructure and network communications. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its administrative and instructional technology systems, the district needs to establish a consistent strategic technology planning process, dramatically improve technical support responsiveness, and develop project management capabilities across the Division of Technology.



As shown in Exhibit 5-1, two of our recommendations to improve in the area of administrative and instructional technology could save the district about \$3.4 million over the next five years. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these action plans, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 5-1

Implementing Two of the Recommendations for Administrative and Instructional Technology Could Save the District about \$3.4 Million Over the Next Five Years

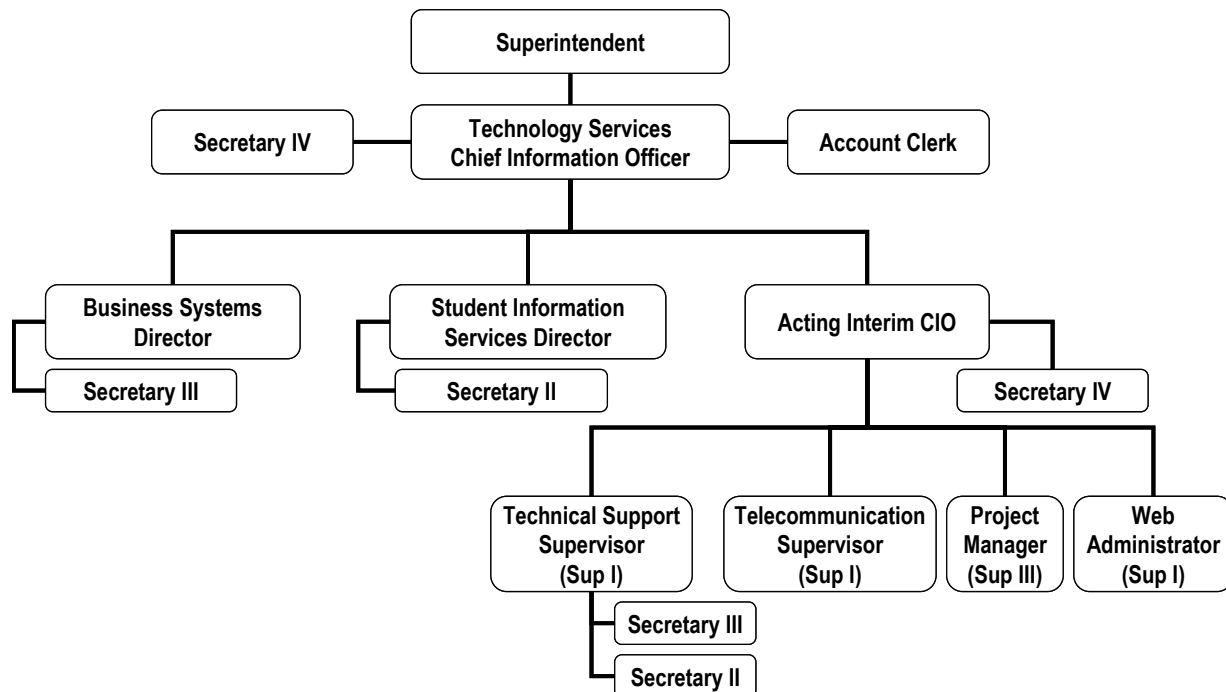
Best Practice Number	Fiscal Impact: Cost Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
4 Terminate the Jacksonville Electric Authority help-desk agreement and bring function in-house.	\$ 0	\$(203,000)	\$222,000	\$222,000	\$222,000	\$ 463,000
9 Convert consultants to full-time equivalents on the administrative business system project.	172,500	690,000	690,000	690,000	690,000	2,932,500
Total	\$172,500	\$ 487,000	\$912,000	\$912,000	\$912,000	\$3,395,500

Background

Over the last four years, the Duval County School District has become increasingly efficient and professional in its delivery of technical solutions and services to the district. During this period, however, the demands of teachers, students, and administrators for new technology have increased. In addition, many of the schools across the district have required infrastructure upgrades to gain basic Internet access. These demands are compounded by constantly shifting technology priorities of the superintendent to support increasing student performance in low-performing schools across the district. The district is also undergoing two massive systems projects, an upgrade to its administrative business system and a new student information system called EdIN. This district is also upgrading its operating systems and technology infrastructure to prepare the schools for computer deployments and Internet access. The district's Division of Technology employed 101 full-time persons during school year 2002-03. The district also employs 14 full-time consultants to assist with the two large technology projects. The Division of Technology's organizational structure is illustrated in Exhibit 5-2.

Exhibit 5-2

Division of Technology Organizational Chart



Source: Duval County Public School District.

Exhibit 5-3 shows the Division's capital budget from Fiscal Years 1999-2000 through 2002-03. The initiation of several large technology projects accounts for the significant increase in Fiscal Year 2000-01.

Exhibit 5-3

Division of Technology Capital Budget

	Fiscal Year			
	1999-2000	2000-01	2001-02	2002-03
BUDGET				
Division of Technology Budget	\$8,500,000	\$27,223,458	\$10,854,394	\$13,429,639

Source: Duval County School District.

Conclusion and Recommendations

Summary of Conclusions for Administrative and Instructional Technology Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Technology Planning	1. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.	No	5-4
Cost-Effective Technology Acquisition	2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs.	Yes	5-6
Technology Professional Development	3. The district and school-based staff receive professional development training for all technologies used in the district.	Yes	5-7
Technology Support	4. The district provides timely and cost-effective technical support that enables educators and district staff to implement technology in the workplace.	No	5-8
Infrastructure and Network Communications	5. The district maintains a dependable, standards-based infrastructure employing strategies that cost effectively maximize network and Internet access and performance.	Yes	5-10
	6. The district uses technology to improve communication.	Yes	5-11
	7. The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	Yes	5-12
Information Management and Delivery	8. 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.	Yes	5-13
	9. The information needs of administrative and instructional personnel are met by applying appropriate project management techniques to define, schedule, track and evaluate the purchase, development and delivery of IT products and services.	No	5-14

TECHNOLOGY PLANNING

Best Practice 1: Not Using

The Division of Information Technology does not have a consistent process in place to conduct comprehensive technology planning.

Planning is the key to a well-implemented, well-delivered technology system. Effective planning helps ensure that district technology meets the instructional needs of students and teachers as well as the administrative needs of decision makers, including administrators, teachers, and non instructional personnel. An effective planning process identifies the technology needs of users, develops strategies to acquire needed technology in a cost-effective manner, and identifies available funds required for acquisitions. To ensure that the district identifies all of its critical needs, the planning process should include a broad range of stakeholder input. The decisions made during the planning process should be in writing and the resulting plan should guide technology-related policymaking and acquisitions. While the complexity of the technology plan will vary based on the size of the district, it should include a mission statement and reasonable, measurable goals and objectives that can be accomplished, in most cases, with available resources. The division's budget should also reflect the financial commitment to major technology initiatives included in the technology plan. In addition, the planning process should include follow-up procedures that allow decision makers to assess the benefits of district investments in technology and abandon or modify failed strategies in favor of more successful ones. District plans should state who is responsible for implementing and updating the technology plan.

In response to the New Century Commission on Education findings in January 1998, the Duval County School District developed a district technology plan.¹ In its plan, the district has set priorities for managing the district's \$239.2 million in technology needs. The plan outlines almost \$200 million in "high-priority" recommendations, \$15 million in "medium-priority" recommendations, and the "low-priority" recommendations total \$24.2 million.

Setting priorities for limited technology resources is a prudent business practice, but the district could significantly improve its technology plan and meet best practice standards by developing a more consistent process for planning and budgeting to better determine the plan's overall effectiveness. A more comprehensive technology plan could help the district better achieve its educational and administrative goals and improve the way it sets priorities. A common concern district technology managers expressed to us is the need to a few strategic priorities on which the district can focus. One way to ensure more effective strategies is to keep the number to fewer than five.² In an earlier study, the New Century Commission pointed out the need for a comprehensive technology plan. According to the commission's report, "A comprehensive technology master plan should be developed so that (a) initiatives involving technology are coordinated and networked across the district, (b) complementary and synergistic architecture and hardware solutions are developed, and that (c) effective high-level leadership is in place for the entire effort."³

To be more comprehensive and to provide sufficient accountability features to determine its effectiveness, the district should do two things. First, the district should establish a district-wide technology committee to improve coordination and networking across the district. A technology committee can assist the division with prioritization of technology projects and the allocation of technology funds to support new project initiatives. The committee could also consider superintendent expectations, classroom and

¹ The Duval County School Board created the New Century Commission on Education in 1997. The eleven-member citizens' group made several recommendations intended to improve the quality of instruction, performance standards, and school district operations.

² *Six Building Blocks for Creating Real IT Strategies*, Gartner Research, December 11, 2002.

³ *New Century Commission on Education Final Report*, January 1998 Recommendation 82.

administrative requirements, user requirements, and budget considerations. With only one district-wide technology committee, the district would minimize inefficiencies and redundancies.

Second, the district could improve its accountability systems for its technology plan. An effective accountability system will involve objectives that are measurable and more accurately reflect the district's desired outcomes for educational programs. For example, it is difficult for the district to determine the relationship between investments in technology and student performance. The districts' technology plan does not have narrowly defined performance goals that correlate directly to improving student achievement.

An effective accountability system will also involve a more effective process or framework to drive planning activities for the division, and which is clearly communicated throughout the district. A technology planning document should be relatively easy to follow, but the district's plan is unnecessarily difficult. The district could better communicate its technology plan with a more cogent presentation of the key elements. While not the only way to do so, one way to organize the technology plan to plan, budget, and track information technology expenditures is as follows:

- Develop Capital Planning and Funding Process for IT
 - Where we are today
 - Where we want to go
 - How we are going to get there
 - Timetable for deliverables
 - Measuring success
- Develop Comprehensive Technology Management Policy
 - Where we are today
 - Where we want to go
 - How we are going to get there
 - Timetable for deliverables
 - Measuring success
- Improve Systems to Track IT Expenditures
 - Where we are today
 - Where we want to go
 - How we are going to get there
 - Timetable for deliverables
 - Measuring success

Action Plan 5-1 includes the steps the district will need to take to establish a technology committee and to adopt a planning model to facilitate the development of a comprehensive technology plan complete with implementation strategies, timelines, accountabilities, and links to measurements for student achievement.

Action Plan 5-1

We recommend that the district create a district technology committee and adopt a planning model to facilitate the development of a comprehensive technology plan complete with implementation strategies, timelines, accountabilities, and links to measurements for student achievement.

Action Needed	Step 1.	Establish a manageable group of seven to nine key administrators from the schools, district office, and the Division of Technology to oversee the planning process and to facilitate cooperation and support from teachers and administrators.
	Step 2.	Compile a project portfolio of all existing initiatives and projects.
	Step 3.	Estimate expenditures matched with the division budget.
	Step 4.	Evaluate the status of all projects and initiatives.
	Step 5.	Define a core strategy for the district.
	Step 6.	Identify and fund projects that are strategically aligned and meet budget parameters.
	Step 7.	Monitor student performance metrics and business measures to assess planning process.
Who Is Responsible	Chief Information Officer and district executives	
Time Frame	March 2004	

COST-EFFECTIVE TECHNOLOGY ACQUISITION

Best Practice 2: Using

The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs.

Districts can reduce and better anticipate technology-related expenses and avoid downtime by developing acquisition strategies that consider not only the initial purchase price, but also the cost of fully implementing and supporting the systems. Implementation and support cost considerations should include professional development requirements, training, and standardization of equipment, interoperability with other systems, technical support, and disposal costs. In addition, districts should base technology acquisitions on need and ensure that technology resources are equitably distributed throughout the district.

The Duval County School District uses several methods to obtain the most cost-effective price when identifying the need for new technology purchases. The district follows a practice of reopening negotiations with key vendors on a periodic basis to ensure the district receives competitive prices, and obtains the most up-to-date technology. This practice has resulted in reduced maintenance and support costs on servers by extending warranties on server hardware from three years to five years. The district also considers support for printers and PC workstations, with three-year warranties on both printers and workstations as a standard, resulting in a cost savings to the district of \$769,000 over five years. In addition, the district achieved a significant cost savings by negotiating an arrangement with a company that provides T-1 Internet access at no cost to the district in exchange for access to school property.

For instructional technology, the district has developed an effective process for evaluating instructional software through the “virtual school.” The virtual school is a completely secure facility that is isolated from the district’s wide area network (WAN). According to district staff, the virtual school is a place to “wreck and destroy” software to determine how the software performs under severe stress by replicating a large number of simultaneous users to simulate a classroom environment. Advantages of the virtual school for teachers include

- Minimizing down time;
- Ensuring that software is supportable by creating instruction so everyone uses it the same way;

- Providing image availability to quickly create duplicate images to replicate on large shipments of new computers for school deployments;
- Making network modifications prior to deploying in the schools; and
- Training in-house.

Although the district is using this best practice, it continues to have implementation problems with the administrative business system. The district acquired its current system in 1999 for approximately \$6.4 million. Subsequently, the system became outdated and the district is spending an additional \$9 million to upgrade the software. The goal is to simplify core process while ensuring adherence to budget limits and approval levels.

However, implementation has been impeded because the district has not re-engineer its associated, outdated business processes. For example, the travel reimbursement process requires that employees review travel vouchers several times before they are finally approved. As a result of not re-engineering, only about 30 percent of the system's capability is in use and it still requires high levels of support from external contractors. The district should re-engineer its business processes in such areas as human resources and finance to more fully integrate them with the administrative business system. Increasing the efficiency and effectiveness of these processes should increase system capability, improve efficiency, and increase the effectiveness of the administrative business system.

We recommend that the district, as it phases in its administrative business system, assess those business processes that are likely to be affected, such as human resources, training, and finance to determine which ones should be re-engineered to improve the economy, efficiency and effectiveness of those processes.

TECHNOLOGY PROFESSIONAL DEVELOPMENT

Best Practice 3: Using

The district and school-based staff receive professional development training for all technologies used in the district. However, the district does not currently have a consistent mechanism to assess and evaluate the skills for technologies in use across the district.

Professional development is essential to ensuring that district employees maximize their use of existing technology. However, given the potentially wide range of knowledge and abilities among its staff, it is essential that districts identify the employees and specific areas in which employees are in the greatest need of training and then use this information to focus its professional development efforts. Districts must define the level of competency to master, clearly state the training requirements, and develop strategies to provide the needed training. These strategies include traditional classroom, one-on-one, computer lab instruction, web-based instruction, electronic bulletin boards, videotapes, and other self-directed, technology-based methods. In evaluating the effectiveness of training, districts should strive to go beyond such issues as whether participants liked the professional development opportunity and should focus on the intended outcomes and skills for the staff to master. Assessing the effectiveness of training is important to plan and budget for future training initiatives.

The Duval County School District is using this best practice. The district provides a wide range of opportunities for training and development for school-based staff for technologies in use across the district. The district fully funds technology training for teachers and administrators who receive new equipment or use new administrative systems. In addition, the district provides training on an ongoing basis to support basic word processing and spreadsheet applications. To meet teachers' needs further, the division launched Connected University Online Professional Development. Connected University is a web-delivered professional learning service for teachers; the Connected University experience offers

instructor-led courses, self-paced courses, just-in-time resources, a library, and a community of fellow learners. In addition, the division provides other training programs for teachers, including a year-long series of courses called I-Tech Academy. Exhibit 5-4 shows the target audience, number of participants and contact hours for the technology training.^{4, 5, 6}

Exhibit 5-4**The District Provides a Wide Range of Technology Training Opportunities**

Training Opportunity	Target	Number of Participants	Contact Hours
I-Tech Academy – Integration Training	Teachers at schools with technology implemented	512	1,512
Summer Camps – Subject Specific Integration Training	Teachers at schools with technology implemented	545	27,250
FCAT Explorer – FCAT Practice	School Technology Contacts (up to 2 per school)	116	464
EduTest Assessment Tool	Teachers at Low-Performing Schools	914	1,935
Connected University Data	Not available	155	Varies
New Horizons Data	Not available	2,030	12,180

Source: Data from Duval County Public Schools Division of Technology, April 2003.

The district is also working to improve its ability to assess the effectiveness of technology training in terms of student achievement. The district is actively addressing this area by implementing the School Technology and Readiness (StaR) Chart, with the first results available in Spring 2003.⁷ The STaR Chart can assess how well the district is prepared to equip students with technological knowledge and skills from the least sophisticated level (stage 1) to the most sophisticated level (stage 4). In addition, the district has plans to use its professional development center's assessment tool that will soon be available for the district's use; this assessment tool will assess basic, entry-level technology skills. The first results of the STaR chart should provide the initial baseline to establish the next steps to improve technology integration into the curriculum; these results will also identify how the district can use the professional development center's assessment tool.

TECHNOLOGY SUPPORT

Best Practice 4: Not Using

The district may not be providing timely and cost-effective technical support to district staff and teachers.

Timely, helpful technical support can be a determining factor in whether technology is used or abandoned, decisions are made in a timely manner, and essential district services are maintained or

⁴ I-Tech Academy is a year-long series of technology integration courses designed to help teachers innovate lesson design, integrate technology into the curriculum, improve technology skills, and inspire their students. All I-Tech Academy courses support the standards-based classroom and are offered after school.

⁵ A series of vendor-related courses can be found at <http://www.educationcentral.org/intech/training.htm#online>.

⁶ <http://www.educationcentral.org/intech/training.htm#integration>.

⁷ Members of the [Florida Council of Instructional Technology Leaders](#) (FCITL) and the [Florida Department of Education Bureau of Educational Technology](#) (BET) staff developed the [Florida STaR Chart](#). The Florida STaR Chart establishes a clear framework for measuring how well schools are prepared to equip students with the knowledge and skills they need to meet the challenges of expanding technology.

interrupted. Districts should provide responsive technical support to all users. Instructional personnel should provide media-rich curricula, and non-instructional personnel should conduct administrative tasks without technical interruptions. Areas of technical support include E-mail support, intranet/Internet access, software application support, web development, and computer hardware installation and maintenance. Providing technical support can be accomplished in a variety of ways, including providing a trained, non instructional technology support person or a technology facilitator in each school; managing a central help desk at the district; implementing a work order tracking system; and contracting for regional or vendor support services. In addition, districts can minimize the cost of supporting out-of-warranty equipment by establishing replacement guidelines that specify a period for technology recycling or replacement.

In 1998, the Duval County School District entered into a \$500,000 annual contract with another local government agency for help-desk services and internet bandwidth. Bandwidth is a term that characterizes internet connectivity capacity. Help desks typically provide basic assistance to computer users to overcome fairly minor technology issues or to answer fairly simple questions. When teachers and other users need help, they typically describe or relay their technology question or problem to a school clerk. The clerk calls the help desk with a service request and the person at the help desk writes up a trouble ticket with the call information. Typically, the help desk operator then refers the trouble ticket to the district's technicians for resolution. In some cases involving specific applications, help desk personnel attempt to resolve the problem over the telephone. When the issue is resolved, the trouble ticket is closed out.

However, the district is not using this best practice because it does not assess the help desk's performance. The district could improve its ability to measure the timeliness and cost effectiveness of its help desk by collecting additional information about the source of calls and the level of service needed. For example, direct contact between a computer user and the help desk facilitates problem resolution. Because the help desk does not record who makes each call, the percentages of calls made by users versus others who may be reporting problems on behalf of the users, such as school clerks or other employees. According to industry practices, a good help desk can typically resolve more than half of all calls without referring them to more highly skilled technicians. This is because most callers have simple, routine questions that could be resolved fairly quickly by the help desk attendant with the assistance of help-desk software. In Fiscal Year 2001-02, the help desk wrote up 28,605 trouble tickets and referred most of those to district technicians. The help desk does not specify whether the caller has a fairly routine issue (level one service) or requires more skilled help to resolve their problem (level two service or higher). Because the help desk also does not track the level of service for each trouble ticket, the district cannot measure the effectiveness of the help desk's services.

In addition, the help desk may not provide the district with the most efficient, cost effective services. In Fiscal Year 2001-02, help desk figures show that only 65.5% of the 28,605 trouble tickets written were closed within five business days. This clearance rate is significantly below the district's goal to close all tickets within four business days.⁸ Further, the district may be able to lower the cost of this service by bringing it in-house. Using the \$500,000 contract as the basis for the cost of the help desk, each call to the help desk costs the district \$17.48 (i.e., \$500,000 divided by 28,605). In contrast, the estimated annual cost for the same period to provide help-desk service in-house would be \$1,150,500 for the period from January 2005 through June 30, 2008, or a cost of approximately \$9.72 per call, or a difference of \$221,974.80.⁹ However, this difference does not take into account the cost of bandwidth provided by the

⁸ The percentage of trouble tickets closed within five days is as follows: 1998-99: 65.5%; 1999-00: 45.7%; 2000-01: 78.8%; and 2001-02: 65.5%.

⁹ The current annual cost paid to the contractor is \$500,000; over the same period in which the recommendation would be implemented, starting January 2005, the total amount that the contractor would receive is \$1,750,000. The action plan expenditures for software costs are projected to be \$50,000, which would include software maintenance and upgrade costs for the first year. In subsequent years, we estimate maintenance cost of 10% of the software purchase price for a cost of \$5,000 in years three through five. Transfer six existing staff at a salary cost of \$35,000 per person with a fringe benefits rate of 30% ($\$35,000 \times 30\% = \$45,500 \times 6 \text{ staff} = \$273,000$ annual cost for personnel). Workspace modifications are estimated at \$100,000 for the new help-desk function. Initial hardware costs are \$30,000 for a new server. Therefore, start-up costs for the first year of this recommendation total \$453,000. The first year cost savings reflects a deficit of \$203,000 for the six-month period, which is

contractor because it is unknown. All of this is compounded by the fact that the district's contract with the help desk provider does not contain minimum service levels, nor does the technology division evaluate the quality and timeliness of the technical support on a consistent basis.

The district should assess the help desk's performance to determine how to improve this service. It should collect information that identifies callers as users or non-users and levels of service such as level one or level two and higher. If a user directly contacts the help desk, then help desk personnel can more readily determine the nature of the problem and arrive at a solution. The help desk can also handle level one calls by telephone without referring them to district technicians. The district should also identify the cost of bandwidth provided by the district and compare it to other vendors' costs. This information could allow the district to negotiate a new agreement with the contractor that is more favorable to the district. If not, then the district may want to consider bringing the help desk in-house. Action Plan 5-2 includes the steps needed to implement this recommendation.

Action Plan 5-2

We recommend that the district collect information that identifies callers as users or non-users and levels of service such as level one or level two and higher. We also recommend that the district identify the cost of bandwidth currently provided by the contractor and compare it to other vendors' bandwidth costs.

Action Needed	Step 1.	Modify trouble tickets to include appropriate information.
	Step 2.	Implement modified trouble tickets in cooperation with the contractor.
	Step 3.	Establish database for information collected.
	Step 4.	Analyze data.
	Step 5.	Obtain bandwidth cost from contractor.
	Step 6.	Obtain bandwidth costs from other vendors.
	Step 7.	Compare bandwidth costs.
	Step 8.	Identify help desk alternatives based on data analysis and cost comparisons.
	Step 9.	Recommend to the board an alternative service delivery system, if warranted.
	Step 10.	Board will vote on the recommendations.
Who Is Responsible	Director of Technology Support	
Time Frame	January 2005	

INFRASTRUCTURE AND NETWORK COMMUNICATIONS

Best Practice 5: Using

The district maintains a dependable, standards-based infrastructure using strategies that cost effectively maximize network and Internet access and performance. However, the district faces a significant security risk with the implementation of wireless networks.

A district's success in meeting the demands for information depends largely on the ability of its infrastructure to receive and transmit data for effective communication and resource sharing. Thus, districts should have a districtwide infrastructure that provides communication, data transmission, resource sharing, and Internet capabilities in a cost-effective manner. The district's network should be operational and available to users on a consistent basis. To help ensure network dependability, the district should protect its network from viruses and enforce speed and access standards for district network

\$453,000 - \$250,000 (half-year JEA costs) in 2004-05. Years 2 thru 5 annual cost savings is \$222,000 (salaries and benefits of \$273,000 + \$5,000 in annual software maintenance costs less \$500,000, the contractor's annual costs) for a total cost savings for three and one-half years of implementing the recommendation totals \$463,000 cost savings to the district.

resources. Network access and dependability are crucial for meeting the information needs of students, teachers, administrators, and non-instructional personnel.

The Duval County School District has taken a number of steps to provide a robust network infrastructure that is standards-based and cost-effective while maximizing performance. The district has developed and implemented written speed and access standards for district network resources

To ensure that the district prevents interference with daily operations due to unwanted viruses, the division uses effective virus protection software. This software provides complete protection to every desktop and laptop that connect to the district's network. The district also uses network-based installation of virus protection programs, rather than single, desktop installations of virus protection software.¹⁰

The division has implemented wireless networks to provide connectivity to older schools where retrofitting becomes cost prohibitive for wire-based networks. Wireless networks are vulnerable to malicious attacks or unwanted viruses with the recent implementations of these networks. Lack of an effective network security system poses a significant threat to a wireless network, such as disruptive viruses, malicious denial of service attacks, and unauthorized users who may access the district's data. Wireless access is becoming more widespread in the district because wireless networks are easy to implement and cost less than wire-based networks and the associated physical infrastructure work that they require. This division does not have a wireless security plan, but is aware of the need to develop a plan and implement wireless standards across the district.

We recommend that the district develop, document, and implement a wireless network strategy, plan, and policies to prevent unwanted intrusion onto the district's network.

Best Practice 6: Using

The district uses technology effectively to improve communication. The challenge remains to place E-Mail technology in the hands of all teachers across the district.

Technology has revolutionized communications, providing tools to disseminate large amounts of information to a wide audience. E-mail, web sites, and teleconferencing are examples of technologies that enhance communication within and beyond school boundaries. Whenever possible, districts should use web technologies, such as Internet and intranet sites, and electronic mail to improve and enhance communication. E-mail messages expedite communication between and among colleagues without having to wait for a meeting to discuss important issues, saving time and travel. Posting information on web sites, such as policies, announcements, and calendars, improves access to important information districtwide and decreases the expense associated with sending hard-copy updates. Voice, e-mail, and web site technologies can facilitate communication with parents by providing information regarding the expectation, progress, and well-being of their children, as well as providing general information about specific programs and course offerings.

The Duval County School District uses a wide range of technologies to optimize communication among groups in the district. The district leverages the Internet and uses the Internet as its primary vehicle for improving communication. For example, the district has launched web sites for magnet programs, technology contacts, budget preparation, and the school board's electronic agenda.^{11, 12, 13, 14} These

¹⁰ Single, desktop installations of software are used when a technical support technician installs virus protection on one PC at a time. In contrast, network-based deployment of virus protection software creates greater efficiency and version control. Virus protection is easier to manage, because software installation is done remotely from a centralized system server in the data center that receives updates from the Internet. The process is completely automated with no human intervention.

¹¹ This program informs parents, the community and the world of magnet opportunities at www.magnetprograms.com.

¹² The information on the web site is updated by the Instructional Technology Department and provides up-to-date information on current meeting schedules and summaries of prior meetings held. www.educationcentral.org/intech/contacts.htm

¹³ District Budget Preparation System: The system is designed to facilitate the entry of commitment item information by Funds, Fund Centers, and Budget Services.

initiatives all use the latest electronic communication technologies over the Internet. In yet another effort to improve communications, the division offers web-hosting services to schools and administrative departments in the district.

The district also leverages traditional telecommunications technology for teachers who are responsible for providing instruction to homebound students. In support of the Hospital/Homebound Program, the division implemented a system that allows teachers to conduct classes with students via telephone; these students are unable to attend regular classes due to medical conditions that require them to remain at home.¹⁵ The system serves 125 students each day and supports 600-700 students annually in the Hospital Homebound program. A survey of teachers using the system shows that they are satisfied with its performance and consider it easy to use.¹⁶

The district is expanding e-mail access to teachers by implementing web-based e-mail for all district employees that will allow users to access their district e-mail from any computer that has an Internet connection. Optional training is scheduled for the summer of 2003 and will accommodate approximately 5,400 of the district's 7,372 teachers, or 73%, a significant increase over the current 10% who had e-mail as of March 2003. Additional training will be provided as needed. This project is the result of a technology recommendation made by the New Century Commission report.

Best Practice 7: Using

The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.

While technological innovations have provided districts with numerous opportunities to improve communication and increase efficiency and productivity, technology can be inappropriately used, causing potential harm to students and exposing districts to lawsuits. Thus, districts must develop effective strategies and comprehensive guidelines for the appropriate use of technology. Safe use of online resources is important to everyone. The federal Children's Internet Protection Act (CIPA) requires districts using E-rate funds to protect students from harmful online content.¹⁷ Because the infringement of copyright has legal ramifications, districts must provide guidelines for employees and others to comply with copyright laws.

The Duval County School District is using this best practice because it has developed reasonable written policies and practices to discourage inappropriate use of the district's technology resources. The policy documents are distributed to students with an explanation of what the document is intended to do. Students are encouraged to share the documents with their parents. The district provides other technology policy-related documents for sharing and discussion between the students and parents. These documents are to be reviewed and where applicable signed by the student's parent or guardian.

The Instructional Technology Department shows a high level of awareness about the issues of safety and ethical use of information and takes proactive measures to address them.¹⁸ For example, the department holds meetings consistently with minutes from the meetings available on the district web site.¹⁹ The

¹⁴ The district uses this web-enabled application to create, annotate, and manage school board meeting agendas. The application allows a user to create agenda items; add supporting attachments; and vote on agenda items. It also allows administrative users to edit an agenda in real time and allows board members to e-mail their notes and post agenda information online.

¹⁵ The Hospital/Homebound Program has a new stand-alone teleconferencing system that allows teachers to teach homebound/hospitalized students remotely from the unit. This new system replaced three units that required the teacher to be staged at each unit. This new method of communication resulted in a huge gain in the effectiveness of the program.

¹⁶ Survey conducted by McConnell Jones Lanier & Murphy LLP with Homebound teachers.

¹⁷ E-Rate is a federal program that provides schools and libraries with discounts toward purchases of telecommunications, Internet, and other technology services.

¹⁸ The Instructional Technology Department provides support and professional development to enable district schools to provide equal access to technology to all students and to assist teachers with integrating technology into curriculum.

¹⁹ <http://www.educationcentral.org/intech/jan2003.htm>

district also has in place appropriate and effective technology to prevent student access to inappropriate Internet sites that the district does not authorize for viewing by students in the district.²⁰ These policies and practices demonstrate that the district has in place safe, ethical, and appropriate use practices that comply with legal and professional standards.

INFORMATION MANAGEMENT AND DELIVERY

Best Practice 8: Using

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.

Districts are becoming increasingly dependent on information systems to manage their operations. These systems are typically used to track student information and financial management. For example, the Florida Department of Education requires student data to be submitted electronically. Because student data is used for assessment and funding, it is important that controls are in place for the district to secure access and to ensure the reliability and accuracy of the data. Districts should have processes in place that ensure they are following typical electronic data processing (EDP) practices and have controls to promote the proper functioning of all information systems.

The Duval County School District has established general controls which meet the intent of this best practice to promote the proper functioning of the information systems department. First, a procedures manual that includes written procedures and standards is in use primarily by the programmers and district users of the electronic resource planning (ERP) business system. The manual details procedures used to conduct key production tasks to support the system. Second, McConnell, Jones, Lanier & Murphy observed a “live” walk-through of the processes built into the mainframe system that prevents inappropriate use or access to the system by non-authorized district staff; several layers of security reside within the mainframe and two levels of security reside within the application. The district operates the primary student information system (SIS) application on the COJ mainframe. Due to the widespread use of the SIS by administrators across the district, extensive security is required to ensure the integrity and security of all student information. Finally, electronic data processing (EDP) audits conducted a national accounting firm for the district for the fiscal periods ending June 30, 2000, and June 30, 2001, recommended enhancing technology access and security controls.

The district has made several changes to implement these recommendations. For example, before any user can access an application such as changing student grades, the user must successfully pass two login points for security purposes and the user must have authorization to access specific applications. The district has additional system controls that include a full database backup once a week, which shows a complete audit trail that monitors all activity, including the audit trail details, the types of changes that are made to the database, and who makes them. The division continues to strengthen its general controls in the areas of access, maintenance, and operations to promote the proper functioning of the department.

²⁰ The district uses a software solution to prevent access to inappropriate sites. McConnell Jones Lanier & Murphy LLP (MJLM) consultant performed test by attempting to access several popular Internet portal sites; with each site, access was denied.

Best Practice 9: Not Using

The information needs of administrative and instructional personnel are not met by applying appropriate project management techniques to define, schedule, track and evaluate the purchase, development and delivery of information technology products and services.

Because districts depend heavily on data from information systems to make informed decisions, this data must be accessible when needed and presented in useful report formats. To ensure that information needs of teachers and administrators are being met, districts should use common project management techniques to schedule, prioritize, and provide users with a projected timeline when developing reports and applications. Districts should have procedures in place to gauge user satisfaction with information systems and services. Districts then should analyze alternatives to identify the most cost-effective method of responding to these needs.

The Duval County School District has several large-scale, district-wide projects that will have a major impact on how the district performs its day-to-day operations in the future. These projects include the implementation of a major upgrade to the administrative business system; a complete overhaul of the student information systems through a project named Education Information Network (EdIN); the district-wide operating systems upgrade that includes workstations and servers; and finally, the updating of technology infrastructures to prepare the schools for computer deployments and Internet access.²¹

The Duval County School District does not meet best practice standards because it could improve its ability to cost-effectively acquire and manage technology projects and measure user satisfaction. The division relies on outside consultants to manage and implement these projects. Consultants have managed one project, the administrative business system, for several years. The district currently has 10 full time consultants who support this system at a total cost of \$1.6 million annually, which may be excessive. The Orange County School District is using a more current version of the same system the district uses. However, the Orange County School District is using district employees, not contracted employees, and it is doing it for considerably less. The Orange County School District has 10 full-time employees dedicated to and trained in the same administrative business system at a cost of \$910,000 annually.²² If the Duval County School District redesigns its business processes to take full advantage of its system, as we recommend in Best Practice 2, the district may no longer need these consultants. However, if the district has a long-term need for these consultants, it could save money by replacing them with in-house personnel. By applying similar assumptions to the division as those in use in Orange County, or hiring 10 full-time equivalents at an average salary of \$70,000, the district can potentially save \$690,000 annually, which would total \$2,932,500 over five years.²³

The district should also improve its method for measuring user satisfaction. Although the district has procedures in place to gauge user satisfaction with information systems and services, these procedures are not adequate. The district receives user feedback when business analysts meet with user groups and collect customer request forms from users. However, the district infrequently surveys users. The last attempt was part of a 2001 survey covering all major district activities. The district should more

²¹ The goal of the EdIN project is to migrate off the COJ mainframe on which the district operates all its current student information systems applications. The project uses smaller pilot projects to build on the previous pilot and has the following distinct phases: 1) Analysis - refinement and clarification of base requirements, 2) Design - database and application design, 3) Coding - code programs and add/modify central repository, 4) Testing - new features and functionality tested by the unit acceptance testing (UAT) team using predefined test cases, and Implementation - new functionality is rolled out to pilot schools.

²² According to the chief information officer for the Orange County School District, the average compensation for these employees is \$70,000. We used a benefits rate of 30% that totals \$91,000 annually (\$91,000 x 10 staff = \$910,000).

²³ Assuming an average salary cost of \$70,000 for 10 full-time staff with a benefits rate of 30% shows an annual cost of \$91,000 (\$91,000 x 10 staff = \$910,000; current costs for external consultants is \$1.6 million). The benefit is calculated by using current annual contract cost of \$1,600,000 - \$910,000 (annual cost of in-house employees) = \$690,000 in annual savings. The first year cost savings is prorated for three months with implementation beginning in March 2004; savings would be calculated through June 2004; for the first year, that would total \$172,500. Savings for years two through five would be \$2,760,000, or \$690,000 x four years. Therefore, total cost savings to the district would be \$2,932,500.

frequently survey users' satisfaction with the delivery of information technology products and services and with the information they receive from the Division of Technology. This could be done annually, and every time a user requests assistance. The survey instrument could be made available on the district's intranet.

Action Plan 5-3 includes the steps necessary to implement these recommendations.

Action Plan 5-3

The district should determine if it has a long-term need for consultants and, if so, replace them with in-house employees. We also recommend that the district improve its method of measuring user satisfaction.

Action Needed	Step 1.	Evaluate long-term need for consultant staff. If need exists, go to step 2.
	Step 2.	Consultant staff should document all procedures and tools in use.
	Step 3.	Re-post positions internally and conduct interview process.
	Step 4.	Re-examine compensation policies.
	Step 5.	Open recruitment to public to fill technology positions that support the system.
	Step 6.	Conduct interviews with candidates.
	Step 7.	Extend offers, hire candidates and provide extensive cross-training with consultant staff.
	Step 8.	Release consultant staff from duties.
	Step 9.	Develop survey instrument to gauge user satisfaction.
	Step 10.	Test instrument on small sample of users.
	Step 11.	Revise instrument and install on district intranet.
	Step 12.	Survey users annually and when they request assistance.
Who Is Responsible	Chief Information Officer and Chief Financial Officer	
Time Frame	March 2004	

6 Personnel Systems and Benefits

Summary

The Duval County School District is using 7 of the 11 Personnel Systems and Benefits Best Practices. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its personnel systems and benefits program, the district needs to formalize its exit interview process and improve its staff development program for non-instructional and administrative personnel by providing increased district-level coordination and structure. The district could reduce its personnel and benefit costs about \$15.5 million over the next five years by privatizing more of its custodial and food services. For more information about this issue, see Best Practice 9 in this chapter, Best Practice 6 in Chapter 2 (Management Structures), Best Practice 17 in Chapter 8 (Facilities Maintenance), and Best Practice 6 in Chapter 10 (Food Services).

Background

The Human Resource Services (HR) department has oversight and implementation responsibility for the district's human resource management policies, processes, and practices. Major responsibilities of the department are recruiting and hiring, personnel records and file maintenance, employee relations, collective bargaining, salary administration, performance evaluation management, substitute teacher placements, and regulatory and legal compliance of human resources activities. The department does not manage employee benefits, workers' compensation, professional development, or payroll functions. The Risk Management department manages employee benefits and workers' compensation functions. Curriculum and Instructional Services is primarily responsible for professional development. The Business Services department handles payroll functions.

The HR department serves and supports almost 12,000 full-time employees, of whom approximately 62% are instructional personnel. Exhibit 6-1 presents a breakdown on the number of full-time district staff in 2002-03.

Exhibit 6-1

During 2002-03, the Duval County Public Schools Employed 11,887 Full-time Employees

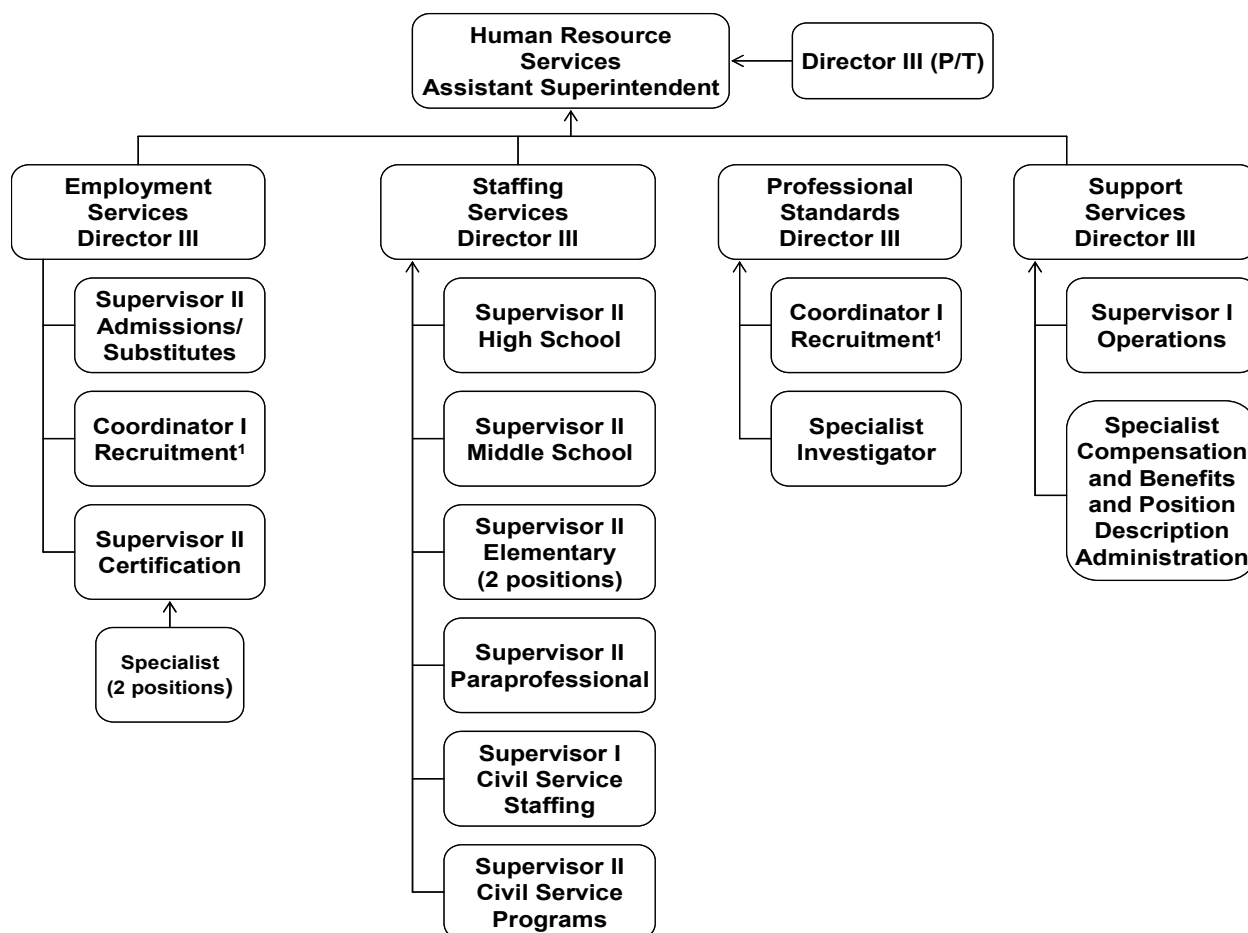
Categories of Employees		Numbers of Employees	Percentage by Category
Administrative Employees	District Level	345	
	School Level	233	
	Total Administrative	578	4.9%
Instructional Employees	Elementary	3,052	
	Secondary	2,357	
	Exceptional Student	1,151	
	Other Teachers	204	
	Other Instructional Staff	608	
	Total Instructional	7,372	62.0%
Non-Instructional Employees	Professional	128	
	Non-Professional	3,809	
	Total Non-Instructional	3,937	33.1%
Total Employees		11,887	100.0%

Source: Department of Education.

HR has four major functional areas—employment services, staffing services, professional standards and support services. The assistant superintendent of HR is relatively new in the position as head of the department. Four directors, who report to the assistant superintendent, manage the day-to-day functional activities of the department.

Exhibit 6-2 presents the organizational structure of the Human Resource Services department.

Exhibit 6-2
Human Resource Services Organizational Structure—2002-03



¹ The Coordinator I, HRMD position will no longer be funded effective 2003-04.
 Source: Duval County School District.

The department has a vision statement that reads:

“Supporting people who improve student academic performance”

The mission statement of the department is:

“To effectively and efficiently recruit, select, assign, orient, train, develop, appraise, coach, counsel, reward and recognize employees of the Duval County School System. In every instance, employees and potential employees will be treated in a dignified and respectful manner with exceptional personal attention.”

Activities of particular interest

Recognizing that the assistant superintendent of HR is relatively new in the position, the superintendent of the district has enlisted mentoring support from the business community to assist the assistant superintendent in establishing strategic direction and improving the effectiveness of the department.

Three professional human resources leaders from private sector companies in the Jacksonville, Florida area serve on an Advisory Committee as mentors to the assistant superintendent. The group meets on a regular basis to provide insight, guidance, and resources to support the efforts of the department.

The district has partnered with Florida Community College at Jacksonville to develop a substitute teacher training program for new hire substitutes. The program will provide substitute training to certify substitute teachers assigned to classrooms in the district. Certification will ensure that the district has competent and well-trained substitute teachers to teach and manage classroom activities in the absence of the regular teacher.

The district has a contract with an employment services agency to provide supplemental staffing support. This agency provides pre-qualified substitute teachers to fill assignments of absent teachers when the Substitute Employment Management System (SEMS) does not locate a substitute. The agreement helps the district accomplish its goal to fill 95% of its daily teacher absences.

The district offers a \$2,500 supplement to teachers in addition to the bonus awarded by the State of Florida to pursue certification by the National Board of Professional Teacher Standards (NBPTS). Additionally, teachers who have been certified by the National Board serve as mentors for future NBPTS candidates.

The district effectively aligned the workers' compensation program, safety inspections, facilities inspections, code inspections, emergency operation centers, crisis response team, and safety and security to fall under the direct management of the Safety Office. The consolidation of these functions and services within one function helps the district maintain and implement effective cost-containment measures for its workers' compensation program in a timely manner.

In March 2003, the district implemented an automated application process that allows applicants to apply for employment online. The district purchased a commercial human resources software package, which, among other benefits, automates the applicant tracking process and provides principals with access to teacher applicant data from their desktops.

Conclusion and Recommendations

Summary of Conclusions for Personnel Systems and Benefits Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Human Resource Management	1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	Yes	6-6
	2. To the extent possible given factors outside the district's control, the district works to maintain a reasonably stable workforce and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale.	No	6-7
	3. The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among instructional, non-instructional, and administrative employees.	No	6-10
	4. The district's system for formally evaluating employees improves and rewards excellent performance and productivity, and identifies and addresses performance that does not meet the district's expectations for the employee.	No	6-13
	5. 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.	Yes	6-15
	6. The district has an efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	Yes	6-16
	7. The district maintains personnel records in an efficient and readily accessible manner.	Yes	6-17
	8. The district uses cost-containment practices for its Workers' Compensation Program.	Yes	6-17
	9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	Yes	6-19
	10. The district's human resource program is managed effectively and efficiently.	No	6-21
	11. For classes of employees who are unionized, the district maintains an effective collective bargaining process.	Yes	6-23

HUMAN RESOURCE MANAGEMENT

Best Practice 1: Using

The district recruits and hires qualified instructional and non-instructional personnel; however, the district lacks effectiveness and efficiency in its recruiting and hiring processes.

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as personnel. Thus, school districts should maintain efficient and effective processes for recruiting potential employees, reviewing applications for employment, and hiring new employees. These processes should not be unreasonably burdensome to the applicant or to the principals and department heads who must review applications and make hiring recommendations. School districts should maintain clearly defined position descriptions for all positions within the district and establish recruiting practices that generate a sufficient number of qualified applicants to fill vacant positions in a timely manner. In those areas in which the district has historically experienced a shortage of qualified applicants, the district should have developed and implemented both short- and long-term strategies to remedy these shortages, including making comparisons of entry-level salaries and other key factors related to recruitment.

The Duval County School District recruits and hires qualified instructional and non-instructional personnel. The district has established employment policies to ensure equal opportunity as well as procedures to ensure applicants are qualified and eligible to work in the district. The district has various recruitment activities and sources to recruit and hire qualified instructional and non-instructional employees. Some of the recruitment activities include: attending job fairs and educational conferences; posting instructional and non-instructional vacancies on district, state and national websites as appropriate; advertising in state and national newspapers and publications; and partnering with local and out-of-state colleges and universities' education departments to identify qualified teacher candidates. Additionally, the district recruits teachers through its alternative certification program, participates in the Troops to Teachers Programs, and hires substitute and retired teachers as a means to fill teacher vacancies. To address teacher shortages in critical areas such as Math and Science, the district employs teachers to place in "out-of-field" positions. For example, a teacher may be qualified and certified to teach Physics but hired to teach General Science. The Certification Office tracks completion of required credit hours for teachers in "out-of-field" positions. The district's recruitment efforts, both local and out-of-state, generate a sufficient number of qualified applicants to fill vacant teacher positions. The district hired 970 teachers, of which 37% were African-American, Asian, Hispanic, and American Indian, from an applicant pool of approximately 1,612 teacher applicants for the 2002-03 school year. Of the 1,496 teacher applicants for the 2001-02 school year, the district hired 809 new teachers. Teacher Recruitment Fair data indicates the district recruits and hires approximately 50% of its teachers through recruiting fairs. Furthermore, to recruit and hire qualified instructional employees, the district offers teachers such incentives as salaries that are \$1,500 higher than surrounding districts and generous health insurance benefits, including fully paid health insurance premiums for single employees. Overall, the district successfully recruits and hires qualified employees.

Although the district generally recruits and hires qualified instructional and non-instructional personnel, the district could improve the effectiveness and efficiency of its recruiting efforts in several ways. First, the district should develop performance data to evaluate the effectiveness of its recruiting efforts. The district reduced its recruitment costs by 34% in 2001-02 (approximately \$27,000 compared to \$41,000 for the 2000-01 school year). However, this reduction in costs was based upon budget cuts rather than upon an analysis of performance data, such as the results of recruiting efforts in prior years. Without performance data to indicate which recruiting efforts are the most cost-effective in recruiting new teachers, the district has no effective measurements of its recruitment efforts, and no way to know

whether it has improved its cost effectiveness with the cost reductions. Performance data on recruiting activities would allow the district to make sound cost-cutting decisions and to focus its efforts on sources that produce the highest number of teacher hires and identify ways to reduce recruiting expenses.

Second, to improve its effectiveness in the recruitment of candidates, the district should update position descriptions for all non-instructional positions. The assistant superintendent of Human Resources and director of Employment Services completed updates in June and July 2002 for all administrative and instructional positions. However, some non-instructional position descriptions have not been revised since 1994. In addition, interviews of employees revealed the descriptions do not accurately reflect the essential functions of the positions. While there are no legal or government regulations that require school districts to have position descriptions, accurate position descriptions communicate job expectations to employees and applicants and ensure the district identifies candidates who match the requirements of the position. Although duties of most jobs remain the same, routine updates of position descriptions ensure that descriptions are current.

Third, the district should monitor the use and effectiveness of the recently implemented automated application process. HR implemented a new software program in March 2003 to improve the efficiency of the recruiting and hiring processes of the district. This software allows candidates to apply for employment online. It also automates the applicant tracking process and allows principals to access teacher applicant data from their desktops. Because this automation represents a major change in the way that applications are received and processed, District officials should continuously monitor and evaluate this new process to ensure that it achieves the desired outcomes in a cost-effective manner.

To improve the effectiveness and efficiency of its recruiting and hiring processes, we recommend that the district:

- **Develop an assessment tool to maintain performance data on the effectiveness of its recruiting activities;**
- **Update all non-instructional position descriptions and establish a schedule to update all position descriptions routinely; and,**
- **Monitor and evaluate the use of the new software to ensure that the desired outcomes are achieved, and to identify steps that might further enhance its use**

Best Practice 2: Not Using

Although the district maintains a reasonably stable workforce and a satisfying work environment, the district does not have a systematic and planned approach to reduce turnover and improve employee morale.

A stable workforce reduces costs, particularly those associated with recruiting and training of new employees, minimizes the disruption of essential district services, and allows management to focus on improving the quality of services provided. Each school district should be able to demonstrate that it has created a working environment for its employees that enhances worker satisfaction and minimizes employee turnover due to factors within the control of the district. A district can effectively manage employee turnover in a number of ways. For instance, it should maintain data on turnover rates for major classes of employees and on approaching retirements, and should be taking steps to remedy factors that are adversely affecting this working environment. The district should also conduct exit interviews with instructional personnel who separate from the district, and provide the data from those interviews to the state Department of Education. In addition, the district should maintain clear and effective channels of communication with its employees.

The Duval County School District uses several methods to maintain a reasonably stable workforce and create a work environment that is conducive to employee satisfaction, participation, and input. These

methods include climate survey instruments, exit interviews, and district task forces and committees. These methods are useful for collecting data that can be useful to manage employee turnover and morale issues.

The district is not using this best practice however, because it does not have a systematic and planned approach to measuring and managing employee turnover and evaluating and improving employee morale. The district's efforts in addressing turnover and employee morale are limited in scope and are not targeted for specific results. For example, the climate surveys exclude a significant percentage of the workforce population. Employees in the various administrative departments do not receive or respond to the surveys, resulting in fewer than 50% of the workforce participating in the surveys. Furthermore, the district does not use the feedback from the surveys to improve or change policies, processes, or practices that may contribute to low employee morale. From the many questions asked on the surveys, the district selects the response level to only one question as a measurement of employee satisfaction in its strategic plan. While the district received generally favorable results in a teachers' union survey, the analysis also identified some potential areas of employee dissatisfaction. Exhibit 6-3 shows those survey questions that received less favorable responses by 25% or more of the respondents.

Exhibit 6-3

Duval County School District Analysis of Teachers' Union Climate Survey—2001-02

Survey Question	Participant Count	C ¹ Occasionally	D ¹ Almost Never	C+D Percentage
While we don't always agree, we can share our concerns with each other openly.	5,580	1,146	444	28.5%
While I obviously can't have a vote on every decision that is made in this school that affects me, I do feel that I can have some important input into that decision.	5,569	1,328	675	36.0%
Administration and teachers collaborate toward making the school run effectively.	5,572	1,177	446	29.1%
People in this school care about me as a person, not just how I perform my role.	5,575	1,153	476	29.2%
Problems in this school are recognized and worked upon openly.	5,552	1,408	725	38.4%
In this school, people with ideas or values different from the commonly accepted ones are given an opportunity to share.	5,532	1,240	489	31.3%
There are procedures open to me to go to a higher authority when a decision has been made that seems unfair.	5,513	929	603	27.8%
I have influence on decisions within the school, which directly affects me.	5,535	1,386	671	37.2%
Budget making for this school provides opportunities for employees to recommend and make judgments about priorities for resources needed in their program.	5,509	1,244	645	34.3%

¹ The survey used a 5-point rating scale: A for Almost Always, B for Frequently, C for Occasionally, D for Almost Never, and NR/Inv for No Response or Invalid.

Source: Duval County School District.

In addition, the district does not effectively use the exit interview process for instructional staff nor does the district conduct exit interviews for non-instructional employees. Since Florida requires its school districts to report teacher exit information in order to receive continued funding for teacher retention, HR has assigned exit interview responsibility to the staffing supervisors. However, it is not mandatory for teachers to complete an exit interview and the staffing supervisors provide support to the process if requested by the exiting teachers. The state exit interview system analyzes and presents the recorded data in several report formats. The system categorizes the separation reasons as voluntary or involuntary. The reports could be useful to the district if the district entered accurate data into the system. A comparison of the system data to the district's actual records reveals a major discrepancy in that the numbers significantly disagree. For example, the state teacher exit data shows that 127 teachers left the district in 2001-02 but actual district records show the number to be 502 teachers. Since the reported numbers in the system represent a small portion of the teachers exiting the district, the district cannot make effective use of the data. Because the district is not monitoring turnover rates or reporting exit interview data for all teachers who leave the district, the district does not know how it compares with its peer districts and the state average. Without better data, the district cannot conduct a useful analysis of turnover rates, trends, and issues.

The district does not have a formal succession planning process, although the district compiles data related to retirement eligibility of its teachers and administrators. The district uses the data to prepare forecast reports but does not analyze potential impact on the district. As shown in Exhibit 6-4, the district projects that 22% of teachers and 43% of administrators are eligible to retire by June 30, 2007.

Exhibit 6-4

A Significant Percentage of Duval County School District Teachers and Administrators Eligible to Retire by June 30, 2007 ¹

	Number Employed March 2002	Total Number Eligible	Percentage of Number Employed
Teachers	7,186	1,577	22%
Administrators	557	240	43%
Total	7,743	1,817	23%

¹ In 2003, the Florida Legislature passed legislation to allow instructional staff to continue employment for up to three additional years. As a result, the numbers shown in Exhibit 6-5 could change, depending upon how many of the affected instructional staff wish to continue employment.

Source: The Duval County School District.

The district does not have a formal feedback system to obtain districtwide input from employees about its policies, programs, and services. The district does not publicly solicit feedback. Other than through union representation and committee membership, employees do not provide feedback routinely on district policies and programs. In addition, communication channels used by the district are conventional and do not take advantage of current technology. The employee handbook is not available on the district's web site. The HR department does not use the district web site or email system to communicate timely information and updates to employees. The district provides a link on its web site to the Duval Teachers Union, but not a link for the other bargaining units.

The district can implement a number of activities and initiatives to achieve the standards of this best practice. In general, the district needs to:

- Collect, analyze, and report more data based on specific goals and performance measures;
- Solicit input and feedback from a larger employee base;
- Develop and implement systematic processes to facilitate implementation; and
- Use technology to communicate more effectively.

The following action plans describe the steps needed to implement the recommendations.

Action Plan 6-1

We recommend that the district collect, analyze, and report turnover data for all employee groups and use the results to identify and address trends and issues related to turnover and employee morale.

Action Needed	Step 1.	Review and strengthen the current exit interview process to ensure that all instructional employees are interviewed, and that data is collected that is useful to the district. Also, develop an exit interview process for non-instructional employees.
	Step 2.	Incorporate the exit interview component as part of a formal separation process to finalize the employee exit from the district.
	Step 3.	Identify staff to coordinate the exit interview process.
	Step 4.	Implement the exit interview process.
	Step 5.	Determine the critical turnover information that should be presented in the employee turnover report.
	Step 6.	Draft a report format with narrative analyses and present to the superintendent for approval.
	Step 7.	Use the approved format to produce employee turnover reports for the superintendent and the board.
Who Is Responsible	Assistant Superintendent of Human Resource Services	
Time Frame	June 2004	

Action Plan 6-2

We recommend that the district expand the use of climate surveys to solicit feedback from all employee groups and include questions related to the services and programs managed by the administrative departments.

Action Needed	Step 1.	Develop questions related to services and programs managed by administrative departments and include employees from all employee groups to participate in the climate survey.
	Step 2.	Modify the existing climate survey process to distribute the climate survey to all employees.
	Step 3.	Collect and analyze survey results and present a detailed report to administrative departments.
	Step 4.	Work with administrative departments to develop a plan that is responsive to substantive survey feedback to improve overall operations.
Who Is Responsible	Superintendent	
Time Frame	January 2005	

Best Practice 3: Not Using

The district provides a comprehensive staff development program for instructional employees to improve student achievement and to achieve and maintain high levels of productivity and employee performance. However, the district has not developed a similar program for non-instructional employees.

Training ensures that school district employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to carry out their duties effectively and efficiently. Thus, a school district should provide a comprehensive professional development program that includes orientation, mentoring, and job-related training for both instructional and non-instructional employees. The district's training plans should be based upon periodic training needs assessments. The training should be designed to improve student achievement and maintain high levels of productivity and performance among employees. The district should have a leadership training program that prepares future principals.

The district is using the best practice with its comprehensive staff development program for instructional employees, but it is not using the best practice for non-instructional employees. Because the programs and activities related to these two groups are distinct from one another in this district, they are discussed separately below.

Professional Development for Instructional Employees

The Duval County School District has a comprehensive professional development program for its instructional employees. The program includes the following key elements:

- Orientation
- Needs assessment process
- Comprehensive course offerings and individual development plans
- State required inservice activities
- Participant feedback mechanisms
- Training and development funding
- Mentoring programs
- Support for certification by the National Board of Professional Teaching Standards

The district's professional development program met the requirements of Florida law and received approval from the Florida Department of Education. The district conducts orientation for new teachers in which the teachers receive materials, supplies, and relevant information on classroom arrangement, discipline principles, parent communication, teacher evaluations, tips for coping with stress, and key human resources practices such as certification, employee handbook, professional standards, and employee benefits. School principals establish and maintain individual professional development plans for instructional employees. The plan identifies student performance goals, professional development strategies, required resources, and evaluation of the plan's effectiveness. The district has a Master In-service Plan that is well-documented, outlining specific roles and responsibilities, implementation strategies and procedures, and a list of frequently asked questions and answers. The inservice activities focus on the state required areas. In September 2001, the board approved the Master Plan for Inservice Education for 2001-06. Professional development facilitators, who are school-based employees, help in coordinating the in-service training activities.

Instructional personnel and school administrators have access to a comprehensive offering of courses, workshops, seminars, and other training opportunities to increase their knowledge and skills. Many of the courses are taught at The Schultz Center for Teaching and Leadership, a state-of-the-art facility. The center is an independent, nonprofit corporation that formed a cooperative effort with 14 northeast Florida school districts. At the end of each training class sponsored by the Professional Development department, class participants complete an evaluation form to provide feedback on every trainer. The form is easy to complete and provides an opportunity for the participants to provide detailed feedback, which is shared with the trainer's supervisor. Feedback is provided to the instructors and the facilitators. The district has a manual documenting the policies and procedures related to professional development. The manual includes instructions on initiating fund requests for inservice activity. The district allocates professional development funds to each school based on the school's unweighted full-time equivalent (FTE). Employees may use these funds for in-service-related activities such as non-college credit registration fees, out-of-county travel, stipends, part-time instructor salary, supplies, and workshop consultants.

The district has two mentoring programs: the Teacher Induction Program for teachers and the Principal Mentoring Program for principals. The Teacher Induction Program provides support services to teachers during the first year of teaching in Florida. The district selects high performing teachers to act as

mentors. The district conducts an annual assessment of the program and also conducts post-evaluations of training classes. The Professional Development department completed and documented a thorough analysis of the 2001-02 survey results and made several recommendations to improve the program. Based on the recommendations, the district revised the program for the 2002-03 school year. The goal of the Principal Mentoring Program is to develop high performing principals for the district. This is a program with a focus on practical application of effective leadership skills by delivering best practices.

The district encourages instructional personnel to pursue certification by the National Board of Professional Teaching Standards (NBPTS). The certification office of the HR department distributes posters and flyers about the program and coordinates the application process for candidates. The district offers workshops and seminars to assist teachers preparing for certification. The district also pays a \$2,500 supplement to teachers certified by NBPTS. The district also encourages NBPTS certified teachers to serve as mentors to NBPTS candidates. The district has 139 NBPTS certified teachers.

The district is in the initial stage of revising its district leadership training program, including its Principal Career Path program. The district has identified some potential candidates to fill projected vacancies of retiring administrators.

Professional Development for Non-Instructional Employees

The district is not using this best practice because it has not developed a comprehensive development program for non-instructional employees. Although the District offers some staff development opportunities to its non-instructional and administrative employees, the non-instructional program does not include a new employee orientation program, nor does the district conduct needs assessments to determine training needs of its non-instructional staff. To help the district achieve its goal of establishing learning communities of students, educators, support staff, parents, and community leaders, the district established a priority action strategy to design and implement a program of professional development for all stakeholders. However, the district has not established comprehensive action plans, programs, or performance measures to address the professional development needs of its non-instructional personnel.

In March 2003, the district initiated a series of workshops for non-certificated support personnel. The workshops cover topics such as interpersonal communications, conflict handling, relationship management, and dealing with change.

Staff development and training are critical to improving productivity and performance of employees. However, the district can meet the best practice standard by developing and implementing an equally effective professional development program for non-instructional employees. The steps needed to implement this recommendation are outlined in Action Plan 6-6.

Action Plan 6-3

We recommend that the district develop a comprehensive staff development program for its non-instructional personnel.

Action Needed	<p>Step 1. Conduct a needs assessment analysis and compile the results into a districtwide staff development plan.</p> <p>Step 2. Compare major elements identified in the districtwide plan with the Strategic Plan/priority action strategy to ensure compatibility.</p> <p>Step 3. Create evaluation methods for each major element or objective of the plan.</p> <p>Step 4. Determine realistic goals and objectives for the elements of the plan and timetables for meeting those goals and objectives.</p> <p>Step 5. Update the staff development plan to include evaluation methods, goals, objectives, and timetables.</p> <p>Step 6. Submit the staff development plan to each department for approval of the components and goals affecting that department.</p> <p>Step 7. Submit the staff development plan to the superintendent and the board for approval.</p> <p>Step 8. Gain approval of the plan from the superintendent and board.</p> <p>Step 9. Conduct annual evaluation of the plan based on stated goals and objectives and report results to department heads, superintendent, and board.</p>
Who Is Responsible	<p>Associate Superintendent of Curriculum and Instructional Services</p> <p>Assistant Superintendent of Human Resource Services</p>
Time Frame	January 2005 and ongoing

Best Practice 4: Not Using

The district has a formal performance evaluation system that is designed to identify, address, and improve performance that does not meet the district's expectations for the employee. However, the district cannot assure the quality of the evaluation documentation and feedback or that all employee performance appraisals have been completed in a timely manner.

Performance appraisals are an essential tool to be used by a school district to improve the quality of services delivered. By evaluating its employees, a district can determine the extent to which each employee is meeting performance expectations and identify ways in which individual and organizational performance can be improved. Each school district should have a system for formally evaluating the performance of its instructional and non-instructional employees. The system should include components that provide for the improvement and growth of employee performance, that reward excellent performance, and that identify those areas of performance that do not meet the district's expectations for the employee. The evaluation of district administrators should be made after feedback has been solicited and received from non-administrative personnel and from parents.

The Florida Department of Education has approved the district's performance appraisal system for instructional personnel the 2002-03 school year. The letter of approval further states that the district is to be "commended for developing a comprehensive system that not only ensures the professional competence of instructional personnel but also supports their continued professional development and includes indicators of improvement in student performance and parental input in the appraisal of instructional personnel." The Employee Handbook spells out general procedures for performance evaluations of certificated employees as well as paraprofessional and other support personnel. All employees receive copies of the evaluation forms and procedures. The district requires all employees to receive performance evaluations at least once a year. In evaluating school administrators, the district also uses the results of a climate survey completed by parents and non-administrative personnel. The district has a performance pay plan for full-time teachers and school administrators who meet designated performance criteria. The district uses several different performance evaluation instruments and

publishes specific guidelines and timelines to assist supervisors in complying with district policy. Some of the performance instruments are:

- Teacher Assessment System;
- Civil Service Employee Evaluation Form;
- School Counselor Professional Practices Assessment Instrument;
- Professional Practices Assessment Instrument;
- Paraprofessional Evaluation Form; and
- Administrator Performance Evaluation.

The evaluation process is structured and documented to inform employees of unsatisfactory performance. Specific procedures and guidelines are outlined in the Professional Standards Guidebook, School Board Policy manual, and in the bargaining agreements. For example, the Duval Teachers United (DTU) bargaining agreement requires that the district provide written notification of a potential unsatisfactory evaluation. Also, the employee receives specific information on performance deficiencies and developmental needs. HR sends a follow-up letter to the employee explaining the employee's responsibilities, the district's expectations, and potential outcomes for continued unsatisfactory performance.

Although the district has implemented a formal performance evaluation system, the district does not meet best practice standards because it cannot ensure the quality or timeliness of the employee performance appraisals. The district does not have a review process to ensure that supervisors use appropriate and objective methods to assess and document performance and provide feedback to employees, or that the supervisors avoid the use of subjective language, unclear standards, inconsistent ratings, personality ratings, inflated ratings, and excessive negative ratings. Biased or inappropriate performance evaluations do not help employees improve performance and productivity. Supervisors do not receive regular and up-to-date training on performance evaluation techniques and legal liabilities associated with ineffective performance reviews. The district should implement a review process to assess the quality of the evaluation documentation and the training needs of supervisors in conducting performance evaluations.

The district should also improve its procedures to ensure that employee performance appraisals are completed by supervisors in a timely manner. The Human Resource department is responsible for collecting, monitoring, and filing all completed performance evaluations. However, the monitoring of the process could be done more efficiently. The department should establish a procedure for the supervisors to submit all evaluations together by the due date, with a master list attached showing the names of employees with completed reviews and employees with missing reviews. The master list should have designated areas for the signatures of the supervisor and the department head. After receiving the master list and accompanying performance evaluations, HR could verify that the list is accurate and also report districtwide results to the superintendent and regional superintendents to gain support in assuring that all evaluations are conducted. The district should add a performance standard to evaluate supervisors on their effectiveness in completing timely performance evaluations. To demonstrate the importance of performance evaluations, the district needs to ensure that supervisors complete all evaluations and on time. The district should improve controls over the timely completion of performance evaluations.

Action Plan 6-4

We recommend that the district improve controls and accountability for the quality and timely completion of performance evaluations.

Action Needed	<p>Step 1. Establish a committee of stakeholders composed of administrators, instructional staff, non-instructional employees, and union representatives to develop goals, an activity schedule, and the process for HR to conduct a review of completed performance evaluations.</p> <p>Step 2. Develop a checklist of key areas that will be reviewed and assessed on the completed performance evaluations.</p> <p>Step 3. Develop a revised procedure, including a master list form and reporting process, for the submission of completed performance evaluations.</p> <p>Step 4. Communicate the new process districtwide and instruct department staff on the new process.</p> <p>Step 5. Review and assess selected performance evaluations based on the checklist.</p> <p>Step 6. Analyze results and provide feedback and recommendations as appropriate to respective supervisors.</p> <p>Step 7. Conduct training or coaching sessions as needed.</p> <p>Step 8. Collect data and report compliance and noncompliance information to the superintendent and regional superintendents</p> <p>Step 9. Conduct an annual evaluation of the process based on stated goals and report results to department heads and superintendent.</p>
Who Is Responsible	<p>Assistant Superintendent of Human Resource Services</p> <p>Associate Superintendent of Curriculum and Instructional Services</p> <p>General Director of Research, Assessment, and Evaluation</p>
Time Frame	June 2004 and ongoing

Best Practice 5: Using

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.

District employees are in a position of trust with the potential to influence children in both positive and negative ways. To minimize the potential for negative influence on the children within a district, each school district should establish policies and procedures that address issues related to inappropriate conduct or behavior by employees as well as employees who repeatedly do not meet the district's performance expectations. The district should follow these policies and procedures in such a manner that unsatisfactory employee behavior or performance is effectively dealt with so that these employees do not have an adverse effect on students or upon the school environment. District administrators should receive training and district-level support in dealing with poorly performing employees. When it is necessary for a district to terminate an employee, termination decisions should be defensible in judicial review.

The Duval County School District has in place a process for documenting poor or unacceptable performance and conducting investigations to determine recommendations for action. The district's bargaining agreements and district policies and procedures demonstrate that the district has established procedures for disciplining employees who fail to meet job performance expectations. The director of Professional Standards in the HR department has primary responsibility for providing training, direction, and coaching to managers and supervisors on policies and procedures to address poor performance issues. The department developed and distributed a new procedural manual for managers in June 2002. The manual, *Professional Standards Guidelines*, specifically addresses progressive discipline, unsatisfactory performance, and investigations. It also presents guidelines for reporting, investigating, and isolating students from employees who are a threat. The director and a staff investigator conduct investigations

and assist managers with proper documentation of performance issues. Also, the district has a Discipline Committee that meets monthly to discuss and render decisions on disciplinary matters and the director works closely with the committee in presenting cases and facilitating meetings and discussions. In cases involving allegations of behavior harmful to students, the district promptly conducts investigations and removes the employee from contact with students. The investigators track and maintain the confidential records on these cases. They complete well-documented investigative reports, providing details of the investigation, witnesses interviewed, reassignment of the employee accused of the misconduct, and final disposition of the case.

The district's drug-free workplace policy allows the district to offer assistance and information on drug abuse to employees with a written notice of the policy and/or disciplinary action for drug abuse violations, information or workshops concerning the dangers of alcohol and drug abuse, and an employee assistance program or access to such a program in order for the employee to receive counseling, treatment, or rehabilitation. The district contracts bus transportation to private vendors; nevertheless, the contractual agreements between the district and the vendors require the vendors to comply with federal and state regulations as well as district policies.

Best Practice 6: Using

The district has an efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.

Excessive employee absenteeism can reduce district productivity, disrupt the continuity of classroom instruction, and, when such absences require the district to use substitutes, increase costs. Thus, each school district should monitor rates of absenteeism and the costs associated with the use of substitutes for instructional and non-instructional personnel. It should have a sufficient number of substitute teachers to cover absenteeism peaks, and should have efficient processes for the notification of absences and the placement of substitutes. It also should provide orientation and training to substitutes, and should provide special assistance (coaching, guidance, and oversight) to substitutes for extended teacher absences. A district should have policies that either encourage high attendance or discourage excessive absenteeism.

The Duval County School District has implemented the use of the Substitute Employment Management System (SEMS) and offers incentives through the Teacher Performance Pay Plan and collective bargaining agreement to manage absenteeism and the use of substitute teachers. Review of features, operations, and system reports of SEMS confirms the system is an efficient and cost-effective way to manage absenteeism and substitutes. For example, teachers and other certificated employees can call in absences to SEMS 24 hours a day. Policies and procedures to report absences and instructions on how to use SEMS are included in a handbook that the district provides during New Teacher Orientation and Substitute Teacher Orientation. SEMS has the capability to match the district's 1,500 substitute teachers with assignments based on the calling profile in the system's database. The calling profile allows substitutes to choose the subject areas, grades, schools, regions, and specific days of the week to receive calls for assignments to fill teacher absences. When SEMS cannot locate a substitute, the district uses Kelly Services, a temporary agency, to fill teacher absences. Review of the SEMS Job Report reveals the district has a success rate of filling 90% of teacher absences through SEMS.

The district recruits substitute teachers through the district's web site and job line, school marquees, and public service announcements. All substitutes attend orientation and training prior to the beginning of the school year. As of November 2002, the district, in collaboration with the Florida Community College at Jacksonville, offers a Substitute Teacher Training Program to certify substitute teachers. The program provides in-depth training on classroom management and teaching strategies for new substitute teachers and substitutes with extended assignments.

As a means to decrease absenteeism, the district rewards teachers with perfect attendance through the Teacher Performance Pay Plan. In addition, the collective bargaining agreement provides for annual

payment of accumulated sick leave, terminal pay for unused leave days, and compensation to teachers who must cover an absence when a substitute is not available. Furthermore, the district added an addendum to its Personal Leave with Pay policy in an attempt to control the use of personal leave; the addendum requests teachers to work collaboratively with principals to develop plans to reduce the use of personal leave before holidays. Implementation of this addendum, along with other rewards and incentives, will also help the district in its efforts to decrease and manage absenteeism.

Best Practice 7: Using

The district maintains personnel records in an efficient and readily accessible manner; however, use of an electronic document management system to store and retrieve active personnel records needs to be evaluated.

School district personnel files hold essential information on all district employees, which must be maintained in a manner that protects the employees while serving the needs of the district. Each school district should maintain its personnel records in an efficient, readily accessible, and timely manner. When it is more cost efficient to do so, districts should implement automated record-keeping systems that facilitate the ready exchange of personnel information with school sites and other departments. When feasible and cost effective, the district should explore options that would delegate certain data entry responsibilities to school site personnel, so long as this does not compromise the security of those records.

The Duval County School District maintains personnel records in an efficient and readily accessible manner through the use of policies and procedures developed by the director of Employment Services. Review of personnel records indicates the staff of HR updates personnel records electronically through SAP and files hardcopy of documents into personnel files on a daily basis. Also, principals have view-only access through the district's automated office system for personnel records of campus staff. HR maintains hardcopy personnel files in a department file room with limited access.

While the district maintains personnel records in a secure room, the location of the room creates a vulnerability to the district for the loss of hardcopy personnel records in the event of a disaster. The file room is on the first floor of the building, which sits on the west bank of the St. Johns River. Furthermore, the district does not have a contingency plan to preserve hardcopy personnel records of active employees. However, the district uses an automated system to archive and maintain all non-active employee data. Many school districts are scanning contents of active personnel records using a document imaging and management system that allows districts to retrieve and store employee information electronically. The system also eliminates the need to maintain paper copies of documents. The cost of such systems ranges in price from \$35,000 to \$65,000, which is not inclusive of hardware or client support. Although not a requirement to meet best practice standards, using a document management system would provide the district with an alternative method of storing and retrieving personnel records. More importantly, it would prevent the loss of personnel records or misfiled documents.

We recommend that the district evaluate the use of a document imaging and management system to store and retrieve personnel records of active employees.

Best Practice 8: Using

The district uses cost-containment practices for its workers' compensation program.

When left uncontrolled, workers' compensation claims can represent a significant expense to school districts and, thus, should be effectively managed to minimize their frequency and costs. A district can do this in a number of ways. For instance, a district should conduct routine evaluation of the claims and expenses. The district should also have an active safety inspection program, and should develop correction actions such as physical plant repair or employee training based upon information gained from

past workers' compensation claims. In addition, the district should implement cost-containment steps to limit workers' compensation expenses, such as a light duty program that enables injured employees to return to work as soon as they are able.

The Duval County School District effectively manages its workers' compensation program, which is comprised of three major components: claims management, safety/prevention programs, and back-to-work program. Under the leadership of an experienced and skilled director, the Safety Office works closely with a third party administrator to manage and control workers' compensation costs. The district has regular meetings with the third party administrator to review and analyze open claims, claims history, costs, loss time ratios, safety considerations, and trend lines. In addition to the claims review process, the district established a Site Safety Committee at each school to assist in reducing the frequency and costs of workers' compensation claims. The site safety committee members, who are peers of injured employees, discuss the injury to determine if this injury was avoidable and if training is needed. The committee not only addresses workers' compensation issues but also evaluates accidents and recommends changes and loss prevention measures. Safety Office staff members hold annual meetings and training sessions with committee members and assist them in coordinating the reporting and documenting of on-the-job injuries. As a result of this comprehensive and systematic review process, the district significantly reduced the number of claims and the average cost per claim. The Council of the Great City Schools commended the district in its September 2002 report for its exceptional management of workers' compensation claims and safety and insurance programs.

The district performs Life Safety Inspections on a weekly basis and reports the results monthly. Annually, fire safety inspectors evaluate each facility for life safety issues and possible hazards that could cause injury to students and staff. When hazardous or potentially hazardous conditions are identified, the Safety Office assists in the generation of a work order to correct the hazard. The Safety Office continues to monitor the hazardous concerns until resolved. The district revamped its light duty program and established documented procedures regarding skills inventory, job search and placement, and termination. The Safety Office developed a Fitness for Duty Flowchart to help increase understanding and consistency in placing employees on light duty. The Safety Office developed several tools to assist district personnel in establishing sound practices in accident reporting and prevention and in following emergency procedures. The Safety Office produced an *Accident Reporting Manual* to guide district staff in using a uniform system of accident/injury reporting, investigation, and analysis for compliance with state and federal requirements. The manual provides specific instructions for accidents involving students, employees, volunteers, and other visitors on district premises. The office also issued manuals to aid employees in completing the appropriate forms, following workers' compensation procedures, and using appropriate contact information.

Although not a requirement to meet best practice standards, to enhance the district's sound workers' compensation cost-containment efforts, the district should ensure that all employees receive orientation and training on policies and procedures related to its workers' compensation and safety programs.

We recommend that the district provide orientation and training to all employees on policies and procedures related to its workers' compensation and safety programs.

Best Practice 9: Using

The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement. However, because of changes in the retirement options in the Florida Retirement System, the district now has the opportunity to save \$15.5 million over 5 years by privatizing the remainder of its custodial and food service employees.

The cost of employee benefits is a substantial, ongoing expense for most school districts. In addition, due to rising healthcare costs, benefit expenses can increase more rapidly than anticipated, resulting in districts having to reduce other services or borrow from reserves. Thus, each school district should use cost-containment practices to limit increases in the district's costs for employee benefits and to provide optimum employee benefits for the costs incurred. The district should periodically review its employee benefits package, in cooperation with the employee unions, to identify alternative delivery options. The district should calculate the short- and long-term fiscal impact on all changes to its benefits packages prior to approval of those changes.

The Duval County School District has one of the most generous employee benefits plans in the state of Florida. Bargaining agreements specify that the district pay the cost at 100% of health insurance coverage for all eligible full-time employees. The district works collaboratively with the unions in selecting a benefits plan. The district formed the Insurance Committee, comprised of district and union representatives, retirees, and the district's third party health insurance consultant, to review, analyze, and recommend the next year's benefits program. This group evaluates the program's effectiveness, alternative delivery options, and cost structures, and then makes final recommendations for board approval. By involving all union groups in this process, the district successfully avoids bargaining with the unions on the benefits plan during negotiations.

For 2001-02 and 2002-03, the district was faced with extremely high health insurance renewal rates of 53% and 44%, respectively. To contain the proposed higher insurance costs, the district evaluated the plan offerings and costs and considered other insurance carriers. The district successfully reduced the premium increases and negotiated a new health insurance plan with three plan offerings. The cost of the health insurance plan increased only 9.6% from 2000-01 to 2001-02. Part of the reason for a low increase rate was that the new insurance carrier used preliminary claims data in quoting its insurance rates. In designing the 2002-03 health benefits program, the district considered several factors. The district recognized that renewal costs for year 2002-03 would be significantly higher due to a more accurate assessment of plan usage rates and claims history. The district evaluated different delivery systems and the cost impact to the district and employees. The existing healthcare plan became cost prohibitive to renew. The district, third party administrator, and insurance carrier partnered to develop a modified plan that is competitive but also controls cost. The proposed plan design introduced for the first time a deductible for certain services and increased co-payment amounts to help with cost-containment efforts. With input from stakeholders, including members of the District Insurance Committee, the district agreed to fund the deductibles through the medical flexible spending account (MSFA). Employees access the funds through a debit card that the district issues to each employee. The debit card can be used only to pay the deductible and other out-of-pocket eligible medical expenses. This modified plan design resulted in a 14% increase in plan costs for 2002-03. The district used an extensive communication strategy and campaign to help employees understand the new plan and improve utilization of the plan. With the detailed analytical reports of its health insurance consultant, the district looks at the fiscal impact of the benefit plan changes.

The district also has an opportunity to save more than \$4 million per year in custodian and food service salaries and benefits due to changes in the retirement options in the Florida Retirement System. When the district privatized its food service operations in 1991 and its custodial service operations in 1996, district custodial and food service employees were allowed to continue their status as school district employees

receiving district salaries and benefits, including retirement. All new employees were hired by the contracted vendors. The district custodial and food service employees are thus being gradually replaced through attrition.

One of the main reasons for entering this arrangement with the vendors was to protect the pension rights of the employees under the Florida Retirement System. At the time, the retirement system was a defined benefit system, which provided optimum benefits to an employee who worked in it for their whole career. In 2002, the Florida Legislature modified the Florida Retirement System to create a defined contribution alternative which allows the employee to retain the value of the retirement contributions made the employee's behalf even though employment is terminated.¹ If the district were to eliminate the remaining custodial and food service positions, those employees would be eligible to take a lump sum payment from the Florida Retirement System and invest it in an alternate retirement plan.

Under the current arrangement, workers doing similar jobs within the district are receiving widely disparate salary and benefit packages depending upon whether they are district employees or not. Of 1,162 food service workers in the district, 272 are still district employees (23%), as are 346 (43%) of the 812 custodial workers. These district food service and custodial employees receive salary and benefit packages that exceed the salary and benefit packages of vendor employees by an average of \$7,000 and \$9,000, respectively. The district continues to bear the health insurance and retirement costs for these employees 7 to 12 years after the initial decisions were made to privatize those functions.

While eliminating these positions from the district payroll may be traumatic for the employees, their families and the community, it is one of the options available to the district to achieve additional cost savings. The district could use some of the potential savings to provide severance packages to these employees to facilitate the transition to working for the vendors. Furthermore, because these district employees are represented by the union, the district would have to renegotiate the contract to allow the termination or transfer of these employees.

In our projections of potential cost savings, we believe that a total of approximate \$4.5 million per year could be saved through the termination or transfer of these district food service and custodial employees. If the changes were negotiated during the 2003-04 school year to take effect during the 2004-05 school year, and if the first year savings were used to provide severance packages and transition assistance, the district could still realize a net savings of \$13.5 over the next 5 years.

In Chapter 8, Facilities Maintenance (Best Practice 17) and Chapter 10, Food Services (Best Practice 6), we recommend that the district eliminate its remaining custodial and food service employees to maximize the cost effectiveness of the custodial and food service contracts and further reduce the district's health benefit and retirement costs.

¹ Generally speaking, there are two types of pension plans: Defined benefits plans and defined contribution plans. The specific provisions can vary from employer to employer. Under Florida's defined benefit plan, an employee receives a specified annuity at their normal retirement age (usually, 62 years of age, or any age with at least 30 years of service). The defined benefit plan had a 10-year vesting period and a retirement annuity that was based upon an employee's average final compensation and years of service. The Legislature modified the Florida Retirement System to create a defined contribution plan. Under the defined contribution plan, the vesting period was reduced from 10 years to one year. Participants in the defined contribution plan receive a retirement benefit at their normal retirement age based upon their contributions to the plan rather than their compensation and years of service. Employees who vested under the defined benefit plan can transfer to the defined contribution plan and are paid a lump sum for the present value of the defined benefit accrued under that plan. Employees can then invest the lump sum in the defined contribution plan in a variety of ways to meet their investment objectives. By creating a defined contribution plan, the Legislature enabled vested employees to take their retirement benefits with them when they leave the Florida Retirement System before their normal retirement date. As a result, vested employees retain a retirement benefits when they leave the system.

Best Practice 10: Not Using

The district has not implemented adequate measures to improve the overall performance, effectiveness, and efficiency of its human resource program.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs and support services. To accomplish this, each school district should have an effective accountability system that includes clearly stated goals and measurable objectives for the human resource program that identify the expected outcomes of the program. The district should conduct formal and/or informal reviews of the program structure and staffing, with sufficient justification for each administrative position. In addition, each district should consider the advantages and disadvantages, as well as the costs and potential cost savings, or alternative means of delivery of human resource services, such as increased use of automation and the use of outsourcing.

The Duval County School District HR department is under relatively new leadership after undergoing a period of staff turnover. The current assistant superintendent for HR is the former chief negotiator and board legal counsel for the district. In March 2002, the district commissioned a management assessment of the district's non-instructional divisions. The district selected the Council of Great City Schools (CGCS), a coalition of nearly 60 of the country's largest urban public school systems, to conduct this assessment. In September 2002, CGCS issued its final report entitled, *The 3Rs for the Duval County Schools: Reengineering, Realignment, and Restructuring*. This report contained strategic and tactical recommendations for the district to reengineer business processes, realign jobs and functions, and restructure organizational units and leadership functions. As the report indicated, HR had functioned more in an administrative role and not as a strategic partner with the district. Also, the report listed a number of recommendations to help the department improve its operations and processes. In October 2002, a human resources consultant and a member of CGCS visited the HR department to review the department's implementation progress and organizational restructuring possibilities. A second report was issued in November 2002. According to this report, HR implemented some of the recommendations and initiated steps to become strategic in its approach and efficient and effective in its operations. Many of the recommendations require that the department continue to work with a human resources consultant to develop and implement the recommended strategies. The district also began assessing the advantages and disadvantages of improving efficiency and effectiveness through automation and outsourcing. The district outsourced its substitute teacher placements to Kelly Services. Additionally, the department conducted an analysis of the efficiency and effectiveness of the services provided by Kelly Services prior to renewing the contract. The department has purchased OPEN-HR, a software program, to process online employment applications and applicant tracking. In addition, HR requested the Technology Division to determine whether out-of-field teachers can be tracked more efficiently.

Despite the sound efforts already implemented by HR, the district does not meet best practice standards. A number of key areas related to organizational effectiveness are still deficient. First, the department's vision and strategic planning process are not well formulated and documented. The vision statement, "supporting people who improve student academic performance" does not create a strategic direction and focus; rather, it reflects the administrative role the department currently fulfills. The goals are not strategically aligned to the core functions and activities of the department. Many of the performance measurements are inadequate to assess operational effectiveness. Also, the department identified barriers to achieving some of its goals. Certain barriers make goal achievement outside the control of the department, demonstrating that these goals are either ineffectively written or the performance measurements are not accurate indicators. Establishing goals that cannot be achieved within the control of the department reduces the department's effectiveness. Exhibit 6-5 shows verbatim excerpts from the department's strategic plan documents:

Exhibit 6-5
Human Resource Services Department Strategic Plan

Goal	Measurement	Current Performance	Target Performance	Barriers
To provide human resource services for our customers in an efficient and consistent manner, treating all with dignity and respect.	The overall numerical rating given by the principals on their Customer Satisfaction Survey.	The current rating is 2.88 out of 5.	The targeted performance for the 2002 survey is 3.3 out of 5.	Customers often make requests that are prohibited by current state or federal laws and Board policies, thereby making the Division appear not to be customer oriented.
To provide effective orientation, training development, coaching, counseling, reward and recognition for employees and potential employees.	The number of teachers hired and retained in the District via the Urban Teacher Residency Program.	The number of teachers recruited and hired via the Urban Teacher Residency Program for the 2001-02 school year is 71. The number of these teachers remaining at the end of the school year is 54.	All 54 of these teachers will remain and successfully perform during the 2002-03 school year.	Funding for the program has been cut and grant money will not be received.
To provide effective orientation, training development, coaching, counseling, reward and recognition for employees and potential employees.	The number of complaints of alleged discrimination resolved internally instead of being filed with another investigatory agency.	For the 2000-01 school year, 162 total complaints were filed, 127 were resolved.	For the 2000-01 school year, the target is to have less than 100 complaints and to resolve at least 75 without them being referred.	Lack of understanding of legal discrimination by employees and unrealistic expectations regarding available remedies.
To effectively and efficiently recruit, select and assign employees who assist in improving student academic performance.	The number of job specifications that have been modified to accurately reflect current job responsibilities.	Job specifications for some positions have been modified to accurately reflect current job responsibilities. Forty percent of all classified job specifications have been created or revised in the last three years.	The job specifications for all positions will be modified to accurately reflect current job responsibilities by August 1, 2002.	Lack of staff time and available subject matter experts necessary to review and modify specifications.

Source: Duval County School District.

Human resources departments that establish effective strategic plans assure that the department's goals, programs, activities, and contributions are directly linked to the larger organization's vision, strategies, and goals. We recommend that the department continue working with the consultant to develop effective strategic plans with sound goals and effective performance measures that address major aspects of the district's human resource program.

Second, the district has not adopted or implemented changes to its organizational structure and staffing level of the HR department as recommended by the CGCS report. The assistant superintendent of HR told us that she has reviewed the recommendations and developed tentative reorganization plans, which

were not provided to the review team. She is delaying final consideration and determination until the department completes the implementation of the new OPEN-HR software and the busy recruiting season. This delayed action and subsequent inaction to the report's proposed restructuring does not help the department ensure that its organizational alignment and staffing level are efficient and appropriate for effective customer service. The department began mapping its core business processes to identify those processes that are suitable for enterprise resource planning enhancement. The department should complete this mapping project and analyze the results to streamline its operational processes and improve the productivity of the staff. To ensure maximum efficiency and effectiveness, the department must have organizational alignment to the strategies and goals of the district, appropriate staffing levels, and streamlined processes. The department should finalize and implement its reorganization plans to provide human resources services and programs in a cost-effective manner. To develop the final reorganization plans, the department must conduct a formal assessment of its staffing needs based on industry standards and comparative data and in consideration of the anticipated implementation of the automated applicant tracking system.

Action Plan 6-5

We recommend that HR continue working with the consultant to develop its strategic plan with sound goals and effective performance measures that address major aspects of the district's human resource program. HR should use the results of the mapping process to finalize and implement its reorganization plan.

Action Needed	<p>Step 1. Continue working with the consultant to review and update the department's strategic plan and organizational structure.</p> <p>Step 2. Review the department's vision and mission statements for effectiveness.</p> <p>Step 3. Revise and restate the strategic goals and performance measures to more accurately reflect the department's vision and ability to compete.</p> <p>Step 4. Use results of comparisons, consultant recommendations, and process maps to determine appropriate organizational structure and staffing levels.</p> <p>Step 5. Submit revised structure and restructuring plans to the superintendent and board for approval.</p> <p>Step 6. Implement the reorganization and goals and monitor progress and effectiveness on a regular basis.</p>
Who Is Responsible	Assistant Superintendent of Human Resource Services
Time Frame	July 2004

Best Practice 11: Using

For classes of employees who are unionized, the district maintains an effective collective bargaining process.

Each school district should maintain a collective bargaining process that results in fair employee compensation packages that it can afford. To achieve this, district negotiators should receive training to enhance negotiation knowledge and skills, and the roles and responsibilities of the negotiator, superintendent, and school board during the negotiating process should be clearly defined. The district should identify and review issues to be considered during the negotiation process, determining the estimated fiscal impact as well as the advantages and disadvantages of each proposal. The negotiating team should have access to an attorney trained in collective bargaining law and procedure, and records of negotiations should be maintained for a time set by the district.

The Duval County School District maintains an effective collective bargaining process by having a knowledgeable and trained negotiating team that works collaboratively with the employee unions. The district negotiates with four unions:

- Duval Teachers Union (DTU)—for teachers, paraprofessionals, and office personnel such as school clerks, bookkeepers, and account technicians.

- Jacksonville Supervisors Association (JSA)—for maintenance supervisors and food service managers.
- American Federation of State, County, and Municipal Employees (AFSCME) Council 79—for custodians, food service workers, plant mechanics, and school messengers.
- School Maintenance Employees & Associates—for maintenance workers.

The assistant superintendent for HR was the board legal counsel and chief negotiator prior to being assigned the current position of assistant superintendent. She is also a member of the Labor Employment Section of the Florida Bar and a member of the Florida Educational Negotiators. The district contracts with Larry L. Zenke, Inc. for chief negotiator services to bargain with the JSA, AFSCME, and School Maintenance Employees & Associates unions. Additionally, the district has administrative negotiating teams comprised of staff members, including principals for school-based bargaining units. The teams receive training and guidance from the chief negotiator, the General Director for Policy and Compliance who is also an attorney on staff, and the City of Jacksonville's Labor Attorney at the Office of General Counsel.

The district formed joint task forces and committees with equal representation from the district and the unions to establish a shared decision-making process and collaborative relationships. Exhibit 6-6 shows the name and purpose of each committee.

Exhibit 6-6

Duval County School District and Union Represented Committees

Committee Name	Committee Purpose
Sick Leave Pool Committee	To administer the district sick leave pool
Insurance Committee	To review, analyze, and recommend employee benefits package
District Reports and Forms Management Committee	To address school-level paperwork and data collection activities that affect classroom teachers
Duval Professional Development Advisory Council	To provide advice and input on professional development needs and opportunities
Safe Schools Task Force	To establish safety prevention measures and resolve safety issues for schools
New and Innovative Programs Committee	To review, monitor, and report new programs that affect employment conditions at schools or work sites
Shared Governance Committee	To oversee the implementation of the Shared Governance Guidelines at the work sites

Source: Duval County School District.

As chief negotiator, the assistant superintendent for HR solicited input from administrators, regional superintendents, and principals on economic and non-economic issues for consideration in negotiations. She disseminated a standardized form to provide a mechanism for stakeholders to document their issues and concerns. The negotiating teams receive this feedback and provide additional input. The teams then review, evaluate, estimate costs, and prioritize the issues. During pre-bargaining sessions, the negotiating teams discuss the advantages and disadvantages of the proposals and the fiscal impact of the economic issues. The district updates and maintains records of issues and solutions for at least five years. These records contain a list of issues, perceptions of bargaining parties, suggestions, recommendations, and proposed salary schedules, and serve as a background for the agreements should questions arise later in interpreting language in the contracts.

Although the district is using this best practice, the district should ensure that the negotiating team retains the legal expertise previously provided by the assistant superintendent for HR. With the appointment of the former chief negotiator to the position of assistant superintendent for HR, the district no longer has a dedicated position to manage labor relation issues and contract negotiations on behalf of the district.

Establishing and maintaining constructive working relationships with union representatives is critical to success in the collective bargaining process. The district should ensure that the negotiation team continues to have expertise and knowledge in labor relations to manage and maintain an effective collective bargaining process.

We recommend that the district take steps to improve and maintain the expertise and knowledge of the negotiation team through training or by requiring the expertise as a criteria for employment when certain positions are filled.

7 Facilities Construction

Summary

The Duval County School District is using 17 of the 24 facilities construction best practices. The district is using the best practices related to approving and raising construction funds, as well as those pertaining to new construction, renovation and remodeling. To begin using the remaining best practices and ensure the performance, efficiency and effectiveness of facilities construction functions, the district should improve its facilities planning, facilities design, and facilities occupancy and evaluation practices.



As seen in Exhibit 7-1, the district has several opportunities to reduce costs and increase revenues in this area. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these action plans, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 7-1

Implementing Some of the Recommendations for Facilities Construction Could Save the District About \$4.5 Million Over the Next Five-Years

Best Practice Number	Fiscal Impact: Costs Savings or (Additional Investment)					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
1 Implement a plan for closure/consolidation of elementary schools.		\$2,501,652	\$(333,841)	\$606,911	\$606,911	\$3,381,633
24 Reorganize the division and reduce the number of support staff	\$218,000	218,000	218,000	218,000	218,000	1,090,000
Total	\$218,000	\$2,719,652	\$(115,841)	\$824,911	\$824,911	\$4,471,633

Background

The Duval County School District is a large urban district serving older inner city neighborhoods as well as developing outlying areas. While the district's enrollment has remained constant since 1994 the age and location of students has shifted. The district projects that high school enrollment will grow over the next five years while elementary and middle school enrollment will remain unchanged. At the same time the district projects that the school age population will decrease in inner city neighborhoods but increase in the outlying developing areas. These changes, combined with the age and size of many buildings and requirements to reduce class sizes will challenge the district's facilities program over the next few years.

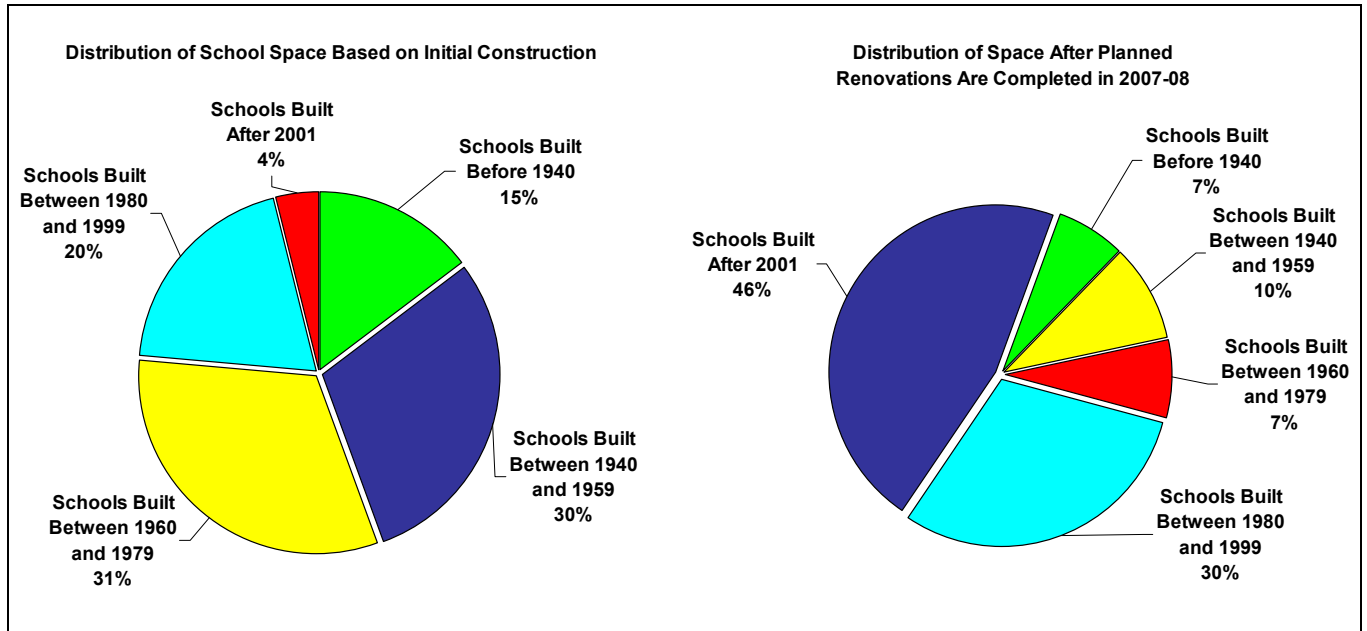
The Duval County School District maintains and operates approximately 15.36 million gross square feet of instructional and administrative space throughout the district. The average facility in 2002-03 was 47 years old based on the original date of construction.¹ This is in part because the district had renovated, upgraded or expanded only 3.2 million square feet or 33 of its schools and only constructed 1.67 million square feet or 14 new schools since 1990. However, the district is making substantial efforts to upgrade the quality of facilities, planning \$110 million in renovations, upgrades, additions and new schools between 2003 and 2008. By the end of the 2007-08 school year the district plans renovate, upgrade or expand:

- Forty-three percent (989,000 square feet) or eleven more of the 32 schools constructed prior to 1940;
- Fifty-two percent (2.06 million square feet) or eleven more of the 55 schools opened between 1940 and 1959; and
- Fifty-three percent (2.57 million square feet) or eleven of the 46 schools constructed between 1960 and 1979.

These efforts dramatically improve the age distribution of schools in the district. Exhibit 7-2 illustrates the contrast in the profile in the age of facilities based on the original date of construction and the profile of facilities when renovations, additions, upgrades and construction of new schools are completed as the district nears the 2007-08 fiscal year. However, a recent report by a consultant for the district documents that while the district's schools are in better condition than most nationwide, the district still has a backlog of more than \$405 million in major maintenance work for the next five years. This is in addition to the \$110 million described above. The report indicates that high schools will have the greatest repair needs and middle schools the least over the next five years.

¹ The average represents the mean age of the square footage used by the district. This was determined by calculating the amount of square footage at each facility and then factoring in the age of that facility. As a result, a larger facility, such as a high school, is weighted more than a smaller facility such as an elementary.

Exhibit 7-2 Age of Duval County Public School Buildings



Source: Duval County School District, Facilities Services Division.

The Duval County School District has 123,616 satisfactory student stations of which 9,395 student stations, or 7%, are relocatables. With an enrollment of 116,958 students in 2002-03, the overall utilization rate (including relocatables) of district facilities is 87.9%, or 94.6%, if only permanent student stations are counted. Exhibit 7-3 shows that the district has the most extra capacity at the elementary and middle school levels while its senior high schools are over the capacity of the permanent facilities and very close to full capacity when relocatables are included.

Exhibit 7-3

Duval County School District—Distribution of Student Stations by School Type

Description	Number	Full Capacity	Number of Permanent Student Stations	Capacity of Permanent Facilities	Number of Fulltime Equivalent Students	Excess Permanent Facility Capacity
Elementary	101	69,227	66,303	66,303	60,949	5,354
Middle	24	29,491	29,158	26,242	23,555	2,687
Senior High	18	31,412	30,330	28,613	30,195	-1,582
Exceptional Student	3	546	530	530	534	-4
Combination	2	1,276	1,332	1,198	1,087	111
Alternative Education	5	1,059	727	727	638	89
Total	153	133,011	128,380	123,613	116,958	6,655
Vacant	8	0	5,478	0	0	0
County Administration	2	0	0	0	0	0
Maintenance & Warehouse	7	0	0	0	0	0
Transportation	1	0	0	0	0	0
Multiple Use Support	1	0	0	0	0	0
Other	1	0	0	0	0	0
Total	20	0	0	0	0	0
Grand Total	173	133,011	133,858	123,613	116,958	6,655

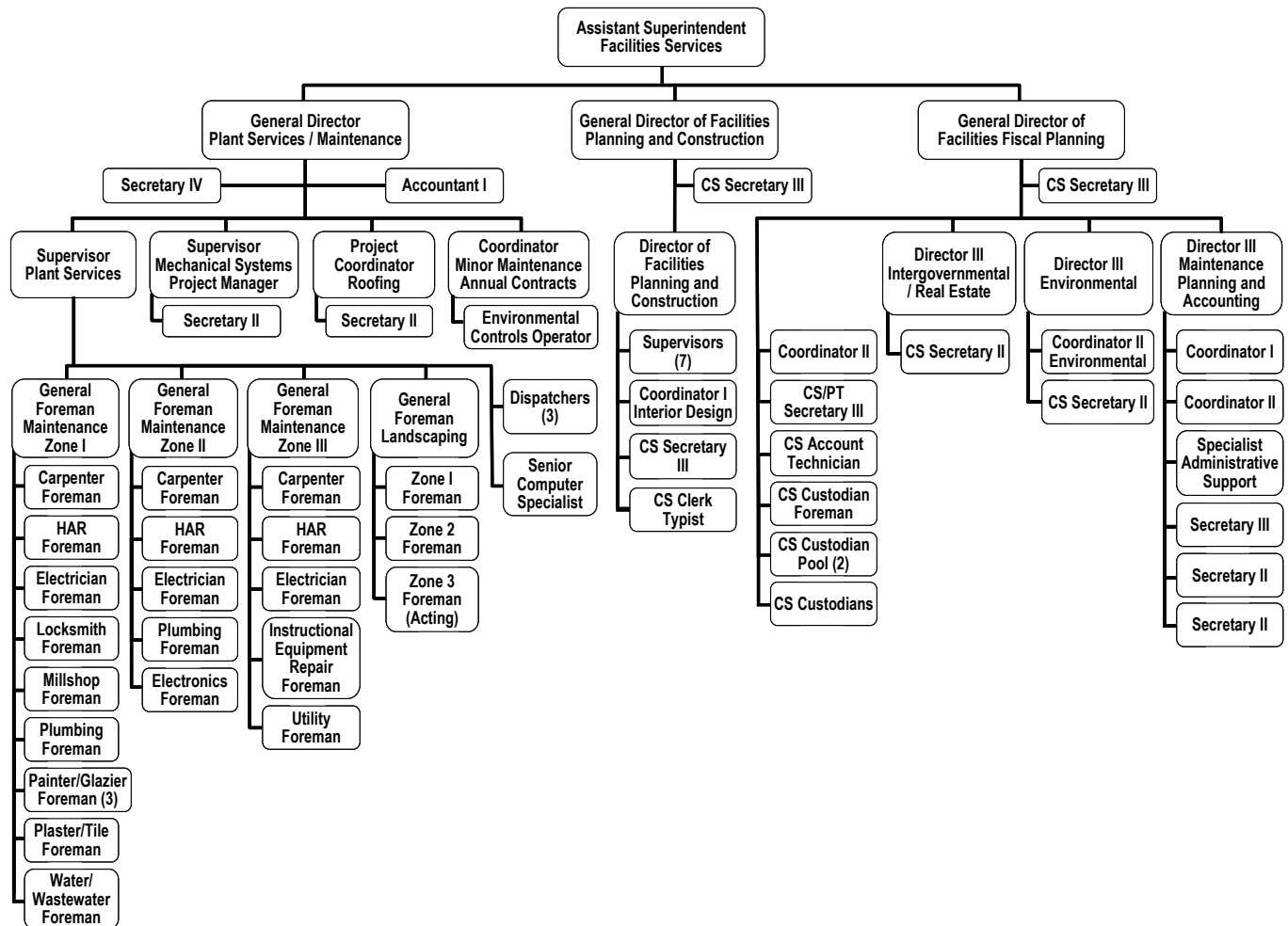
Note: As of April 2003, Duval County School had a facilities inventory of 163 schools. The Facilities Services Division had comprehensive operational data for 153 schools. Therefore, calculations and analyses of data provided by the district and used by the review team are based on the operation of the 153 schools for which there was complete data.

Source: Florida Inventory of School Houses 2002-03.

The district uses a combination of centralized and site-based management for its facilities. The administrative and planning units are administered by five regional superintendents who serve as resources to the Facilities Services Division staff and school principals. They assist in such activities as: prioritizing maintenance requests, facility use requests, feeder pattern modifications and community planning meetings. On-site principals work directly with Facilities Services project managers and maintenance staff in the design of additions, new schools, major maintenance requests and facility repairs.

The division is headed by the assistant superintendent for Facilities Services, who is responsible for establishing policies for mid-level managers in the areas of planning, design and construction, real estate, maintenance, custodial operations, and other supporting services. The organizational structure for maintenance, custodial services, and the other support operations are discussed in detail in Chapter 8- Facilities Maintenance. Exhibit 7-4 presents the organization structure the Facilities Services Division.

Exhibit 7-4
Duval County School District Facilities Services Division
Is Organized Into Three Major Areas



Source: The Duval County School District, Facilities Services Division.

Duval County School District allocates a substantial amount of its total budget to the Facilities Services Division. Exhibit 7-5 shows that during Fiscal Year 1999-2000, the Facilities Services Division's budget was \$380 million or 32% of the district's overall budget. For Fiscal Year 2002-03, the Facilities Services Division's budget was \$345 million or 27% of the district's overall budget, a decline of 5%.

Exhibit 7-5
The Duval County School District Facility Services Division Budget
Has Decreased As a Percentage of the Overall Budget

	Fiscal Year			
	1999-2000	2000-01	2001-02	2002-03
District Overall Budget	\$1,186,036,000 ¹	\$1,273,237,000 ¹	\$1,294,984,000	\$1,272,349,000
Facilities Services Budget	379,747,000	416,987,000	391,501,000	345,090,000
Percentage of Overall Budget	32%	33%	30%	27%

¹ Does not include internal service funds.

Source: Duval County School District, Budget Department, October 2002.

The operating budget for the Facilities Services Division has averaged \$2.9 million annually for the past three years. Over this same timeframe, 44.1% of the division's operating budget was paid from bond proceeds for management of the bond program.

Activities of particular interest

Duval County School District began a comprehensive facilities condition study in mid-2002, performed by a national facilities management firm. The study consisted of a thorough inventory and assessment of its educational facilities and was completed in March 2003. The study methodology combines conditions inventories with life-cycle cost analysis to develop a profile of each facility and to prioritize expenditures over a 20-year period. Conducted on two levels, the study provides a broad-brush assessment (Level One) for 64 facilities and a more detailed assessment (Level Two) for 88 selected facilities. The study prioritizes major maintenance needs based on criteria in terms of probable failure over time. The contract for the study also included software and training to enable district staff to conduct their own comprehensive Level Two assessments for all facilities. This will improve the district's process for identifying and prioritizing major maintenance needs.

The district now plans to conduct a functional analysis to determine how well existing facilities satisfy the district's educational specifications. The functional adequacy assessment will look not only at the space provided, but the function and organization of facility components such as administrative areas, general and special classrooms, site circulation, safety, security and other operational issues. The study will expand on the condition assessment data to provide an overview of functional equity, facility operational deficiencies, and what would be required to achieve equity. The functional adequacy assessment is expected to be completed in mid-2004.

Conclusion and Recommendations

Summary of Conclusions for Facilities Construction Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Planning	1. The district has effective long-range planning processes.	No	7-9
	2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	No	7-17
	3. The five-year facilities work plan establishes budgetary plans and priorities.	Yes	7-20
	4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	No	7-21
	5. The district has an effective site selection process based on expected growth patterns.	Yes	7-22
	6. The board considers the most economical and practical sites for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.	Yes	7-22
Funding	7. Funds collected for school projects were raised appropriately.	Yes	7-24
	8. The district approves and uses 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.	Yes	7-25
Design	9. The district develops thorough descriptions and educational specifications for each construction project.	No	7-25
	10. The architectural design fulfills the building specification needs as determined by the district.	Yes	7-27
	11. New construction, remodeling, and renovations incorporate effective safety features.	Yes	7-28
	12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	No	7-29
New Construction, Renovation and Remodeling	13. The district has effective management processes for construction projects.	Yes	7-30
	14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	Yes	7-31
	15. All projects started after March 1, 2002, comply with the Florida Building Code.	Yes	7-32
	16. The district requires appropriate inspection of all school construction projects.	Yes	7-32
	17. The district retains appropriate professionals to assist in facility planning, design, and construction.	Yes	7-33
	18. The district follows generally accepted and legal contracting practices to control costs.	Yes	7-33
	19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	Yes	7-34
	20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	Yes	7-35

Practice Area	Best Practice	Using the Best Practice?	Page No.
Facility Occupancy and Evaluation	21. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.	Yes	7-36
	22. 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.	No	7-37
	23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	Yes	7-38
	24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	No	7-39

PLANNING

Best Practice 1: Not Using

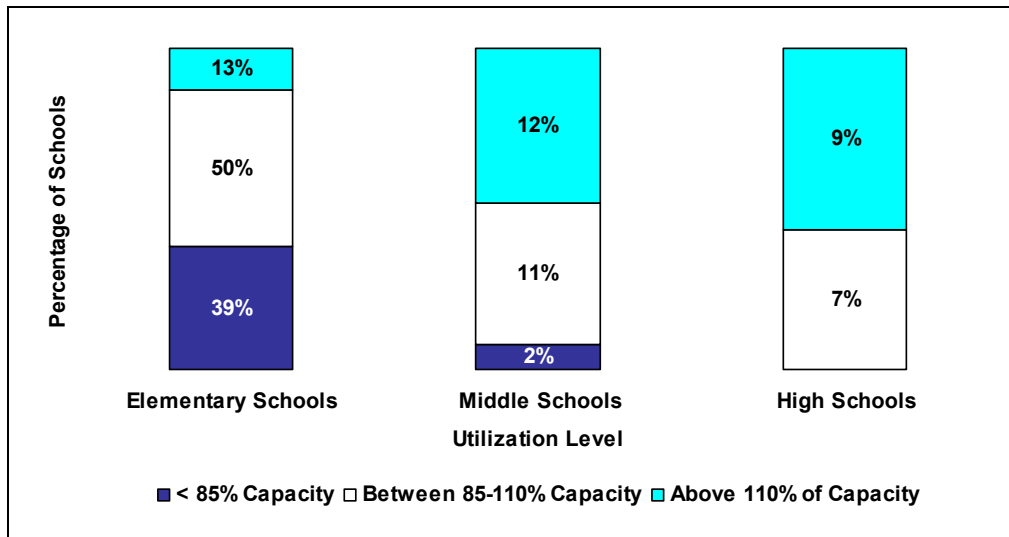
The district does not have an effective long-range planning process that will incorporate the forthcoming needs assessment; nor are goals and objectives and effective strategies and benchmarks in place by which to implement and evaluate the plan.

Long-range facilities planning enables a district to identify its critical needs, establish strategies, and plan for the allocation of resources to address these needs. To ensure that all critical needs are identified, the district should obtain broad stakeholder input by establishing a facilities planning committee, which includes school district personnel, parents, real estate and construction professionals, and other community stakeholders. The decisions made during the planning process should be in writing and the resulting plans should address facilities needs from 5 to 20 years into the future. The planning process should assess enrollment projections, functional adequacy, plant capacity, sufficiency of funds, and other relevant information. Primary responsibility for facilities planning should be assigned to a district employee, and that person should be responsible for developing and maintaining demographic information that can be used to predict facilities needs. Because the FISH is used to report plant capacity and is used to help determine district facility funding levels, it must accurately reflect the capacities and physical condition of the existing facilities. In addition to refining projections with more current information, an annual update to the five-year facilities work program should establish short-term capital budget plans and construction priorities.

The Duval County School District does not have an effective long-range planning process. As a result, a substantial number of its elementary and middle schools are under-used and most of its middle and high schools are over-used.² Criteria for assessing utilization levels can vary, depending upon a particular district's situation, but one frequently used utilization level is 85% of design capacity. According to Florida Inventory of School Houses (FISH) database, 42 of the district's 158 schools (26.6%) are serving less than 85% of their design capacity. Thirty-nine of these 42 schools are elementary schools. The district's utilization patterns have not substantially changed since 1994 and are not likely to change significantly once all currently planned projects are completed in 2007-08. Exhibit 7-6 shows the proportion of elementary, middle, and high schools and their utilization.

² Serving exceptional (ESE) students sometimes results in apparent underutilization of a facility because of the small required class sizes. However, a separate analysis indicates that few of the underutilized schools have significant ESE populations. For example, the ESE population exceeds 10% at two elementary schools.

Exhibit 7-6
Many Elementary Schools Have Excess Capacity,
But Many High Schools Are Overcrowded



Source: Duval County School District, Facilities Services Division.

Full utilization of available space minimizes the district's administrative, maintenance, operations, energy, and repair costs. Because the district's underused facilities are some of the older facilities and have some of the highest incidence of repairs, continued investment in some of them exceeds 50% of the replacement cost. When facilities are under-used, districts have two basic options. First, they can change the boundaries or rezone to better distribute students to the available schools. Second, they can close schools with limited enrollment to save operating and maintenance expenses. The decision to rezone or close depends on factors such as the useful life of the facility, the cost of maintaining it, and major maintenance needs. When such factors are applied to the district's elementary schools, a significant number qualify for closure consideration.³ Of the district's 102 elementary schools, 39 are under-used. Between 27 to 31 of these 39 under-used elementary schools could be re-zoned to increase utilization. The remaining 8 to 11 could be closed. Closing and consolidating just eight elementary schools could reduce the district's costs by almost \$3.4 million over the next five years.⁴ (See Exhibit 7-7.)

³ Smaller, older facilities with small enrollments create cost inefficiencies attributable to a combination of several factors:

- Under enrollment with respect to design capacities of permanent space;
- Inefficient use of space attributable to adapting existing space for Exceptional Student Education Enrollment (ESE);
- Use of relocatables where they are not required for instructional space; and
- Use of relocatables to satisfy overcrowding.

We considered a number of factors in determining which schools could be closed. Among these factors were facility age, design capacity, site size, last investment, deferred maintenance, and ratio of total future investment versus replacement costs. We also used a very conservative approach was taken to demonstrate the potential savings of closing underused, small elementary schools. The potential to close eight schools is based on the following three constraints:

- The measure of under use, capacity, over capacity of facilities is based on the permanent capacity and excludes the relocatable buildings;
- Closures are limited to middle school feeder zones with excess capacity in adjacent elementary schools to avoid construction of new classrooms; six of the eight elementary schools can be closed without any additional construction; and
- Use existing relocatables to satisfy short-term deficiencies in permanent capacities.

⁴ Our analysis indicates that the district could close eight elementary schools without adversely affecting its educational objectives. The district could close six of these (Brentwood, Fishweir, John Love, Lola Culver, Norwood, Pickett, Wesconnett, and West Jacksonville) without any additional construction or remodeling of existing schools. The district could incur additional costs to increase enrollment at two other elementary schools: Ortega (from 288 to 788 students) and Tolbert (from 582 to 788 students).

Exhibit 7-7**The Duval County School District Could Save About \$3.4 Million
Over the Next Five Years by Closing and Consolidating Some Schools**

Elementary School	Year					Total
	2003-04	2004-05 ^{tn}	2005-06	2006-07	2007-08	
Potential Closures and Savings						
Schools to close in 2004-05:						
Brentwood	\$ -	\$ 446,288	\$ 446,288	\$ 446,288	\$ 446,288	\$ 1,785,150
John Love	-	399,659	399,659	399,659	399,659	1,598,636
Lola M. Culver	-	428,479	428,479	428,479	428,479	1,713,916
Norwood	-	425,029	425,029	425,029	425,029	1,700,117
Pickett	-	382,898	382,898	382,898	382,898	1,531,593
Wesconnett	-	419,299	419,299	419,299	419,299	1,677,197
Schools to close in 2005-06:						
Fishweir	-	-	-	392,488	392,488	784,977
West Jacksonville	-	-	-	548,264	548,264	1,096,528
Total potential closures and savings	-	\$2,501,652	\$2,501,652	\$3,442,404	\$3,442,404	\$11,888,114
Additional operating expenses for consolidation:						
Ortega	\$ -	\$-	\$367,882	\$367,882	\$367,882	\$ 1,103,646
Susie E. Tolbert	-	-	263,444	263,444	263,444	790,331
Total additional operating expenses	\$ -	\$-	\$631,326	\$631,326	\$631,326	\$ 1,893,977
Net operating expenses saved or (additional investment required)	-	\$2,501,652	\$1,870,327	\$2,811,079	\$2,811,079	\$9,994,136
Additional Debt Service for Facility Improvements and/or Demolition						
School closures/demolition						
Fishweir ES (closed 2005-06)	\$ -		\$ 8,333	\$ 8,333	\$ 8,333	\$ 24,998
Pickett ES (closed 2004-05)	-		7,195	7,195	7,195	21,586
John Love ES (closed 2004-05)	-		7,037	7,037	7,037	21,110
Culver ES (closed 2004-05)	-		6,796	6,796	6,796	20,389
Norwood ES (closed 2004-05)	-		5,603	5,603	5,603	16,810
Brentwood ES (closed 2004-05)	-		10,087	10,087	10,087	30,260
West Jacksonville ES (closed 2005-06) -			5,885	5,885	5,885	17,656
Wesconnett ES (closed 2004-05)	-		7,302	7,302	7,302	21,905
Total school demotion	\$ -	\$-	\$58,238	\$58,238	\$58,238	\$174,713
School additions						
Ortega	-	-	\$1,111,081	1,111,081	1,111,081	3,333,244
Susie E. Tolbert	-	-	1,034,849	1,034,849	1,034,849	3,104,547
Total additional investments	\$ -	\$-	\$2,204,168	\$2,204,168	\$2,204,168	\$6,612,504
Net potential savings from closures or (additional investment required)	\$ -	\$2,501,652	\$(333,841)	\$606,911	\$606,911	\$3,381,632

Footnote 1 (table)

Elementary School	Administration		Maintenance and		Annual
	Costs	Utility Costs	Repair Costs	Custodial Costs	Operating Costs
Annual operating expenses saved					
Brentwood	\$ 242,873	\$ 58,100	\$ 58,956	\$ 86,359	\$ 446,288
Fishweir	242,873	43,400	37,704	68,511	392,488
John Love	242,873	68,000	29,982	58,804	399,659
Lola M. Culver	242,873	56,400	57,652	71,554	428,479
Norwood	242,873	53,100	53,411	75,645	425,029
Pickett	242,873	23,100	57,512	59,414	382,898
Wesconnett	242,873	33,000	70,405	73,021	419,299
West Jacksonville	242,873	140,700	51,609	113,082	548,264
Total annual operating expenses	\$1,942,984	\$475,800	\$417,231	\$606,390	\$3,442,404
Additional operating expenses:					
Ortega	\$154,407	\$ 51,334	\$ 73,404	\$ 88,737	\$ 367,882
Susie E. Tolbert	154,407	26,220	37,493	45,324	263,444
Total additional operating expenses	\$308,814	\$ 77,554	\$110,896	\$ 134,061	\$ 631,326
Net potential operating expenses saved annually	\$ 1,634,170	\$398,246	\$306,334	\$ 472,329	\$2,811,079

Source: Compiled by McConnell Jones Lanier & Murphy LLP, based upon data supplied by the Duval County School District.

Any closure plan must incorporate the small schools and class size reduction policies under study by the legislature. For example, if the district requires additional elementary school space to meet class size

requirements, it may choose to rezone instead of close schools. However, rezoning students into a school that will require significant renovations and has high operating costs may still be more expensive than replacing the school. In addition, the district should include in the study small school and school-within-a-school concepts used in other districts, including: K-8 schools and multiple school campuses with a single administration. Exhibit 7-8 shows an example evaluation matrix that can help the district assess the potential for school closures and action plan 7-1 shows the steps required to complete this recommendation.

Exhibit 7-8

Example of an Evaluation Matrix for School Closure and Consolidation Studies

School Closing/Consolidation Plan - Criteria											
School Name	Projected F.T.E. Utilization 2007-08	Underuse Projected Through 2007-08	Facility >50 Years Old	No Major Investment Last 20 Years	Existing Capacity <600 Students	Sq. Ft./ Student 80% Below Ed Specs	Inadequate Site (Less Than 50% of Min.)	Future Investment >50% of New Construction	Rating Potential For Closing	PRIORITY RATING	Recommendation
		Give 2 Points if Below 85%	Give 1 Point if >50 Years Old	Give 2 Points if No Major Investment	Give 1 Point if Capacity is < 600 Students	Give 1 Point if Sq. Ft./Student <96 Sq. Ft./Student	Give 2 Points if Site is Less Than Ten-Acres	Give 2 Points if F.C.I. > 50%	Total Points/7		
(Name of Middle School)											
Name of Elementary School		0	1	2	1	1	0	2	1.00	1	
Name of Elementary School		0	1	0	0	1	0	0	0.29		
Name of Elementary School			1	0	1	0	0	0	0.29		
Name of Elementary School											

Notes:

(a) Maximum score is 11 points or a index of 1.57

(b) A school receiving score exceeding 1.00 might receive 1st Priority or a 1

(c) A school receiving score less than 0.6 might receive 4th Priority or a 1

MIDDLE SCHOOL IS BASIC PLANNING UNIT

LIST OF ELEMENTARY SCHOOLS FEEDING MIDDLE SCHOOL

F.T.E. ENROLLMENT PROJECTED IN 5-10 YEARS

RECOMMENDATIONS, SUCH AS CLOSURE, REDISIGN FEEDER BOUNDARIES, CONSOLIDATE, NO ACTION, ENLARGE SCHOOL, REDUCE ENROLLMENT, REPLACEMENT SCHOOL, ETC.

Source: McConnell Jones Lanier & Murphy LLP.

Regardless of whether rezoning or closing schools, making more efficient use of facilities will require the district to develop more effective long range plans. To be more efficient in using its resources, the district needs to develop a long-range facilities master plan to reduce under-use in the elementary schools and over-use in high-schools. The Duval County School District has some of the basic components required to develop a facilities master plan and many operational procedures to undertake a long-range planning process. The district has a Facilities Advisory Committee that reports to the superintendent; a facilities department able to plan, construct, and maintain facilities; and has completed needs assessments with respect to facility condition and demographic and enrollment trends. The district also has written operating procedures defining employee responsibilities for project planning and implementation. In addition, the district reports on its use and adequacy of educational facilities to the Florida Department of Education (DOE). Each of these is a necessary part of successful long-range planning. However, the district has not fully integrated these components and as a result it does not have effective planning or a long-range master plan. The district could increase the effectiveness of its long-range planning activities and meet best practice standards by:

- Increasing community involvement and stakeholder participation with its facility advisory committee;
- Developing a longer-range master planning process; and

- Developing an accountability and reporting process that periodically assesses and reports on progress made in meeting the goals and objectives stated in the master plan.

Increasing community involvement and participation

One way the district could increase the effectiveness of its long-range planning is to increase community involvement and stakeholder participation with its facility advisory committee. In 1999, the superintendent established the Facilities Advisory Committee to include more stakeholders in its planning to provide input from the community. The committee reports directly to the superintendent but it is not broadly representative of the district. The facilities advisory committee has members who are business leaders and entrepreneurs, but it does not have members who are parents, teachers, students, or community organizations, all of which are a substantial part of the district's stakeholders (see Best Practice 4 in this chapter for more on community involvement). In addition to increasing community involvement and stakeholder participation, the board should specify the role and responsibility of the facilities advisory committee, provide a forum for the committee to offer the board recommendations, and establishes the committee's goal and interim reporting targets. Action Plan 7-2 shows the steps necessary to implement this recommendation.

Developing a longer-range master plan

A second way the district could increase the effectiveness of its planning is to develop a long-range master plan. Exhibit 7-9 shows one method of assessing the qualities of a district's long-range facilities master plan. As shown in Exhibit 7-9, a long range facilities master plan begins with a detailed and integrated assessment of existing facility needs, provides management and strategies, and includes project pre-planning, project activity, and feedback.

Exhibit 7-9

Duval County School District Has Many Elements Necessary for a Long-Range Facilities Master Plan, But Improve Many Other Elements to Improve Its Planning

			Components to Be Completed by Duval County School District
Mission	Responsibilities	Deliverables	
Program Element 1—Initial Planning			
Needs Assessment	Identify current and future needs.	Demographic Study	S
		Physical Conditions Survey	(In Progress)
		Functional Adequacy Survey	X
		Documented Attendance Boundaries	X
		General Operating vs. Bond Funded	X
		Tax vs. Bond Funding	X
		Projections Education Program Requirements	S
		Market Studies	X
		Staff Capability	X
		Transportation Analysis	S
Facility Program Guidelines	Identify specific program and design criteria for new construction, renovations, and infrastructure upgrades.	Educational Specifications	X
		Design Guidelines	X
		Operational Criteria	X
		Computer-Aided Design Standards	X
Goal Setting	Analyze needs, prioritize and establish goals and objectives.	Criteria to facilitate and evaluate scoping	X

Facilities Construction

			Components to Be Completed by Duval County School District
Mission	Responsibilities	Deliverables	
Scoping	Outline required building areas; develop schedules and costs.	Programming	X
		Cost Estimating	X
		Scheduling	X
		Cost Analysis	X
Strategies	Determine the effectiveness and public perception of construction, Zone changes, Closures and consolidations, and funding.	Facilities Project List	X
		Master Schedule	X
		Budget Plan	X
		Organizational Plan and Marketing Plan	X
Public Approval	Implement public relations campaign; gain approval and Board adoption of the plan.	Public and Media Relations Plan	X
		Publication of the Plan	X
Program Element 2 – Implementation Approach			
Management Plan	Detail roles, responsibilities, and procedures.	Program Management Plan and Systems	S
		Project Delivery Methods	S
Program Strategy	Review and refine details.	Five-year Strategic Plans	X
Program Element 3 – Project Pre-Planning			
Mobilize Team	Include all project participants.	Site Selection and Acquisition,	S
		Project Educational Program,	S
		Facility Program	X
		Environmental Impact Report, Preliminary Budget Approval	S
Program Element 4 – Project Activity			
Design Documents	Execute project design and construction in compliance with program plan, bidding, contract and procurement procedures.	Construction Document Final Acceptance	S
Award Contracts		Acceptable Bid Proposal	S
Construction		Notice to Proceed	S
Closeout and Committee		Monitor the progress of construction.	Construction
	Certificate of Occupancy Permit (COO)		S
	Facility Ready		S
	Deliver facility.	Closeout of projects within three months of COO	X
Program Element 5 – Feedback Loop			
Evaluation and Accountability	Evaluate achievements and update needs and conditions to include accountability.	Evaluations and reports of findings	X
		Documentation of changed conditions	X
Modify the Strategic Plan or Long-range Plan	Refine and modify plan based on objective criteria.	Review of findings and changed conditions	X
		Assessment of merit of initial goals and objectives	X
		Modifications or changes to plan	X

Legend

(S) District has satisfactory procedures and processes

(X) District needs to develop satisfactory procedures and processes

Source: Facilities Master Plan Model – Texas Education Agency, Evaluation of Plan Components—McConnell Jones Lanier & Murphy LLP.

As shown in Exhibit 7-10, the Duval County School District is generally doing a good job in its implementation, project pre-planning, and related project activities but has not been effective in its initial planning activities and feedback processes. The district has recognized the need for a facilities assessment and has contracted with a consultant provide a functional adequacy assessment of its facilities. This will go beyond the Florida Department of Education's requirement to undertake a Facilities Survey

every five years and assess the function and organization of facility components such as administrative areas, general and special classrooms, site circulation, safety, security and other operational issues.

However, the district does not have a process to integrate the physical assessment (completed in March 2003) with the proposed functional adequacy assessment. As a result, the two assessments may not be integrated into the overall planning process. In addition, the district has not developed a process or procedure to document its long-range needs, and define strategies, resources, and timetables for addressing those needs. The result is insufficient data to complete a Five-Year Facilities Plan. Therefore, the district cannot determine if a facility will be useful in five years and whether it is still beneficial to continue to make repairs or renovations.⁵ To address this problem the district needs to create a process to incorporate the results of the planned functional assessment into its long-range planning. Action plan 7-3 shows the steps necessary to implement this recommendation.

District could also benefit from more effective feedback

A third way the district could increase the effectiveness of its long-range planning is to develop more effective feedback mechanisms, including an accountability system with a process for periodically reporting on progress made in meeting the goals and objectives stated in the master plan. The Facilities Services Division currently uses accounting-based software systems. These types of systems are not supportive of program or project management reporting across varying areas. In addition, the district does not maintain electronic files of facilities for management functions. These types of software are crucial to developing and maintaining accountability mechanisms. The software must also have the capability of seamless interface with the district's accounting-based software.

Effective planning requires that the district evaluate its ability to meet its goals and hold itself accountable for that performance. Given its size, such a process is even more critical for the Duval County School District if it is to account for performance. These assessments should be incorporated into the decision-making and planning process. While the district periodically evaluates its construction program, it lacks accountability and reporting mechanisms with respect to long-range planning. Exhibit 7-10 is an example of the roles and responsibilities of an accountability function and how it would compare to the responsibilities of the other facilities related functions.

Exhibit 7-10

Examples of a Functional Responsibility and Accountability Loop

Function	Responsibility
Evaluation, Accountability, and Information	Compiles information provided by facilities planning/construction, facilities maintenance; assists in compilation of reports integrating demographics, attendance, facility use and mapping planning decisions for zone changes.
Facilities Planning/Construction	Maintains status of space use and space modifications at all facilities; maintains facility as built documents use of portables and provides information to Office of Evaluation, Accountability and Information (OEAI); leads efforts in master and strategic planning and evaluation based on information provided by OEAI and others.
Facilities Maintenance	Maintains status of physical conditions; maintains data base with respect to facility operations costs.
Demographics Office	Conducts long-range and periodic demographic projections and compares actual enrollment figures with the projections and planning decisions made.

Source: McConnell Jones Lanier & Murphy LLP.

⁵ The district conducted its most recent Five-Year Educational Plant Survey in accordance with Florida DOE guidelines in 1998. The 1998 survey did not address comprehensively life-cycle costs and functional adequacy, nor did it uniformly assess facilities from a long-range timeframe.

The development of a long-range master plan, coupled with a strategic plan and a response loop, will necessitate modification of the district's existing standard operating procedures. The current operating procedures are staff or project focused, meaning they explain the procedures to accomplish a single project such as initiate a site selection process. They are not supportive of an integrated approach to facilities planning, construction, and facilities management. As a result the Facilities Services Division will have process-based rather than task-based procedures. Staff will have clearer assignments, will better understand their role in the process, and improve their efficiency and accountability in the areas of planning, design and construction, and facilities. Action Plan 7-3 shows the steps required to complete this recommendation.

Action Plan 7-1

We recommend that the district review under-used elementary schools, develop objective criteria for closure and/or consolidation and implement a plan for closure and consolidation as part of the master planning process.

Action Needed	Step 1.	Forecast facility needs based on class size reduction requirements, small school goals and requirements.
	Step 2.	Modify, if necessary, the evaluation matrix (see Exhibit 7-11) to ensure it objectively addresses issues of obsolescence, cost to upgrade, under use, demographic trends, and other relevant local factors.
	Step 3.	Apply evaluation matrix based on updated goals and needs and determine likely candidates for closure.
	Step 4.	Develop recommendations for closure/consolidation as part of a long-range master planning process and present to the Board for action.

Who Is Responsible	Facilities Services Director
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Time Frame	March 2004
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Action Plan 7-2

We recommend that the district increase stakeholder representation on the Facilities Advisory Committee.

Action Needed	Step 1.	Change the membership of the facilities advisory committee to include at a minimum: (1) parent; (2) representative from two community organizations; (3) high school student; (4) PTA; (5) architectural/engineering profession; (6) construction industry representative; and (7) educator.
	Step 2.	Appoint news members to the committee to fill any new openings created in step one. Revise the responsibilities of the committee to include developing criteria, reviewing the findings, and participating in developing a long-range facilities master plan.

Who Is Responsible	Superintendent
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Time Frame	June 2005
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Action Plan 7-3

We recommend that the district incorporate the forthcoming needs assessment into its long range planning processes to clearly state goals and objectives and develop a reliable system for developing feedback about facilities construction performance.

Action Needed	Step 1.	Assign one staff the responsibility of administering the master and strategic planning process and working with the consultant selected to provide the functional needs assessment.
	Step 2.	Assign an in-house facilities planning task force to develop criteria, review the findings, and participate in developing a long-range facilities master plan that incorporates the facilities master plan elements outlined in Exhibit 7-7.
	Step 3.	Establish a reporting and accountability mechanism to collect feedback from the implementation of the long-range plan. This should include information on the accuracy of forecasts and the ability of the district to meet goals and objectives.
	Step 4.	Depending on the reporting mechanisms selected, develop a system or purchase software to ensure a uniform reporting process and procedure.
	Step 5.	Modify the Standard Operating Procedures (SOPs) to reflect the new approach to long-range and strategic planning integrating construction and major maintenance.
	Step 6.	Develop a training program and implement the new procedures.
	Step 7.	Periodically evaluate the procedures and make an initial evaluation six months after implementation.
Who Is Responsible	Facilities Services Director	
Time Frame	June 2005	

Best Practice 2: Not Using

When developing the annual five-year facilities work plan, the district does not evaluate alternatives to minimize the need for new construction.

Alternatives to new construction, such as year-round education, extended day schools, changes in grade-level configuration, changes in attendance boundaries, and use of relocatable classrooms, are ways in which a district can avoid the high costs associated with building new space. Alternative methods of using existing facilities can help to mitigate the peaks and valleys in future student enrollments. To use this practice, a district should demonstrate that it has a process and procedure in place to minimize the use of new construction dollars. In addition, the district should have established equitable partnering relationships with city planning bodies and departments to site new or expand existing facilities. School districts have limited resources, yet their facilities are often resources for other public agencies, nonprofit, and community organizations. The more often a school district pursues opportunities to minimize new construction, the more money that is available for instruction. Effective opportunities to reduce the need for new construction include:

- Modifying school boundaries and feeder patterns;
- Relocating of magnet or similar specialized programs;
- Planning, designing, and constructing schools in phases as the demographics change;
- Using portables to address temporary spikes in enrollment;
- Grouping schools into campuses and sharing certain core or support facilities;
- Closing schools in areas with declining enrollment and avoiding continued investment; and
- Implementing joint-use agreements to share land acquisition costs, construct infrastructure, site improvements, and buildings, sports-facilities' use, maintenance, and operating costs.

Duval County School District, to some extent, uses all of these mechanisms. Modifying school boundaries, and relocation of specialized programs, coupled with magnet program incentives and joint use agreements are the most popular.

However, the district can take three steps to better consider alternatives to new construction and meet best practice standards. First, the board should adopt a policy encouraging the design of multi-school campuses for sharing educational facilities between schools. Presently, the district's educational specifications lack space guidelines and design criteria supporting sharing of core educational facilities. Although the district's educational specifications for elementary, middle, and high schools treat each school as complete, a self-sustaining unit facility components can be shared to reduce costs or enhance the educational program.

The district has missed opportunities to construct campuses with shared facilities because the pressure of providing new schools has left little time to investigate how to best develop criteria and specifications for shared use. Kernan Elementary School and Kernan Middle School, which were opened in Fall 2002 and are located on adjacent sites and are examples of this missed opportunity. The educational specifications for each school were generic and made no provisions for reducing the size of land or building size by sharing space between the schools. Exhibit 7-11 lists facilities that, when shared between schools, can result in a reduction in new construction costs. Action Plan 7-4 shows the steps needed to improve the opportunities to share facilities and reduce costs.

Exhibit 7-11

Example of Facilities with Potential for Sharing Between Schools, Parks, and Regional Sports Complexes

Facility	Middle School	High School	Park	Sports Complex
Elementary School	Gymnasium, Media Center (teachers), Food Preparation Center		Equipped Play Areas, Parking, Court Game Areas	
Middle School		Auditorium, Media Center (all), Food Preparation Center, Practice Athletic Fields	Parking, Court Game Areas	Parking, Practice Athletic Fields, Swimming Pools
High School			Parking, Court Game Areas	Practice and Competitive Athletic Fields, Swimming Pools, Parking

Source: McConnell Jones Lanier & Murphy LLP.

Second, the district should expand consideration of alternatives to construction by relying more on joint-use agreements. To accomplish this task, the district should establish a policy and methodology for objectively assessing the savings or cost of joint-use agreements. The district has established joint-use agreements with the City of Jacksonville, the YMCA and various community groups. The district has a total of 70 joint-use agreements, of which 47 or 61% are for the use of school facilities. The remaining agreements are for the district's use of swimming pools, parks, and management of certain facilities. Information provided by the district suggests that due to site-based management of facilities, the district facilities cannot track costs incurred and payments received for the use of district facilities.

Joint-use agreements between the district and city also include joint-development agreements. A significant number of these agreements involve the city's construction of swimming pools for the

district's educational, intramural, and competitive sports use, as well as providing city parklands to satisfy school requirements. According to district staff, joint use and joint-development agreements between the school district and city have saved the district:

- \$2.04 million in site acquisition costs;
- \$8.6 million in development costs; and
- Nearly \$1.21 million in annual operating costs.

However, in discussions with district staff, it is apparent that the district is often treated like a developer. In developing areas of the city, the Development of Regional Impact (DRI) criteria are based on developments exceeding 1,200 dwelling units. The majority of new developments in the city are fewer than 1,200 units, yet they require new schools. As a result, the district is unable to depend on joint-development agreements between the city, developers, and the district to provide the land or infrastructure for new schools. On at least one occasion, the city required the district to share in the cost of public infrastructure to a school site (Kernan Elementary and Middle Schools sites) although the infrastructure served others. In Action Plan 7-4, we recommend that the district adopt a policy to encourage development of multi-school campuses and set out the steps necessary to implement the action plan.

Finally, the district could further reduce the need for construction by making better projections about where schools are needed. The district has always constructed schools that reflect immediate or mid-range enrollment projections. However, the recent use of prototype schools has resulted in the district building a prototype school that was too big for the projected enrollment. The district has constructed three new schools with planned initial enrollments below 80% of the design capacity and enrollments in 2006-07 will still average less than 85% of the design capacity:

- Bon Brewer Elementary School – prototype school (66% of capacity initially; 76% of capacity in 2007-08);
- Enterprise Academy (68% of capacity initially; 78% of capacity in 2007-08); and
- Oceanway Middle School (63% of capacity in 2007-08).

The district should adopt a policy not to construct new permanent facilities with initial enrollments of less than 85% of the design capacity. Existing facilities should use temporary means, such as relocatables, to meet growth needs, and construction should be limited to situations where the five-year enrollment project exceeds 115% capacity. The use of relocatables should be consistent with, and could be constrained by, the public policy of the state, which is to eliminate the use of older relocatables and to reduce the use of others.⁶ Where possible, relocatables should be used for non-instructional purposes to the maximum extent possible, and then for classrooms. The district should factor its use of relocatables into its five-year workplan, which should enable the district to make the better use of its construction funds. Action Plan 7-5 describes the steps necessary to implement this recommendation.

⁶ Section 1013.20, *F.S.*, sets out the standards for relocatables used as classroom space. Section 1013.21, *F.S.*, sets out the state's policy of eliminating the use of relocatables older than 20 years, and reducing the use of other relocatables to meet a district's facility needs.

Action Plan 7-4

We recommend that the district adopt a policy encouraging development of multi-school campuses that encourage sharing of facilities and that this policy is reflected in a revised set of educational specifications.

Action Needed	Step 1.	The board establishes a task force, with membership including an advocacy group and/or outside professional, to research efforts other districts, as well as, to solicit input from administrators and teachers within the district.
	Step 2.	The district convenes a task force to make recommendations to the board regarding the facilities that should be shared among adjacent schools and the appropriate spatial relationships for each type of school.
	Step 3.	Upon approval the district modifies the educational specifications to reflect the policy change.
	Step 4.	The board should further direct staff to acquire adjacent school sites whenever feasible.
Who Is Responsible	Assistant superintendent for facilities services	
Time Frame	September 2004	

Action Plan 7-5

We recommend that the district adopt a policy to only construct new schools when initial enrollment will be at least 85% of the design capacity. When school enrollment increases, the district should use temporary facilities (such as relocatables) until enrollment projections exceed 115% in the five year workplan.

Action Needed	Step 1.	Develop educational specifications for facilities that balance core school requirements with the number of classrooms for schools that open below 85% of capacity for five or more years.
	Step 2.	Develop phasing diagram for expansion using temporary and later permanent facilities, as demographics require.
	Step 3.	Develop educational specifications for smaller schools that can meet the small schools requirement without necessarily using the school within a school concept.
Who Is Responsible	Facilities Services Director	
Time Frame	March 2004	

Best Practice 3: Using

The five-year facilities work plan establishes budgetary plans and priorities; however, the district can improve its performance and efficiency in satisfying this best practice.

A five-year facilities work plan, mandated by Florida law (s. 1013.35, *Florida Statutes*), should be prepared and submitted to the Department of Education. It is primarily a current-year budget document with an additional four-year projection of anticipated revenues and new and continuing capital projects. The plan details a schedule of major projects intended to maintain the educational plant and ancillary facilities of the district properly, and to provide an adequate number of satisfactory student stations for the projected student enrollments. Information developed and contained in the Five-Year Educational Plan Survey is the basis for the work plan. A five-year work plan is not and should not become a district's strategic plan, but it is an important element to be used in the planning process. A five-year view of capital needs is inadequate and reactive in nature for a school district; a much longer-term view, a strategic plan, is necessary to assure that the district will develop adequate funding and make appropriate land-acquisition decisions. Capital project priorities (site acquisition, site improvement, construction, remodeling, renovation, maintenance) should be established in the strategic plan. Priorities should be linked to the district's anticipated revenues and budget projections through the five-year work plan.

The Duval County School District has both an annual five-year facilities work plan and a major maintenance plan. In a typical five-year facilities work plan the district spends \$62-70 million per year, or \$331 million for 1997-2002 and \$391 million planned for 2003-07. The district's major maintenance program (1997-2002) approached \$136 million over a five-year period based on annual expenditures of nearly \$26 million. The facilities five-year work plan establishes priorities and budgets every five years and the district modifies the plan yearly. The major maintenance plan is prepared annually and priorities are established each year as well. Each \$1 million the district finances for construction results in an additional \$831,000 per year in debt service expenses (based on a 5.6% interest rate over a 20-year period). The district develops the major maintenance plan every year. The district lists criteria for major projects in the form of a matrix called Statement of Needs (SON) to select projects for the five-year facilities plan. A SON criteria matrix exists for new schools, but none exists for existing schools. Moreover, the SON matrix does not have provisions for handicapping backlogged maintenance projects.

While not required to meet the best practice standards, the district should integrate the budgeting process for major maintenance projects, new schools, and renovations into one budgetary process and matrix. The facilities assessment completed in March 2003 makes this possible and allows the district to more efficiently use staff time to prepare facilities budgets.

We recommend that the district develop a process to prioritize major maintenance projects together with all improvement projects as one integrated budgeting process.

Best Practice 4: Not Using

The school board does not ensure responsiveness to the community through open communication about the construction program and the five-year facilities work plan.

School districts should be accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs, including the facilities construction program. A school district should provide the public with clear and accurate information regarding its capital program, such as information about planned projects, the priorities it has set for future projects, and how those priorities were determined. A district should provide a complete explanation of how the planned projects will help the district meet its educational, site acquisition, construction, remodeling, renovation, and maintenance needs. Effective communication with district stakeholders helps earn the support of the public for its capital program. Typically, districts that successfully communicate their capital program priorities hold regular school board meetings at which information regarding the construction program is provided and clear explanations of each construction project are made available in a format that allows for public input.

The Duval County School District conducts community meetings on two levels. The board conducts meetings in the administration building and the regional superintendents solicit input at the school level in the community. The district involves the community in the facility planning process by dividing the county into six planning districts. Each planning district has a committee called the Citizen's Planning Advisory Committee (CPAC). Each Regional Superintendent from the school district is a member of the CPAC in their region. Meetings are held bi-monthly and the regional superintendents receive and provide input about the schools in their region. District staff also attends these meeting as often as every other month. They are scheduled by the City Planning Department and are rigorously supported by the community.

However, the district does not maintain sufficient open communication about the construction program and the five-year facilities work plan because it has not assigned administrative responsibility and accountability for the effectiveness of community participation. The district should assign a position with the Facilities Construction Department to coordinate, administer, and monitor an effective community

participatory process for facilities planning and construction. This position should coordinate a task force to provide input for the facilities planning process.

Increasing citizen involvement on the district's facilities advisory committee should help to promote communications about the district's facilities program and responsiveness to citizen feedback. Action Plan 7-2 describes the steps necessary to increase citizen involvement in the district's facilities advisory committee.

Best Practice 5: Using

The district has an effective site-selection process based on expected growth patterns.

The appropriate and timely selection of sites for new facilities is a critical issue for a district's capital program and ensures that land is available when and where it is needed. A district should use demographic projections to identify land in areas that may require school facilities as the district grows or needs change. Early identification of appropriate parcels will allow the district to acquire the land well in advance of construction needs. When multiple sites are to be considered, the district should use the facilities planning committee, which includes experts and community stakeholders, to review the proposed sites.

The Duval County School District has an effective site selection process based on expected growth patterns. The district has traditionally land-banked property in anticipation of facility expansion and new facility needs. The district also has established a cooperative relationship, a Joint Site Planning Committee, with the City of Jacksonville to select and acquire sites for new schools and to evaluate the use of City land for new facilities. The committee is the result of a board and City Council agreement initiated in 1998.

Best Practice 6: Using

The board considers the most economical and practical sites for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.

An effectively managed district acquires the right property for its facilities and makes economical land acquisitions. To accomplish this, a district should ensure that the land meets its needs as to location, and that the site complies with the requirements of Florida law as it pertains to land for educational facilities. Moreover, the price should be reasonable. In determining the appropriate price, the district should consider factors beyond the cost of the land itself, such as the need for site development and improvement or other work that may be incidental to construction.

The Duval County School District uses a formal process to select sites. The process for determining practicality and obstacles to development is very structured, generally consisting of three parts. First, district staff conduct an initial comparative evaluation of potential sites using the districts site selection checklist. Second, consultants retained by the district conduct the first phase of a two part due diligence investigations to perform environmental assessments, documentation of available utilities; flood plain and/or wetland identification. The second part of the due diligence investigations focuses in more detail on how well a site will satisfy the specific requirements of the school, as well as, the real costs of site development and infrastructure. Third, district staff decides whether or not to make an offer to purchase. However, the process and methodology for documenting and assessing relative site development and infrastructure cost in the second due diligence phase is not as well structured. The district conducts these assessments on an informal basis.

The district has minimum criteria that govern site selection decisions. The district uses nearby traffic, types of roads serving the school, zoning, and site size as criteria. However, part of the site selection process is driven by a joint agreement with the City of Jacksonville and the district's Joint Site Committee. In developing areas, the process is often influenced by the City of Jacksonville's Development of Regional Impact (DRI) criteria which gives the city input over site size, location, and traffic decisions. If a site in a developing area is already designated (zoned) for a school, there is even more influence by the City (planning criteria for school sites) on how the district assesses the economics of the site. Exhibit 7-12 is a summary of how the district uses its site-evaluation process. The process has four milestones leading to execution of a purchase agreement. The shaded boxes represent the district's use of this process.

Exhibit 7-12
The District's Site Evaluation and Selection Process

Phase	Task	School Only Use		Joint Use or DRI	
		(A)	(S)	(A)	(S)
Site Search and Initial Evaluation	Develop List of Potential Sites				
	Property and GIS Map and Ownership Research				
	Visual Assessment Using District Site Selection Checklist				
Due Diligence Phase I	Phase I Environmental Assessment and Wetlands Mapping	1, 2	1, 2	1, 2	1, 2
	Traffic Impact Assessment	1	1	1	1
	Easement and Utilities Impact Assessment	1	1	1	1
	Zoning Impediments	1	1	1	1
	Property Appraisal				
	Conservation, Management and/or Preservation Issues	1, 2	1, 2	1, 2	1, 2
	Availability to Meet Project Timetable				
	Initial Comparison of Sites				
	Environmental Phase II	1, 2	1, 2	1, 2	1, 2
	Geotechnical Investigations	1, 2	1, 2	1, 2	1, 2
Due Diligence Phase II	Analysis of Suitability For Intended Program (Studies)	2	2	2	2
	Assessment of Site Development and Infrastructure Costs	2	2	2	2
	Reassessment And Selection of Site By District				
	Consensus on Site Selection by City	1	1	1	1
	Execution of Purchase Agreement and Closing	1	1	1	1
	Execution of Joint-Use Agreement	1	1	1	1

Legend:

Always done (1) Impediment to Site Development

Sometimes done (2) Impact to Development Costs

(DRI) Development of Regional Impact – established by City of Jacksonville to make long-range planning decisions and determine responsibilities for infrastructure costs for major developments, 1,200 or more residential units in developing areas of the City.

Source: Duval County School District, Facilities Services Division.

Although the district considers the most economical and practical sites for current and anticipated needs and meets best practice standards, it could improve the site selection and evaluation process by early-on cost comparative assessments of sites. The present process is not well documented.

We recommend that the Facilities Services Division refine its standard operating procedures to include a formal cost analysis of the development costs in each of the investigation phases for site selection.

FUNDING

Best Practice 7: Using

Funds collected for school projects were raised appropriately were raised appropriately.

Funding for district capital projects is commonly derived from a variety of revenue sources, which include property taxes, bond referendums, sales surtaxes, and certificates of participation. A district should be able to demonstrate that each revenue source is used as authorized in the law. For instance, a district must be able to show that if local bond referendum proceeds were used, the scope of each project was spelled out in the bond referendum; and, that if local sales surtax revenue was used to finance any project, the scope of that project was spelled out in the sales surtax referendum resolution advertisement. The district should have evaluated the advantages and drawbacks of alternative methods for funding and financing construction projects when developing its capital-planning budget. The best way to ensure the greatest amount of construction funding is for the district to first maximize the use of local revenue alternatives.

The Duval County School District has limited its use of revenues for facility improvement and major maintenance projects to the 2-mil property tax, various state license fees, certain utilities' state taxes, lottery proceeds, and state-backed bond programs. While local funds have been raised in accordance with Florida statutes, the district has not made use of local sources of revenue such a bond referenda and the 1/2 and 1-1/2 cents sales tax.

The district has considered at least one alternative funding mechanism for its capital needs. One was to use sales taxes to pay for construction without bonding. Typically districts bond part of their tax receipts to generate the money for construction projects. For example, building just one high school might cost \$40 million or more and few districts have sufficient annual revenue to pay the full cost upfront. Instead, they issue a bond to fund the construction and pay the bond off over a longer period of time. However, bonds require paying interest, thereby increasing the overall cost of the project. Paid over 20 years, the high school will cost considerably more than \$40 million. In 1998 the district staff evaluated using such a "pay-as-you-go" system of funding construction projects but decided to continue using the more traditional bond funding approach.

Another method of funding capital projects and reducing capital costs is to use Qualified Zone Academy Bonds (QZABs), but the district does not use these. The Federal government offers Qualified Zone Academy Bonds (QZABs) at 0% interest for construction in specified Empowerment Zones. Using QZABs involves a lengthy application process and it is not guaranteed. There is no assurance that applications will be approved or that funding will be available. As a result, the district has decided not to use QZABs because it involves a lengthy application process and is not guaranteed.

However, when available, the district could reduce the costs of its bonds by using these low-interest federal loans made available through partnerships with businesses and lending institutions. When coupled with performance contracting for energy programs, this strategy can produce additional cash flow for the district. The district undertook an analysis of the Austin Independent School District's use of QZAB-Performance Contracts and applied the principle to Duval County. The analysis conducted by the Duval County School District focused on a \$5 million performance contract to reduce energy costs. The

project was to be funded with 0% QZAB 14-year term financing. The documented potential savings over conventional bond financing of 5.5% for a 10-year term totaled \$575,000 per year, producing more than \$3.2 million in savings to the district. More importantly, QZAB-performance contracting produced an additional net cash flow of \$4.78 million. With interest rates at a 40-year low, these potential savings may be less than when the district did the original analysis, but could still be significant under the right circumstances.

Best Practice 8: Using

The district approves and uses 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.

A school district must use tax revenues appropriately and for their intended purposes. All capital projects, including new construction, renovation, remodeling, and site acquisition, development, and improvement projects may have separate funding sources with differing expenditure requirements. Districts typically rely on a finance officer to ensure that revenues generated for use as construction or site acquisition funds have been collected as authorized by Florida law and are being expended for lawful purposes. Generally, the district finance officer ensures that funds from the Public Education Capital Outlay and Debt Service Trust Fund are used for construction of educational plant space with total student station costs, including change orders, which meet the allowable amount specified in Florida law. The finance officer ensures that the school tax defined in Florida law as \$2 million money is used only for construction, maintenance, or other authorized capital or facilities purposes. The finance officer is responsible for the timely use of state funds, avoiding reversion of any unspent revenues. During the budget process, the finance officer should ensure that all available capital resources are applied toward the five-year facilities work plan and limited use capital funds are not diverted to other, lower priority allowable uses.

The Duval County School District authorizes the use of construction funds as specified by Florida law only after determining that the project(s) are cost-efficient and funds are used for the district's five-year facilities work plan. The district has developed the necessary procedures, and has the necessary resources in place to demonstrate compliance. The following procedures were documented:

- Preparation of facility budgets and use of funds for each project;
- Review by the district's financial officer;
- Sign-off by the district's financial officer;
- Submittal of forms to DOE; and
- Ongoing review of fund allocations and notices to Facilities Services project managers of timetables for allocating funds before the time limits for allocation expire.

DESIGN

Best Practice 9: Not Using

The district does not develop thorough descriptions and educational specifications for each construction project.

Educational specifications are an important part of the planning process, allowing stakeholders, including parents, subject matter specialists, educators, administrators, and design professionals, to develop working descriptions of a planned educational facility. Well-written educational specifications will ensure that,

once built, the facility meets the needs of a variety of users. Educational specifications should include a rationale for the project, determine the size of the facility, and define the district's program goals, objectives and activities, teaching strategies, and instructional methods, all based on staff input. Educational specifications should identify the needs and design implications of advanced technology and provide for adaptability as changes and innovations occur in education. They should address spatial relationships and circulation patterns, security issues, and comply with the "small schools" requirement.

The Duval County School District develops educational specifications in conjunction with its educational program, but the process is not sufficient to meet best practice standards. Currently the district uses model educational specifications which are circulated for input and modification to create a project specific program as each new school is planned and budgeted. The specifications are a combination of spatial requirements (square foot by function and functional group) and written design criteria that includes equipment requirements and lists. The educational specifications are comprehensive in that they address technology issues, safety, preferred materials, and so on.

The district has also begun to take steps to meet the small schools requirements. In 1998, the district approved reducing the size of elementary schools to 788 students, middle schools to 1,200 students, and high schools to 1,800 students and using a school within school concept. In the 1,200-student capacity schools, such as Kernan Middle School, which opened in Fall 2002, the district designed the facilities as three houses or administrative units of 400 students each. Since the school shared the same core facilities, the cost of the construction was minimally influenced. However, the operating cost with respect to educational services delivery increased.

Although the district has taken several steps to ensure good educational specifications, the district can improve them and meet best practice standards in four ways. First, the educational specifications should include spatial diagrams illustrating preferred organizational and functional relationships, proximity to major circulation, and limitations on accessibility. Presently, the district's alternative use of simply finding examples of what works in one or more facilities is insufficient to address the design and functional criteria included in spatial diagrams. Action Plan 7-6 includes the steps needed to implement this recommendation.

Second, the district should develop educational specifications that provide programmatic direction and take advantage of multi-school campus opportunities, flexible space design concepts, such as minimizing permanent walls in administrative suites. Action Plan 7-6 includes the steps needed to implement this recommendation.

Third, the district should develop a checklist to aid in the evaluation of prototype designs, each time the designs are modified. Since the district is increasing its use of prototype designs and design-build delivery methods that involve modification of a design, existing educational specifications do not provide a checklist to evaluate proposed designs. Action Plan 7-6 includes the steps needed to implement this recommendation.

Fourth, the district should update its educational specifications to reflect trends to build smaller schools and not just building school-within-a-school concept. The specifications should also encourage creative ways to allow new schools to be flexibly designed and constructed to satisfy reductions in classroom sizes without sacrificing efficiency. Action Plan 7-6 outlines the steps for implementing this recommendation.

Action Plan 7-6

We recommend that the district research best practices and lessons learned and develop a comprehensive building design policy and develop specific prototypes for new schools,.

Action Needed	Step 1.	Research and report to the board best practices and lessons learned in other districts and from past construction in Duval.
	Step 2.	Based upon the results of the assistant superintendent's research, prepare recommendations to the board with respect to the use of prototypes of new schools, placing particular emphasis on schools that earned SMART awards.
	Step 3.	Present recommendations to the board for approval.
	Step 4.	Upon the board's approval, develop prototype designs that incorporate SMART design criteria and the district's revised educational specifications.
	Step 5.	Update the educational specifications and/or design fees where applicable.
Who Is Responsible	Assistant superintendent for facilities	
Time Frame	June 2004	

Best Practice 10: Using

The architectural design fulfills the building specification needs as determined by the district; however, quality assurance practices need to be strengthened and status reports for improved accountability need to be developed.

A district should submit a well-developed educational specification to the design professional for use in preparing written construction documents, which include materials and equipment specifications, and schematic drawings. A review of the documents should be made to ensure that the district planning leader, the users of the facility, and the architect and engineers have matched the written construction specifications and schematics against the educational specifications. The final plans must represent the district's needs as expressed in the educational specification.

The Duval County School District uses a three-phase design and construction process. A project manager administers the design and construction activities for each project. Each project begins with a start-up meeting to review the project requirements and project specific educational specifications. In addition to the educational specifications, the district gives the architect a specification checklist with preferred materials for finishes and equipment. Additionally, design phase reviews are conducted for all projects. The design phase reviews are formal in nature and attended by a committee consisting of the architect, project manager, regional superintendent, principal, educational specification writer, safety and maintenance officers.

The Facilities Services Division also conducts end-of-phase reviews and reports the project status to the board. Reports to the board are made on two levels. Detailed briefings are provided in work sessions, whereas Facilities Services provides informational briefings in the form of one-page summaries. These summaries focus on cost, schedule, architect and contractor's name, and information regarding compliance with the educational specifications. The presentations do not generally include drawings. Detailed reporting to the board takes the form of work sessions. The reporting process to the board recognizes that as projects progress in the development of the design, there is more information available than is required for the board to keep abreast of the progress of projects. Board members have the option of reviewing more technical information in a plan review that is periodically setup for board members.

Although the district architectural designs fulfill the district's building specification needs, and while it is required to meet best practice standards, the district could improve its quality control and reporting procedures in two areas. First, the district should make the phase review process more proactive. Presently, the project managers play the lead role in plan review. This distracts from their efficiency and primary focus on schedule, cost, and quality control and reporting to the board. A more proactive process

would require the architect/engineer to submit signed program and code compliance forms that ensure conformity with the educational specifications and identify variances. In addition, plan examiners should conduct a “cross-check” or secondary review of the work performed by architects/engineers. This will reduce the risk of change orders and program modifications.

Second, Facilities Services Division can enhance the information presented to the board by expanding the information available in the project summary form. This will help ensure accountability by providing the board with information regarding the factors affecting the design and delivery of a facility. Appropriate information should include, but is not necessarily limited to:

- Providing information in more graphic media;
- Including a statement of construction cost and variances from budgeted costs;
- Citing variances from the educational specifications; and
- Citing potential conditions that may affect the construction budget or schedule.

We recommend that the district:

- **strengthen its design review process by enhancing quality assurance checks performed by the design professionals and qualified plan reviewers within Facilities Services Division, and**
- **improve project accountability by providing status reports to the board that include quantitative information on all factors affecting the design and delivery of a project.**

Best Practice 11: Using

New construction, remodeling, and renovations incorporate effective safety features.

To ensure the safety and security of those using school district facilities, all building specifications should include common safety elements such as controlled access entrances, appropriate signage, and circulation patterns that allow unobstructed views of the entrance and hallways. Other safety needs and design elements include lighting, intra-communication systems, security and fire systems, security fencing, and a combination of fenestration and doorways, which provide safe and quick evacuation. A district must review safety and address it as part of the construction process when designing and building new structures, as well as during renovation and remodeling projects.

The Duval County School District design specifications require compliance with life-safety requirements for all new facilities, additions, and renovations in accordance with applicable codes. These requirements are enhanced by systems generic to school facilities, such as intra-communication systems, security systems, and fencing. When project conditions require it, the district has retained the services of professionals to conduct a “safe school design assessment.” During renovations or when adding additions, the district makes information available on asbestos materials and lead-based paint surfaces to design and engineering professionals, as well as to contractors. Additionally, the district conducts studies and evaluations on such environmental issues as air quality and mold before engaging design professionals for design services. The district also includes in the special conditions of construction contracts safety requirements during the construction period.

Any newly constructed, remodeled, or renovated facility incorporates effective safety features. Through its proactive policies and procedures for safety in new construction, remodeling, and renovation projects, the district’s designs have incorporated the necessary security and life-safety features to enhance safety. These devices and systems are often augmented by staff and student resources, such as hall and entrance monitors, and programs where students and teachers are encouraged to question persons who do not show appropriate identification on school property.

Best Practice 12: Not Using

The district has not minimized construction, maintenance, and operations costs through the use of cost-effective prototype school designs, and frugal construction practices.

A district should design new and remodeled space as efficiently as possible in order to minimize the costs of construction, provide for long term-energy efficiency, and reduce lifetime building operations and maintenance costs. The construction design and major equipment selection are to be analyzed to maximize the efficient use of energy and the environment, the potential for joint usage, how technology is used, and the life cycle and costs of the materials chosen. To control the costs of building new facilities, a district should have a written policy that encourages the design team to comply with Florida's SMART school design philosophy and develop practical design solutions that are functional and cost-effective.

The Duval County School District's approach to construction focuses primarily on materials and equipment recommendations. The district is not using this best practice because it does not fully address cost-effective, efficient, and maintainable school buildings. The district has taken several steps to control construction costs. Design professionals are required to analyze and recommend the most efficient HVAC system. The district has constructed several prototype facilities and has designed others as future prototypes. In addition, the district has received grants for meeting DOE's SMART building program criteria.⁷

The district could minimize construction, maintenance, and operation costs through the use of cost-effective designs, prototype school designs, and frugal construction practices in four ways. First, the district should establish balanced performance benchmarks for facility capital, operating, and life-cycle costs for new and existing construction. Second, for professional services contracts, the district should develop specific language requiring design and engineering professionals to demonstrate how site orientation, building massing, and landscaping influence building operating costs. Third, engineering-operating cost analysis should include studies on lighting and sensory-control devices. Currently, the district's analysis is limited to HVAC design. Lighting in school facilities can be as high as 25% of the total energy costs and ensuring its effectiveness is important in reducing electrical costs. Action Plan 7-10 includes the steps needed to implement these recommendations.

Fourth, the district should balance initial construction costs with long-term operating and maintenance costs. The Florida SMART building design policy establishes maximum dollars per student that can be allocated for construction of a new school. Facilities Services staff indicate that they have difficulty meeting the construction cost-per-square foot limitations and minimizing operating and maintenance costs. As a result, the district has made compromises in construction quality or operating costs to keep the construction costs within the SMART cost-per-square foot guidelines. Examples of actions taken by the district that represent compromises in long-term operational costs are: use of drywall; reducing use of tile walls and less efficient mechanical systems. Action Plan 7-7 includes the steps needed to implement this recommendation in conjunction with Action Plan 7-6.

⁷ Districts receive SIT awards for designing and constructing educational facilities with total project costs, including change orders, within the cost-per-student guidelines established by DOE.

Action Plan 7-7

We recommend that the district research and evaluate SMART building design policy; and develop specific guidelines and cost saving goals and implement them for new schools, additions and existing building inventory.

Action Needed	Step 1.	Evaluate construction decisions made to bring costs in line with the SMART schools requirements and determine if they increased long-term costs.
	Step 2.	For any decisions resulting in higher long-term costs consult with staff in other district receiving SMART awards and staff at DOE to determine if other alternatives are available.
	Step 3.	Develop recommended guidelines for future SMART construction, including <ul style="list-style-type: none"> ▪ establishing balanced performance benchmarks; ▪ requiring building and site impact on operating costs; ▪ including lighting and sensory-controlled devices in operating cost analysis; and ▪ balancing construction and operating costs.
	Step 4.	Present recommendations for Board approval and implement.
	Step 5.	Update the educational specifications and/or design fees where applicable.
Who Is Responsible	Assistant superintendent for facilities	
Time Frame	June 2004	

NEW CONSTRUCTION, RENOVATION, AND REMODELING

Best Practice 13: Using

The district has effective management processes for construction projects, but the process could be enhanced through the implementation of an automated program management system.

A district may be able to improve the management of construction projects by exploring alternative service methods. A district has several options for completing a construction project, which include whether to do the project in-house or contract out to a private company. The potential cost savings of alternative methods should be weighed before a project begins. This practice ensures that the district has evaluated the various types of construction contracting and chosen the most beneficial method given the circumstances of individual projects. Once the method is chosen, the project must be monitored for quality, timeliness, and cost.

The Duval County School District uses in-house staff to manage projects. These staff monitor the schedule and quality of the project regardless of the delivery method. The project manager oversees all projects from inception until building occupancy. The district uses several delivery methods including conventional, construction management, design build, and prototype designs. Although the Facilities Services project manager is ultimately responsible for project delivery, the district uses a team approach to project delivery; details of project delivery are delegated to the construction manager or architect.

The district uses uniform professional and construction contracting procedures to ensure cost and quality control across all projects. However, the district does not use master scheduling techniques similar to those used by consultant program managers. These techniques include:

- Use of milestone-based, cost-loaded program master scheduling for all projects (notwithstanding the use of construction managers who provide detailed project schedules);
- Use of electronic document control systems to minimize paperwork and provide uniform tracking procedures; and
- Developing a uniform reporting format that gives the board an overview of each project and the program as a whole.

Although the district generally has effective management processes for construction projects, the district could enhance its facilities construction management and reporting by adopting formal program-management techniques.

We recommend that the district research and implement a program-management system using appropriate integrated software for scheduling, cost, and document control.

Best Practice 14: Using

District planning provides realistic time frames for implementation that are coordinated with the opening of schools, but could enhance its management and reporting on the status of the facilities construction program by adopting formal program management techniques.

A district may be able to improve the management of construction projects by exploring alternative service methods. A district has several options for completing a construction project, which include whether to do the project in-house or contract out to a private company. The potential cost savings of alternative methods should be weighed before a project begins. This practice ensures that the district has evaluated the various types of construction contracting and chosen the most beneficial method given the circumstances of individual projects. Once the method is chosen, the project must be monitored for quality, on-time performance, and cost.

The Duval County School District has not evaluated alternative methods to manage construction projects. Some districts use separate bond offices, in conjunction with program management or construction management consultants. Other districts use program management or construction management companies and do not have a separate bond office. The Duval County School District concluded that given the requirement to maintain oversight of either method, it was cost-effective to manage the construction program internally with existing staff.

The district uses several methods for project delivery. Depending on the project scope and method of delivery, formal critical-path scheduling or less formal milestone-scheduling techniques are employed. Projects involving design-build partnerships and construction managers use critical path-scheduling from project inception to completion. In projects using more conventional delivery methods, projects are often scheduled by a project team approach led by the Facilities Services project manager. Selection of a delivery method is made early on before Request for Qualifications (RFQs) for design or management services are requested.

The district has generally delivered projects in time for school openings. However, these openings have come with a downside. Although certificates of occupancy were issued, and the facilities were acceptable from a life safety perspective, many of the projects required work to complete outstanding checklist items. In projects that did not satisfy the planned opening timetable, land acquisition delays were the major contributor.

Best Practice 15: Using

All projects started after March 1, 2002, comply with the Florida Building Code, but the district could better satisfy this practice by expanding its review process and providing the board with more proactive and qualitative information.

The State of Florida has completed a major rewrite of the state building code, including those elements that pertain to educational facilities, which became effective on March 1, 2002. Significant changes included allowing districts to establish alternative methods of obtaining permits and required the re-education of existing staff certified to conduct building code inspections. All school construction projects begun after the effective date are required to meet the new code requirements. Districts must adjust for the code changes in contracted projects and consider the impact the new code will have on future projects. To ensure that districts are aware of and follow these new requirements, construction personnel should have received training in the Florida Building Code or the district should be able to justify why training is not needed.

The Duval County School District has a limited number of construction projects that started after March 1, 2002. To satisfy the new building code requirements the district established an Office of Building Code Enforcement (OBCE) that reviews plans, participates in reviewing safety issues, and inspects the construction. A certified administrator oversees a staff of state-certified general and construction trade inspectors. Additionally, the district included in its contracts with design professionals and design-build teams that their designs must satisfy the new code regulations for school facilities. However, instances of code noncompliance issues have surfaced during construction.

Although all of the district's projects started after March 1, 2002, comply with the Florida Building Code, it can enhance its effectiveness in satisfying the requirements of this best practice by adopting the recommendations in Best Practice 10 of this chapter (expand its design review process to be more proactive and to assure quality and provide the board with more proactive and qualitative information regarding project status). Specifically, the use of plan examiners in the review of design and technical documents before projects are bid will:

- Lessen the chance of delays in the permitting process that are necessitated by architects/engineers making changes to address permit reviews; and
- Reduce the chance and cost of change orders caused by lack of compliance to the building code.

Best Practice 16: Using

The district requires appropriate inspection of all school construction projects.

Compliance with the Florida Building Code assures that completed building projects provide a safe and secure facility. Therefore, all school construction projects must be inspected by a competent authority, schooled and certified in the requirements of the state building code. Inspectors must be trained and certified in accordance with Florida law and the inspections must be in accordance with the new Florida Building Code as revised March 2002. All information about the affected space should be recorded in the Florida Inventory of School Houses (FISH), a database that contains extensive information about school sites, capacity, and condition.

The Duval County School District requires appropriate inspection of all school construction projects. The district established OBCE to comply with the state's decentralization of building inspection and permitting procedures. The office has appropriately trained and certified staff, procedures, and forms to provide inspections on projects during the construction process. Additionally, the office participates in plan review during the design phase.

Best Practice 17: Using

The district retains appropriate professionals to assist in facility planning, design, and construction.

A district should make reasoned and appropriate selections of design and construction professionals to aid in carrying out the mission, goals, and obligations of the school board and in accordance with Florida law. The selection process should be in writing and available to the public. It should begin sufficiently in advance of a proposed project's completion date to ensure that the necessary persons are selected, obligated, and committed to the project. Districts may select from a combination of in-house and outsourced options to staff a particular project or group of projects. Hiring of permanent employees may not be cost-effective for smaller, low-growth districts, but larger districts or districts with significant student population growth may find it appropriate to have permanent, professionally staffed design and construction departments. When outsourcing, the district should use a selection committee to choose appropriate professionals who will act in the district's best interests during the construction project.

The Duval County School District selects construction professionals based on the project type, method of delivery, project size, and scope of services required. The district has a committee selection process that is broadly representative of the immediate project's stakeholders. The selection process includes published requests for qualifications/proposals, evaluation and screening, and selection of professionals. The district uses a variety of consultants early on in the planning phase of the project to investigate environmental soils, life-safety, and site-planning issues. These consultants are in addition to the normal professionals required when preparing design and engineering documents for the construction of a school.

The district retains a variety of individuals and consultant teams to assist in facility planning, design, and construction. More importantly, compensation of professionals is based on a fixed fee that is determined by the complexity and delivery method, not as a percentage of the construction cost. Additionally, the district has creatively used various project delivery methods.

Best Practice 18: Using

The district follows generally accepted and legal contracting practices to control costs.

A district should have policies and procedures in place that delineate bid solicitation and contracting practices to control costs and protect itself from litigation. These policies and procedures should have been reviewed by legal counsel for adequacy and conformity to statutes and generally accepted practices. Generally accepted bidding procedures include bids with set opening dates and times that are inspected to confirm that all required documents are in order. Contracting practices include the use of standardized agreements that have been modified to satisfy local concerns and conditions, and review by legal authority. The district should determine the type of contract appropriate for the work to be performed after considering alternative bid and construction systems for each new project. The contract should be awarded to the lowest responsible bidder whose bid, after review by district legal counsel, meets the specifications or to the construction manager or design build contractor selected pursuant to Florida law. The contracts should be submitted to the school board for final contract award.

The Duval County School District's bidding procedures reflect the types of project delivery methods used on individual projects. The district uses public advertisement and bid opening procedures for all types of project delivery and bidding methods. While some districts establish an independent bond office to administer the construction program, the district assigns a percentage of Facilities Services Division's staff time and salaries to manage the construction program. This practice has the advantage of maintaining managerial continuity throughout the life of a project. Exhibit 7-13 correlates project delivery methods with who has responsibility for contract award.

Exhibit 7-13

Project Delivery and Bidding Methods and Responsibility

Project Delivery Type	Bidding/Selection Method	Responsible for Bid Evaluation/Award
Conventional Method	Lowest responsible bid	Facilities Services Division
Construction Manager @ Risk	Lowest responsible bid	Facilities Services Division
Design Build	Lowest responsible bid with demonstrated examples	Facilities Services Division
Prototype	Lowest responsible bid that satisfies the project and educational specification requirements	Facilities Services Division
Direct Purchase	Lowest responsible bid	Purchasing Department

Source: McConnell Jones Lanier & Murphy LLP.

Best Practice 19: Using

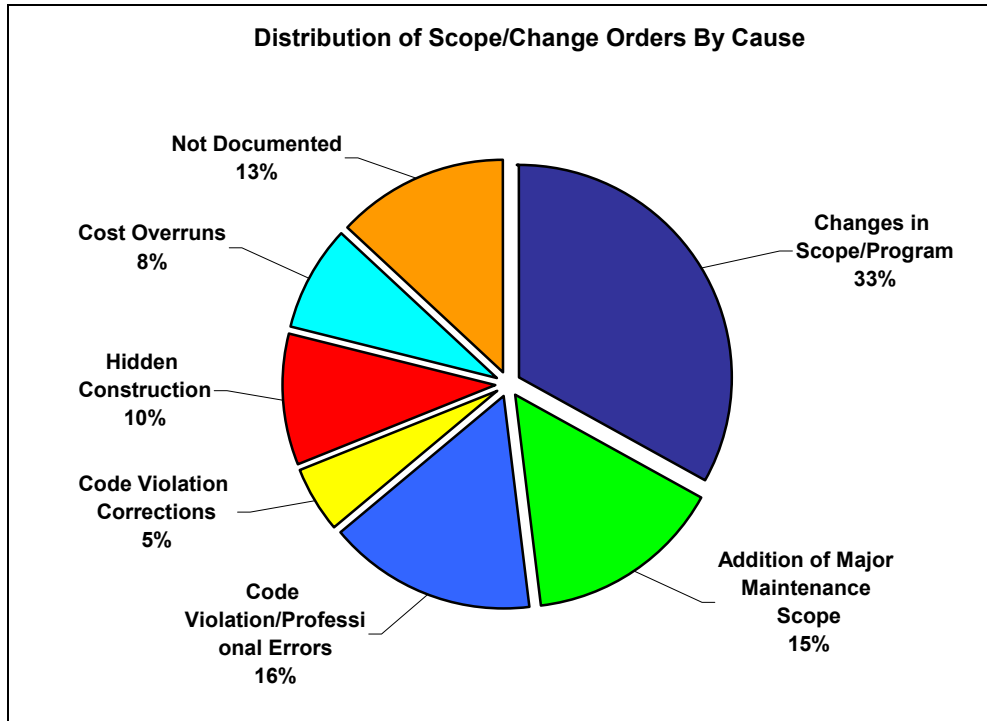
The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs, but could enhance its management and performance of project scope and cost control by improving initial project programming and budgeting.

Changes to a facility's design after construction has begun must be carefully considered, as they can be very costly to a district or they can save a substantial number of dollars. Design changes have the potential to create substantial delays in the intended completion date of a project, while adding overlooked elements can enhance the educational environment or the delivery of educational services, or reduce future operational/maintenance costs. Necessary changes to the construction agreement, which may be requested by either the contractor or the district's representative, should generate a request for a change order. Change orders should be reviewed for viability, necessity, and cost. A district should use planning and contracting methods that minimize change orders and retain information sufficient to document the reasons behind a change order and the responsible individual. Critical to the change order process is a review that, when possible, ensures change orders implemented do not result in the project's exceeding budget, do not compromise educational specifications, do not exceed industry standards, and do not extend the original completion date.

The Duval County School District minimizes facilities plan changes and controls costs. The district has two kinds of project scope or change order categories. First, project scope changes that occur in the design phase; second, project scope changes that occur after award of the construction contract. These are usually referred to as "Change Orders." While the latter is the focus of this best practice discussion, both are equally important management issues with respect to project budget and cost control.

The district awarded \$132.9 million in construction contracts between 1997 and 2002. The district's overall project scope change and construction change order rate for projects was 6.1% or \$8.1 million. The change order rate after award of the contract was less than 2.9% of the project budget, after adjusting for the preconstruction scope changes. This change order rate is exemplary. Exhibit 7-14 shows the major reasons for change orders.

Exhibit 7-14
Duval County Public Schools -
Distribution of Scope Changes by Cause 1997-2002



Source: Duval County School District, Facilities Services Division.

While the district generally minimizes changes to facilities plans after final working drawings are initiated, 48% of all change orders were driven by scope changes due to modifications of the educational specifications and inclusion of major maintenance projects. Although not required to meet best practice standards, the district could enhance its management and performance of project scope and cost control by improving initial project programming and budgeting. A change in educational specifications that increase the project scope and budget and occur after the design process is started elongates the delivery of the project. Additionally, the district must integrate major maintenance scopes as part of the facility programming and budgeting.

We recommend that the district incorporate better scope and budget control management techniques into its program management procedures.

Best Practice 20: Using

The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.

Payments to contractors for larger construction projects are usually separated into a series of partial payments known as progress payments. This practice protects the school district and pays the contractor in a fair and reasonable manner and in proportion to the work completed. Once a payment request is received, the district should respond in a timely and efficient manner. A district should retain a predetermined percentage of the contract pending final completion to be used to cover nonperformance issues or liquidated damages, should such a situation arise. The district should have a system of internal

controls to ensure that payments are made timely and only after the architect has approved the completed work, and with the concurrence of the district's project manager.

The Duval County School District's architect generally recommends payment based on the percentage of work completed. The district uses industry standards for control of contractor payments with the architect serving as the impartial check and balance system. The district contracts for architectural services require the architect to provide comprehensive services throughout the life of the contract. During the bidding, construction, and closeout phases of the project, the architect is required to provide fiduciary services to the district. This includes inspections of work in progress to determine the adequacy of work for which the contractor is requesting progress payment. The contract financial control systems include retaining a percentage of the contract until the project is completed.

FACILITY OCCUPANCY AND EVALUATION

Best Practice 21: Using

The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function, but could enhance the administration, quality, and uniformity of commissioning programs for facilities by developing standardized specifications and documentation for commissioning all building systems.

The proper operation of a school is dependent on the users' understanding of the facilities systems and the reasons why certain design elements were included in the project. Therefore, school district personnel should be familiarized with a new facility prior to occupation. Orienting users to a facility is a critically important activity that allows the new facility to work as it was designed, provides for the safety and comfort of the occupants, and ensures that the building's components are operated in a non-damaging and efficient manner. An orientation program should include the delivery of clear and understandable users' manuals designed for the appropriate staff, elements of the program being customized for a particular group of users, such as maintenance staff, custodians, or administrators and teachers. The district should include clauses in the design and construction contracts to require the architect and the contractor to share the responsibility for and provide the orientation programs and supporting documentation.

The Duval County School District requires its architects/engineers and contractors to provide orientation training for new facilities, additions, and major renovations. These provisions are incorporated into the architect/engineer and contractor contracts. The architect is generally responsible for obtaining warranty and guarantee documents. The contractor is responsible for providing engineering and operational staff necessary to train district personnel in the operations and design of HVAC systems. The district does not provide commissioning for electrical, security, or fire alarm systems. The district does not use or have a manual to ensure that it conducts uniform commissioning across similar projects.

Although the district is using this best practice, it could enhance the administration, quality, and uniformity of commissioning programs for facilities by developing standardized specifications and documentation for commissioning all building systems. The district should also consider expanding commissioning programs to include evaluation of district personnel, as well as adjusting the building systems one year after final acceptance of the project. This provides an opportunity to fine tune the initial training received, as well as the system itself.

We recommend that the district develop standardized specifications and procedures for facility commissioning and include them in the technical specifications, special conditions of the construction contract, or other contractually binding document.

Best Practice 22: Not Using

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.

A post-occupancy evaluation helps a district determine how well the design of a facility meets the educational, service, community, and administrative needs of the building's users. Information from a post-occupancy evaluation can be used to improve the design of subsequent projects. Such an evaluation should be conducted on every new facility no earlier than one year and no longer than three years after occupancy. This window of time allows for a full school year in the new facility and for the evaluation to occur before any functional design changes or remodeling might take place, which would change elements of the original design. As part of the evaluation, users, including students, parents, district and school-based maintenance and food service personnel, teachers, administrators, and bus drivers, should be surveyed or interviewed to determine their attitudes about the design. District facilities design and construction staff, the design professional for the new facility, and a representative of the contractor should also provide input to the evaluation. The information gathered should be compiled into a report, enumerating the positive aspects and difficulties, if any, with the design of the facility. Information obtained through post-occupancy evaluations should be communicated to educational specification committees, the design review committee, and, when contracted for a new facility, the design professional.

The Duval County School District is not using this best practice because it does not have sufficient information to determine whether new schools are meeting their educational objectives. The district does not have an adequate process for conducting formal post-occupancy evaluations of its school facilities. Instead, maintenance or custodial employees and school administrators and staff make informal evaluations when a project is not performing to expectations.

The district spent more than \$255 million on new schools, additions, and renovations during 1997-2002. Some of this construction includes one or more prototype schools. The district will undoubtedly reuse several of the designs without benefit of a formal post-occupancy review. The district should examine the various ways to conduct post-occupancy reviews and select the one that best suits its needs. Action Plan 7-8 shows the steps for implementing this recommendation.

Action Plan 7-8

We recommend that the district establish a policy and procedures to design, administer and implement a post occupancy evaluation process for facilities programming and construction.

Action Needed	Step 1.	Develop goals and objectives of the post occupancy evaluation.
	Step 2.	Establish a task force consisting of regional superintendents, facilities project managers, and Facilities Services Division staff involved in preparation of educational specifications to conduct research and evaluate various post-occupancy alternatives available from various consultants and organizations.
	Step 3.	Determine whether to outsource the evaluation process, develop in-house capabilities immediately, or a combination of outsourcing with internal capabilities.
	Step 4.	Develop a budget based on the preferred and most efficient and effective method and resource.
	Step 5.	Conduct trial post-occupancy evaluations on 10 most representative recent projects.
	Step 6.	Evaluate results and recommend a program for board approval and implement.
	Step 7.	Use the results to select what type of occupation the district should have.
Who Is Responsible	The Assistant Superintendent for Facilities Services	
Time Frame	January 2004	

Best Practice 23: Using

The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program, but can further improve performance by including additional goals and measurements.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents, other taxpayers, and the school board on the performance and cost of its major programs and support services, including the facilities construction program. To accomplish this, each school district should have an accountability system that includes clearly stated goals and measurable objectives for the facilities construction program that identify whether it is operating efficiently and effectively. An effective accountability system includes performance and cost-efficiency measures and interpretive benchmarks, including comparisons to adjoining districts, to evaluate the program and use in management decision-making. As part of its accountability system, the district should also establish and implement strategies to continually assess the reliability of program performance and cost data and take advantage of significant opportunities to improve construction operations management.

The Duval County School District Facilities Services Division publishes an annual report in January of each year. The report, entitled “High Five,” is prepared by the superintendent and presented to the board. It provides information to the superintendent and board on the progress made by the Facilities Services Division in construction as well as the obstacles faced. Reported items included the number of classrooms added; number of schools in construction or completed; number of relocatable classrooms removed from use; and length of time and impediments to efficiently constructing a new school. The report is also part of the district’s report to the Council of the Great City Schools Annual Review. Additionally, the Facilities Services Division report is available online for parents, students and other stakeholders. The district uses local and national benchmark data and has several accountability measurements that focus on cost efficiency and performance.

Although the district has established and implemented these accountability mechanisms, and while it is not a requirement to meet best practice standards, the district could enhance its accountability measures by including additional goals and measurements. These additional mechanisms should address the issues

that the district has faced over the past 10 years, such as utilization of elementary schools and functional equity.

The district should improve and target strategies that are effective in addressing these issues. Effective accountability measures are always time sensitive. In other words, they set a time when the measure is to be achieved. An excellent example is how the district set a timetable to complete its technology readiness program. By addressing these goals and measurements with effective strategies, the district has an opportunity to reduce the allocation of its overall budget to facilities. Exhibit 7-15 illustrates examples of correlating goals, measurements, and strategies.

Exhibit 7-15

Goal Setting, Setting Accountability Measure, and Strategies to Achieve Results

Goal	Accountability Measure	Strategies
Reduce facilities impact of the overall budget	Reduce the percentage from 35% to 30% in five years.	<p>Reduce debt service for funding capital projects by greater use of local tax revenues.</p> <p>Surplus and consolidate facilities when total (facility M&O and educational program wise) operating costs exceed 125% of the average or ideal model.</p> <p>Surplus and consolidate facilities that are operating at less than 85% capacity.</p>
Improve long-term quality and operating performance of facilities	Reduce maintenance and operating costs by 15% in 10 years.	<p>Reduce energy costs in buildings constructed between 1960 and 1980 by 30%.</p> <p>Reduce maintenance costs of new facilities by appropriate use of materials and building systems.</p> <p>Surplus and replace older facilities where the required investment over 10 years exceeds 50% of its replacement value.</p>
Improve confidence by the community	Improve schools while lessening the overall tax burden by 15% in two years	<p>Develop a long-range facilities master plan with consensus of community.</p> <p>Expand savings and potential revenue through performance contracting.</p> <p>Develop financial partnerships and participation of business community through use of QZAB loans.</p>

Source: McConnell Jones Lanier & Murphy LLP.

We recommend that the Duval County School District expand its existing accountability mechanisms to address the efficiency issues facing the district and more definitively correlate goals, time-sensitive measures, and strategies.

Best Practice 24: Not Using

The district does not regularly evaluate facilities construction operations based on established benchmarks and consequently has not implemented improvements to maximize efficiency and effectiveness.

Evaluation of completed projects is an important management tool because it assesses how tax dollars were spent and whether a district took full advantage of available, usually scarce, public funds. Districts

should assess their facilities construction operations as a whole at least annually using performance data and their established benchmarks. They should report their progress toward meeting established goals, objectives, and benchmarks to the board and the public on at least an annual basis. Strategies should be established and implemented based on the outcomes of these evaluations.

Although the Duval County School District conducts annual assessments of its facilities construction operations and reports the results to the board and community, the district is not using the best practice because of limited planning, evaluation, and accountability-driven indicators. The district can improve its evaluation of facilities planning and construction operations in two ways. First, the district should use strategic and other plans as benchmarks to assess achievement and accountability. During the initial onsite visit, the review team noted that annual assessment reports do not compare current achievements with planned strategies, timeliness, or resources budgeted for construction operations. Moreover, the annual assessments of its facilities construction operations and related management reports do not determine the effectiveness of strategies used to date and whether the financial resources used were cost-effective and will be available to complete the remaining work for construction and maintenance related projects. Action Plan 7-9 describes the steps necessary to implement this recommendation.

The second way the district could improve its evaluation of facilities planning and construction operations is to conduct an evaluation correlating the division's mission, organization and structure, and staffing to improve departmental efficiency and cost effectiveness. The division's existing organizational structure is fragmented. For example, related functions, such as custodial and maintenance operations, do not report to the same general director. To adequately support the overall mission of the division, related functions should report to the general director of the same functional unit, such as the Plant Services/Maintenance Department. Accordingly, the custodial staff at the central office should report to the Plant Services/Maintenance Department instead of the general director of Facilities Fiscal Affairs.

In addition, staff in the Facilities Planning and Construction Office focuses primarily on project delivery. Accordingly, consolidating the four functional units into two larger units will increase the effectiveness of the division while at the same time reducing the number of general director positions.

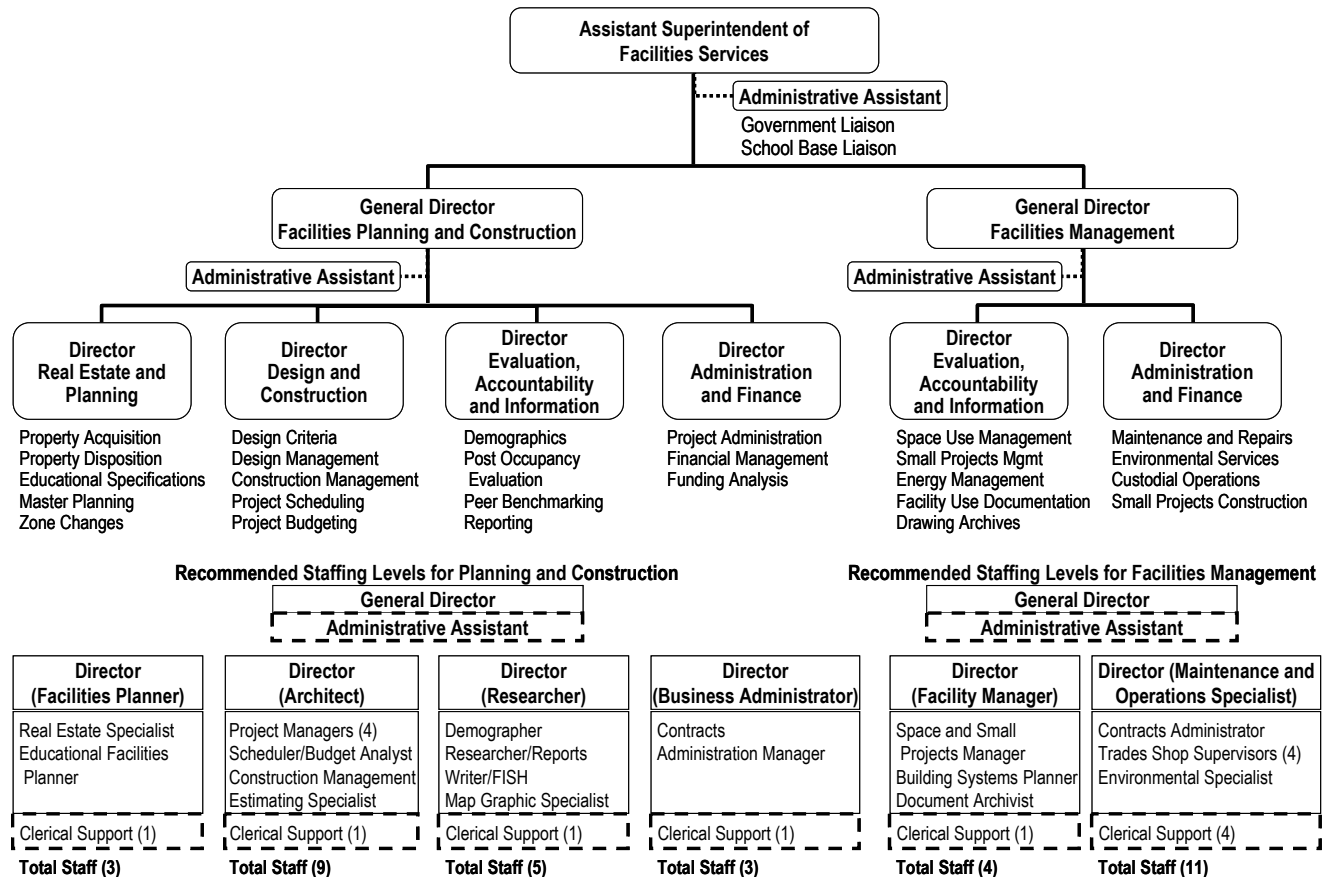
This recommended organizational structure and staffing plan will reduce the Facilities Services Division staff at the district's central office by one general director position and four administrative support staff. The existing organizational structure has three general director positions, which consist of the general director of Plant Services, the general director of Facilities Planning and Construction, and the general director of Facilities Fiscal Planning (see existing organizational chart, Exhibit 7-7). The proposed organizational structure recommends two general director positions- a general director of Facilities Planning and Construction and a general director of Facilities Management (see Exhibit 7-16). The Facilities Services Division should develop new job descriptions and post job opening notices for the two newly created general director positions. Existing general directors within the Facilities Services Division and other internal or external candidates could apply for the new positions. The average annual salary, including benefits, for a general director position is \$90,000 a year. By eliminating one general director position through the proposed restructuring, the district could save approximately \$90,000 annually or \$450,000 over a five-year period.

In addition, the Facilities Planning and Construction organizational unit, within the Facilities Services Division, has four administrative support (secretarial) positions for 10 professional positions (which include the general director for Facilities Planning and Construction, the director of Facilities Planning and construction, seven project manager supervisors and one coordinator of Interior Design). The typical ratio is one administrative support position for every five or six professionals. Moreover, in the Facilities Fiscal Planning organizational unit, five administrative positions support 12 professional positions. Using the ratio of one administrative position for every five to six professionals, the Facilities Services Division is overstaffed by at least four administrative positions. An average annual administrative salary for the

district, including benefits, is \$32,000 a year. By eliminating four administrative positions within the division, the district could save approximately \$128,000 annually or \$640,000 over a five-year period.

Exhibit 7-16 presents an illustration of the recommended organizational structure for the Facilities Services Division. Action Plan 7-10 describes the steps necessary to complete the recommended reorganization.

Exhibit 7-16 **Recommended Organizational Chart for the Facilities Services Division**



Source: McConnell Jones Lanier & Murphy LLP.

Action Plan 7-9

We recommend that the Facilities Services Division periodically determine the effectiveness of long-range facilities strategies and gather operational benchmark data to determine the cost-effectiveness of operations.

Action Needed	Step 1.	Set goals and measurable objectives for the construction department.
	Step 2.	Establish performance benchmarks.
	Step 3.	Gather appropriate operational data from Duval County School District and other school districts which have demonstrated exemplary facilities management practices.
	Step 4.	Using benchmark data gathered, conduct annual benchmarking activity.
	Step 5.	Use results to improve the cost-effectiveness of operations.

Who Is Responsible	The assistant Superintendent for Facilities Services
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Time Frame	January 2004
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Action Plan 7-10

We recommend that the Facilities Services Division evaluate the mission, structure, and staffing levels within the department: reorganize the department and eliminate one general director position and four administrative positions.

Action Needed	Step 1.	Develop an organizational structure more closely aligned with the division's planning/design/construction and facilities management function.
	Step 2.	Develop a staffing plan that strengthens the planning and facilities management operations.
	Step 3.	Develop a plan to automate manual processes using compatible software designed for program and project management activities. Coordinate with revisions to Standard Operating Procedures.
	Step 4.	Develop new staff job descriptions and determine which professional and support positions will be enhanced, downgraded, or eliminated.

Who Is Responsible	The assistant Superintendent for Facilities Services
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Time Frame	January 2004
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Facilities Maintenance

Summary

The Duval County School District is using 19 of the 22 best practices in facilities maintenance. The district is using all the best practices related to resource allocation and utilization, information systems, and health and safety. To use the remaining best practice standards, the district should establish and implement accountability mechanisms to ensure the overall performance and efficiency of maintenance and operations programs; obtain and use customer feedback to facilitate ongoing program improvements; and regularly review the department's organizational structure to ensure that appropriate staffing levels are in place.



As seen in Exhibit 8-1, the district has two opportunities to reduce costs and increase revenues in this area. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these action plans, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 8-1

By Implementing Two Recommendations in this Report, the District can Reduce Facilities Maintenance Costs by Approximately \$6.3 Million Over the Next Five Years

Best Practice Number	Fiscal Impact: Increased Cost Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
17 Exercise the performance requirement in the custodial services contract for custodians to perform light maintenance at schools	\$40,900	\$40,900	\$40,900	\$40,900	\$40,900	\$ 204,500
17 Expedite transition to privatized custodial services	0	0	2,276,561	2,034,107	1,817,475	6,128,143
Total	\$40,900	\$40,900	\$2,317,461	\$2,075,007	\$1,858,375	\$6,332,643

Background

The Duval County School district's Plant Services/Maintenance Department is responsible for maintaining 163 schools, which includes 105 elementary schools, 25 middle schools, 19 high schools, 6 charter schools, and 8 alternative schools. The department provides maintenance services for three large administrative facilities, which include the school board building, training center, and consolidated services center, where warehouse operations reside, as well as six smaller administrative buildings. The district contracts out approximately 40% of its grounds maintenance operations, along with a host of minor maintenance functions. In addition, the Facilities Services Department oversees the district's contract for the majority of its custodial operations (see Chapter 7).

The total projected budget for districtwide maintenance and operations was \$82.5 million for the 2002-03 school year (see Exhibit 8-2). The largest part of the Plant Services/Maintenance Department budget (\$51.4 million) is used for plant operations such as the district's outsourced custodial services contract, safety and security personnel, and utilities. This covers salaries and benefits for approximately 812 full-time equivalent employees who are either directly employed by the district or the custodial service contractor. The plant operations budget also includes the custodial services contractor's monthly management fee, custodial supplies, incidentals such as uniforms, in-house custodians assigned to the administration building, and safety and security personnel. The maintenance department's operating budget totals \$26.4 million, and primarily consists of salary and benefits for approximately 376 employees. It also includes departmental expenses such as material, supplies, and training. The minor maintenance contracts, totaling \$4.8 million, consist of 21 outsourced functions such as energy management, heating, ventilation, and air conditioning (HVAC) maintenance, grounds keeping, and elevator repair. Exhibit 8-2 presents a breakdown of projected districtwide maintenance and operations costs for 2002-03.

Exhibit 8-2

Projected 2002-03 Districtwide Maintenance and Operations Costs (Plant Services/Maintenance Department Annual Operating Budget and Custodial and Minor Maintenance Contracts)

Description	Budget/Contract Amount
Plant Operations ¹	\$51,373,520
Maintenance Department Annual Operating Budget	25,602,675
Minor Maintenance Contracts (21)	4,753,702
Plant Services (Administrative) Department Annual Operating Budget	781,062
Total	\$82,510,959

¹ Includes outsourced custodial services contract, safety and security personnel, and utilities (utilities amount to approximately \$12,600,000 annually).

Source: The Duval County School District.

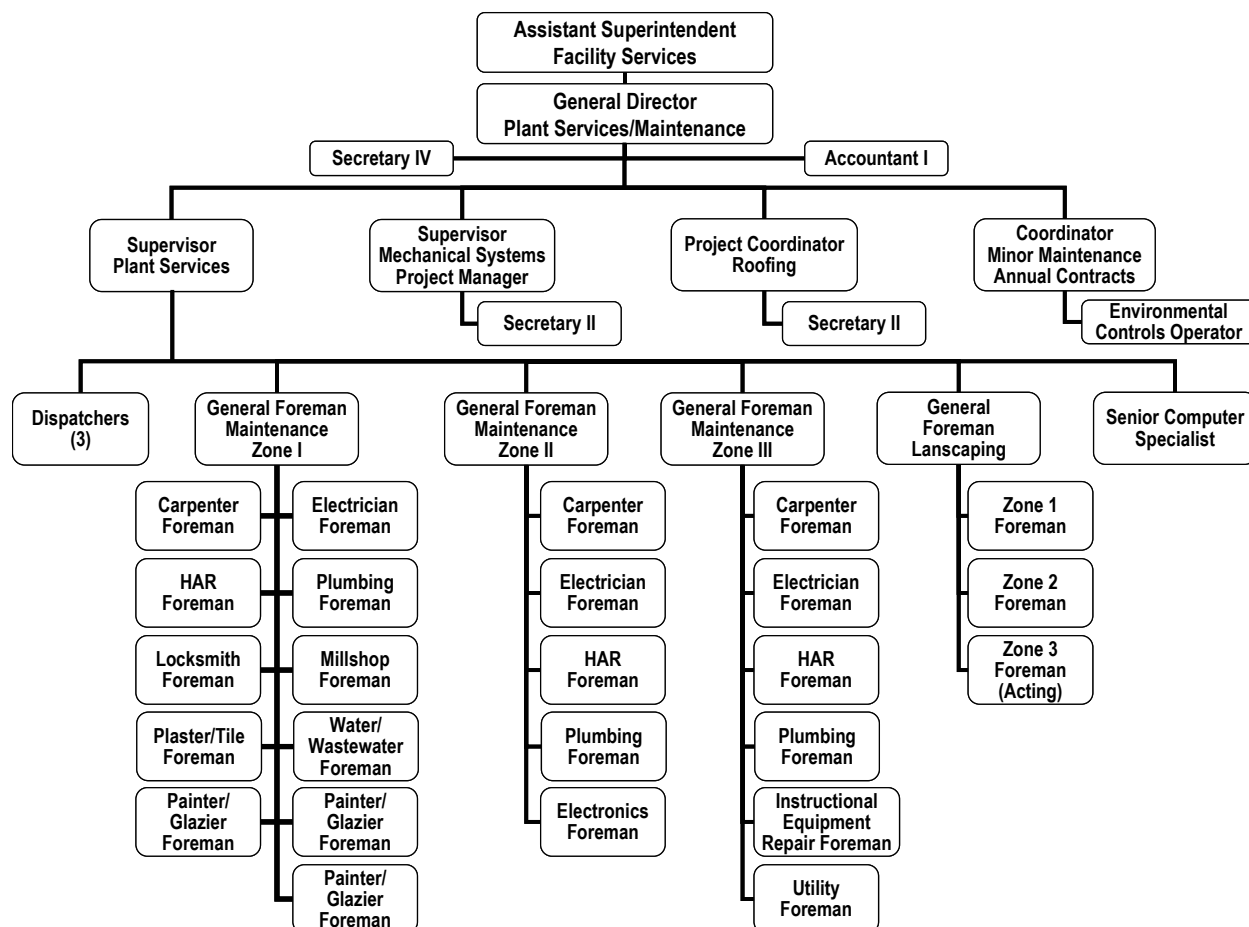
The Plant Services/Maintenance Department has two organizational units—Plant Services and Maintenance. The Plant Services Department has a total of 14 management, administrative, and clerical positions. ¹ The general director of Plant Services is responsible for both organizational divisions and reports to the assistant superintendent of Facilities Services. The project manager position oversees the 25 to 30 district wide major maintenance projects performed by the department. The project coordinator position handles all contracted roofing jobs for the district and coordinates all roof leak repairs performed by the annual contractor. The coordinator of Plant Services position oversees the 20+ minor maintenance

¹ Though plant services and maintenance have different functions, they share a common administrator and three secretarial support positions.

contracts such as grounds maintenance and air filter replacement that are administered by the department. The environmental controls operator inspects the work performed by the minor maintenance contractors to ensure that the work has been satisfactorily completed and provides a safe learning and work environment for district students and employees.

The Maintenance Department has 362 employees and is overseen by the supervisor of Plant Services who is responsible for the day-to-day management of the department. Three general foremen report to the supervisor of Plant Services and each oversee a maintenance station and one general foreman oversees the landscaping (groundskeeping) function. All four general foremen report to the supervisor of Plant Services. The three maintenance stations cover assigned geographic areas within the school district. For example, Maintenance Zone I covers 35 schools located on the north side of Jacksonville; Maintenance Zone II covers 64 schools located on the south and east (beach area) sides of the city; and Maintenance Zone III covers 64 schools located in the west part of Jacksonville. The foremen who represent the different craft areas such as carpentry, electrical, plumbing, and painting report to the maintenance station general foremen and are supported by maintenance employees in each of the craft areas. The landscaping general foreman oversees landscaping crews covering the same geographic areas as the crafts. Exhibit 8-3 presents the district's organizational structure for the Plant Services/Maintenance Department.

Exhibit 8-3
**The Duval County School District's Plant Services/
Maintenance Department Organizational Structure**



Source: The Duval County School District.

Activities of particular interest

Integration of the Maintenance Work Order Module

In 2000, the Plant Services/Maintenance Department linked the maintenance work order system to district Purchasing and Budget departments, providing a fully integrated system for maintenance management through its accounting software. This single-system approach allows maintenance to requisition parts from the storeroom, initiate purchase requisitions and purchase orders for non-stock parts, and track maintenance time from the district's accounting system. As such, maintenance costs (parts and labor) as well as hours are all automatically tied to specific work orders, greatly simplifying the tracking and analysis of maintenance operations.

Monthly Maintenance Report

The Plant Services/Maintenance Department produces a Monthly Maintenance Report that tracks current and historical data on several levels (districtwide, by maintenance geographical area, and by individual maintenance work center). The department uses this report to provide the general director of Plant Services, the supervisor of Plant Services, and foremen with information necessary to accurately assess the performance and progress of maintenance and make adjustments as necessary. In addition to other management information, this report effectively tracks maintenance backlog percentages, average cost per work order, and average hours per work order, and provides timely indicators of possible problem areas that may require closer monitoring by the Plant Services/Maintenance Department. As a result, the Monthly Maintenance Report provides a very useful tool for making management decisions within the department.

Conclusion and Recommendations

Summary of Conclusions for Facilities Maintenance Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Program Direction and Accountability	1. The district's maintenance and operations department has a mission statement and goals and objectives that are established in writing.	Yes	8-7
	2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	No	8-7
	3. The district obtains and uses customer feedback to identify and implement program improvements.	No	8-9
	4. The district has established procedures and staff performance standards to ensure efficient operations.	Yes	8-10
	5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	Yes	8-11
Organizational Structure and Staffing	6. The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision and staffing levels.	No	8-12
	7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	Yes	8-13
	8. The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.	Yes	8-14
Resource Allocation and Utilization	9. The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.	Yes	8-16
	10. The district accurately projects cost estimates of major maintenance projects.	Yes	8-17
	11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	Yes	8-19
	12. The district minimizes equipment costs through purchasing practices.	Yes	8-19
	13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	Yes	8-20
	14. The district uses proactive maintenance practices to reduce maintenance costs.	Yes	8-21
	15. The maintenance and operations department identifies and implements strategies to contain energy costs.	Yes	8-21
	16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	Yes	8-22
	17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	Yes	8-23
Information Management	18. A computerized control and tracking system is used to accurately track work orders and inventory.	Yes	8-26

Facilities Maintenance

Practice Area	Best Practice	Using the Best Practice?	Page No.
	19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	Yes	8-26
Health and Safety	20. District policies and procedures clearly address the health and safety conditions of facilities.	Yes	8-27
	21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	Yes	8-28
	22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	Yes	8-29

PROGRAM DIRECTION AND ACCOUNTABILITY

Best Practice 1: Using

The district's maintenance and operations department has a mission statement, goals, and objectives that are established in writing.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs and support services, including facilities maintenance. To accomplish this, a school district should have an accountability system that includes a mission statement, clearly stated goals, and measurable objectives that identify the expected outcomes of the facilities maintenance program. The program's goals and objectives should be in writing, tied to the district's strategic plan, and focused on operating facilities in a cost-efficient manner while allowing for maximum utilization of facilities. Maintenance program goals and objectives should also include comprehensive projections of the size of the necessary workforce, the amount and types of equipment required, and anticipated long-term budget requirements. These projections should be based on a survey of the physical condition of the facilities and equipment, and should identify repair or replacement needs of district facilities.

The Duval County School District's Plant Services/Maintenance Department has a written mission statement, which is *to provide well-maintained functional facilities conducive to ensuring a safe and efficient instructional environment for all students, faculty, and administrators of the Duval County Public School System*. The Plant Services/Maintenance Department publishes its mission statement in its Maintenance Standard Operating Procedures and in its Organization-Responsibilities Standards. Additionally, the department posts the mission statement on its web site at <http://www.bluewaterwebs.com/maint/>. The Plant Services/Maintenance Department has developed clearly stated goals and measurable objectives for the department. These goals cover all of the district's major maintenance programs. Anticipated expenditures and expected outcomes are documented in the district's 2002-03 budget. These goals are aggressive enough to motivate the department to continue to identify ways to contain costs and make efficient and cost-effective use of its resources. Additionally, the Plant Services/Maintenance Department has developed districtwide long-range budgets (through 2006-2007), equipment requirements, and repair and replacement requirements for the individual maintenance components referenced above.

Although the district has published its mission statement, goals, and objectives, the goals and objectives do not include formal staffing forecasts. Although not a requirement of this best practice, the department could enhance its planning process by incorporating a forecast of staffing needs into departmental goals and objectives. (See Action Plan 8-3 for the steps needed to address this issue.)

Best Practice 2: Not Using

The district has not established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.

An effective accountability system includes performance and cost-efficiency measures, and interpretive benchmarks, such as comparisons to adjoining districts or an industry standard, to evaluate the program and use these benchmarks in management decision-making. By periodically comparing established benchmarks to actual performance, a district can determine if changes are needed in its maintenance program to improve efficiency and effectiveness, reduce costs, and assess whether alternative service delivery methods, such as privatization, may be cost-effective. Measures that should be considered for

evaluating the maintenance program include costs per square foot (including energy use), full-time staff per square foot of facility, and costs per student.² As part of its accountability system, a district should also establish and implement strategies to continually assess the reliability of program performance and cost data. In addition, school board members should periodically receive performance information that helps them assess the efficiency and effectiveness of its maintenance program.

The Duval County District collects a variety of performance related data, but is not using this best practice because it does not have benchmarks that would enable it to evaluate the program's effectiveness. A benchmark provides a point of comparison for a program's performance. Without them, the district cannot determine whether its programs are efficient or effective. For example, a district may know how much it spends on a per square foot to maintain a school, but without an appropriate benchmark it cannot tell if that cost is low or high. The department should develop and use performance measures such as cost per square foot statistics, number of full-time equivalent staff per square foot, and cost per student. This would allow the district to accurately assess the performance of this department. Exhibit 8-4 presents examples of maintenance effectiveness standards suggested by the Florida Department of Education.

Exhibit 8-4
Examples of Maintenance Effectiveness Standards
Suggested by the Florida Department of Education

Standard	Reference Measure
Adequate levels of maintenance	Did the department provide maintenance, custodial, and grounds services that were adequate to meet board, administration, and the general public's expectations?
Improved facility conditions	Did the department provide services that resulted in improved or enhanced conditions?
Cost-effectiveness	Did the department conduct maintenance and operations activities in a cost-effective manner?
Strategic plan implementation	Did the department develop and implement a strategic plan aimed at defining and addressing facility needs, shortcomings, and deficiencies in the years to come?
Cost-saving measures	Did the department implement measures to contain or reduce costs in certain areas of operation?
Overall effectiveness	Did the department achieve a level of effectiveness that is reflected in customer attitudes and perceptions?

Source: Florida Department of Education, Office of Educational Facilities.

In addition, the Plant Services/Maintenance Department uses appropriate performance and cost-efficiency measures for some of its smaller contracts, such as grounds maintenance. However, the district does not meet best practice standards because it does not have adequate accountability measures for assessing cost-effectiveness for its outsourced custodial operations contract even though these costs are a significant part of maintenance and operations.

Action Plan 8-1 describes the steps the district would have to take to develop better accountability systems and should be implemented in conjunction with Action Plan 3-1.

² All Florida school districts are required to report operations and maintenance costs and energy usage to the Department of Education annually, and this information is readily available to school districts for comparative purposes.

Action Plan 8-1

We recommend that the district develop performance standards for maintenance based on recognized industry benchmarks and comparisons with peer districts.

Action Needed	<p>Step 1. Develop performance standards based on suggested DOE effectiveness standards such as:</p> <ul style="list-style-type: none"> • Maintenance cost per square foot; • Maintenance cost per student; • Custodial cost per square foot; • Square feet of building per FTE custodian; • Square feet of building per maintenance staff; • Average age of facilities; • Timeliness of responses; and, • Customer satisfaction. <p>Step 2. Review DOE operating statistics and contact peer districts for comparative benchmark data.</p> <p>Step 3. Calculate and verify measures.</p> <p>Step 4. Select critical performance and cost-efficiency measures that should be reported to the superintendent and school board.</p>
Who Is Responsible	The general director of Plant Services
Time Frame	August 2003

Note: This action plan should be implemented in conjunction with Action Plan 3-1.

Best Practice 3: Not Using

The district does not have an adequate system in place to obtain and use customer feedback to identify and implement program improvements.

Customer feedback drawn from surveys is another tool to evaluate the efficiency and effectiveness of the maintenance program. Customer evaluation surveys should ask stakeholders, such as principals and school-based employees, to provide their perceptions of response times, work order completion times, quality of work, overall facility appearance and cleanliness, and the professionalism of employees in the maintenance program.³ This type of survey should be performed at least annually and summary results should be shared with maintenance employees, district managers, the superintendent, and the school board. If the customer surveys identify problems, program managers should assess the situation, prepare corrective action plans for any identified problem areas, and make program improvements.

The Duval County School District Plant Services/Maintenance Department does not have an adequate survey tool to obtain customer feedback. The Duval County School District conducts a districtwide survey annually regarding its maintenance and custodial operations. The survey combines the results for the two areas into a single statistic, making it difficult to determine which area needs improvement. The district's survey results show that the Plant Services/Maintenance Department's overall rating was 3.06 out of 4 possible points, indicating above average satisfaction ratings. However, the district's custodial operations, which are outsourced, are embedded in the results. As a result, it is difficult to determine the strengths and weaknesses of the maintenance or custodial operations. The Plant Services/Maintenance Department has a link on its web site that allows district personnel to give feedback or provide comments or suggestions about the web site or the services schools or facilities need, but there is no way to quantify the results.

³ A district may also survey students, parents, or other stakeholders as may be appropriate.

To meet best practice standards, the district should administer an annual customer service survey that separately measures performance levels of maintenance operations and custodial services. A sample survey that could be administered to district administrators, principals, teachers, and staff to ascertain customer satisfaction levels is shown in Exhibit 8-5. Action Plan 8-2 describes the steps the district would have to take to develop a better feedback system.

Exhibit 8-5

Example of a Maintenance Customer Satisfaction Survey

Survey Questions	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
1. Schools are clean.					
2. The grounds surrounding school and administrative facilities are mowed and well-maintained.					
3. The outside of school and administrative facilities are usually free of litter.					
4. Buildings are properly maintained in a timely manner.					
5. Routine repairs are made in a timely manner.					
6. Emergency maintenance is handled promptly.					
7. Schools are maintained at a level that provides an appropriate learning environment.					
8. Administrative facilities are maintained at a level that provides an appropriate working environment.					

Source: McConnell Jones Lanier & Murphy LLP.

Action Plan 8-2

We recommend that the district develop a survey instrument that obtains separate customer feedback for maintenance and custodial operations and the survey be administered annually to identify and address opportunities for program improvement.		
Action Needed	Step 1.	Develop a survey instrument that provides clear, quantifiable results for both maintenance and custodial operations.
	Step 2.	Administer the survey to a broad cross-section of district stakeholders to include principals, teachers, professional, administrative, and clerical staff.
	Step 3.	Tabulate the survey results.
	Step 4.	Review the survey results with Maintenance management and staff.
Who Is Responsible	Supervisor for Plant Services and the director of Facilities Planning/Real Estate, Facilities Services Department	
Time Frame	January 2004	

Best Practice 4: Using

The district has established procedures and staff performance standards to ensure efficient operations.

Up-to-date procedures, when coupled with appropriate district policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In

addition, written procedures serve as a district's institutional memory for key processes, and as such, help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover. Program management should develop written procedures and employee performance standards with input from maintenance managers, trade and custodial employees, and human resource professionals. Procedures and standards should be developed utilizing a combination of national standards and local imperatives, with adjustments for budgetary considerations. Performance standards serve as a basis for measuring how well the maintenance and custodial employees meet or adhere to board policies, and set clear expectations for job performance, giving managers tools that allow them to consistently evaluate employees.

The Duval County School District has established effective standards and procedures for its maintenance work. The department has developed performance standards for commonly repeated tasks performed by the many of its trades and craft positions. In addition, the department has standard operating procedures for most common activities. For example, there are procedures for replacement and selection of equipment, equipment purchases, maintenance and operations budget, facilities standards, personnel staffing, work hours, leave policies, dress code, planned maintenance program procedures, normal work order procedures, and more. The procedures are available on the department's web site and the contractor for custodial services has provided a detailed manual for custodial operations.

Best Practice 5: Using

The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.

Comprehensive maintenance of the physical plant is critical to sustaining a suitable environment for teaching and student learning and extending the useful life of a facility. Facilities should be maintained in a condition that supports efficient operation, maximum utilization, and appropriate working conditions for district employees. The district maintenance program should include routine condition inspections, a preventive maintenance component, regularly scheduled repairs, and methods of responding to emergencies, plans for the modernization of building systems, facility enhancements, and general renovations as primary functions.

The Duval County School District maintains its educational and support facilities in a manner that enhances student learning and facilitates employee productivity. The district has contracted with a national facilities management firm to conduct a comprehensive Facilities Condition Study for all schools. Based on the type, cost, and severity of repairs required for the district's schools, the preliminary report provided to the district in January 2003 noted that the Duval County School District schools are in better condition than the bulk of school facilities around the country. Visits to 25 schools by the MJLM team found that all of the schools visited were satisfactorily maintained.⁴ In addition, a telephone survey of 40 school principals and 25 district administrators showed good levels of satisfaction. All principals responding to the survey either strongly agree or agree that district schools are maintained at a level that provides an appropriate working environment while seventy-two percent of all administrators who responded to the survey felt that administrative facilities provide an appropriate working environment (see Exhibit 8-6).

⁴ The schools visited ranged in age from 3 months to 90 years old.

Exhibit 8-6

District Principals and Administrative and Support Staff Have Significantly Different Perceptions About Facilities Maintenance

Survey Question—Schools Are Maintained At A Level That Provides An Appropriate Working Environment.					
Respondent Category	Strongly Agree	Agree	No Opinion	Disagree	Strongly Disagree
Principals	59%	41%	0%	0%	%
Administrative and Support Staff	20%	52%	12%	12%	4%

Source: Stakeholder Surveys Conducted by the MJLM Review Team, February 2003.

Best Practice 6: Not Using

The district regularly reviews the maintenance and operations organizational structure, but has not developed staffing allocation guidelines to minimize the number of employees.

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as facilities maintenance. There is no “one” right way to organize and staff the facilities maintenance program. Critical factors that affect the structure of the maintenance organization include the number, age, general condition, size (gross square feet), geographic distribution of a district’s physical facilities, and the scope of services that have been assigned to the department. In general, however, the organizational structure of the maintenance function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner. It is expected that smaller districts with fewer staff will require staff members to individually handle multiple areas of responsibility (such as facilities maintenance and transportation) that may be done by different individuals in larger districts.

The Duval County School District Plant Services/Maintenance Department regularly reviews its organizational structure, administrative layers, and span of control but has not developed staffing allocation formulas to ensure that it has the appropriate number of people assigned to various facilities. The district reviews the Plant Services/Maintenance Department’s organizational structure on an annual basis and has appropriate spans of control.

However, the district is not using this best practice because the department lacks a staffing allocation formula to optimize the use of its human resources. By developing staffing formulas, the Plant Services/Maintenance Department could ensure that the district’s maintenance and operations staffing levels are appropriate and maximize manpower resources. Staffing allocation formulas can use a variety of data such as the number of students or amount of square footage, enabling school districts to make meaningful comparisons. The district can also use other information such as payroll dollars spent per student in maintenance, grounds, and custodial operations to compare the efficiency and cost-effectiveness of Duval County School District’s operations to those of peer districts. Action Plan 8-3 describes the steps the district should develop staffing allocation guidelines for maintenance and operations.

Action Plan 8-3**Develop staffing allocation guidelines for maintenance and operations.**

Action Needed	Step 1.	Determine total number of maintenance employees by craft.
	Step 2.	Determine total square footage of all district facilities.
	Step 3.	Determine age of facilities, historical maintenance trends, projects, and so on.
	Step 4.	Calculate the number of maintenance employees per square footage.
	Step 5.	Obtain comparable statistics from exemplary peer districts and develop staffing allocation formulas accordingly.
Who Is Responsible	The general director of Plant Services and the supervisor for Plant Services.	
Time Frame	January 2004	

Best Practice 7: Using

The district has complete job descriptions and appropriate hiring and retention practices to ensure that the maintenance and operations department has qualified staff, but the department has opportunities to enhance job descriptions by including additional key elements.

A qualified, knowledgeable, stable group of employees is the cornerstone of any maintenance organization. Complete job descriptions that accurately reflect the knowledge, skills, abilities, duties, and responsibilities of every employee in the department are essential to the development of such a workforce. The job descriptions should be readily available to school district employees and applicants, meet the district's needs, and be developed by human resource professionals in cooperation with individuals having specific expertise in the job tasks to be performed. Districts should establish competitive compensation to ensure that they can attract and retain qualified candidates. Compensation includes salary and benefits, such as health, vacation, and retirement benefits. Districts should establish procedures to ensure that personal and professional references are obtained and contacted.

The Duval County School District's Plant Services/Maintenance Department has developed job descriptions for every position in the department. Exhibit 8-7 compares the Plant Services/Maintenance Department's job description content to the content recommended by industry experts.

Exhibit 8-7
District Could Improve Maintenance Job Descriptions

Plant Services/Maintenance Department Job Description Content	Job Description Content Suggested by the Society for Human Resource Management	Recommended Job Description Enhancements for Plant Services/Maintenance Department
<ul style="list-style-type: none"> • Job title; • Type of work; • Examples of work; • Knowledge, skills, and abilities; • Open requirements; • Promotional requirements; and • Licensing/certification and registration requirements. 	<ul style="list-style-type: none"> • Job title; • Department; • Position job title reports to; • Titles that report to the position; • Pay grade; • FLSA status; • EEO code; • Job summary; • Major duties and responsibilities; • Education requirements • Required licensing; • Work experience requirements; • Leadership/supervisory responsibilities; and • Working /environmental conditions. 	<ul style="list-style-type: none"> • Department; • Position job title reports to; • Titles that report to the position; • Pay grade; • FLSA status; • EEO code; • Major duties and responsibilities; • Leadership/supervisory responsibilities; and • Working /environmental conditions.

Source: McConnell Jones Lanier & Murphy LLP.

Although the district is using this best practice, it could enhance current job descriptions as indicated in Exhibit 8-7. The Society for Human Resource Management maintains a job description database the district could access to enhance its job descriptions. In addition, other human resources-related web sites and software applications are designed specifically for creating effective job descriptions.

We recommend that the district enhance its job descriptions to include additional key elements such as the department, position the job reports to, titles of positions that report to the position, and other information similar to that recommended in Exhibit 8-7 above.

Best Practice 8: Using

The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety, but the district can further ensure job safety by increasing the annual number of training hours.

Training ensures that school district employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to effectively and efficiently carry out their duties. The sophistication of the maintenance employee training plan, training methods, and documentation of training may vary according to the size of the district. However, maintenance training should address custodial operations, grounds maintenance, and specialized trades and should be tailored to the needs of the specific function. In addition, training in maintenance-related activities such as operating procedures, use of tools, proper lifting techniques, workplace safety,

hazardous materials handling, and emergency procedures should be required for all employees. A district can use a variety of training sources available to it, including vendors and manufacturers of their supplies and equipment, contract trainers, and professional association meetings. School districts should also take advantage of the free training materials and programs available through the Florida Department of Education, subscribe to publications, and maintain memberships in organizations that provide information on new technologies, equipment, and procedures. Training programs should include an evaluation component so that employee feedback can be used to improve future training.

The Duval County School District is using this best practice. The district's Plant Services/Maintenance Department uses a combination of in-house staff development programs and safety videos to train employees. In some cases the department does not have a formal training curriculum, but instead uses contractors who regularly come into the district to provide training for technical trades.

The training goal for the Maintenance Department is 4,679 hours per year, which equates to 390 hours of training per month for the department, as a whole, or 12.9 hours per maintenance worker. Foremen maintain records to ensure that each maintenance employee is receiving the required training. For example, a training summary log showed that locksmiths completed four and one-half hours of "Hand and Power Tool Safety" and Mill Shop employees received three hours of training on the topic of "Violence in the Workplace." Copies of typical maintenance training records for the previous school year are retained as documentation by the department. The district maintained copies of the attendance sheets for in-house training with all of the participant's signatures. Participation at outside training events are documented through either certificates of completion or attendance sheets. The district reports on its shop training in the Monthly Maintenance Report.

The Orange, Pinellas, and Palm Beach county school districts handle their training programs in much the same manner as the Duval County School District, using in-house staff development programs and safety videos along with targeted training workshops from outside contractors. Exhibit 8-8 provides peer district comparisons for maintenance training hours and shows that the Duval County School District has the lowest number of training hours of its peers.

Exhibit 8-8

District Provides Reasonable Amount of Training Time for Maintenance Employees

School District	Average Number of Annual Training Hours for Maintenance Staff
Duval	12.9 hours
Palm Beach	24.0 hours
Pinellas	22.7 hours (goal is 24)
Broward	5 hours
Orange County	14.5 hours
Peer District Average	15.4 hours

Source: Peer district survey, February 2003.

RESOURCE ALLOCATION AND UTILIZATION

Best Practice 9: Using

The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.

Like most other organizations, school districts have limited funds; therefore, they must set budget priorities. A school district's budget allocation decisions should reflect its priority goals and objectives. These goals and objectives (which should be part of a strategic plan) may either be explicitly stated in the budget or may be reflected in changes in allocations that are concurrent with the shifting priorities. A school district budget should allocate sufficient resources to ensure that its plant operations and maintenance needs are adequately funded and rely on dollars, which are raised and expended in accordance with Florida law. Workforce, supplies, equipment, training, and the technology to support the maintenance program are essential budget considerations. The budget should be based on assessments of the physical condition of the district's educational and ancillary facilities, maintenance and custodial staffing standards, historical data, employee input, and projects identified in the strategic and five-year work plans. The annual budget should address long-term goals for maintaining and operating district facilities and recurring maintenance tasks, such as preventive maintenance, and provide reasonably adequate funding to avoid the accumulation of significant deferred maintenance projects. The budget should also provide for the correction of deficiencies identified in the annual safety, casualty, and fire safety inspection reports.

The Duval County School District's school board adopted a policy and procedure manual that complies with state laws concerning lawful use of budgeted monies. The Plant Services/Maintenance Department receives funds in three categories of spending as summarized below.

- Departmental budget: includes Plant Services (administration equipment and personnel), Maintenance (maintenance personnel and equipment), and Contracted Services. The district uses "zero-based budgeting" procedures in the development of the annual budgets, with the caveat that "the total dollar amount for each division budget will be capped at the same amount as the most recently adjusted reduction and will be provided by the Budget Department and divisions may not exceed this amount."
- Major maintenance budget: covers high-cost items that represent potential life safety issues; and,
- The five-year budget plan: addresses the long-term goals and funding requirements for maintaining and operating district facilities and is sent to the State of Florida for approval.

In each case, the district's purchase order procedures, coupled with the budget expenditure encumbrance system, ensures that the budget process does not permit unlawful use of taxpayers' dollars.

The district links its annual budget and long term goals related to maintenance and replacement of items on a recurring schedule in its Major Maintenance Plan. The district has developed long-range budgets (through 2006-07) for equipment and repair and replacement requirements for a variety of maintenance components, including heating, ventilation, and air conditioning, windows, plumbing, roofs, fire alarms, school painting, stage drapes, gym floors, and field tracks. Data for this plan is derived from two basic sources: a) school services/repairs, and b) school-specific long term repair and replacement schedules. The number of projects to be completed depends upon the level of funding provided.

Best Practice 10: Using

The district accurately projects cost estimates of major maintenance projects.

The cost of major maintenance projects can be a substantial expense for a school district, and therefore, must be effectively managed.⁵ A district can do this in a number of ways. For instance, cost estimates for these projects should be developed considering experience with prior similar projects, current estimating cost standards, local market conditions, and an inflation factor for multiyear projects. A district should also be realistic in its project estimates so that once the five-year work plan is adopted, it is a valid indicator of the work that will actually be accomplished, and the dollars that will both be needed, and available, in the plan's out years.

The Duval County School District accurately develops project cost estimates for major maintenance projects using initial cost estimates from the long-range component replacement projection data it maintains from all of its renovation and repair projects. These figures are refined using current data such as updates from vendors, design professionals, prior to being submitted as a proposed project in the current Major Maintenance Plan, and then again during a scope verification by the architect/engineer after the project has been approved and before putting the project out for bid. The Plant Services/Maintenance Department assumes an annual inflation rate of 5% for future year costs after the base year, which provides an extremely conservative cost estimate of major maintenance projects.

Exhibit 8-9 shows the district's Major Maintenance Plan budget projections only for 2002-03 and compares budget to actual expenditures for 2001-02 and 2000-01. The Plant Services/Maintenance Department was able to bring major maintenance plan expenditures under budget by \$2.06 million or 23% for 2001-02 and \$1.04 million or 19% for 2000-01.

⁵ Individual projects that are beyond the scope of routine maintenance work are considered major maintenance projects.

Exhibit 8-9

Duval County School District Major Maintenance Plan Budget, 2002-03

	2002-03	2001-02		2000-01	
	Budget	Budget	Actual Expenditures	Budget	Actual Expenditures
Gatekeeper's emergency	\$500,000	\$0	\$67,009	\$0	\$40,858
Chiller inspections and retrofits	\$450,000	\$150,000	\$170,890	\$150,000	\$175,364
Restroom partitions	\$50,000	\$125,000	\$12,795	\$0	\$24,863
Termite treatment	\$100,000	\$100,000	\$156,612	\$100,000	\$121,603
Kitchen health code compliance	\$100,000	\$0	\$0	\$0	\$0
Sidewalks	\$40,000	\$25,000	\$17,948	\$25,000	\$20,410
Seal coating, repaving, re-stripping	\$400,000	\$250,000	\$471,400	\$350,000	\$66,381
Roof repair	\$675,000	\$675,000	\$672,388	\$675,000	\$674,191
Replace DX equipment	\$950,000	\$950,000	\$860,569	\$1,325,000	\$1,173,810
Repair and replace lockers	\$800,000	\$300,000	\$243,331	\$300,000	\$173,221
Repair motorized bleachers	\$85,000	\$75,000	\$72,219	\$75,000	\$77,857
Window coverings and drapes	\$100,000	\$100,000	\$69,536	\$25,000	\$78,487
Drainage and site work	\$175,000	\$175,000	\$3,400	\$75,000	\$61,188
Replace chalkboards and marker boards	\$250,000	\$200,000	\$268,130	\$200,000	\$341,345
Waterproofing	\$150,000	\$100,000	\$84,884	\$250,000	\$0
Maintenance reimbursement	\$1,200,000	\$2,361,000	\$2,247,547	\$0	\$0
Duct cleaning, indoor air quality contingency	\$100,000	\$0	\$0	\$0	\$0
Replace, upgrade and repair emergency generators	\$300,000	\$0	\$0	\$0	\$0
Repair rubberized tracks	\$250,000	\$0	\$21,138	\$125,000	\$126,282
Stage drapes	\$55,000	\$55,000	\$92,295	\$55,000	\$73,682
Miscellaneous professional services	\$100,000	\$100,000	\$69,552	\$100,000	\$91,155
Repair or replace de-laminating cabinets	\$500,000	\$1,000,000	\$0	\$100,000	\$0
Outside bleacher repair	\$125,000	\$125,000	\$0	\$125,000	\$84,400
Fencing	\$25,000	\$15,000	\$18,213	\$15,000	\$64,696
Contingency for Safety-to-Live emergencies	\$100,000	\$100,000	\$0	\$100,000	\$0
Electrical upgrade for wall-hung units	\$125,000	\$515,000	\$0	\$0	\$0
Relocation of relocatables (maintenance and repair)	\$650,000	\$350,000	\$347,411	\$150,000	\$146,731
Repair or replace gym floors	\$250,000	\$200,000	\$207,562	\$250,000	\$167,904
Annual asbestos management and abatement contracts	\$400,000	\$650,000	\$533,639	\$800,000	\$534,950
Repair or replace stadium lights	\$180,000	\$150,000	\$271,332	\$0	\$0
Environmental compliance and emergency response; indoor air quality	\$150,000	\$250,000	\$54,455	\$225,000	\$128,618
Provide separate HVAC systems to south main offices in Building 3003	\$180,000	\$0	\$0	\$0	\$105,973
Districtwide re-roofing (JEB Stuart)	\$2,000,000	\$0	\$0	\$0	\$0
Districtwide Total	\$11,515,000	\$9,096,000	\$7,034,255	\$5,595,000	\$4,553,969
Total for Schools	\$20,383,796				

Source: The Duval County School District, Budget Department.

Best Practice 11: Using

The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.

A well-managed school district has funds available to address unanticipated or emergency contingencies that may arise during the fiscal year. The age of the facilities and equipment, the repair history of major systems such as HVAC and roofs, area climatic conditions, and the effectiveness of the district's preventive maintenance program are considerations that help determine the amount of a maintenance reserve fund. Overall, the district's budgetary policy must be flexible to ensure funding of unforeseen maintenance needs that could adversely affect the district's mission.

The Duval County School District maintains a reserve fund to handle one-time expenditures necessary to support maintenance and operations. The district maintenance reserve fund, which it calls the Gatekeeper fund, has \$500,000 in reserve that is carried over from year-to-year to cover one-time expenditures. The Plant Services/Maintenance Department has the flexibility to use these funds to meet district needs. For example, the department has used Gatekeeper funds to repair a gate at Lavilla Middle School for the Performing Arts—\$13,950, repair a floor that is unsafe at Sadie Tillis School—\$36,500, replace a telephone system at Terry Parker School—\$38,000, and replace an electronic transformer at Fletcher High School—\$50,000.

Exhibit 8-10 compares Duval County School District's reserve fund for one-time maintenance expenditures to peer districts. As with many of its peers, the Duval County School District has based its reserve fund amount on historical experience. The reserve fund amount budgeted by the district has been sufficient to meet the emergency needs for the past five years.

Exhibit 8-10

District Maintains Smaller Maintenance Reserves Than Its Peers

School District	Reserve Fund Amount	Percentage of Budget
Hillsborough ¹	District did not provide budget amount	About 15 % of the PECO and 2 Mill funds are held in reserve
Duval	\$500,000	1.5% of Major Maintenance Budget
Pinellas	\$713,000	3.8% of Budget
Palm Beach	-	District has only a contingency fund. For one-time emergency maintenance expenditures, district goes to board to have funds approved and allocated.
Broward	\$6,600,000	District did not provide budget percentage

¹ Hillsborough's reserve fund practices were obtained from the Best Practices Review conducted by OPPAGA in 2001-02.

Source: Peer District Survey, February 2003.

Best Practice 12: Using

The district minimizes equipment costs through purchasing practices.

Sound purchasing practices foster competition, which yields the best pricing for goods and services. A district should not only establish purchasing policies and procedures that meet the requirements of Florida law but also ensure cost-efficient purchasing practices. The purchasing policies and procedures must be published in a purchasing manual that is readily available to employees and to the public. Periodically, the district should conduct cost comparisons to determine whether purchasing practices have minimized costs. Consideration of long-term equipment operating and maintenance costs, inflation, and the cost-effectiveness of repair or refurbishment of existing equipment should be a part of the cost projections made for replacement of equipment.

The Duval County School District demonstrated that it uses the best practice of established purchasing policies and procedures that ensure cost-effective purchasing practices in three ways. First, the district considers long-term equipment operating and maintenance costs, inflation, and the cost-effectiveness of repair. For example, Plant Services/Maintenance determined that the rental and personnel costs associated with picking up and returning a leased machine totaled more than \$3,000 a year. Since the district could purchase the same machine for less than \$5,000, representing a payback timeframe of less than two years, the district opted to purchase instead of rent.

Second, the Plant Services/Maintenance Department has established a heavy equipment replacement schedule. The schedule includes information on the equipment purchased, the year purchased, the purchase price, the anticipated year of replacement, and the anticipated resale price. For example, the grounds area has a replacement schedule for vehicles, heavy equipment, and mowers. Vehicles and heavy equipment are managed by the fleet coordinator and are generally on a 10-year replacement cycle with preventative maintenance and repairs contracted out. The schedule calls for a six-year replacement cycle for mowers, with preventive maintenance and repairs performed by an in-house small engine repair crew.

Third, Maintenance personnel are directly involved in the analysis of plans and have a say in the selection of the types and specifications of material that goes into new schools and renovations of existing facilities. The craft foremen attend the Phase I, II, and III design meetings, where these decisions are discussed and made. Moreover, maintenance personnel are encouraged to make regular site visits during construction and bring to the project managers attention any deficiencies or quality control issues they observe. Finally, maintenance personnel are invited to substantial completion, final completion, and 11-month warranty inspections so that they can provide input into the purchasing process. Consistent analysis regarding equipment lease versus purchase decision, the implementation of a heavy equipment replacement schedule, and maintenance personnel involvement and specifications for major maintenance project ensure equipment cost are minimized.

Best Practice 13: Using

The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.

To be efficient and effective in completing their day-to-day activities, maintenance and operations employees require a wide selection of common tools and equipment. Specialty tools may be required to accomplish unplanned or unusual projects. A district should have procedures in place to ensure that maintenance and operations employees have access to the right tools to accomplish their duties. Most maintenance departments have an inventory of commonly used tools that are available for day-to-day use, but usually find it more cost-effective to rent less frequently used specialty tools. Some districts provide small hand tools, while other districts require the employees to provide their own. Districts should have written operating procedures that outline acquisition, use, and return of tools, parts, materials, and other equipment required for the day-to-day work and for special or emergency projects.

The Duval County School District's Plant Services/Maintenance Department provides staff the tools and equipment required to accomplish their assigned tasks. The Plant Services/Maintenance procedures state that the school board is committed to providing the necessary tools, materials, and supplies to perform maintenance and repair tasks. The goal of this program is to provide the maintenance personnel with the tools required to do the job properly and hold the individual accountable and responsible for the safekeeping of his/her tools. The district's standard operating procedures clearly define the procedures that the maintenance and operations staff should follow to acquire parts, materials, and equipment. This process works; both operational data and interviews suggested that tools were available when needed.

Best Practice 14: Using

The district uses proactive maintenance practices to reduce maintenance costs.

An effective proactive maintenance program can reduce maintenance and operations costs, reduce service outages, and extend the useful life of expensive building systems. Therefore, a district should have proactive maintenance policies that include the continuing evaluation of building systems and the costs to maintain them, the development of districtwide equipment and building system standards, preventive maintenance programs, and the surplusing of property. Evaluative information developed by the maintenance department can be used to recommend standard building systems, which are cost-efficient, for future construction projects. Standardizing equipment and building systems reduces employee training and avoids the costs of maintaining multiple parts inventories. Standards should be developed for HVAC, energy management controls, roofing, plumbing fixtures, mechanical and electrical equipment, door hardware, the security and fire alarms, and commonly used finishes such as paint, carpet, and resilient flooring. While larger districts may need a computerized preventive maintenance program to schedule and track work orders, smaller districts may find paper-based systems cost-effective and sufficient for their level of activity. In addition, school districts should have policies and procedures in place to properly identify and dispose of surplus property in the most cost-effective manner.

The Duval County School District is using this best practice. The district's Plant Services/Maintenance Department reduces maintenance costs through effective design practices and preventive maintenance. Establishing effective design standards enables the district to build facilities that are cost-effective to construct, operate, and maintain. In addition, the department has a well-documented schedule indicating when preventive maintenance is to be performed. The cost to repair, replace, build, contract out, or self-perform maintenance services is an on-going process at all levels of Maintenance. The use of a preventive maintenance program ensures that routine maintenance functions are completed on a scheduled basis and are less costly to the district overall. The Plant Services/Maintenance Department also provided a complete copy of its Utility Management Program that includes documentation to support its preventive maintenance for heating, ventilation, and air conditioning systems. The department provided support for those schools with heating, ventilation and air conditioning (HVAC) and energy management conservation system (EMCS) contracts, showing the savings these programs have realized. The Plant Services/Maintenance Department is proactively involved in design/plan reviews for school renovations and new school construction, as well as in bringing to light existing problem areas and proposing solutions for those problems.

Best Practice 15: Using

The maintenance and operations department identifies and implements strategies to contain energy costs.

A comprehensive energy management plan guides a school district in ways to lower energy use and utility costs. Plan development should be a collaborative effort of district stakeholders, including maintenance employees, custodians, site-based administrators, instructional personnel, and utility providers and other experts on energy conservation. The district's energy manager should contact peer districts, state and local agencies, utility providers, and other stakeholders to identify resources available to aid the district in their energy management efforts. The energy management plan, at a minimum, should provide incentives to schools to reduce energy costs, provide for energy audits, implement strategies for effective demand-side energy management, and take advantage of energy rebates or other options to lower rates, which are offered by utility providers. Maintenance administrators should analyze the energy management system's reports and assess major building system conditions regularly to identify anomalies indicating problems that need to be addressed.

The Plant Services/Maintenance Department has an effective energy management plan which meets the intent of this best practice. The plan calls for the district to monitor facilities with especially high energy costs or those with other special environmental concerns such as high humidity. In addition, the district has entered into a rate agreement with the local utility company and has contracted for a utility management program. All of this has helped the district reduce its energy costs and keep them well below those of its peers. For the 2000-01 school year, the Duval County School District had the lowest electric utility rate for all of its peers, which was \$.70 per square foot. Moreover, the district has continued to make improvements and has established goals for future cost reductions. The district has reduced its energy costs to \$.66 per square foot for the 2002-03 school year and has a goal of reducing costs to \$.63 per square foot. Exhibit 8-11 compares the district's electric costs with those of its peers.

Exhibit 8-11**The District Has Lower Annual Electricity Costs
Per Gross Square Foot Than Its Peer Districts, 2000-01**

School District	Gross Square Feet	Electricity	Total Cost Per Gross Square Feet
Duval	15,762,440	10,959,073	\$.70
Orange	22,284,168	19,102,893	\$.86
Hillsborough	22,265,905	20,218,566	\$.91
Pinellas	16,438,161	15,788,473	\$.96
Palm Beach	21,362,978	20,787,958	\$.97
Broward	33,173,629	33,235,423	\$1.00
Peer Average	23,104,968	21,826,663	\$.94

Source: Florida Department of Education, Office of Educational Facilities for Fiscal Year 2000-01.

Best Practice 16: Using

The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness, but not all schools and district facilities have energy management monitoring systems.

Ever-increasing energy costs and limited budgets make it advantageous for school districts to install comprehensive, modern energy management systems (EMS), which can substantially reduce energy costs. An EMS enables a school district to remotely operate and monitor HVAC equipment. The EMS controls allow the district to maintain facilities at uniform temperature settings during established operating hours. The system should be capable of generating reports that can help to identify inefficiently operating building systems that may need service or upgrading. Because total replacement or installation of a new energy management system can be an expensive undertaking, a school district should budget for energy control enhancements and system replacements in its five-year work plan until an effective system is in place.

Although the Duval County School District's energy management system meets best practice standards, the district needs to expand it to apply to all schools. The Utility Management Program presently has 113 schools with some form of energy management conservation system (EMCS), or combination of energy management conservation systems incorporated in all, or some portion, of the school. This equates to approximately 71% of facilities currently controlled through some form of EMCS.

We recommend that the district develop and implement specific energy conservation strategies to lower costs at those schools and district facilities that do not have individual energy management monitoring systems.

Best Practice 17: Using

While the district regularly reviews maintenance and operations costs and services, evaluates the potential for outside contracting and privatization, and has privatized custodial services, it could take additional steps to reduce facilities maintenance costs.

Maintenance administrators should consider opportunities for privatizing services, weighing the potential advantages and disadvantages of using in-house resources against alternative service delivery methods. Outsourcing may be cost-effective and allow the district to reduce, reassign, or make better use of in-house staff. An annual review of services to determine if alternative delivery methods are more cost-effective should be an ongoing, established function of the department. These evaluations should be in writing and available to the school board and the public for review. If a service is outsourced, periodic written follow-up analyses should be made to confirm the effectiveness of the service and to verify that any anticipated cost savings have actually developed. Criteria that may support outsourcing services include opportunities to save money and management time, the opportunity to add specialized skills or training not available in-house, difficulty in hiring qualified employees, and the opportunity to improve the overall quality of the maintenance and operations function.

The Duval County School District is using this best practice because it regularly reviews maintenance and operation's costs and services and evaluates privatization opportunities. However, it has not effectively controlled salary cost for many of its internal craft positions and lacks sufficient cost-controls for its privatized custodial services contract. In an effort to control costs the district has executed 21 minor maintenance contracts with private vendors for maintenance operations such as grass cutting, litter pick-up, and roof repair. These contracts last three to five years, with an evaluation at the end of each contract year. Renewal of the contracts is not guaranteed, and the contracts can be re-bid prior to the end of the term if desired by either party. Exhibit 8-12 presents a summary of the district's minor maintenance contracts for the 2002-03 school year.

Exhibit 8-12
Duval County School District Minor Maintenance
and Operations Contracted Services, 2002-03

Type of Service Contracted	Contract Amount
Retention Pond Maintenance	\$ 30,000
Grass cutting	\$ 31,670
Energy Management Conservation System Management	\$120,000
Energy Management Conservation System Management	\$ 160,000
Fire Extinguisher Inspection and Service	\$ 83,500
Heating Venting Air Conditioning Maintenance and Service	\$ 700,000
Air conditioner filter changing	\$250,000
Grease trap pumping	\$22,500
Elevator maintenance and inspection	\$37,000
Litter pickup	\$38,000
Grass cutting	\$241,032
Energy Management Conservation Systems Components	\$1,200,000
Termite treatment	\$150,000
Window coverings	\$100,000
Paving	\$200,000
Roof repair	\$675,000
Fire sprinkler inspections	\$25,000
Stage drapes	\$ 55,000
Marker board installation	\$250,000
Motorized bleacher maintenance	\$ 85,000
Window blinds/drapes	\$100,000
Total	\$4,753,702

Source: Duval County School District, Plant Services/Maintenance Department.

As a result, maintenance and operations costs for Duval's 163 schools and administrative facilities are in line with those peer districts compared. Exhibit 8-13 shows that the district's annual maintenance and operations cost is \$4.42 per gross square foot of space compared to the peer district average of \$4.53 per gross square foot. Only two peer districts, Orange and Hillsborough, have lower maintenance costs.

Exhibit 8-13
The District's Annual Maintenance and Operations
Cost Per Gross Square Foot Is Lower than the Peer District Average

School District	Gross Square Feet	Maintenance and Operations Cost	Total Cost Per Gross Square Foot
Orange	22,284,168	84,629,853	\$3.80
Hillsborough	22,265,905	87,246,333	\$3.92
Duval	15,762,440	69,727,690	\$4.42
Pinellas	16,438,161	76,667,054	\$4.66
Palm Beach	21,362,978	109,673,888	\$5.13
Broward	33,173,629	170,541,144	\$5.14
Peer Average	23,104,968	105,751,654	\$4.53

Source: Florida Department of Education, Office of Educational Facilities for Fiscal Year 2000-01.

However, the Duval County School District could reduce costs through privatization by addressing three issues. First, the Plant Services/Maintenance Department should explore additional privatization opportunities for those craft-related areas where employees are paid at a much higher wage rate than comparable positions in both the local Jacksonville market and peer districts around the state of Florida.⁶ Salaries and other payroll-related costs typically represent as much as 80% of most departmental budgets. High salary and payroll-related costs make it difficult for departments to minimize cost. For example, a salary survey conducted by the district's Human Resources Department in 2001 showed that Duval County School District pays its painters \$7.34 more per hour than painters employed by the City of Jacksonville, \$7.31 more per hour than painters employed in the local Jacksonville community, and \$6.35 more per hour than the average for the state of Florida. Similarly, the district's salaries are higher than those for most peers. Because the districts salaries have become so much higher than the market, the district has changed its hiring practices to provide lower starting salaries for craft employees. However, the changes are not likely to have a significant affect because it will affect only new hires, longer serving employees will not be affected. Therefore, the district should consider privatizing its crafts.

Second, the district should develop a strategy to maximize the cost-effectiveness of its privatized custodial services contract. Duval County School District privatized its custodial services but opted to transition it's workforce of employees from district employees to contractor employees over time, through attrition (see Chapter 2, Best Practice 6, for more information). Of the 812 custodial positions originally phased out, 346 remain on the district payroll. Many of the custodians are long-time district employees who, on average, earn about \$9,224 (including benefits) more per year under the civil service and union agreement than the custodians employed by the private vendor. Thus, the decision to allow attrition to shift custodians from district to contractor employment costs the district about \$3 million the first year of implementation and slightly less each subsequent year. If the district fully outsourced these positions after paying a reasonable severance package (estimated value of one year of salary and benefits) the district would save about \$6.1 million over a five-year period.⁷

Third, Plant Services/Maintenance employees should discontinue performing light maintenance work that the privatized custodial services contractor should be doing. Based upon information from the district's work order system for the 2002-03 school year, the district received 1,030 requests for minor maintenance service that should have been performed by the contracted custodians. These services included requests such as replacing light bulbs, hanging pictures, and minor repairs to bulletin boards. According to the district's work order system, in calendar years 2001 and 2002, the district labor costs associated with these requests totaled \$37,466 and \$44,315, respectively. The average annual savings for the two years is \$40,891. Therefore, exercising the performance requirement in the custodial services contract for custodians to perform light maintenance at schools would save about \$40,900 annually or \$204,500 over five years. Action Plan 8-6 describes the steps the district would need to take to exercise the performance requirements in the custodial services contract to achieve these cost savings.

⁶ When the district is analyzing the cost-effectiveness of operations overall, including privatized or contracted services, it is imperative that the comparison address both cost for permanently staffed administrative functions and contracted services.

⁷ The cost savings are calculated as follows: notify the bargaining unit of intended action during year one, provide severance package valued at one year's worth of salary and benefits and accrue savings of \$6.1 million in years three, four, and five, as follows:

Fiscal Year	Remaining Employees	Average Savings Per Employee	Total Annual Savings	Cumulative Savings
2003-04	309	\$ 0	\$ -	\$-
2004-05	276	0	-	-
2005-06	247	9,224	2,276,561	2,276,561
2006-07	221	9,224	2,034,107	4,310,668
2007-08	197	9,224	1,817,475	6,128,143

We recommend that the district take more effective steps to reduce the costs of its facilities maintenance programs by:

- **Assess the possibility of privatizing costly crafts,**
- **Expediting the privatization of all custodial services, and**
- **Exercising the performance requirement in the custodial services contract for custodians to perform light maintenance at schools.**

INFORMATION MANAGEMENT

Best Practice 18: Using

A computerized control and tracking system is used to accurately track work orders and inventory.

Work order systems enable school districts to effectively track maintenance work orders and warehouse inventory, and improve maintenance response time and efficiency. Larger school districts should use an electronic work order system to coordinate day-to-day activities including workflow, personnel, budget, and inventory associated with maintaining educational facilities. There are several types of computerized maintenance management systems available, some specifically designed for a single organization as well as “off the shelf software.” Any system in use should include work order control, scheduling, assignment and billing, inventory, and preventive maintenance scheduling and record keeping as integrated functions. The system should provide statistical information that can be used to assist managers in determining employee productivity, and in developing cost reports and estimates, equipment histories, and facilities condition assessments, while interfacing with other district financial programs. District administrators should receive sufficient training to maximize the potential of the system.

The Duval County School District is using this best practice. The Plant Services/Maintenance Department has a computerized work order tracking system that helps monitor and improve staff efficiency and productivity and track material and supply inventory. Through its work order system the district tracks the following:

- Total number of work orders completed, in progress, outstanding, preventive maintenance work orders completed, training hours completed, and overtime hours worked;
- Trend analysis for preventive work orders completed for May 2002 through December 2002; and
- Trend analysis for training and overtime hours completed for May 2002 through December 2002.

This allows the district to produce and analyze work order management reports to improve performance. The Plant Services/Maintenance Department’s management team, general foremen, and foremen regularly use the work order system to monitor work in progress. According to Plant Services/Maintenance Department management, the backlog for completing non-priority work orders is about one week.

Best Practice 19: Using

All school district maintenance departments must establish a work order system that prioritizes maintenance requests while equitably allocating maintenance resources.

Work orders submitted by district employees define the scope of a maintenance department’s reactive workload. Additional services provided by the department keep the facilities clean and operating efficiently. Written guidelines and operating procedures should be established for emergency, routine,

and preventive maintenance activities. The guidelines should define what is to be considered an emergency, the individuals responsible for reacting to the emergency, and the appropriate response to the emergency. Serious problems that affect the life, safety, or health of any student, district employee or the public, or an event that, if ignored, renders a facility unusable are to be considered emergencies. Finally, the priority system should address routine and ongoing preventive maintenance activities in a way that ensures all district facilities receive equal attention and service for all of their needs.

The Plant Services/Maintenance Department has a system for prioritizing maintenance needs uniformly throughout the district. The department lays out the priority codes and descriptions in both the SOP and the principal's maintenance handbook. When a work order is called into the dispatcher for processing, the request is immediately assigned a work order number and priority code. The general director of Plant Services, the supervisor of Plant Services, and the general foremen all review the Monthly Maintenance report to ensure that work orders are being processed timely, efficiently and equitably at all district facilities. Exhibit 8-14 provides examples of typical work order requests and the priorities that the district's maintenance workers would be assigned.

Exhibit 8-14

Priority Assignments for Processing Maintenance Work Orders

Item	Problem	Priority
Air conditioner – multi room building or wing	Down, too hot or cold	Emergency
Bell – total system	Down	Emergency
Electric light – total building, wing or offices	No light	Emergency
Fire Alarm	Any	Emergency
Gas outlet, natural gas	Leaking	Emergency
Sink	Cafeteria stopped up/flooding	Emergency
Tile, acoustic	Falling	Emergency
Air conditioner – single room or portable	Any	Immediate
Faucet	Leak – severe	Immediate
Pipe, water	Leaking	Immediate
Thermostat	Classroom – not working	Immediate
Cabinet	Any	Routine
Gutter, roof	Any	Routine
Key	Other	Routine
Lock	Other	Routine
Window glass, exterior	Other	Routine

Source: The Duval County School District Plant Services/Maintenance Department.

HEALTH AND SAFETY

Best Practice 20: Using

District policies and procedures clearly address the health and safety conditions of facilities.

Florida law requires school districts to develop policies and procedures establishing a comprehensive program of safety and sanitation to protect the occupants of educational facilities.⁸ All districts are

⁸ See s. 1013.12, *F.S.*

required to conduct annual inspections of each educational and ancillary plant to determine compliance with the sanitation and casualty safety standards prescribed in the rules of the State Board of Education. Florida law also requires that inspectors certified by the Division of State Fire Marshall conduct annual fire safety inspections. Districts should have established written health and safety standards and ensure that documented evaluations are made of the condition of each educational plant and ancillary facility. Districts should have a written plan for maintaining healthy indoor air quality, which includes monitoring of indoor air quality and corrective action plans necessary to address indoor air-quality issues.

Duval County School District has developed policies and procedures to clearly address health and safety conditions at its facilities. The district's Department of Environmental Services adopted the U.S. Environmental Protection Agency's (EPA) "Indoor Air Quality Tools for Schools" program as its guidance policy for healthy indoor air quality in December 2002. The document contains (1) the district's "Healthy Indoor Air Quality Policy" statement; (2) designates the position title of the district's indoor air quality coordinator; (3) techniques for maintaining healthy indoor air quality; (4) typical sources of indoor air pollutants and control methods for lowering concentrations of indoor air pollutants; and (5) simple steps for resolving common indoor air quality problems. The Plant Services/Maintenance Department has established a concentrated effort for maintaining healthy indoor air quality centers around an aggressive preventive maintenance and service program for the school HVAC systems and identifying and preventing water intrusion.

Best Practice 21: Using

The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.

A school district, regardless of size, should have written policies and procedures that direct the district's compliance with state and federal regulations governing health and safety conditions within its facilities. The district should have established health and safety training programs in place for their maintenance and custodial workforce that comply with federal and state regulations such as the EPA guidelines, Occupational Safety and Health Administration's (OSHA) Regulations—29 CFR, hazardous materials handling, the proper reporting of accidents, and asbestos handling and abatement. Focused training on the safe use of specialized equipment and building systems should be delivered to all custodial and maintenance employees and supervisors.

The Duval County School District complies with federal and state regulatory mandates regarding facility health and safety conditions. Health and Safety Procedures are addressed in both the District Safety Manual and in the Maintenance SOP. The department's SOP also include guidelines regarding Hazardous Communications/Right-to-Know, PPE, Lockout-Tag out, Asbestos, Lead and Blood borne Pathogens.

The Safety Office performs annual life safety inspections of all schools in accordance with local, state and federal codes. Annual inspections are comprehensive and include all facets of fire safety, casualty, and sanitation. The office also conducts regular follow-up inspections and provides assistance to schools with potentially hazardous conditions. The Safety Office coordinates various departments, both internally and externally, on a regular basis to ensure that all measures are taken to safeguard the health, safety, and well-being of all occupants in district facilities.

Best Practice 22: Using

The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.

Effective July 1, 2002, the State Requirements for Educational Facilities (Rule 6A-2.001, *Florida Administrative Code*) were merged into the new Florida Building Code (FBC). Under the FBC, school districts are exempt from regulation by other local authorities and are required to follow a single state code. They are allowed to review project plans, issue their own building permits, conduct required building inspections, issue certificates of occupancy, and generally perform as the local governing authority had in the past.

Smaller school districts may find it easier and more economical to rely on local building code officials rather than to establish their own permitting and inspection department. A small district should evaluate the potential advantages and disadvantages of operating a building department internally. If the decision is made to allow the local authority to provide the service, then the district and the local authority should have a memorandum of understanding and defining each entity's responsibilities.

The Duval County School District is appropriately prepared for the permitting and inspection requirements of the Florida Building Code Rule 6A-2.001, *Florida Administrative Code*. First, all Duval County School District maintenance personnel have met with the Code Enforcement Officer on the Florida Building Code Permit/Inspection procedures applicable to maintenance operations. Additional training and procedural information was given to all craft foremen, and several memos have been distributed addressing the new requirements. In addition, the Code Enforcement Department has developed a syllabus outlining the code and inspection requirements and procedures for various types of work. This syllabus has been provided to every foreman as a ready reference.

The Plant Services/Maintenance Department procedures clearly defines Building Code Permit/Inspection Procedures that are to be undertaken by the district. The district provided a copy of the new procedure in the August 2002 Monthly Maintenance Report. Plant Services/Maintenance management indicated that crafts personnel and other staff follow the procedures. The procedures are thorough and meet all of the requirements set forth by the State Requirements for Educational Facilities (Rule 6A-2.001, *Florida Administrative Code*).

9 Transportation

Summary

The Duval County School District is using 8 of the 16 applicable transportation best practices. Four transportation best practices are not applicable to the district because private providers are responsible for maintaining buses and other district vehicles and hiring and training bus drivers. The Duval County School District's transportation department has privatized student transportation and effectively oversees its school bus contractors to ensure they meet contract requirements. The district has also negotiated a fuel contract whereby it can purchase fuel at a favorable price. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation department, the district needs to focus on reducing route miles, monitoring program costs and performance, increasing training, and fully documenting procedures.



As seen in Exhibit 9-1, the district has an opportunity to reduce costs in the transportation area. Determining whether to take advantage of this opportunity is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements this recommendation, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report. The fiscal impact of recommendations to improve the Duval County School District's transportation services total \$7,312,800 over the next five years. The district may also be forgoing a significant amount of money by not claiming reimbursement for its expenses associated with transporting Medicaid-eligible students. However, we did not estimate this amount because the district could not provide data on the number of students who are eligible to receive Medicaid and students receiving a Medicaid-reimbursable service.

Exhibit 9-1 Our Review Identified a Way the District Could Reduce Costs in the Area of Transportation

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
1 Increase bus occupancy	\$0	\$1,828,200	\$1,828,200	\$1,828,200	\$1,828,200	\$7,312,800

Background

The Duval County School District serves a county with a residential population of 672,971, of which 99% live in an urban area.¹ The principal city in the county is Jacksonville. Duval County is located in northeast Florida, near the Georgia state border. The county is bound by the Atlantic Ocean to the east and is bisected by the St. Johns River. The waterways present transportation challenges for the school district. School bus routes must accommodate limited bridge access across bodies of water. Two major interstate highways also converge in Duval County. The eastern terminus of Interstate 10 is the St. Johns River, where the freeway meets Interstate 95, which runs north and south through Duval County on its route between Miami and Boston. The school district has 3,872 miles of paved and 15 miles of non-paved roads serving an area of 776 square miles in Duval County. Many of the county's main traffic arteries are congested, resulting in extended drive times during peak travel periods. The county is experiencing relatively slow student population growth. For the 2000-01 school year, the district reported it provided transportation to 52,768 of the 125,832 enrolled students. The district's enrollment for 2001-02 was 126,919 students, and the transportation department provided transportation for 51,693 students to 152 school centers. The district serves 2,971 students in ESE programs that require special transportation arrangements because of disabilities or the need for specialized classes in locations other than the neighborhood school.

In 1968, the governments of Duval County and the City of Jacksonville joined to form a single, consolidated government. The purpose of consolidation is to encourage stronger cooperation toward solving common concerns and to provide public services more efficiently. The Duval County School District is part of the consolidated government. Administrative resources of the City of Jacksonville and Duval County, such as purchasing and fleet maintenance, are available to the school district as part of the consolidated government. Specific ordinances, which are discussed later in this chapter, require the school district to use certain services provided by the City of Jacksonville.

Transportation in the Duval County School District is comprised of two functions: student transportation and maintenance of general service vehicles (white fleet).

Student Transportation

Florida law requires school districts to provide student transportation between home and school. The federal Individuals with Disabilities Education Act (IDEA) requires a school system to provide transportation for students with disabilities if the school system also provides transportation for students in the general population, or if students with disabilities require transportation to receive Exceptional Student Education (ESE) program services.

The State of Florida helps districts fulfill their obligations for student transportation by providing transportation funding for the following groups of students:

- Students who live two or more miles from their school;
- Elementary school students who live within two miles of school, but who would be required to walk through hazardous conditions (defined by the state) to attend school;
- Students with disabilities who require transportation to participate in ESE programs;
- Participants in teenage parent programs; and
- Special education, vocational, and dual-enrollment students transported from one school to another.

¹ Source: Florida Department of Education, February 2003.

Transportation costs for students who live less than two miles from school and do not face hazardous conditions (courtesy riders), extracurricular trips, and costs that exceed the state allotment are paid with district funds.

The state allocates student transportation funding to school districts based on a set formula. The formula makes adjustments for:

- The Florida Price Level Index (FPLI) to reflect the different cost of living conditions among Florida's 67 counties;
- A bus occupancy index that rewards districts that have higher load factors (student riders per bus); and
- a rurality index, derived from the Florida Statistical Abstract, that adjusts a district's funding upward based on the number of rural inhabitants and downward based on the number of urban inhabitants.

The primary mission of the Duval County School District's transportation department is to transport all qualified students to school and return them to their homes on time, safely, and cost effectively. The district provides transportation for students living more than 1.5 miles from their school, but those who live within two miles of their school are not funded by the state. The Duval County School District also offers an extensive array of magnet programs. Students who transfer out of a neighborhood school to attend magnet classes usually travel more than 1.5 miles to school, which makes them eligible for district-provided transportation. The district also provides curb-to-curb transportation for students who qualify for ESE services in specified programs.

The Duval County School District conducted a systematic assessment of student transportation needs and potential areas of transportation cost savings in 1999-2000. The superintendent appointed a Transportation Advisory Committee of 11 members to review the student transportation system. Nine of the committee members were business and community leaders. The superintendent and the chief of staff represented Duval County School District on the committee and a representative of the Jacksonville Community Council was appointed to facilitate the committee. The district advisor to the committee was the associate superintendent for administration and business services and the transportation department provided staff support to the committee. The committee's charge was "To advise and recommend to the superintendent strategies to improve the efficiency and cost-effectiveness of the student transportation system for Duval County School District while not compromising safety and security."

From November 1999 to March 2000, the Transportation Advisory Committee met eight times to analyze and discuss the existing district practice of contracting with 119 individual school bus operators (in 1999) to provide student transportation services.² The committee reported the following findings:

- The district had not solicited competitive bids for the 119 contract operators.
- Overcrowded buses for middle- and high-school students created behavior problems that distracted drivers and risked safety.
- Economies of scale were not achieved in purchasing parts by 119 contract operators.
- Routes assigned to 119 contract operators resulted in routing inefficiencies.
- Contractors were paid excessive deadhead (miles from the facility and the first student stop on the route and miles from the last student stop on the route back to the facility) miles to and from compounds. Sharing of facilities was very limited.
- Contractors purchased fuel at retail prices. Bulk gas purchases were not made.

² The supervisor of operations for the transportation department provided the review team with a notebook documenting committee activities from November 17, 1999, to March 27, 2000. The notebook includes meeting agenda, briefing papers, cost analyses, and reports. The committee made information requests to district employees. The district advisor and transportation department employees provided written responses to each information request. The information provided to the committee included detailed documentation of route costs and transportation program costs.

Transportation

- Contractors operated buses for 12 years, with no incentive to reduce the average age of the fleet.
- Contractors did not always provide large buses when needed to cost effectively meet demand. Reimbursement was based on bus size rather than the service rendered.
- School bell times did not allow optimum bus scheduling for greater cost efficiencies.

The committee made the following recommendations:

- Solicit competitive price proposals for student transportation services. Limit and reduce the number of contractors to achieve economies of scale. Consider national contractors.
- Limit and reduce the number of contracts to no more than six to lower administrative costs.
- Conduct a study to better match bus size to the capacity requirements to improve route efficiency.
- Purchase automated scheduling software to improve route efficiency.
- Reimburse for fuel based on an industry standard of 7.5 miles per gallon rather than 5.0 miles per gallon.
- Implement a wholesale fuel purchase plan.
- Consider alternative resources to inspect school buses every 20 days as required by the Florida Department of Education.
- Install video cameras in buses for safety.

The Transportation Advisory Committee estimated cost savings for the recommendations at \$3.85 million. A presentation was made to the school board on March 27, 2000.

In February 2001, the district issued a competitive procurement to solicit proposals from larger contractors. The specifications required new school buses with a standard, larger capacity. The terms of the procurement provided for the award of a minimum of three and a maximum of five contracts. The minimum was recommended to ensure multiple vendors and the maximum reflected the district's established organizational structure of five geographic service areas (GSA). In May and June 2001, the Duval County School Board awarded contracts to four contractors (as of October 2002, one contractor purchased a second contractor, reducing the number of student transportation contractors to three). The term of each contract is three years with two one-year options. Each contractor is paid a rate per mile for miles accumulated on routes and excludes deadhead miles (miles between the contractor facility and first student stop on the route and miles between the last student stop on the route back to the facility). Exhibit 9-2 shows how the general services areas were initially divided between the contractors. (For a more detailed discussion of the district's transportation privatization effort, see Best Practice 19 of this chapter.)

Exhibit 9-2

Each Contractor is Responsible for One or More Geographic Service Areas

Bus Contractor	Geographic Service Area
F.L. Gelaro	Core City/Northside
Atlantic School Bus Corporation	Northwest
First Student	Arlington/Beaches and Mandarin/Southside
West Jacksonville Bus Service, LLC	Westside

Source: Duval County School District.

The contractors are responsible for employing, training, and supervising bus drivers and bus attendants; providing and maintaining a fleet of school buses; ensuring that buses run on time; reducing and eliminating vehicle breakdowns; and enforcing accident prevention and safety programs. The Duval County School District's transportation department is responsible for routing and scheduling all bus routes; ensuring that bus routing is efficient; providing contract oversight for the private providers;

monitoring invoices and fuel use; and providing the liaison function between the school administrators, parents, and contractors.

Exhibit 9-3 presents selected student transportation data for the Duval County School District and five peer districts in the state for the 2000-01 school year. Duval County School District is the only school system in the peer group that contracts for student transportation. The transportation operating expenditures for Duval County School District include the capital cost of contracting (vehicles and vehicle maintenance facilities). Accordingly, the operating costs for Duval County School District are not calculated on the same basis as the peer districts.³

³ OPPAGA suggested that the operating cost plus a 10% bus-replacement factor for the peer districts is a more appropriate measure when compared to Duval County School District, as shown Exhibit 9-3.

Exhibit 9-3
Comparative Student Transportation Data for the
Duval County School District and Five Peer Districts, 2000-01

Measure	Duval	Pinellas	Broward	Hillsborough	Palm Beach	Orange	Peer Average
Square miles	776	280	1,211	1,053	1,993	910	1,089
Number of students enrolled	125,832	113,007	251,080	164,224	153,853	150,538	166,540
Number of students transported	52,768	40,383	69,752	80,207	59,095	63,432	62,574
Percentage of students transported	41.9%	35.7%	27.8%	48.8%	38.4%	42.1%	37.6%
Number of buses in daily service	928 ¹	532	1,127	1,018	566	906	830
Average bus occupancy	57	76	62	79	104	70	75.8
Total annual vehicle miles driven	20,244,360	12,325,195	20,946,796	24,530,566	17,250,000	17,683,054	18,547,122
Total annual vehicle miles per bus	21,815	23,168	18,586	24,097	30,477	19,518	22,351
Route miles (including deadhead miles)	19,352,648	12,017,797	20,553,080	23,917,302	16,519,750	16,753,379	17,952,262
Field trip miles	891,712	307,398	393,716	613,264	730,250	929,675	594,861
Percentage of field trip miles	4.4%	2.5%	1.9%	2.5%	4.2%	5.3%	3.2%
Student transportation expenditures	\$39,127,921	\$27,590,791	\$72,800,519	\$51,773,436	\$32,631,559	\$45,664,490	\$46,092,159
Student transportation expenditures per annual mile	\$1.93	\$2.24	\$3.48	\$2.11	\$1.89	\$2.58	\$2.49
Student transportation expenditures as a percentage of total district expenditures	5.5%	3.9%	4.8%	5.1%	3.3%	5.2%	4.5%
Percentage state funding	53.2%	60.9%	36.3%	63.7%	79.5%	56.3%	55.5%
Percentage local funding	46.8%	39.1%	63.8%	36.3%	20.5%	43.7%	44.5%
Student transportation expenditures per student	\$742	\$683	\$1,044	\$645	\$552	\$720	\$737
Student transportation expenditures per bus	\$42,164	\$51,862	\$64,597	\$50,858	\$57,653	\$50,402	\$55,546

¹ According to the Duval County School District transportation department, buses in daily service reported in Quality Links include charter school buses, but references to expenditures and mileage do not include charter school data. The school district transportation department is not responsible for charter school transportation. The transportation department was responsible for 919 buses in daily service in 2000-01.

Source: *The Quality Link: Florida District Transportation Profiles*, July 2002 for School Year 2000-01, Florida Department of Education and McConnell Jones Lanier & Murphy LLP.

The Duval County School District compares favorably with its peer districts when making comparisons of costs for transportation. Duval County costs were near or lower than the peer average in every unit cost category in 2000-01. Duval County's cost per vehicle mile (includes route and deadhead miles) is \$1.93 and the peer average is \$2.49. The district's cost per bus in daily service is \$42,164, lower than every peer district cost per bus (which ranges from \$50,402 to \$64,597). The Duval County School District's cost per student rider is \$742, near the peer average of \$737. The district provides transportation for a slightly higher percentage of students (41.9%) than the peer average (37.6%).

However, the Duval County School District has a lower percentage of transportation costs funded by the state as compared to its peer districts. The district receives 53.2% of funding from the state as compared to the peer average of 55.5%. The reason for the lower recovery rate is that its average bus occupancy is relatively low when compared to its peers. Duval County's average bus occupancy is 57, compared to average bus occupancy rates of its peers, which ranges from 62 to 104. The district's low average bus occupancy is due to a significant magnet program. A total of 407 routes serve 71 magnet schools and average about 42 student riders per bus. As mentioned previously, student transportation funding provided by the state is based in part on the number of student riders per bus.

The Duval County School District operated a similar number of vehicle miles as peer districts in 2000-01. The average vehicle miles per bus in daily service was 21,815 as compared to the peer average of 22,351. The percentage of field trip miles was slightly higher for Duval County at 4.4% of total annual vehicle miles when compared to the peer district average of 3.2%.

Exhibit 9-4 illustrates the district's expenditures for student transportation for 2000-01 and 2001-02 and the budget for 2002-03.

Exhibit 9-4

The Duval County School District Expenditures and Budget for Student Transportation

Expense Category	Actual Fiscal Year 2000-01 Expenditures	Actual Fiscal Year 2001-02 Expenditures	Budget for Fiscal Year 2002-03
Transportation Salaries	\$ 1,161,112	\$ 1,048,631	\$ 1,199,121
Transportation Benefits	315,652	286,996	363,426
Purchased Transportation	36,773,445	36,175,547	33,632,564
Supplies		13,837	9,180
Capital ¹	38,483	2,179	129,986
Other Personal Services ²	833,741	54,245	249,000
Fuel—Gas	5,488	2,780	5,000
Fuel—Diesel	-	1,340,484	2,081,510
Fuel ³	5,488	\$1,343,264	\$2,086,510
Total Expenses	\$39,127,921	\$38,924,699	\$37,669,787

¹ Capital items are equipment and furniture purchased with operating funds. In 2002, the district upgraded computers for routing and accounting personnel in order to fully use software technology. Equipment included new computers, accessories, and peripherals.

² Other Personal Services is compensation paid to persons on temporary appointment (Object 758). This line item was used for temporary, non-district staff to work the transportation phone bank and to provide assistance for other short-term projects.

³ Prior to the change in business practice in 2001, the cost of fuel was paid to individual contractors who were individually responsible for buying fuel for school buses. With the change in business practice, Duval County School District purchases fuel at a bulk price (less tax exemptions) and distributes to contractors through a fuel vendor.

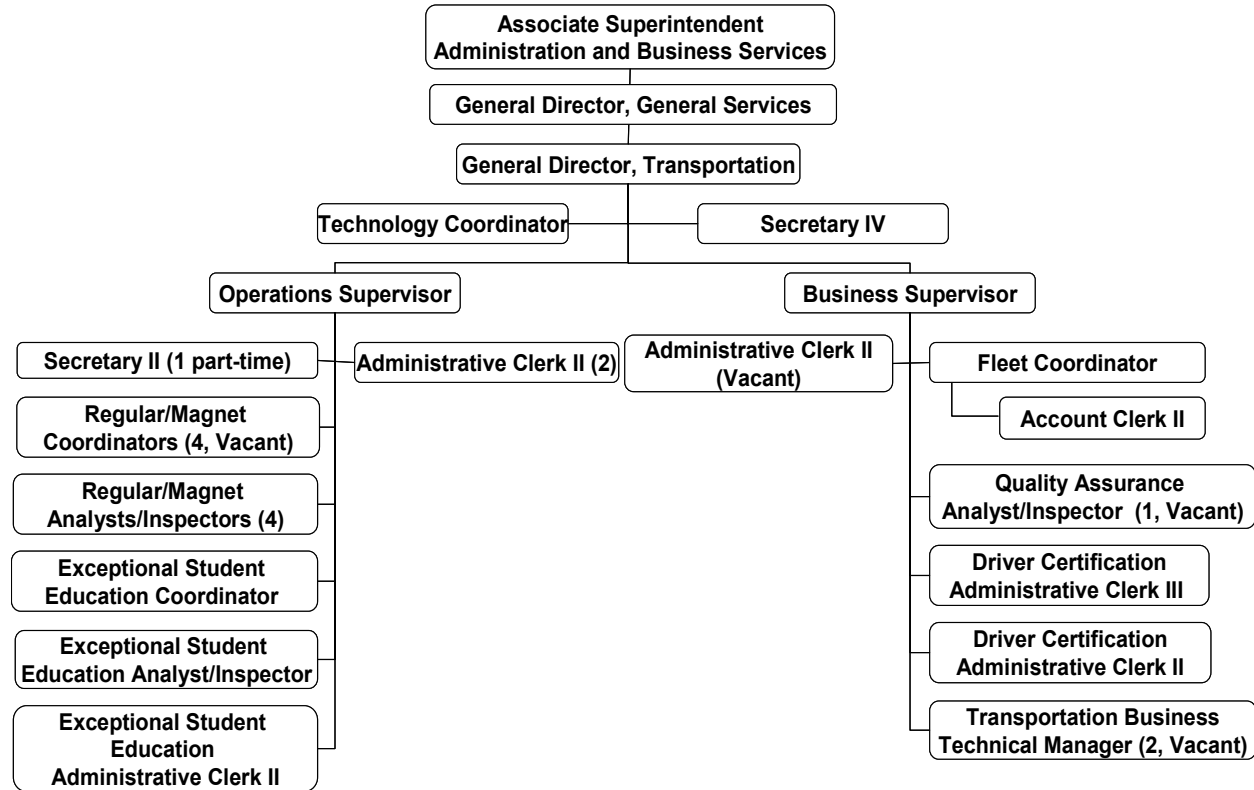
Source: Duval County School District. Historical data as reported to Florida Department of Education for *Q-Links: Florida District Transportation Profiles* for School Year 2000-01. Budget for current fiscal year as reported, February 2003.

The general director of transportation is responsible for student transportation. He reports to the general director for general services, who in turn reports to the associate superintendent for administration and

business services. The organizational chart for the student transportation function is illustrated in Exhibit 9-5.

Exhibit 9-5

Duval County School District Organizational Structure for Transportation



Note: The general director of transportation said the department's staffing levels are reviewed annually during the budgeting process. As summarized in Exhibit 9-10, Duval County School District reported 30 positions in the transportation department in the 2000-01 Quality Links report for the Florida DOE and 27 positions in the 2001-02 Quality Links report. In April 2003, the general director of transportation provided information to the review team that identified 25 filled positions and 5 vacant positions.

Source: Duval County School District.

White Fleet

The fleet coordinator in the Duval County School District's consolidated services department is responsible for maintaining the district's general services vehicles, or the white fleet. The fleet coordinator's primary role is securing maintenance services for these vehicles from private vendors because the school district does not maintain on-site vehicle service facilities. The review team obtained data that shows the fleet coordinator is responsible for securing maintenance services for approximately 565 white fleet vehicles assigned to various departments and schools (functional areas). See Exhibit 9-6 for vehicle assignment by functional area.⁴ Vehicles include motorized and non-motorized vehicles (trailers, compressors on mobile carts, and etc.).

⁴ The review team determined the total number of white fleet vehicles and the number of vehicles by functional location using several different lists provided by the fleet coordinator. The total number of vehicles on each list was different. The data by functional area was inconsistent and sometimes incomplete.

Exhibit 9-6
White Fleet Vehicle Assignments by Functional Area

Functional Location	Number of Vehicles
Administrative Support	2
Alden Road ESE Center	4
Bicycle Safety	13
Drivers Education	66
First Coast High School	1
Fletcher High School	2
Food Services	24
Frank Peterson Academy	5
Human Resources	1
Landmark Middle School	2
Landscape Maintenance	63
Maintenance Station 1	88
Maintenance Station 2	74
Maintenance Station 3	107
Management Information	16
Mandarin High School	1
Marine Science Center	6
Property Management	43
Randolph Academy of Technology	1
Region I Superintendent	1
Region II Superintendent	1
Region III Superintendent	1
Region IV Superintendent	1
Region V Superintendent	1
Safety	8
Sandalwood High School	2
Security	22
Superintendent	1
Testing	1
Textbook	1
Title One	0
Transportation	6
Total	565

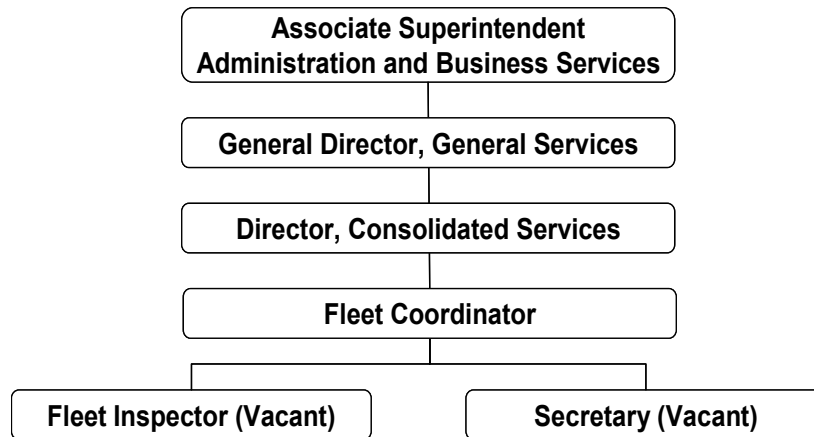
Source: Duval County School District; tally by McConnell Jones Lanier & Murphy LLP.

The district does not adopt a single budget for white fleet purchases and vehicle maintenance. Each user department to which vehicles are assigned is responsible for budgeting vehicle repair expenses, fuel expenses, and vehicle purchases. User departments are also responsible for monitoring these expenses. When a user department needs maintenance for a vehicle, the department representative contacts the fleet coordinator, who arranges for the purchasing department to issue a work order with a vendor to perform vehicle maintenance and repair work for the vehicle.

The organizational structure to coordinate maintenance for the district's white fleet vehicles is reflected in Exhibit 9-7.

Exhibit 9-7

The Duval County School District Organizational Structure to Coordinate Maintenance for the White Fleet



Source: Duval County School District.

Activities of particular interest

Contrary to the practice of most school districts in Florida, private contractors provide student transportation for Duval County schools. As mentioned previously, each contractor is paid a rate per mile for miles accumulated on routes, and excludes deadhead miles (miles from the facility and the first student stop on the route and miles from the last student stop on the route back to the facility). The rate per mile includes all operating and capital costs, except fuel.

The Duval County School District does not own fueling stations, but has contracted with a local vendor that supplies fuel at a cost effective price in locations throughout the county that are convenient and accessible for district vehicles and school buses. This is particularly favorable for the district because it eliminates its responsibility for fuel tanks and the environmental risks they pose. The district's fuel purchasing practice is discussed in greater detail in Best Practice 10 of this chapter.

Conclusion and Recommendations

Summary of Conclusions for Transportation Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Planning, Organization and Staffing	1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	No	9-13
	2. 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.	Yes	9-16
	3. The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation.	Yes	9-17
	4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.	No	9-18
	5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	N/A	9-21
	6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	N/A	9-21
	7. The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.	N/A	9-22
Vehicle Acquisition and Maintenance	8. The school district has a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.	No	9-23
	9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	Yes	9-24
	10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	Yes	9-26
	11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	Yes	9-27
	12. The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balances the concerns of immediate need and inventory costs.	N/A	9-27
Operations, Management and Accountability	13. The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly.	Yes	9-28
	14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	No	9-30
	15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.	Yes	9-33
	16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.	No	9-34

Transportation

Practice Area	Best Practice	Using the Best Practice?	Page No.
	17. The district provides appropriate technological and computer support for transportation functions and operations.	No	9-36
	18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	No	9-38
	19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	Yes	9-40
	20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.	No	9-44

PLANNING, ORGANIZATION, AND STAFFING

Best Practice 1: Not Using

The district does not coordinate long-term planning and budgeting for student transportation within the context of district and community planning.

Because the transportation function is in the best position to know what the transportation needs of the district are, what priority should be assigned to these needs, and the costs associated with particular options to address each need, transportation employees should be involved in major decisions that will affect transportation operations. These needs and priorities, along with cost-saving options, should be presented to the school board and public during the budget process, together with the factual information needed to assist the school board in making appropriate decisions. In a similar manner, the district transportation function needs to provide the school board and public information on the financial impact certain district decisions, such as those involving staggered school start times and school choice programs, will have on transportation. Also, because the location of a new school can have a significant effect on a district's transportation costs, the district transportation function should also be involved in the community and school district planning processes as related to community growth and the need for new schools. Failure to be involved and inform decision makers of the impact these decisions will have on district transportation can be costly and negatively affect district transportation for many years.

The Duval County School District is not using this best practice because it does not have a formal mechanism for coordinating long-term planning and budgeting for transportation within the context of district and community planning. Although the transportation department provides information in response to inquiries from other district personnel involved in planning for future programs, it does not regularly consult with district planning and budgeting personnel to develop and present factual information to the school board and public on the cost implications of district educational program decisions on student transportation. In fact, transportation department personnel could not produce evidence that it regularly develops and presents transportation cost savings information to the school board since 2001 when it transitioned to fewer, larger bus contractors.

The district could improve its operations and meet best practice standards by addressing two issues. First, to make more efficient use of its transportation resources, the transportation department should develop program cost analyses to determine ways to reduce route miles operated and create savings estimates to present to the school board and public. The contracts for vendors to provide student transportation are based on unit costs per route mile operated. Savings can be achieved only if the transportation department can identify ways to reduce route miles operated.

Developing more effective routing practices to increase average bus occupancy is an opportunity for savings in student transportation operating costs. As shown in Exhibit 9-8, the Duval County School District has the lowest average bus occupancy of any of its peer school districts. Low average bus occupancy leads to more buses being needed to serve the same number of student riders, and more buses create additional route miles. The basis of cost for the Duval County School District student transportation is route miles.

Exhibit 9-8
Duval County School District's Average Bus Occupancy
is the Lowest Among Peer Districts in Florida, 2000-01

School District	Student Enrollment	Student Riders	Percentage Enrollment Transported	Buses in Daily Service	Average Bus Occupancy
Broward	251,080	69,752	27.8%	1,127	61.9
Duval	125,832	52,768	41.9%	928	56.9
Hillsborough	164,224	80,207	48.8%	1,018	78.8
Orange	150,538	63,432	42.1%	906	70.0
Palm Beach	153,853	59,095	38.4%	566	104.4
Pinellas	113,007	40,383	35.7%	532	75.9
Peer Average	159,756	60,939	39.1%	846	74.7

Source: Q-Links: *Florida District Transportation Profiles*, July 2002 for School Year 2000-01, Florida Department of Education and McConnell Jones Lanier & Murphy LLP.

To identify reasons for the district's low average bus occupancy, the transportation department calculated the average bus occupancy for school bus routes that serve different types of programs. For example, the district's analysis revealed that average bus occupancy for magnet routes is 42, and average bus occupancy for ESE routes is 9. The Duval County School District has a significant magnet program, including 71 magnet schools and 8 special education schools. The nature of magnet and ESE routes makes high bus occupancy difficult for these program types. Given the high number of magnet routes, the district could realize significant savings by reducing magnet route miles.

The transportation department should conduct cost analyses for its bus routes that serve various program areas, including magnet school and ESE routes, to identify potential savings to present to the school board and public during the budget process. If the district improves its average bus occupancy by 5% (from 56.9 to 59.7), it could reduce the total number of route miles driven by 5%. Thus, total route miles will be reduced by 478,608 miles annually and the district would save \$7,312,800 over five years.⁵ Action Plan 9-1 shows the steps necessary to develop such cost analyses.

⁵ The savings will reduce total route miles by 478,608 miles (9,572,153 annual route miles times 5%) and will save \$1,828,200 annually (478,608 miles reduced times average \$3.82 per mile). State funding is in part based on average bus occupancy. An increase in bus occupancy may result in an increase in the state allotment.

Action Plan 9-1

We recommend that the transportation department develop cost analyses for its routes that serve various program areas, including magnet school and ESE routes, to identify potential savings to present to the school board and public during the budget process.

Action Needed	Step 1:	The general director of transportation, operations supervisor, and business supervisor work together to conduct a detailed analysis of the actual costs of each transportation program.
	Step 2:	Using this analysis, the general director of transportation, operations supervisor, and regular/magnet coordinators identify ways to reduce route miles by program. The general director of transportation develops and presents recommendations to the general director of general services.
	Step 3:	The general director of general services presents the cost analysis data and recommendations to the superintendent, school board, and public for use in making decisions on program location and in the budgeting process.
	Step 4:	The general director of transportation, operations supervisor, and business supervisor develop a cost allocation methodology for ongoing analysis of program costs. Findings are reported to the general director of general services.
Who Is Responsible	General director of transportation	
Time Frame	July 2004	

The second issue to be addressed by the transportation department is the need to routinely provide the school board and the public information on the financial impact of certain district decisions. Reports and documentation should be provided to the school board on a regular basis. The reports should include the status of the budget for student transportation, the performance by the contractors, and information on the cost implications of various programs and initiatives. Action Plan 9-2 shows the steps necessary to establish a practice for regular reports to the school board and to the public.

Action Plan 9-2

We recommend that the transportation department make regular reports to the Duval County School Board on student transportation performance indicators and the cost of various programs and initiatives.

Action Needed	Step 1:	The associate superintendent for administration and business services, the general director of general services, and the general director of transportation should establish a schedule for regular reports on student transportation to the school board. The reports should be made at least once per school term.
	Step 2:	The superintendent and chief of staff should approve the schedule and format for board presentations and propose the agenda to the school board.
	Step 3:	The general director of general services and the general director of transportation should design the content and format for reports on performance, including performance indicators for contractors and for the district's budget for student transportation.
	Step 4:	The general director of transportation should include in the annual budget presentation recommendations for cost savings based on program cost analysis for ESE and magnet programs or other initiatives to reduce total route miles for student transportation.
Who Is Responsible	General director of transportation	
Time Frame	January 2004	

Best Practice 2: Using

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. However, the district could improve the process it uses to count student riders.

The main source of transportation funds for most Florida school districts is the Florida Education Finance Program (FEFP). Approximately 60% of student transportation costs in the state (53% of student transportation costs for Duval County School District) are paid for through the FEFP, based primarily on the number of eligible students in various categories who ride school buses. The school districts determine the number of students riding their buses through sample counts conducted during October and February of each school year and report this information to the Florida Department of Education. Because these counts ultimately determine the level of transportation funding each school district receives, it is important for this information to be accurate. State auditors review ridership records on a periodic basis and take funds away from the district if the district cannot justify its claims for state transportation funds. The student ridership counts used in this program are useful to district personnel in establishing trend lines for the prediction of district student transportation needs.

The Duval County School District provides regular, accurate, and timely counts to the Florida Department of Education on the number of students transported as part of the Florida Education Finance Program (FEFP). The district made an error in reporting the count of students transported to the Florida Department of Education in 1999. However, the error was identified and corrected.

Although the district meets best practice standards, it could improve the process used to count student riders for the Florida Department of Education in two areas. First, the district can automate the process to gather data for FEFP. The current manual process is labor intensive and risks inaccuracies. The automated routing software does not have an interface with the student information management system that would allow the transportation department to generate student rosters for each route. The district is planning to upgrade the existing student database to a new program, which will include the necessary interface for the routing software. Once the two databases are linked, the transportation department will be able to plot the geographical location of each student address on a digitized map. Each student can then be identified with the appropriate route and bus stop. An automated report with the printed names of students who are eligible to ride each route can be generated and provided to bus drivers and school principals.

We recommend the transportation department generate route sheets with student names for each driver to collect accurate FEFP data when the new student information management software is installed and interfaced with school bus routing software.

The second area in which the district can improve its operations is to review student count information and use the data to identify potential adjustments that may result in cost savings. For example, while student enrollment increased from 2000-01 to 2001-02, student ridership decreased. The transportation department should use this type of information to determine where it can make adjustments to improve its efficiency and reduce costs.

We recommend the transportation department track FEFP data by different categories (program, school, age group, and route) to identify trends and issues or opportunities to reduce costs by optimizing route miles to carry the most student riders.

Action Plan 9-9 includes the steps needed to implement the recommendation to interface the routing software with the new student information management database.

Best Practice 3: Using

The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation. However, the transportation office can improve its efficiency by increasing the distance between bus stops.

Routing is probably the single most important factor in establishing an effective, cost-efficient, and safe district student transportation system. Efficient bus routes incorporate features such as having fewer bus stops that serve larger numbers of students, avoiding transporting students who could safely walk to school and are ineligible for state transportation funding (generally called “courtesy riders”), using school starting and ending times that allow individual buses to have separate bus runs for elementary, middle, and high schools (“three-tiered routing”), and providing sufficient time between school starting and ending times that allow buses to get from the end of one bus run to the beginning of another. Where hazardous walking conditions exist, school districts should work with governmental agencies to provide crossing guards, reduce speed limits, install sidewalks, and take other safety measures. Larger school districts with complex routes usually need the assistance of computerized routing systems to design cost-efficient bus routes, while smaller districts can develop efficient routes manually.

The Duval County School District uses several practices to ensure efficient routes are established. The school district has established staggered bell times to help maximize transportation resources, as shown in Exhibit 9-9. These staggered times provide 45 minutes to an hour and 15 minutes between trips, which is adequate time for a route to make multiple trips.

Exhibit 9-9
Duval County School District Staggered Bell Times

School Category	Morning Bell Times	Afternoon Bell Times
High schools	7:15 AM	2:15 PM
Middle schools	8:30 AM	3:00 PM
Elementary schools	9:15 AM	4:15 PM
ESE and Magnet	7:20 AM to 9:00 AM	1:30 PM to 3:30 PM

Source: Duval County School District.

The school district also uses transfer centers to collect magnet school student riders at neighborhood schools and then transfer the students onto shuttle runs to their individual schools. The magnet transfer centers reduce the total number of route miles by providing shuttle routes from neighborhood schools to one or more magnet schools rather than providing home-to-magnet school transportation for every student participating in a magnet program. The district evaluates areas for hazardous walking using state criteria to determine which students living within two miles of their schools are eligible for state-funded student transportation. Further, the district has a computerized system for developing and updating routes. However, this software is not integrated with the student database. Further discussion on interfacing this software with the student database to improve the routing function is included in Best Practice 17 of this chapter.

Although the district uses this best practice, it can enhance its operations by establishing and consistently applying policies on distances between bus stops that result in efficient bus routes. School boards are required by state law to have efficient and economical transportation routes. The Duval County School District’s policy is to provide bus stops within one-quarter mile of one another. However, the district does not always follow this policy. A review of bus stops on 21 routes shows that 60% of the bus stops were one-half mile or more apart. Conversely, parents make frequent requests to the transportation department for their children to be picked up closer to home. Short distances between bus stops increase the time necessary to complete a bus route, create more wear on buses, increase fuel consumption, and can potentially back up traffic. Sometimes, transportation department employees approve these requests

from parents without sufficient evidence that these changes are needed to address legitimate concerns, such as unsafe walking conditions to bus stops.

We recommend the district develop criteria for evaluating the safety of walking conditions to bus stops. In those areas where it is determined that students can safely walk, we recommend that the district consider changing its policy to increase the distance between bus stops up to one-half mile. We further recommend the district develop guidelines for the consistent implementation of this policy.

Best Practice 4: Not Using

The organizational structure and staffing levels of the district's transportation program does not minimize administrative layers and processes.

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as transportation. There is no "one" right way to organize and staff the transportation program. The organizational structure of the transportation function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner.

The primary responsibilities of personnel in the Duval County School district transportation department are to:

- Coordinate the long-term planning and budgeting for student transportation within the context of district and community planning;
- Serve as the liaison between the contractors who provide transportation and the customers who depend on transportation, including students, parents, and principals;
- Design the most cost-efficient routes and schedules for student transportation;
- Establish an accountability system for student transportation by regularly tracking and making public reports on performance in comparison with established benchmarks;
- Monitor the fiscal condition of transportation functions by regularly analyzing program costs to identify ways to operate more effectively and efficiently;
- Continuously look for ways to enhance the safety and reliability of student transportation;
- Ensure contractors perform in compliance with the contract for services and federal, state, and local statutes; and
- Review and verify the accuracy of invoices from contractors, ensure timely payment of invoices; and administer the fuel management program.

As shown in Exhibit 9-10, the district budgets 30 employee positions to perform these duties. Exhibit 9-5 shows the organization of the transportation department.

Exhibit 9-10**The Number of Positions in the Transportation Department Have Remained Relatively Consistent the Past Three Years**

School Year	Positions	Salaries	Benefits
2000-01 Actual	30	\$1,161,112	\$315,652
2001-02 Actual	27	\$1,048,631	\$286,996
2002-03 Budget	30	\$1,199,121	\$363,426

Source: Duval County School District. Historical data as reported to *Q-Links: Florida District Transportation Profiles*, Florida Department of Education. Budget for current fiscal year as reported, February 2003.

However, the district is not using this best practice because the organizational structure of the transportation department does not minimize administrative layers and does not provide a structure to reduce administrative processes. In September 2002, the Council of the Great City Schools reviewed the Duval County School District, including the general services department that oversees transportation. In its report, the council recommended that the district realign its transportation department's organizational structure to increase efficiency and allow the department to take advantage of the benefits of the change in business practice to fewer, larger contractors. The council recommended the new structure have three components: operations and planning; customer support; and business services, audit, and contract compliance.⁶

Subsequent to the council's recommendations, the general director of transportation prepared a draft organizational chart at the request of the general director of general services that incorporated some, but not all, elements of the structure proposed in the council's report. Although the report recommended the district establish an audit and contract compliance function for the transportation department, the general director of transportation plans to use the transportation specialists to perform these duties. Thus, the general director of transportation's organizational plan includes two major components: operations, routing, and customer service; and business services. However, the transportation director has not submitted the proposed changes to the organizational plan to the superintendent and school board. The current Duval County School District organization for transportation reflects employee dedication to verifying bus route miles and monitoring daily operations for the contractors. The structure of the transportation department should focus on the key performance areas: cost-effectiveness in routing and scheduling; customer service for students, parents, and school administrators; contract compliance for contractors; and business services. Action Plan 9-3 describes the steps necessary to implement this recommendation.

⁶ *The 3Rs for the Duval County Public Schools: Re-engineering, Re-alignment, and Restructuring Final Report of the Duval County Public Schools Management Assessment Project*. Submitted to the Duval County Public Schools by the Council of the Great City Schools, September 2002.

Action Plan 9-3

We recommend the transportation department revise the organizational plan to reflect a performance-based management structure.		
Action Needed	Step 1:	The general director of transportation identifies areas of the Duval County School District's transportation department organization that should be modified and makes appropriate changes.
	Step 2:	The general director of transportation submits a revised organizational plan to the general director of general services for approval.
	Step 3:	The general director of general services conducts the proposed organizational plan through the appropriate channels for approval, including the superintendent and school board.
	Step 4:	Upon approval, the general director of transportation implements the revised organizational plan. The implementation process may involve coordination with the human resources department if any positions are upgraded.
Who Is Responsible	General director of transportation, general director of general services	
Time Frame	May 2004	

The maintenance of the white fleet for the Duval County School District is the responsibility of the fleet coordinator in the consolidated services department. The organizational chart for the consolidated services department (Exhibit 9-7) shows two positions to support the fleet coordinator; both positions are vacant. The duties and responsibilities for the positions are documented in Exhibit 9-11.

Exhibit 9-11

Description of Responsibilities and Duties for White Fleet

Position	Scope of Responsibility	No.	Basis for Staffing
Fleet Coordinator	Responsible to administrators for managing the privatized program for vehicle maintenance for approximately 557 vehicles (including non-motorized trailers). Responsible for ensuring quality service that is timely and cost-effective.	1	Works with all of the functional areas with vehicles assigned and with each vendor.
Secretary	Responsible for entering data into the financial accounting system and providing clerical support for the fleet coordinator.	1	Provides clerical support to the coordinator who is in the field most of the time.
Fleet inspector	Responsible for evaluating need for vehicle maintenance, coordinating work with the vendors, and inspecting work for vehicle before accepting vehicle. Reports to the fleet coordinator, who will schedule the work of the fleet inspector.	1	Oversees a fleet of 565 vehicles.

Source: McConnell Jones Lanier & Murphy LLP.

To better support white fleet operations, the vacant positions in the consolidated services department should be filled. The district already budgets for these positions. Action Plan 9-4 describes the steps necessary to implement this recommendation.

Action Plan 9-4

We recommend the consolidated services department fill the positions of fleet inspector and secretary to support the fleet coordinator for white fleet vehicle management.

Action Needed	Step 1:	The consolidated services department requests the human resources department compile a list of candidates for the fleet inspector and secretary positions.
	Step 2:	Upon receipt of resumes and applications, the consolidated services department interviews and selects appropriate candidates.
	Step 3:	The consolidated services department works with the human resources department to facilitate hiring of the selected candidates.
Who Is Responsible	Director of consolidated services	
Time Frame	January 2004	

Best Practice 5: Not Applicable

The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.

Vehicle maintenance operations have to strike a balance of having enough trained personnel to properly maintain vehicles while not having excessive personnel, which increases costs and reduces operational efficiency. The number of vehicle maintenance personnel needed can vary, depending on factors such as the number of different types of buses being maintained, whether vehicle maintenance maintains the district “white fleet” (cars, trucks, and other on-road vehicles), and whether they maintain other district equipment, such as lawnmowers and tractors. In addition to employing adequate maintenance employees, districts need to invest resources into updating the skills of their vehicle maintenance workers to improve vehicle maintenance efficiency. Such resources include the district’s providing training opportunities for mechanics and incentive pay for those who achieve certification in applicable work areas.

This best practice is not applicable to the Duval County School District because it contracts for student transportation, including privatizing vehicle maintenance for the school bus fleet. As such, the district requires each contractor for student transportation to maintain an effective staffing level in the vehicle maintenance area, ensure mechanics are skilled, and provide adequate training. The student transportation contract requires the contractors to have sufficient maintenance employees to provide preventative maintenance, remedial repairs/overhaul, major component repairs/overhaul, repairs necessitated by accident, misuse, abuse or vandalism, mobile service, tire service, and any and all services relating to passenger safety. To run a cost-efficient operation, each contractor determines the vehicle maintenance requirements.

Similarly, private vendors provide vehicle maintenance services for the district’s white fleet vehicles. As such, it is not necessary for the district to employ vehicle mechanics.

Best Practice 6: Not Applicable

The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.

A stable workforce reduces costs and minimizes the disruption of essential district services. However, for most school districts, job turnover among bus drivers and attendants is generally high compared to that of other classes of employees. Contributing to this high turnover is the fact that, unlike many other district employees, bus drivers and attendants are generally part-time employees who must report to work early in the morning and finish late in the day. In addition, bus drivers face many other challenges that make their jobs particularly difficult and stressful, such as trying to drive safely while maintaining discipline on a bus. Because of the relatively high rates of turnover among bus drivers and attendants, school districts need to have an effective system for recruiting and retaining these individuals. Job turnover can be addressed through retention and recruitment. Retention is a preferred way to maintain the staffing levels

through reduction in job turnover. Districts need to collect data to determine what it will take to keep drivers and attendants working and performing well for the district. Once the district determines why the drivers and attendants want to work for the school district, the district can put together a combination of salaries, benefits, and incentives (both financial and non-financial) that will encourage good workers to keep working for the district yet not cause financial difficulties for the district. As there generally will be some turnover in district drivers and attendants each year, the district needs to be prepared to efficiently and effectively recruit high-quality drivers and attendants. These efforts include collecting data on wages offered by alternative local employers (both public and private sectors) and knowing the best methods to put their recruiting message to potential drivers and attendants.

This best practice is not applicable to the Duval County School District because it contracts for student transportation. Therefore, each contractor for student transportation is responsible for effectively and efficiently recruiting and retaining the bus drivers and attendants it needs. In the student transportation contract, the district requires the contractors to employ a sufficient number of drivers/attendants and support personnel to ensure continuous and reliable service. The only quantitative measure defined by the district for required personnel pertains to the pool of spare drivers. The contract states that contractors must maintain a minimum 10% pool of spare certified drivers and special needs attendants at all times. The district maintains a driver information database to monitor contractor compliance with this requirement.

Best Practice 7: Not Applicable

The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.

To effectively and efficiently carry out their duties, school district employees must be aware of the scope of their responsibilities, have the skills to carry out those responsibilities, and understand district performance expectations. Thus, school districts need to effectively train, supervise, and assist employees in the performance of their duties. School districts generally offer commercial driver license training (a commercial driver license is required to drive a school bus) on a no-cost basis in order to successfully recruit bus drivers. Since this license can also be used to drive other commercial vehicles such as tour buses and trucks, the school district needs a policy to recoup these training costs from bus drivers who resign as school bus drivers shortly after completing their driver training. Management is also responsible for supervising its drivers to ensure that necessary rules and regulations are followed with buses being safely operated. Supervision responsibilities include direct observation of bus handling, assisting drivers with student bus discipline problems, administering drug and alcohol tests, and enforcing driving policies. Management can improve job performance by providing in-service training and resolving drivers' job-related problems.

This best practice is not applicable to the Duval County School District because it contracts for student transportation. Therefore, each contractor for student transportation is responsible for training its drivers. According to the student transportation contract, each contractor is required to provide "all required training of new drivers/attendants and all recertification requirements as mandated by federal and state law and local guidelines for pupil transportation." The transportation department monitors contractor training of drivers in two ways. First, it performs classroom observations at least once a month. Second, all contractor drivers must receive district approval before they can drive. Department employees have a checklist of items, including verification of successful completion of initial driver training, which must be complete and in a driver's file before the driver receives district approval to drive. The method for certifying drivers and attendants are clearly outlined in the department's standard operating procedures.

VEHICLE ACQUISITION AND MAINTENANCE

Best Practice 8: Not Using

The school district does not have a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.

School buses and other vehicles are an expensive but necessary investment for most school districts. Therefore, school districts need to have systems in place to ensure that decisions to purchase, maintain, and sell vehicles meet the district's needs in the most economical way. These decisions must consider a variety of factors. For instance, the need for buses to transport students is a given for districts, but it is important to buy the right type of buses at the right time. In addition, it is generally more economical to operate larger buses than smaller ones, so long as a high occupancy level can be maintained. Districts should buy the vehicles through economical methods, such as the state pool purchase program. Once vehicles are purchased and inspected, districts should track vehicle maintenance costs and age to determine the optimal time to remove and replace the vehicle (assuming the need for the vehicle still exists). Districts should minimize the number of spare buses they retain to avoid tying up funds through excess inventory. Vehicles removed from service should be processed so the district recovers the maximum value possible for the disposal of the vehicle, such as fixing minor cosmetic flaws to encourage higher bids at auctions.

As previously mentioned, the Duval County School District contracts for student transportation. Therefore, the district does not own any school buses and each contractor for student transportation is responsible for maintaining an adequate school bus fleet. The student transportation contract requires bus contractors to provide buses, and this cost is included in the contractor's bid price, which is on a per-mile basis. The contract also specifies a school bus replacement policy, and the district follows a process to monitor the policy. The contract requires that the average age of the contractor's active bus fleet used on daily routes not exceed six years. The age of the spare model buses are not used in determining bus fleet age. The general director of transportation must approve any exception to the age requirement. The transportation department maintains a database that contains information on vehicle type for each bus in the fleet. Contractor personnel enter updates to the database, which is used to ensure the contractors' fleet mix meets the requirements of the contract. The transportation department has a standard operating procedure in place for monitoring the database.

However, the district is not using this best practice because it does not have a policy or process to ensure that it economically acquires, replaces, or otherwise has available sufficient vehicles to meet the transportation needs for the white fleet. The number of vehicles and amount of funds spent each year to purchase vehicles is determined through the annual budget process. Each functional area is responsible for budgeting funds for vehicle replacement or addition. If the budget is approved, the fleet coordinator investigates the vehicle requirements and specifications and researches available public bid lists to find a vehicle for a good price. The fleet coordinator told the review team that the decision to replace a vehicle is based on personal knowledge of vehicle history, repair records, and maintenance costs. According to the fleet coordinator, vehicles are rotated to maximize their service life. Vehicle purchases are made from state pool purchase agreements or similar contracts available through cooperation with other public agencies.

To ensure that sufficient white fleet vehicles are acquired economically and will be available to meet the district's current and future transportation needs, the Duval County School Board should adopt a vehicle replacement policy for white fleet vehicles. The replacement plan will give the school district a tool for long-term budget planning for vehicle purchases. Action Plan 9-5 describes the steps necessary to implement this recommendation.

Action Plan 9-5

We recommend the Duval County School Board adopt a vehicle replacement policy for district vehicles in the white fleet.

Action Needed	<p>Step 1: The fleet coordinator and the director of Consolidated Services should develop criteria to determine when a vehicle should be replaced. The criteria should include data such as age of the vehicle, vehicle mileage, and maintenance cost versus vehicle value. The replacement schedule will vary for different types of white fleet.</p> <p>Step 2: The fleet coordinator should use the criteria to evaluate the existing white fleet. A schedule for vehicle replacement should be prepared.</p> <p>Step 3: The vehicle replacement criteria and the schedule for vehicle replacement should be presented to the general director of General Services and the assistant superintendent of Administration & Business Services for review with district administrators for comment and concurrence.</p> <p>Step 4: The superintendent should provide the replacement policy to the school board for approval. The superintendent should ask the school board to review this policy each year with the budget cycle for any revisions that may be needed. The vehicle replacement standards should have sufficient allowance for projected growth and for accommodation of school board program decisions that have an impact on the white fleet.</p> <p>Step 5: The fleet coordinator should present the procurement schedule to responsible employees in each functional area to budget for vehicle replacement.</p> <p>Step 6: The fleet coordinator should maintain records to document the vehicle replacement standards are being met.</p>
Who Is Responsible	Assistant superintendent for administration and business services
Time Frame	July 2005

Best Practice 9: Using

The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies. However, bus inspections by the City of Jacksonville may not be needed given the district's transition to fewer, larger bus contractors.

Good stewardship of district resources dictates district vehicles should be properly maintained to operate properly and maximize their value. District vehicle maintenance operations can be divided into two types: those that service just buses and those that service buses and some or all other district vehicles. No matter what type of vehicle maintenance operation is used, it is important that the district's transportation department tracks vehicle maintenance for all district on-road vehicles to ensure that timely servicing is performed. Use of this tracking can help the district make appropriate decisions on whether to make complex or expensive repairs on older vehicles. The servicing of district vehicles does not have to be accomplished in district-owned facilities (especially if there is lack of facilities and manpower to do so), but can be done on an outsourced basis. Quality control efforts of district employees should ensure that servicing and repairs (both those done by district staff and those done by vendors) is done in an economical and timely manner.

State Board of Education administrative rules require district school buses to undergo regular inspections at a maximum interval of every 30 school days.⁷ Inspections are to be conducted in accordance with procedures included in the *State of Florida School Bus Safety Inspection Manual*. Technicians certified as school bus inspectors are to conduct the inspections. Individuals can obtain this certification through the Florida Association for Pupil Transportation (FAPT) and the Institute for Automotive Service Excellence (ASE). The Department of Education does not require a third party to inspect school buses.

⁷ Effective April 21, 2003, the Board of Education revised its rules to require school buses to be inspected at a maximum interval of 30 school days, rather than 20 days. See section 6A-3.0171(8), *Florida Administrative Code*.

As such, we identified school districts in three counties (Hillsborough, Broward, and Miami-Dade counties) that use their own certified mechanics to conduct school bus inspections.

The Duval County School District student transportation contract requires bus contractors to have their school buses inspected pursuant to the State Board of Education administrative rule and the district has processes in place to ensure contractors comply with this requirement. Contract specifications also provide that “Contractors may inspect their own buses with state-certified inspectors at locations that are district approved.” As a result, the bus contractors factored the cost of these regular safety inspections into their school bus maintenance costs, which make up a portion of their bid price per mile.

However, the contract specifications are inconsistent with local laws that require school bus inspections to be conducted by the City of Jacksonville. In 1981, the Florida Legislature abolished the motor vehicle safety inspection program throughout the state. The City of Jacksonville then adopted a local ordinance requiring motor vehicle safety inspections for certain public vehicles, including school buses. The city’s inspection program requires annual inspections for all vehicles of the consolidated government, except school buses, which are required to be inspected on a schedule consistent with Board of Education rules. The ordinance also requires inspectors employed by the city to conduct the bus inspections. There is no requirement in the student transportation contract specifications that the contractors pay a third party, the City of Jacksonville, to conduct these inspections. As a result, contrary to the student transportation contract specifications, bus contractors are unable to use their own mechanics to conduct regular safety inspections.

The discrepancy between the student transportation contract specifications and the local ordinance provisions regarding bus inspections resulted in confusion regarding the entity responsible for conducting and paying for bus inspections. In 2002, the city, district, and contractors reached an agreement on the financial responsibility for the inspections. The agreement reduces the price of bus inspections from \$40 to \$32 and splits the cost of the inspections between the district (\$17 per inspection) and the contractors (\$15 per inspection). Now, the contractors’ mechanics perform preventive maintenance inspections on the school buses; city inspectors continue to perform scheduled inspections for each school bus; the district’s transportation fleet coordinator in the transportation department has a standard operating procedure to monitor the timeliness and thoroughness of the inspections; and a Florida Department of Education inspector audits the whole program once a year. The school district is in the position of paying a third-party (the City of Jacksonville) to inspect school buses it does not own.

Bus inspections by the City of Jacksonville were likely more essential when Duval County contracted with many independent contractors to provide student transportation services. As mentioned previously, more than 100 individual contractors were responsible for transporting students to Duval County schools. Many of these contractors did not employ trained school bus inspectors, and the Duval County School District paid the city \$40 to conduct each inspection. As a result, the city’s inspection program was an appropriate program at that time. However, given the different arrangement under which the district contracts with fewer, larger contractors who have the capacity to conduct their own inspections, the city’s inspection program may no longer be needed. In fact, by assuming the responsibility for the inspection of school buses operated by private contractors, the city may also be assuming liability.

We recommend the Duval County School District change its Request for Proposal to ensure the responsibilities of bus contractors are correctly reflected in the contract and to ensure the specifications are consistent with applicable local and state laws. Given the conversion from more than 100 bus contractors to three, the district should collaborate with city officials to determine whether there is a need for bus inspections by the city.

The district provides routine servicing for white fleet vehicles by privatizing preventive maintenance inspections and minor repairs. Beginning in May 2002, the fleet coordinator for the white fleet arranged for preventive maintenance inspections and service with a mobile vendor. The vendor goes to the site of the vehicle rather than depending on the driver to have the vehicle serviced. The fleet coordinator

provides the schedule for vehicles to be serviced on a periodic basis. For maintenance and repair, the fleet coordinator assesses the situation and informs the driver where to take the vehicle for repair. Vendor selection is dependent upon several factors, including vehicle manufacturer, vehicle function location, type of work needed, and availability of any manufacturer warranties. The fleet coordinator also bases the decision on which vendor to use on personal experience and expertise. This issue is further discussed under Best Practice 19.

The district provided anecdotal information on the perceived quality and timeliness of routine servicing and maintenance of the white fleet vehicles. For example, one maintenance department employee wrote: “We have received very good and timely routine maintenance to all our vehicles, both on- and off-road vehicles. Unforeseen breakdowns are handled promptly and professionally.” Other user departments provided similar comments. Thus, it appears that district employees who are assigned vehicles are satisfied with the manner in which vehicle servicing and maintenance is handled.

Best Practice 10: Using

The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.

School districts need effective systems that ensure fuel is purchased at the lowest possible cost, prevent unauthorized use of fuel, and ensure fueling stations are accessible to vehicles. Cost-effective purchases of fuel generally occur when the district and other large users of fuel (such as other school districts and local governments) pool their fuel purchases into a large bid. Part of the bid should include timely deliveries of fuel to district fueling stations. To ensure that the fuel stations have sufficient fuel for district operations, districts must monitor fuel disbursements to prevent theft and know when to reorder fuel supplies. Most districts are sufficiently large to be able to justify using automated fueling systems that are designed specifically to prevent unauthorized fuel disbursements and monitor fuel tank levels as well as log the amount of fuel individual vehicles have taken. Leaking fuel tanks can be a major cost for the district. Failure to promptly deal with fuel leaks found either through automated fueling systems or during inspections by governmental environmental agencies could result in large district costs to clean up ground contamination, especially if the contamination is underground and in the groundwater.

The Duval County School District ensures fuel purchases are cost-effective, and school buses and the white fleet are efficiently supplied with fuel. The transportation and consolidated services departments cooperated with the purchasing department to develop specifications to purchase fuel from a vendor at a favorable price based on the market. The Duval County School District purchases fuel for a fixed amount added to the Oil Price Information Service (OPIS) weekly average product price for Jacksonville, Florida. A contract with the fuel vendor was made in June 2000 and bus drivers and other district employees can obtain fuel from stations located throughout Duval County. Drivers obtain fuel using an assigned card issued by the fuel vendor. Each week, the fuel vendor provides fuel and financial management reports to cross-reference fuel purchases by each fuel card. The management report includes total gallons purchased and miles per gallon based on the historical record of the particular vehicle.

Accountants in the transportation and consolidated services departments use the weekly management reports to verify fuel use by bus contractor and district employees operating white fleet vehicles. For bus contractors, excess fuel purchases not allowed under the terms of the contracts are charged back to the contractor (deducted from the monthly payment for miles operated as authorized) at retail prices, plus a 15% service fee to discourage contractors from using the fuel vendor cards for fuel to operate miles of service that are not authorized under the contract terms. For the white fleet, the accountant in the consolidated services department forwards the weekly invoice and fuel management reports to each functional location for review and verification. These reports are also forwarded to the fleet coordinator for use in identifying trends and to provide quality control for the fuel vendor contract.

Each quarter, the accountant in the transportation department submits an application for a state fuel tax refund based on the student transportation miles operated for home-to-school routes, activity trips, and

field trips (divided by 7.5 miles per gallon to determine gallons) and the gallons of fuel dispensed to white fleet vehicles.⁸

Best Practice 11: Using

The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.

If uncontrolled, vehicle maintenance costs can represent a significant expense to school districts and, thus, should be effectively managed. To efficiently maintain vehicles and reduce maintenance-related costs, the district must have maintenance facilities that are appropriately situated within the district so as to minimize distances district vehicles have to travel for servicing yet have access to vehicle parts houses and delivery services. Service areas should be equipped with parts rooms, administrative areas, specialized tools, and covered and hard-surfaced working areas so technicians can concentrate on their assigned jobs rather than being distracted/prevented from work due to weather, lack of tools, and so on. The maintenance facilities will generate hazardous wastes such as antifreeze, which need to be stored and properly disposed. In general, district vehicles should be parked in secure compounds at the end of the working day to reduce transportation costs for the district. The only time district-owned vehicles should be allowed to be taken home is if it can be shown to be in the district's best financial interests to allow certain vehicles to be taken home. One example of this exception is when it is cheaper for the school district to allow a bus driver to take a bus and park it at home instead of taking it to a distant bus compound. It is also appropriate for district employees in an on-call status (such as district facility staff) to park vehicles at their homes instead of at a district compound if the drivers are frequently responding to calls after normal working hours involving the transport of materials not easily transported in personal passenger vehicles (such as heavy welding equipment or sheets of plywood).

The Duval County School District requires contractors to provide school bus maintenance and to supply necessary equipment to accomplish maintenance activities, which includes maintaining adequate service centers. We observed that bus contractor facilities provide adequate storage space, sufficient work areas for supporting functions, and controlled access. The district has standard operating procedures for inspecting the contractors' physical facilities. Because the district does not pay its bus contractors for deadhead miles, it is in the best interest of the contractors to select locations for facilities and satellite vehicle service areas that will reduce these miles.⁹

The Duval County School District also contracts with private vendors for white fleet vehicle maintenance. Thus, the district does not have vehicle service centers for white fleet vehicle maintenance. The district delegates responsibility for storing white fleet vehicles to the functional areas (user departments) that are assigned the vehicles. The user department is responsible for storing vehicles overnight in secured areas with locked gates and lighting. Vehicles that cannot be parked at a safe work site are assigned to a parking location that is safe (usually a neighborhood school with a security trailer on site). Some vehicles are approved for storage at schools to minimize daily deadhead miles. The district has a procedure and maintains records for vehicles that are stored at alternate locations.

Best Practice 12: Not Applicable

The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balances the concerns of immediate need and inventory costs.

Minimizing the amount of time vehicles spend out of service being maintained minimizes disruptions to district services and reduces the number of vehicles required to support the district's transportation needs.

⁸ Municipalities, counties, and school districts are entitled to a refund of the fuel sales tax of 10.9 cents per gallon levied pursuant to s. 206.41(1)(d) and (f) and s. 206.87(1)(b) and (e) of Ch. 206, *F.S.*, on gasoline, gasohol, and diesel fuel purchased.

⁹ Deadhead miles are defined as miles from the contractor's facility and the first student stop on the route and miles from the last student stop on the route back to the contractor's facility.

Thus, keeping vehicles on the road in good repair saves the district money. Several factors affect vehicle maintenance time and costs. For instance, insufficient parts inventories can result in higher maintenance downtime for buses and the need to maintain extra spare buses. Conversely, excessive parts inventories can cost the district funds that can be used to meet other district transportation needs. Ideally, districts should have the minimum number of parts and supplies necessary to efficiently operate the fleet. Strategies for achieving this goal include standardizing engines and bodies and using just-in-time inventories. Parts and supplies that are purchased also need to be secured to safeguard district assets, using management tools such as restrictions on who can be in parts rooms, maintaining inventory tracking systems, and periodically conducting part inventory audits. Districts also need to make sure that they fully use the warranties provided by bus manufacturers, thus avoiding paying for repairs and parts that are covered by warranty.

This best practice does not apply to the Duval County School District because it contracts for student transportation, including privatizing vehicle maintenance for the school bus fleet. Thus, buses are assets of the contractors who are responsible for school bus maintenance. Each contractor is responsible for determining methods to purchase parts and supplies to operate a competitive, cost-efficient operation and it is to the contractor's advantage to purchase parts and supplies in a cost-effective manner. The student transportation contracts require contractors to administer all warranties for vehicles and replacement parts needed to maintain and repair their fleets. It is in the best interest of the contractors to take advantage of warranty claims to promote cost-efficient, competitive operations and to maximize the life of their vehicles.

The Duval County School District also outsources white fleet vehicle maintenance. Private vehicle maintenance operations are responsible for maintaining an inventory of parts, supplies, and equipment. The district's coordinator for white fleet vehicles is responsible for monitoring warranty repairs. Warranties on parts and repairs are documented in each vehicle's repair history contained in the district's financial accounting system. The fleet coordinator can query the database for a history of work orders issued by vehicle, by vendor, or by date for quality control of warranty repairs.

OPERATIONS, MANAGEMENT, AND ACCOUNTABILITY

Best Practice 13: Using

The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly. However, the district can improve its operations by monitoring student ride times and requiring that schools pay transportation costs for activity trips out of their own budgets.

Up-to-date procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In addition, written procedures serve as a district's institutional memory for key processes and, as such, help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover, a particularly important issue to the transportation function. Therefore, districts need effective procedures to handle circumstances that prevent normal bus operations. These include vehicle breakdowns, driver absences, bus overcrowding, and excessive ride times. While the district needs to minimize these occurrences, they also need effective procedures to follow when these situations occur. To recover costs of field trips, districts should also have a policy to charge schools 100% of all transportation costs for these trips.

The Duval County School District has processes in place to ensure regular school bus routes and activity trips operate in accordance with established procedures. Because the district contracts for student

transportation, it has processes in place to ensure a sufficient number of school bus drivers are available to operate routes each day by requiring contractors to maintain a minimum of 10% pool of spare drivers and special needs attendants. The district also requires contractors to immediately notify the transportation department in cases that might pose safety risks to students being transported, such as bus overcrowding, or situations that prevent buses from meeting established schedules.¹⁰ For example, the contractor should notify the transportation department if the number of students on a special needs route exceeds five students. As most overcrowding situations occur at the beginning of the school year, the transportation department will typically make any appropriate changes within three weeks of the start of school.

The Duval County School Board has adopted and implemented a policy on 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 directive requires bus drivers to have written approval from the parent or guardian and the principal or a designee for students who wish to be discharged at alternate bus stops. The transportation department monitors the enforcement of this policy through calls from parents who may report a bus driver for not following school board policy for discharging students. When an infraction is confirmed, the transportation department deducts a penalty from the contractor's payment.

Although the district uses this best practice, it can improve school bus operations by addressing two issues. First, the transportation department does not currently have the ability to analyze records to determine which students ride longer than the state-recommended ride time standard and to take actions to minimize this number when possible. State-recommended ride standards are 50 minutes or less for elementary students and 60 minutes or less for middle and high school students. Using the automated routing software, the transportation department can report all bus trips that exceed state guidelines.¹¹ However, transportation department personnel cannot cross-reference ride times to specific student riders because its routing software is not integrated with the district's student information management database (see Best Practice 17 of this chapter). Thus, we were unable to identify the number of students that ride buses longer than state recommended ride times for each grade level.

The nature of some district programs results in longer ride times. The transportation department conducted an analysis of a sample of bus trip lengths by program type, including magnet school, majority/minority, and English as a Second and/or Foreign Language (ESOL) programs. The trip lengths were converted to ride times by assuming an average speed. The ride times on neighborhood bus trips were reasonable (26-minute average). However, ride times for programs that require students to be bused to schools other than their neighborhood schools were long. For example, magnet trips averaged 64 minutes, majority/minority trips averaged 67 minutes, and ESOL trips averaged 56 minutes. Due to the nature of magnet, majority/minority, and ESOL programs, students often travel outside of their neighborhood and across the county to attend classes in their program. Transportation employees do not provide information on the number of students who ride longer than the state-recommended ride time to district officials to consider when making decisions about the location of education programs.

We recommend the transportation department calculate and monitor student ride times and report the information on the number of students who ride longer than the state-recommended ride time to district officials for consideration when making decisions about the location of education programs.

To monitor student ride times, the routing and scheduling software should be integrated with the student information database. Action Plan 9-11 includes the steps needed to implement the recommendation to interface the routing software with the new student information management database.

¹⁰ Pursuant to s. 6A-3.017, *Florida Administrative Code*, school bus drivers are required to report needed changes in school bus transportation to the transportation supervisor, including bus loads, bus deficiencies, road hazards, and routes and schedules.

¹¹ The automated software is capable of calculating the length of a trip, but not the ride time for a specific student because the routing software is not integrated with the student information management database. When the two systems are integrated, the transportation department will be able to identify how long specific students are riding.

The second issue relates to costs for school activity bus trips. An activity bus trip is operated to take students home after participating in after-school activities. The district's individual schools are currently not required to pay 100% of all transportation costs involved on activity trips. Under the current practice, these expenses are paid out of the transportation department's budget. The transportation department has proposed a process for schools to request and pay all transportation costs for activity trips from their individual budgets. However, the school board has not adopted this proposal. The district should adopt a policy for transportation costs for all activity trips to be paid from individual school budgets.

We recommend schools be held accountable for budgeting and paying all transportation costs for after-school activity trips. District and transportation department administrators should coordinate to develop a plan to transition the responsibility and accountability for budgeting and paying all transportation costs for after-school activity trips to individual schools and present the proposal to the school board and budget director for approval.

Best Practice 14: Not Using

The district does not provide efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.

School districts are required by law to provide specialized transportation services to certain students with disabilities (that is, students in ESE programs).¹² While necessary, these services can be very costly to a district. Many ESE students can ride on regular buses with no assistance or equipment. However, others may require accommodations such as specially equipped buses that lift a student and wheelchair into the bus and secure it for transport. To ensure their compliance with law while controlling costs, school districts need effective systems for determining ESE students' need for special transportation. As the need for special transportation is determined in meetings between teachers, ESE personnel, and parents, districts need policies that clearly outline the circumstances that require special transportation. These policies should also identify circumstances in which alternative transportation modes, such as paying parents to drive children who need special supervision are appropriate. Finally, districts should seek to recover Medicaid reimbursement for ESE transportation whenever possible, as this federal program will reimburse school districts for transporting Medicaid-eligible students on certain approved bus runs. It is rare for the cost to complete Medicaid paperwork to exceed the amount of the reimbursement. Every Medicaid dollar coming into the district frees up a general fund dollar for another district need.

The Duval County School District is not using this best practice because it does not apply for Medicaid reimbursement for transporting Medicaid-eligible students on certain approved bus runs. In addition, school site administrators believe bus drivers should be better trained to provide a quality service to meet the special needs of ESE students.

The district has a policy and guidelines restricting specialized transportation to just those students who need to have such transportation. The district's *ESE Special Needs Transportation Parent/Guardian Handbook* includes eligibility guidelines. All pre-school aged children assigned to an ESE program are provided transportation. Students enrolled in certain ESE programs (educable mentally handicapped, emotionally handicapped, specific learning disability, and other health impaired for academic and behavioral needs) at their neighborhood schools that live more than 1.5 miles from their neighborhood school ride a regular bus. Students enrolled in these ESE programs at their neighborhood schools who live within 1.5 miles of their neighborhood school are not eligible for transportation. Students enrolled in all other ESE programs may be eligible for ESE transportation based on program placement, school assignment, and individual student needs.

¹² The ESE population in a school includes gifted students, slow learners, emotionally handicapped students, and physically handicapped students.

The transportation department's ESE coordinator makes the decisions regarding eligibility for specialized transportation. Information required to determine the transportation needs for each ESE student is included in the district's student information database. The transportation department has access to this information to know and respond appropriately to the student's transportation needs. Transportation department employees meet monthly with ESE personnel to talk about student transportation services for exceptional students. Some of the issues discussed during the meetings include the need to move students to regular buses, a request for ESE training by one of the contractors, monitoring bus capacity, and ways to provide transportation for ESE students for extracurricular and activity trips.

However, the Duval County School District does not file Medicaid fee-for-service reimbursement for transportation. All Florida school districts can participate in the Medicaid Certified School Match Program, which provides reimbursement for medically necessary services provided by or arranged by a school district for Medicaid-eligible students. These services include transportation. In order to bill Medicaid under the certified match program, each school district must be enrolled as a provider by applying for enrollment to the Medicaid fiscal agent. A separate Medicaid provider agreement must be submitted for each type of service for which the school district will bill Medicaid. For transportation, Medicaid reimburses the school districts on a per-trip basis at a district-specific rate determined by information provided to the Department of Education (DOE) from each school district's annual financial reports and other available sources. Two Medicaid reimbursement programs are available to all Florida school districts: (1) Fee-for-Service and (2) Administrative Claiming Fees.

In 1999-2000, the district's speech therapists, physical therapists, and occupational therapists opted out of participating in the program, and this became a part of their employment contracts. Not participating in Medicaid fee-for-service reimbursement is costing the district money. However, the review team is unable to estimate the amount the district would be reimbursed if it claimed Medicaid fee-for-service reimbursement because the district could not provide data on the number of students who are eligible to receive Medicaid and students receiving a Medicaid-reimbursable service.

The Duval County School district should make claims for reimbursement of its expenses associated with transporting Medicaid-eligible students. The transportation department should work with district ESE personnel to identify students who qualify for Medicaid funding for certain approved bus runs. Action Plan 9-6 describes the steps the district should take to file claims for Medicaid reimbursement.

Action Plan 9-6

We recommend the district make a claim for Medicaid reimbursement for transporting students who qualify for Medicaid funding for certain approved bus runs.

Action Needed	<p>Step 1: The assistant superintendent for business and administration with the assistance of the general director of ESE and the director of budget services, report to the superintendent and the school board the amount of money to be realized from Medicaid reimbursement (less the cost of collecting the necessary information).</p> <p>Step 2: The school board decides if the district will make a claim for Medicaid reimbursement.</p> <p>Step 3: The general director of ESE and the director of budget services develop a procedure to file 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 4: The ESE personnel would 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; and • Procedures for submitting Medicaid requests for payment. <p>Step 5: The transportation department and general director of ESE coordinate to agree on the number of students qualified.</p> <p>Step 6: ESE personnel prepare claims for Medicaid reimbursement.</p> <p>Step 7: The budget department modifies accounting procedures and processes in response to any Medicaid changes.</p> <p>Step 8: ESE personnel implement reporting systems as required and provide monthly report to the superintendent.</p>
Who Is Responsible	Assistant superintendent for administration and business services
Time Frame	May 2004

In addition, the school district does not have performance measures or benchmarks to measure service quality for ESE transportation. However, at our request, the research, assessment, and evaluation department for the Duval County School District conducted a survey of principals in February 2003 to determine their perceptions about the quality of student transportation services.¹³ When asked if drivers and attendants who transport ESE students are trained and sensitive to the needs of their student riders, 40% of principals agreed or strongly agreed, 29% disagreed or strongly disagreed, and 32% were neutral or had no opinion. (For additional information on principals' perceptions of student transportation services, see Best Practice 20 of this chapter.) To improve the quality of service for ESE transported students, transportation department and ESE personnel should work with district bus contractors to implement a curriculum for in-service training for ESE drivers and attendants.¹⁴ Action Plan 9-7 describes the steps necessary to improve training for drivers and attendants who transport ESE students.

¹³ In February 2003, the district surveyed 159 principals over the course of a week. Of these, 65% (104) responded to the survey.

¹⁴ The transportation department developed a driver/ attendant training manual four years ago. The ESE coordinator for the transportation department is participating on a committee sponsored by the Florida Department of Education to develop a best practices special needs manual. The transportation department recently contacted ESE intervention personnel to act as a resource for the contractors.

Action Plan 9-7

We recommend the transportation department and ESE personnel work with bus contractors to develop a curriculum to provide training for drivers and attendants who transport ESE students.

Action Needed	Step 1:	The operations supervisor and ESE coordinator research ESE bus driver training curricula from other school systems.
	Step 2:	The operations supervisor and ESE coordinator work with contractors to develop draft ESE training curriculum and training materials.
	Step 3:	The operations supervisor distributes the draft ESE training curriculum to the contractors and ESE Department for comments and suggestions.
	Step 4:	The operations supervisor finalizes and distributes the training curriculum and discusses expectations for using the curricula with the contractors.
	Step 5:	The contractors begin using the ESE training curriculum. The regular/magnet coordinators monitor the training program.
Who Is Responsible	Operations supervisor, ESE coordinator	
Time Frame	January 2004	

Best Practice 15: Using

The district ensures that employees act promptly and appropriately in response to any accidents or breakdowns. However, the district needs procedures on who should be notified in the event of a breakdown or other incident that may delay the transport of students to school or home.

No matter how competent bus drivers are and how well buses are maintained, accidents and breakdowns occur. Districts need written procedures to guide employees when these situations occur to ensure that activities are carried out in a safe, efficient, and effective manner; proper officials are notified; and the district is in compliance with federal and state laws.¹⁵

The Duval County School District transportation department has standard operating procedures for monitoring radio communications and maintains a daily log of incidents detected through radio activity and incoming phone calls. The district requires contractors to provide a two-way radio in each bus. Through compliance checks or field audits that are conducted periodically for all contractors, the district determined that all contractors met the two-way radio requirement in 2001-02. Each contractor is required to have two radio channels: one for communication with its drivers and one for communication with the district. The transportation department has a radio room in which transportation employees can monitor radio communications and contact the contractor's radio base stations immediately.

The transportation department also has standard operating procedures for responding to accidents, medical emergencies, and incidents. The transportation department maintains complete records of all school bus accidents that occur in the district and reports all qualifying accidents to the school board and the Florida Department of Education. Using accident records, transportation department employees produce monthly accident reports and maintain an annual summary for comparison.

However, the transportation department does not have clear procedures on who should be notified in the event of a breakdown or other incident that delays the delivery of students to school or home. Although the district requires its bus contractors to respond within 30 minutes to the site of a bus breakdown in order to safely transfer students to another bus and deliver them to their drop off locations, transportation department employees have not established a process for determining whether the contractors are complying with this condition. Currently, school bus contractors are not required to report to the transportation department those instances when a breakdown occurs or the manner in which they responded, including their response time. According to the general director of transportation, the transportation department relies on calls from school principals and parents to be made aware of

¹⁵ For example, under Florida law, accidents involving damage of \$500 or more or having student injuries must be reported to the Florida Department of Education.

situations where the contractor does not respond to these incidents on a timely basis. Parents who are concerned about the whereabouts of their children are expected to call the contractor's dispatcher. When the bus contractors are not responsive, parents will contact a school administrator or the transportation department directly.

We recommend the Duval County School District adopt procedures that define roles and responsibilities of all personnel and identify lines of communication to say who should be notified and when in the case of a breakdown or other significant incident delays the delivery of a student to home or school by more than 30 minutes. Information on these incidents should be recorded and tracked in an automated information tracking system to determine compliance with contract requirements.

Best Practice 16: Not Using

The district does not ensure that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.

Inappropriate student behavior on school buses can distract bus drivers from their responsibility to drive their buses safely and can potentially result in accidents, cause injury to students and others, and saddle the school district with costly legal liabilities. Therefore, school districts need effective methods to control the behavior of students while they are being transported. Several individuals primarily responsible for ensuring the appropriate conduct of these students should be involved in developing these methods. For example, school principals are responsible for the conduct of students on buses from the time students get on the buses until the time they leave them. School bus drivers assist in maintaining appropriate student behavior on school buses through various management techniques and by writing disciplinary referrals to principals when appropriate. Principals can assist bus drivers in maintaining student bus discipline by informing them of what disciplinary actions are taking place in response to written disciplinary referrals.

The Duval County School District is not using this best practice because it does not have a dependable process to report disciplinary infractions by students being transported on school buses. Students are disciplined according to the *Student Code of Conduct*, which does not list a specific series of steps that should be taken for bus drivers to report discipline problems and for principals to determine appropriate action for progressive discipline and then to report actions taken in the student information database. However, the school bus contracts include a provision for drivers to report student misconduct by completing a disciplinary referral form and forwarding it to school officials. Thus, bus drivers report student misbehavior on buses directly to the school. The transportation department does not have direct involvement with the reporting of disciplinary infractions to schools or ensuring schools follow up with drivers. In some instances, however, principals, contractors, or parents may request that a transportation department employee be involved in a conference to resolve a problem with student discipline on a school bus.

In the February 2003 survey, the school principals were asked if student discipline on school buses was a problem. About 60% of principals surveyed believe that drivers can be trained to better deal with disciplinary problems on school buses. (See Exhibit 9-12.)

Exhibit 9-12
Principals Believe Drivers Could be Better Trained
To Handle Student Discipline on School Buses

Survey Question	Strongly Agree	Agree	No Opinion/Neutral	Disagree	Strongly Disagree
Student discipline on school buses is not a problem for my school. ¹	2.9%	42.2%	12.8%	31.4%	10.8%
School bus drivers are trained to deal with student discipline on school buses.	1.0%	17.8%	20.8%	41.6%	18.8%

¹ This question has been revised to flow from a positive response to a negative response as seen in other questions.

Source: Survey conducted by the Research, Assessment, and Evaluation Department, Duval County School District, February 2003; analysis by McConnell Jones Lanier & Murphy LLP.

Although principals are expected to report and track disciplinary infractions in the district's student information database, this does not occur consistently. Disciplinary infractions entered into the database are coded to indicate whether the incident took place on a bus. However, because this information is not routinely recorded by principals in the student database, the district cannot determine the frequency of disciplinary problems on buses or track disciplinary action taken as a result of the infraction. The survey of principals also revealed how often they deal with a problem about student discipline on a school bus and how often the infraction is recorded in the student information database. The results of the survey are shown in Exhibit 9-13.

Exhibit 9-13
Most Principals Deal with Student Discipline on School Buses
at Least Once a Week, But Do Not Consistently Record These Occurrences

Survey Question	Every Day	Several Times a Week	One or Two Times a Week	Not Often
On average I deal with a problem about student discipline on a school bus:	14.6%	20.4%	40.8%	24.3%
Survey Question	Always	Usually	Sometimes	Never
I complete the incident screen for a student discipline incident on a school bus:	26.0%	23.0%	27.0%	24.0%

Source: Survey conducted by Research, Assessment, and Evaluation Department, Duval County School District, February 2003; analysis by McConnell Jones Lanier & Murphy LLP.

Principals were also asked to whom they communicate concerns about student discipline on school buses, and their responses evidenced a lack of consistency in procedures. The results are shown in Exhibit 9-14.

Exhibit 9-14
Principals Report Concerns About Student Discipline To Several Individuals

Survey Question	School Bus Driver	Contractor Personnel	DCPS Transportation Department
I communicate my concerns about student discipline on school buses to the (circle all that apply):	81.7%	55.8%	53.9%
Number Responses of 104	85	58	56

Source: Survey conducted by the Research, Assessment, and Evaluation Department, Duval County School District, February 2003; analysis by McConnell Jones Lanier & Murphy LLP.

The transportation department can work with the contractors to implement a curriculum to teach bus drivers how to better handle student discipline on school buses. Action Plan 9-8 describes the steps to improve training for bus drivers to better handle student discipline on school buses.

Action Plan 9-8

We recommend the district require contractors to provide training for bus drivers to better handle student discipline on school buses.

Action Needed	Step 1:	The operations supervisor works with contractors to update student management curriculum and training materials.
	Step 2:	The operations supervisor completes and distributes the training curriculum and discusses expectations for using the curriculum with the contractors.
	Step 3:	The contractors begin using the student-management training curriculum. The regular/magnet coordinators monitor the training program.
Who Is Responsible	Operations supervisor	
Time Frame	July 2004	

Best Practice 17: Not Using

The district does not provide appropriate technological and computer support for transportation functions and operations.

The proper use of technology can make the district transportation function more efficient, safe, and less expensive. For instance, technology can assist school districts in mapping out the most efficient bus routes and can reduce the need to manually manipulate data. Therefore, school districts need appropriate technology to support their transportation systems. Technology includes providing computers to access databases with driver traffic histories maintained by the Florida Department of Highway Safety and Motor Vehicles and to maintain data such as vehicle maintenance histories, fuel disbursements, and parts inventories. Districts also need specialized diagnostic tools to accurately troubleshoot bus engine problems. In very small districts, districts may be able to maintain some of this data manually, but most districts require computer systems to enable management to make more informed and appropriate decisions.

The Duval County School District can improve its operations by providing adequate technological and computer support for student transportation functions and operations. The district has computerized management information systems to manage and analyze data for student transportation, including bus routing. Student information is managed using a district-wide informational database. However, to meet best practice standards, the district needs to address two issues. First, these multiple systems are not integrated with one another. Lack of integration results in the following weaknesses:

- Changes and additions to student address data are not reflected in the routing system in a timely manner;
- Information on routes and schedules is not available on the Internet;
- Students are not assigned to routes or bus numbers, which results in manual data collection for reporting FEEP data;
- Separate databases are maintained for driver certification/fleet management, invoicing, and route information. Separate databases result in an excessive exchange of paper forms and emails between the transportation department and the contractors;
- The process to verify, analyze, and compile management data from each system is a labor-intensive process; and
- Incident tracking, including accident reporting, is not systematically linked to the driver certification/fleet management database.

The district should provide the transportation department the appropriate technological and computer support to take full advantage of the school bus routing software. The routing software was used in 2001 to generate route mileage to establish service levels in terms of route miles for the procurement of contractors to provide student transportation. Contractors for student transportation are paid for each mile operated to transport students. The routing software is the most important tool for the transportation department to reduce route miles. However, the software has not been used to its fullest potential. The digitized map of Duval County with its required attribute data needs to be completed and made operationally accurate so that the transportation department can rely on its content. In addition, geographic information systems (GIS) integrity issues should be resolved (i.e., accurate topography). Further, impedances (average traffic speed, one-way streets) need to be created for bus-route optimization and the transportation department needs an automatic interface with the student information management system (the student information management database and the Student Data Warehouse). The benefits of taking full advantage of the automated routing software include:

- An effective method of analyzing student demographics and locations to help plan transportation services;
- Assignment of students to stops and routes after determining eligibility to ride the bus;
- Cost analysis of transportation programs, such as ESE and magnet programs;
- Cost analysis to evaluate the impact of changes in district policy or operating parameters;
- Information for school administrators and the public that can be displayed and queried by an Internet browser; and
- Custom reports and thematic maps.

The transportation department should work with the department for pupil accounting to use the same base map, projections, and GIS layers. By integrating school bus routing software and the pupil accounting GIS database, the district could obtain benefits such as student enrollment projections, boundary planning, ESE and magnet program site planning, new school site selection, and display of geographic data for research and evaluation of projects. Currently, the two departments work independently. When new boundaries are developed by pupil accounting, the transportation department has to redraw boundaries to create a GIS layer for the bus routing software.

In addition to automating the tracking and maintenance of routing data, the routing software has the capacity to track accidents, maintain driver records, and manage the fleet inventory. However, the system is not used for these functions. The routing software requires customization. The transportation department has defined work that needs to be completed to optimize the routing software functions. The steps are outlined in the document titled *School Bus Transportation Technology Project*. This plan was created in November 2001. Some of the plan's recommendations have been implemented, but most have not.

The district should prioritize the elements of the School Bus Transportation Technology Project and implement the enhancements that will return the greatest financial benefit to the school district. If possible, the district should implement these technological improvements using existing in-house resources. However, if the district determines that it cannot effectively implement the enhancements in-house, it may choose to contract with a third-party to obtain the services it needs. Action Plan 9-9 identifies the steps needed to implement the recommendation.

Action Plan 9-9

We recommend the district implement improvements in technology and computer support for student transportation that will save operating costs by reducing miles operated.

Action Needed	Step 1:	The general director of transportation and the technology coordinator meet with the information technology department to plan for implementation of the School Bus Transportation Technology Project.
	Step 2:	The technology coordinator prepares a cost benefit analysis that demonstrates which technological investments can return the cost savings for improved routing and scheduling identified in Action Plan 9-1.
Who Is Responsible	General director of transportation, chief information officer	
Time Frame	May 2004	

Second, management information available for the white fleet does not include cost analyses or trend reports. The Duval County School District uses its automated financial accounting system to gather and record data on maintenance costs, performance, and operations of district white fleet vehicles to assist management in making appropriate decisions. However, cost analyses are limited to the individual efforts of the fleet coordinator. District employees are not fully using the capabilities of the financial accounting system for fleet management reports. For example, district employees cannot produce certain financial reports or an inventory of the fleet using the financial accounting system. The district should provide training for the white fleet coordinator (and employee positions needed to be filled) on the use of the automated financial accounting system to produce management reports and trend analyses on the costs of vehicle maintenance for the white fleet. Action Plan 9-10 describes the steps needed to improve training for white fleet personnel.

Action Plan 9-10

We recommend the district provide training for employees to optimize the use of the financial accounting system as a vehicle management reporting system for the white fleet.

Action Needed	Step 1:	Information Technology personnel schedule training for the financial accounting system for the white fleet coordinator and supporting personnel.
	Step 2:	The white fleet coordinator begins using the financial accounting system to produce management reports and trends analysis for the costs of vehicle maintenance for the white fleet.
Who Is Responsible	White fleet coordinator, chief information officer	
Time Frame	September 2004	

Best Practice 18: Not Using

The district does not monitor the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.

Like most other organizations, school districts must make difficult decisions during the budget process to control expenses and maximize funds available to support their primary mission, educating students. Exceeding these budgets may require the district to reduce funds to the classroom, forgo other needs, or dip into reserves to meet unanticipated expenses. Thus, transportation management must monitor operations and control costs to ensure that budgets are not exceeded. Budget categories need to be sufficiently detailed to be useful to transportation managers. Wide variance between actual expenditures and budgeted expenditures indicates problems in either deriving accurate budgeted expenditure figures or controlling actual expenditures. In either case, transportation management can prevent budgeting problems through analysis of expenditures and comparing those expenditures to budgeted items. Such analyses will help alert transportation management to unexpected patterns of expenditures as well as identify opportunities to increase the efficiency and effectiveness of operations.

The Duval County School District monitors the fiscal condition of student transportation functions by analyzing expenditures and reviewing them against the budget. Transportation department employees use

the automated financial accounting system to produce regular financial reports that are used to monitor expenditures for various budget categories.¹⁶ In Fiscal Year 2001-02, the transportation department budget was \$39,137,124 compared to its actual expenses of \$38,924,699, for an unexpended budget balance of \$212,425.

However, the Duval County School District is not using this best practice because it does not have sufficient oversight of its white fleet to ensure district vehicles are being operated and maintained in the most cost-efficient manner. The district does not adopt a single budget for white fleet purchases and vehicle maintenance. Each functional area (user department) is responsible for budgeting repair expenses, fuel expenses, and vehicle purchases and for monitoring these expenses. Using the financial accounting system, the white fleet coordinator can report total cost of white fleet vehicle maintenance, cost by functional area, and average cost per work order. However, the management information available does not include cost analyses or trend reports. Analyses are limited to the independent efforts of the fleet coordinator and individuals in user departments.

The district could improve financial management for the white fleet. The district should develop budget and financial management reports for the white fleet that include appropriate categories by which expenditures may be usefully tracked for the district as a whole and for each user department. The white fleet coordinator should document a systematic review of expenditures against the budget for expense categories for the district total and by user department. Administrators in user departments should be notified of cost-control issues raised during such reviews and what actions must be taken, by whom, and when. A monthly report on budget versus actual expenses for white fleet repairs, fuel purchases, and vehicle purchases should be reported to district administrators. An annual report comparing actual expenditures to the budget and to the previous year should be provided to the school board.

The steps to develop budget and financial management reports for the white fleet are listed in Action Plan 9-11. No savings could be estimated because the consolidated services department was unable to provide current cost numbers.

Action Plan 9-11

We recommend the district develop a budget and financial management reports for the white fleet for the district and for each functional area.

Action Needed	<p>Step 1: The budget department should work with the consolidated services department director to develop budget and financial management reports for the white fleet that include appropriate categories by which expenditures may be usefully tracked for the district total and also for each user department.</p> <p>Step 2: The white fleet coordinator should document a systematic review of expenditures against the budget for expense categories for the total district and by user department.</p> <p>Step 3: Administrators in user departments should be notified of cost control issues raised during such reviews and what actions must be taken, by whom, and when.</p> <p>Step 4: The white fleet coordinator should produce a monthly report on budget versus actual expenses for white fleet repairs, fuel purchases, and vehicle purchases. The report should be provided to district administrators. An annual report comparing actual expenditures to the budget and to the previous-year expenses should be provided to the school board.</p>
Who Is Responsible	Budget director, director of consolidated services
Time Frame	October 2004

¹⁶ Financial reports contain information for such expenses as salaries and benefits, transportation purchases, supplies, capital purchases (not school buses), gasoline (for the white fleet assigned to the transportation department), and other expenses (dues and miscellaneous expenses for district employees). Salaries are detailed for administration, support, and part-time support. Transportation purchases are further broken down for the following expense categories: contractor related cost for home-to-school transportation; contractor-related cost for activity trips and field trips; fuel purchases for student transportation; repair costs for white fleet assigned to the transportation department; and communications costs for cell phones for district personnel.

Best Practice 19: Using

The district has reviewed the prospect for privatizing transportation functions, as a whole or in part. However, the district should regularly assess its operations to identify efficiencies resulting from the transition to fewer, larger contractors.

To be good custodians of public resources, school districts should evaluate the efficiency and effectiveness of their operations continually, which includes examining the benefits of alternative service delivery methods, to reduce costs and maximize funds available for classroom instruction, and/or to improve performance. Certain administrative and support functions, including transportation, are more easily privatized due to the limited scope of operations and availability of private providers. Therefore, school districts should conduct periodic analyses to determine if they would benefit from privatization of certain aspects of their transportation systems. Privatizing specialized functions such as rebuilding bus transmissions can save districts money by avoiding the need to buy and maintain equipment and skills for a job that will be used only a few times a year. In some cases, districts have privatized their entire transportation operation and achieved cost savings. However, these steps need to be taken only after “make or buy” analyses are done to ensure that the move will produce real benefits. To conduct these analyses, districts need to identify their unit costs, both direct and indirect, of providing services (such as oil changes, paint and body work, and engine rebuilds) so that they can compare these costs to the prices charged by private vendors.

The Duval County School District has privatized two important transportation functions. First, student transportation is contracted to three private providers. As discussed earlier, the district made a significant change in business practice for student transportation in 2001 by reducing the number of school bus contractors from 110 (in 2001) to four (as of October 2002, one contractor purchased a second contractor, reducing the number of student transportation contractors to three).¹⁷ The decision to reduce the number of bus contractors was largely driven by recommendations of the Transportation Advisory Committee formed by the district to identify options for improving efficiency and cost effectiveness of student transportation. The committee identified many issues with the contracting arrangement that existed at that time, including:

- Safety—Student discipline problems distracted drivers;
- Routing inefficiencies—Contractor lots were not always close to the bus routes, resulting in high deadhead miles;
- Fuel costs—Individual bus contractors purchased fuel at retail prices; and
- Fleet age—Bus contractors ran buses 12 years, and no incentives were in place to reduce fleet age to a 10 year life cycle.

Duval County School District officials anticipated cost reductions associated with the reduction in the number of private contractors for student transportation. However, the school district did not set benchmarks for expected cost reductions. Exhibit 9-15 demonstrates the change in Duval County School District costs before and after the change in business practice. Total transportation operating expenses decreased less than 1%. The average cost per student rider increased 1.5% because the number of student riders decreased 2%. The average cost per bus in daily service did not change. Before the change in business practice, each contractor was paid for vehicle miles operated. Under the new business model, the contractor is paid only for miles on routes (excluding deadhead). Accordingly, the total number of miles reported decreased 49% and the cost per route mile increased 98% (a proportional relationship because approximately the same cost is now divided by half the number of miles, so the cost per mile approximately doubles). All in all, the costs for student transportation for the Duval County School District are approximately the same for 2000-01 before the change in business practice and 2001-02 after the change in business practice to contract with fewer providers.

¹⁷ The number of contractors was 119 in 1999, 110 in 2001, and 109 at the time the transition to the business practice was implemented.

Exhibit 9-15**Costs for Student Transportation for the Duval County School District
Are Approximately the Same for 2000-01 and 2001-02**

Category	2000-01	2001-02	Percentage Change
Student Enrollment	125,832	126,919	0.9%
Number of School Centers	153	152	-0.7%
Student Riders	52,768	51,693	-2.0%
Buses in Daily Service ¹	928	923	-0.5%
Transportation Operating Expenses	\$39,127,921	\$38,924,699	-0.5%
<hr/>			
Total Route Vehicle Miles (with Deadhead)	19,352,648	n/a	
Total Route Miles (excluding Deadhead)	n/a	9,572,153	-50.5%
Field Trips	891,712	625,431	-29.9%
Total Miles Reported	20,244,360	10,197,584	-49.6%
<hr/>			
Cost per Vehicle Mile	\$1.93	n/a	
Cost per Route Mile	n/a	\$3.82	97.5%
Cost per Student Rider	\$742	\$753	1.5%
Cost per Bus in Daily Service	\$42,164	\$42,172	0.0%

¹ According to the Duval County School District transportation department, buses in daily service reported in Quality Links include charter school buses, but references to expenditures and mileage do not include charter school data. The Duval County School District transportation department is not responsible for charter school transportation. The transportation department was responsible for 919 daily routes in 2000-01 and 911 daily routes at the end of the year in 2001-02, a 0.9% reduction in daily routes.

Source: Data reported by Duval County School District to Florida Department of Education for *Q-Links: Florida District Transportation Profiles*; analysis by McConnell Jones Lanier & Murphy LLP.

Since 2001, the school board has approved significant changes to the initial contracts. In 2002, First Student purchased West Jacksonville Bus Service, LLC. The Duval County School Board approved assignment of the contract for the Westside geographic service area to First Student in October 2002. The option to extend the term of the contract for the Westside geographic service area to five years was also approved. In addition, student transportation is contracted on the basis of a unit cost per revenue mile. On February 28, 2003, the Duval County School Board approved a proposal to raise the rate paid per mile for F.L. Gelaro from \$3.04 to \$3.60 through May 2003 to help the troubled contractor stay in business.¹⁸ The total value of the rate increase is estimated to be \$359,000.

However, the Duval County School District has not conducted any cost savings analyses since 2001 when it transitioned to using fewer, larger contractors to provide student transportation services. Such analyses would be important for determining if the change in business practice has reduced district transportation costs. It is also critical that the district regularly assess the efficiency of its student transportation operation so that it can continue to justify its privatized approach.

¹⁸ The small local contractor was awarded a price per mile well below competitors and well below their bid price of \$3.66. In actual practice, the company owners are struggling to maintain financial viability.

We recommend the Duval County School District regularly assess its operations to identify efficiencies resulting from transitioning to fewer, larger contractors to provide student transportation services. Further, the district should start to develop a strategic plan for the next procurement as soon as possible. In developing the plan, the district should consider the following questions: Should the district extend the existing contracts to five years? When the contract is re-competed, should the district continue to pursue multiple vendors to provide transportation services or limit service provision to one or two vendors? Should the new contract be bid on a per mile basis again? What are the strengths and weaknesses of the existing contract? Should the district build some internal operating capacity on a small scale that might be extended in the future?

The school district began to privatize vehicle maintenance for the white fleet in 1997. Prior to 1997, the Fleet Management Division under the City of Jacksonville's Administration and Finance Department maintained district vehicles, as required by law.¹⁹ The district gradually began to change the way it maintained the white fleet as a result of a consultant assessment of the quality and cost of maintenance services provided by the city garage. The consultant determined that the district was overpaying the city for the quality of services it received and recommended that Duval County School District establish its own fleet management section and hire a fleet coordinator to be located at the city garage to oversee the quality, timeliness, and cost-effectiveness of its maintenance operations. In 1996, the district's fleet coordinator documented the experience gained from conducting on-site inspections of city vehicle maintenance work and reported that while some improvements were made, the city was still not providing quality services for the price the school district paid for vehicle maintenance. The fleet coordinator recommended to school district officials that all vehicle transactions flow through the fleet coordinator to ensure the most efficient use of the district's resources. District administrators and the fleet coordinator said that the results of the fleet coordinator's assessment led to a gradual process to privatize all white fleet vehicle maintenance to improve quality control, reduce vehicle downtime, and improve cost-effectiveness. In 2001, the district completed the process to outsource white fleet vehicle maintenance to private vendors.

However, the district does not periodically review the costs of its privatized white fleet maintenance program relative to the cost of obtaining these services through the City of Jacksonville's Fleet Management Division. The district has no recent documented evidence to indicate that vehicle maintenance services offered through the City of Jacksonville's Fleet Management Division are more or less costly than the private vendors it uses. In addition, the district no longer uses the city's Fleet Management Division as a resource for white fleet vehicle maintenance. As a result, the district cannot ensure that the services it obtains from private vendors are more cost efficient than what the city can offer.

To ensure the district has a basis for its decision to divert vehicle maintenance services from the City of Jacksonville's Fleet Management Division to private vendors, it should periodically review the relative costs of each service delivery method.

¹⁹ Section 13.09, *Charter Laws of the City of Jacksonville*, requires the Duval County School Board to use the internal services of the city. Chapter 24, *Ordinance Code of the City of Jacksonville*, states that the Fleet Management Division shall be responsible for the overall management of motor vehicle service operations of the Consolidated Government and development and implementation of policies and procedures for motor vehicles and related equipment used by the Consolidated Government.

We recommend the district periodically review the costs of obtaining white fleet maintenance services through private vendors and the City of Jacksonville's Fleet Management Division. Using benchmarks for cost of service, turnaround time, and warranty guarantees, the district could determine if the city can provide maintenance services at costs and standards that meet or are better than the private sector. If the city can provide better quality and more cost-efficient services, the district should allow the city to perform vehicle maintenance on some or all of its white fleet, depending on the volume of work the city can reasonably handle.

The district also does not have written guidelines or procedures for selecting vendors for white fleet vehicle maintenance. The identification and selection of vendors is the decision of the fleet coordinator. The fleet coordinator selects the vendor for vehicle maintenance based on his experience and expertise. The fleet coordinator uses many criteria in selecting a vendor for a particular repair, including, but not limited to, location for convenience, service qualification for a particular manufacturer, eligibility for warranty, experience with a particular vehicle, skills of mechanic workforce, price, history of quality performance and timeliness, and personal confidence in the vendor's fleet manager. The fleet coordinator told the review team he does not track the amount the district spends per vendor over a period of time to balance distribution of purchasing power. The district provided data on purchase orders for each of the vendors providing vehicle maintenance services during the 2002-03 school year to date. (See Exhibit 9-16.)

Exhibit 9-16

Purchase Orders for Private Vendors Providing White Fleet Maintenance Services in 2002-03

Vendor	Amount
Tubels Jamnes Goodyear	\$ 61,053.64
Nimnicht Chevrolet	51,843.20
The Lube Company	49,039.48
Nichols Truck	41,918.67
Tubels Goodyear Main Street	40,140.78
Mike Davidson Ford	36,840.71
Industrial Tractor	26,060.56
Goodyear Philips	24,891.35
Crest Chevrolet	15,463.18
Duval Ford	14,056.83
Nimnicht Pontiac	13,386.67
Superior Tractors	12,689.61
T.M. Trailer Company	11,765.00
Arlington Wrecker Services	6,613.45
Unknown	550.00
Total	\$406,313.13

Note: Figures reported are as of February 14, 2003.

Source: Duval County School District.

The district should prepare an annual solicitation for the competitive procurement of vendors who are qualified to provide white fleet vehicle maintenance. Each vendor should be required to provide a price list and qualifications for specific vehicle manufacturers and vehicle models. The price list should remain firm for one-year. The district should authorize only qualified vendors as a resource for the coming year. The fleet coordinator can then select a qualified vendor who can offer the service required. The first offer should be extended to the lowest-price vendor that is qualified for the vehicle manufacturer and model and available to provide the service. If the vendor is not available to perform the service in the time

required, the fleet coordinator should go to the next higher-priced vendor. The financial accounting system should be used to produce regular reports on the number of work orders and value awarded by vendor for the previous month and the year to date. The fleet coordinator and the director of consolidated services should review the vendor reports to ensure a balanced distribution of purchasing power among qualified vendors.

We recommend the district prepare an annual solicitation for competitive procurement of vendors who are qualified to provide white fleet vehicle maintenance. This would require it to annually to develop specifications for the competitive procurement of vendors who are qualified to provide white fleet maintenance. The district should select vendors annually based on the competitive procurement process.

Best Practice 20: Not Using

The district has not established an accountability system for transportation, and does not regularly track and make public reports on its performance in comparison with established benchmarks.

Like other publicly funded entities, a school district should be held accountable to parents and other taxpayers for the performance and cost of its major programs and support services, including transportation. To accomplish this, each school district should have a system that allows managers at both the district and program level to evaluate performance and make informed decisions regarding the use of limited resources. In addition, school transportation departments need to be able to demonstrate to district management, school boards, and the public that they are good stewards of the public's funds and are constantly striving to improve. This is done by establishing measures, goals, and benchmarks, and by comparing internal performance to other school districts. Districts should monitor some performance measures on a regular, short-term (for example, monthly) basis such as the number of bus breakdowns, driver/technician absenteeism, complaints received (for example, buses not being on time and students not picked up), vehicle maintenance (oil changes, inspections not conducted, and so on) delays, and overtime paid. Districts should monitor other performance measures on an annual basis, such as the percentage of courtesy students served, annual operational cost per student, vehicle breakdowns per 100,000 miles, the percentage of buses that are spare buses, accidents per million miles, and the percentage of students delivered within established ride-time standards. The district should compare its performance to those of peer districts, as well as against established benchmarks. Transportation department performance should be reported on a regular basis to the district superintendent, school board, and the public.

The Duval County School District is not using this best practice because it has not established an accountability system for student transportation or white fleet vehicle maintenance, does not regularly track and compare transportation performance to established benchmarks, and does not issue public reports that provide information on how well the district's transportation operations are doing. Key elements of an accountability system include measurable goals and objectives, performance indicators or measures used to gauge performance, and benchmarks or standards against which performance will be assessed. The Duval County School District has not developed these accountability system components for transportation functions.²⁰ Given that the district has privatized the student transportation and white fleet vehicle maintenance functions, a system in which to measure the performance of its contractors is especially critical. Having such a system in place would ensure that the district is accountable for the level of service and expenditure of funds. Examples of performance measures for the student transportation are presented in Exhibit 9-17.

²⁰ The district identified five priorities in its *Aim High Strategic Plan*, (1) safe schools, (2) academic performance, (3) accountability, (4) learning communities, and (5) high-performance management teams. The strategic plan does not define measurable goals and objectives for the district's transportation functions.

Exhibit 9-17**Example Performance Measures for Student Transportation**

Category	Example Performance Measures
Productivity	<ul style="list-style-type: none"> Student riders per mile Capacity utilization per bus trip and bus route
Cost	<ul style="list-style-type: none"> Fully allocated average cost per bus route Fully allocated average cost per route mile Fully allocated average cost per student rider Percent state funding
Safety	<ul style="list-style-type: none"> Accidents per 100,000 miles of service Student discipline incidents per 100,000 students transported Hours of in-service training for each driver Hours of training for student discipline management for each driver Hours of training for the special needs of ESE students for each driver and attendant
Service Quality	<ul style="list-style-type: none"> On-time performance Percent of students with ride time above goal for maximum ride time Average bus occupancy per bus trip and bus route Number of regular routes cancelled due to lack of drivers Driver turnover and absentee rates
Personnel	<ul style="list-style-type: none"> Number of route driver positions vacant Number of attendant positions vacant Absentee rate for route drivers and attendants Number of available relief drivers Annual turnover rate for drivers and attendants
Customer Satisfaction	<ul style="list-style-type: none"> Annual user survey of parents, school administrators Comments received per route Response time per comment
Vehicle Maintenance	<ul style="list-style-type: none"> Percent of preventative maintenance inspections completed on time Percent of 20-day maintenance inspections meeting DOE minimum standards Route miles between in-service breakdowns Reported incidents of air-conditioning failure on ESE buses

Source: McConnell Jones Lanier & Murphy LLP.

Without an accountability system, district officials have limited meaningful information available to make informed decisions. Performance data should be compiled into regular management reports, such as an annual report card to show how well the transportation function is performing. Such reports could be used to demonstrate the benefits of the district's transportation functions. The steps required to implement an accountability system for student transportation are listed in Action Plan 9-12.

Action Plan 9-12

We recommend the district establish appropriate performance and cost-effectiveness measures and benchmarks for student transportation and provide an annual report card on all selected measures.

Action Needed	Step 1:	The general director of transportation, operations supervisor, and business supervisor work together to develop appropriate cost-efficiency and service-quality measures for student transportation. If necessary, the supervisors contact peer districts to research examples of cost-efficiency and service quality performance measures.
	Step 2:	The operations and business services supervisors develop performance reports on a quarterly basis tracking the selected measures. The supervisors submit the quarterly reports to the general director of transportation.
	Step 3:	The general director of transportation compiles an annual report and submits the report to the school board.
Who Is Responsible	General director of transportation	
Time Frame	March 2004	

The Duval County School District began a gradual process to privatize all white fleet vehicle maintenance in 1997. The transition was completed about two years ago. The goals of the privatized approach were to improve quality control, reduce vehicle downtime, and improve cost-effectiveness. Anecdotal reports from district employees to the review team reflect a general opinion that white fleet vehicle maintenance by private vendors is reliable and effective.

However, to meet best practice standards, accountability for white fleet vehicle management needs to be improved. The district has not identified measurable objectives, appropriate measures, or performance standards to determine if the intended goals of a privatized white fleet vehicle maintenance program are being achieved. The district's current objectives for fleet management are:

- To provide safe vehicles;
- To provide reliable vehicles;
- To provide timely repairs; and
- To provide quality repairs.

In addition, the district has not identified appropriate performance measures or standards for each of these objectives. For example, a current measure for timely repairs is "1,779 vendor invoices reviewed in 2000-01." A measure for quality repairs is "22.7 percent reduction in average cost of a vendor work order from 1999-2000 to 2000-01." Neither of these measures is appropriate for the stated objectives.

Further, the consolidated services department should produce regular management reports to periodically assess performance of the white fleet management function. District personnel responsible for white fleet management have not provided district administrators and the school board an annual "report card" that shows actual performance since the change in business practice to privatize white fleet vehicle maintenance.

To improve accountability for the white fleet, the district should establish measurable objectives and appropriate performance measures for key indicators of white fleet vehicle maintenance cost efficiency and service quality. This data should be contained in an annual report on actual performance for all selected measures in comparison with the previous year. Action Plan 9-13 specifies the steps the district should take to implement this recommendation.

Action Plan 9-13

We recommend the district establish appropriate objectives, performance measures, and benchmarks of cost efficiency and service quality for white fleet vehicle maintenance and provide an annual report card on all selected measures.

Action Needed	<p>Step 1: The consolidated services department director and white fleet coordinator work together to develop appropriate cost-efficiency and service-quality objectives, measures, and benchmarks for white fleet maintenance. If necessary, the white fleet coordinator contacts peer districts to research examples of cost-efficiency and service-quality objectives, performance measures, and benchmarks.</p> <p>Step 2: The white fleet coordinator develops performance reports on a quarterly basis tracking the selected measures. The white fleet coordinator submits the quarterly reports to the consolidated services department director.</p> <p>Step 3: The consolidated services department director compiles an annual report and submits the report to the school board.</p>
Who Is Responsible	Director of consolidated services
Time Frame	September 2004

10 Food Service Operations

Summary

The Duval County School District is using 6 of the 11 Food Service Operations Best Practices. In 1990, the district outsourced the management of its food service program to a private food service management company.¹ The private contractor has served as the district's food service management contractor for the past 12 years. The food service program (district and the management contractor) operate with program plans and budgets, conduct systematic training, inspect and evaluate its operational components, effectively manage program costs, and use stakeholder feedback to enhance its program. To begin using the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should position itself to have increased authority, involvement, and oversight of the food service program and the management contractor. This involvement includes the district's regular, continuing oversight and supervision of the food service program and participation in the development and implementation of plans, budgets, policies and procedures, performance and cost-efficiency measures, cost-saving and revenue-generating opportunities, management reports, formal program inspection and evaluation systems, and customer feedback mechanisms. The district needs to submit and receive federal reimbursement claims in a timely manner, while establishing a sound methodology and equitable practices for charging direct and non-direct costs to the food service program. Formal plans, policies, procedures, systems, and processes should be established to aid in management decision making.



As seen in Exhibit 10-1, the district has several opportunities to reduce costs and increase revenues in this area. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these action plans, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

¹ For this chapter and to improve clarity, specific terminology will be used to assist in distinguishing between various entities involved in oversight, management, and actual performance of the food service program. When the term “district” is used, it refers only to school district employees. When the term “contractor” is used, it refers only to private food service contractor. When the term “food service program” or “program” is used, it refers jointly to the entire structure of district staff and contractor staff that oversee or provide food service to students and other authorized customers.

Exhibit 10-1

**Implementing the Recommendations for Food Service Operations
Will Have a Net Five-Year Fiscal Impact of Approximately \$3 Million**

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
5 Ensure timely reimbursement claim submission	\$32,000	\$32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 160,000
6 Expedite transition to contractor workforce	0	0	1,067,476	957,047	861,342	2,885,865
Total	\$32,000	\$32,000	\$1,099,476	\$989,047	\$893,342	\$3,045,865

Background

In 1990, Duval County School District (DCSD) selected a private food service management company to manage its food service program. The United States Department of Agriculture (USDA), the regulatory agency for federally sponsored school food service programs, allows school districts to outsource the management of their food service programs as long as specific USDA requirements are met. According to these requirements, DCSD is to remain responsible for the overall operation of the program by retaining and maintaining direct involvement in the operation of the food service program. In addition, the contractor must offer free, reduced-price, and paid-reimbursable lunches to all eligible children.

Thus, despite the contracting of the food program management function, the board and district management retains certain responsibilities to the citizens and students it services. The federal code, federal grant agreements, and district contracts all include requirements the district must perform to meet these responsibilities. These responsibilities are specifically listed in federal code and, as a minimum, state that the district must:

- Not delegate the preparation of contract documents;
- Retain control of the quality, extent, and nature of the food service, retain signature authority, adhere to the free and reduced-price meal eligibility process, and ensure that USDA-donated foods are fully utilized only for the benefit of the district's nonprofit school food service;
- Monitor the lunch counting and claiming system for each school by on-site reviews and establish internal controls to ensure the accuracy of lunch counts prior to the submission of the monthly claim for reimbursement;
- Maintain all applicable health certifications, ensure that all state and local regulations are met, and establish an advisory board of parents, teachers, and students to assist in menu planning; and
- Maintain program oversight.²

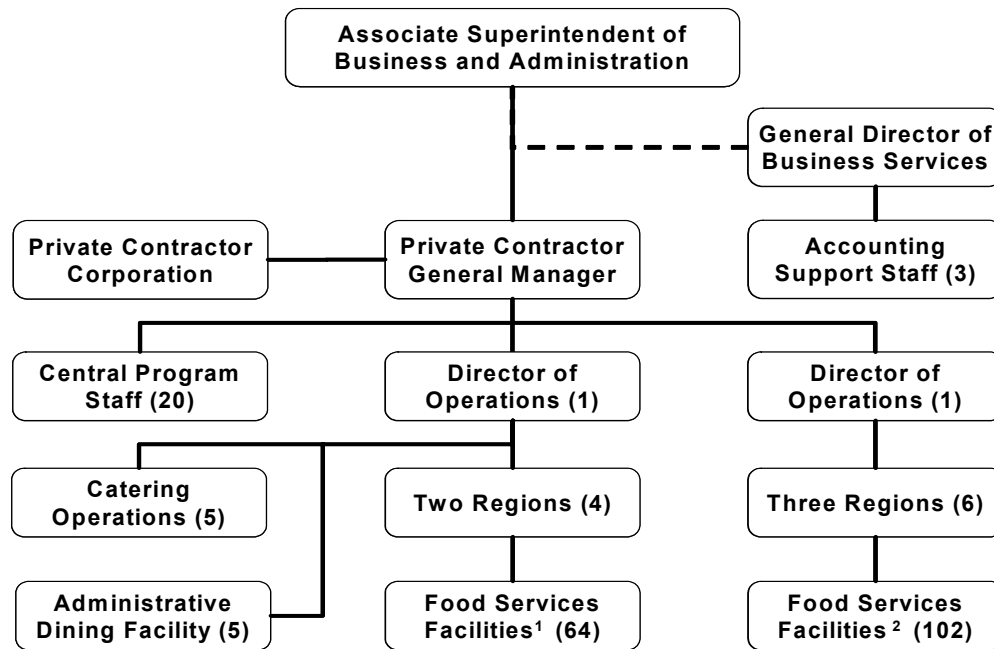
The DCSD food service program prepared approximately 14.2 million meals (excluding meal equivalents for snacks or a la carte sales) during the 2001-02 school year, including approximately 3.6 million breakfasts and 10.6 million lunches. The program provided meal services at 79 conventional kitchens schools, 5 central food production centers, and 69 satellite kitchens. The program employed 607 full-time and 361 part-time food service staff at 160 school locations and the central administration building. The food service budget for the 2001-02 school year was approximately \$39 million.

² 7 CFR, 210.16

Program organization

The program lines of authority are fairly typical for food service programs of this size using a private contractor to manage the food service program. As shown in Exhibit 10-2, the DCSD associate superintendent of business and administration services has the overall responsibility for the oversight and supervision of the food service program and the management contractor.

Exhibit 10-2
Food Service Organizational Chart



¹ Facilities include 36 full cafeterias, 27 satellite cafeterias, and 1 central kitchen.

² Facilities include 43 full cafeterias, 42 satellite cafeterias, and 4 central kitchens.

Source: Duval County School District.

The chart above represents the organizational relationship between key positions within the food service program. The contractor's general manager is responsible for the operations of the district's food service program. This position is responsible to both the associate superintendent of administration and business services and to the contractor's corporate office. The general manager focuses on the business aspects of the food service program and oversees program management and technical support staff. The two directors of operation report to the general manager and provide oversight of catering operations, central food production centers, the dining facility in the district's central administration building, and the 10 regional supervisors who manage the day-to-day operational activities for school-based cafeteria facilities. The general manager also directs the activities of the central office staff that includes a human resource manager, a finance manager, a marketing coordinator, a purchasing manager, an information technology manager, and a communications manager.

A variety of district employees in other departments have specialized roles relevant to the oversight and support of the food service program. For example, the district's food service specialist is responsible for food service accounting activities and reports to the district's general director of business services. District personnel in procurement, technology, human resources, and facilities work closely with food service program personnel in activities that require joint participation and responsibility.

National School Lunch Program participation

The district participates in the National School Lunch Program, National Breakfast Program, and the Snack Program, which are regulated by the United States Department of Agriculture (USDA). These programs assist states through grant-in-aid and other means such as menu design in establishing, maintaining, operating, and expanding school-feeding programs. The purpose of these federal programs is to safeguard the health and well-being of the nation's children as well as to provide and encourage the consumption of nutritious domestic agricultural commodities (USDA-donated foods).

The breakfast and lunch programs are administered through Florida's Department of Education and the Department of Agriculture and Consumer Services. Each school district executes an annual agreement with these state agencies to operate the programs at the local level. The school board and superintendent share local responsibility for program administration within the district.

As a participant in these programs, the district receives monthly federal reimbursement income for the free, reduced, and paid meals it serves. Quarterly, the state also provides required partial matching funds to lunch programs and to supplement breakfast meals. Exhibit 10-3 shows the federal reimbursement rates for the National School Lunch Program for the 2001-02 school year. Based on relative economic need, districts receive a standard reimbursement of either \$0.20 or \$0.22 for each lunch meal served, plus additional monies based on the number of free or partially paid (called "reduced") meals served. Duval County receives the \$0.20 rate. Under the program guidelines, Duval County students pay the full, reduced, or free-meal rate based on individual family economic conditions set by the USDA.

Although somewhat different rules apply, breakfast meals and snacks are similarly funded based on each school's participation rates and the economic need of its students. The state requires that all elementary schools provide a breakfast opportunity to students and supplements some of this cost. DCSD also offers breakfast to its middle and high school students.

Exhibit 10-3

Per Meal USDA Reimbursement Rates and Fees for School Year 200-03

Meal	Federal Assistance	Fees Paid by Student	Program Total Revenue
Elementary Schools—Duval County			
Full price paid			
Breakfast	\$0.22	\$0.75	\$0.97
Lunch	\$0.20	\$1.30	\$1.50 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17 ²
Lunch	\$0.20 + \$1.54	\$0.40	\$2.14 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17 ²
Lunch	\$0.20 + \$1.94	\$0	\$2.14 ¹
Middle and High Schools—Duval County			
Full price paid			
Breakfast	\$0.22	\$0.75	\$0.97
Lunch	\$0.20	\$1.45	\$1.65 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17 ²
Lunch	\$0.20 + \$1.54	\$0.40	\$2.14 ¹
Free			
Breakfast	\$0.22 + \$0.95		\$1.17 ²
Lunch	\$0.20 + \$1.94	\$0	\$2.14 ¹

¹ In addition, the state pays quarterly partial matching funds to the district. For school year 2001-02, this equaled about \$0.03 per lunch served.

² For individual schools classified as "severe need," the federal program provides an additional \$0.23.

Source: United States Department of Agriculture and Florida Department of Education.

As Exhibit 10-4 illustrates, Duval County's food service program account balance increased over the past four years to reach a level in excess of \$9 million at the end of the 2001-02 school year. Typically, for school food programs, participation in the federal National School Lunch Program and cash food sales account for the majority of revenue, while food costs, salaries, and benefits represent the majority of expenditures.

Exhibit 10-4

The Duval County School District Food Service Program Has Increased Its Account Balance to More Than \$9 Million

	Fiscal Year			
	1998-99	1999-00	2000-01	2001-02
Revenue				
Food Sales Revenue				
Federal Meals Program	\$19,396,493	\$17,353,945	\$19,965,399	\$24,007,557
State Supplement	832,414	797,710	961,040	872,489
Meal Sales	6,212,784	15,459,491 ¹	6,659,590	7,014,371
A La Carte Sales	7,729,350	0	7,606,288	7,534,241
Other Food Sales	93,360	871,767	356,649	198,790
Other Revenue				
USDA-donated Food	1,474,026	1,329,142	1,599,167	1,705,384
Interest	240,851	187,888	238,016	138,358
Other Revenue	15,522	26,181	40,667	9,839
Total Revenue	\$35,994,800	\$36,026,124	\$37,426,816	\$41,481,029
Expenditures				
Salaries	11,474,891	12,252,647	12,209,255	12,869,566
Employee Benefits	3,519,814	3,823,194	3,634,777	3,968,849
Purchased Services	2,142,023	2,547,146	2,376,660	2,820,117
Energy Services	617,183	601,201	525,448	613,125
Material and supplies	15,741,713	15,266,859	15,812,264	16,872,264
Capital Outlay	939,367	539,840	764,739	446,043
Other Expenses	295,910	239,249	209,620	1,736,337
Total Expenditures	\$34,730,900	\$35,270,138	\$35,532,762	\$39,326,301
Net Income (Loss) from Operations	1,263,900	755,986	1,894,055	2,154,728
Adjustments to Account Balance²		(1,198,709)	(931,197)	569,220
Net Account Balance	\$6,102,416	\$5,659,694	\$6,622,552	\$9,346,501

¹ Reported total of meals and a la carte for that year.

² See Florida Auditor General Report No. 02-190, Finding #7, pages 90-91. Most adjustments to the account balance in Fiscal Years 1999-2000 and 2000-01 were improper and, as a result of the audit finding, are being corrected in later years.

Source: Duval County School District. Totals may not add due to rounding.

Peer districts used for comparison

To evaluate the Duval County School District food service program, the evaluation team compared the district's food operations in the district to a set of similar, or peer, districts: Broward, Hillsborough, Orange, Palm Beach, and Pinellas. As shown in Exhibit 10-5, the DCSD food service program serves approximately the same number of meals per student as its peers and has a slightly higher ratio of free and reduced-price eligible students.

Exhibit 10-5

General Comparison of Peer Districts, School Year 2001-02

Districts	Reported Student Population ¹	Total Schools in District Serving NSLP Meals	Total NSLP Claimed Meals Served	NSLP Meals Served per Student for the Year	Free and Reduced Eligibility Percentage (Elementary)
Duval	125,151	160	10,602,843	86	54.6%
Broward	256,151	247	23,610,860	92	44.7%
Hillsborough	166,031	212	13,878,009	84	52.9%
Orange	153,944	165	12,068,245	78	45.8%
Palm Beach	157,499	171	10,327,184	66	50.3%
Pinellas	112,569	145	9,824,457	87	44.8%

¹ Unweighted FTE.

Source: Florida Department of Education data sources.

Conclusion and Recommendations

Duval County School District Met Six Food Service Operations Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Planning, Organization, and Staffing	1. The program has developed strategic or operational plans that are consistent with district plans and the program budget, and approved by the district.	Yes	10-8
	2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.	No	10-9
	3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	Yes	10-11
Management	4. Program management has developed comprehensive procedures manuals that are kept current.	No	10-12
	5. The district performs sound cash and account management.	No	10-13
	6. District and program management optimizes its financial opportunities.	Yes	10-15
Performance and Accountability	7. Food service program management has developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and better manage operations.	No	10-18
	8. At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.	Yes	10-20
	9. District and program administrators effectively manage costs of the food service program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.	Yes	10-21
	10. The food service program and district complies with federal, state, and district policy.	No	10-22
	11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	Yes	10-23

PLANNING, ORGANIZING, AND STAFFING

Best Practice 1: Using

The management contractor has developed an annual operational plan and program budget that has been approved by the district. However, the district should collaborate with the contractor in a formal manner to develop more of a long-term program plan that is aligned with the district's strategic plan.

The school district and its food service program should have coordinated, approved plans that give the program a logical direction. These plans should include a mission statement, goals, objectives, and strategies that describe what the program desires to accomplish. However, the extensiveness of such plans may differ by size of the district. For instance, larger districts should have more highly developed, detailed plans for their food service operations, whereas smaller districts may need less extensive, more general plans. Because school districts generally have seemingly unlimited demands for available funds, the food service program budget should be an extension of the district's plan and financial decisions should reflect the program's priority goals and objectives. The budget should also have school-level, detailed forecasts of revenue and expenses. In addition, the food service director should be involved in major capital projects such as kitchen-related design or renovation.

The Duval County School District food service contractor has developed a vision statement and an annual operational plan with quantifiable goals and objectives that support the vision statement and the accomplishment of established goals. The food service contractor prepares an annual budget based on plans, goals, and objectives and is not limited to historical, incremental increases. The food service contractor's technology specialists have collaborated with district technology personnel to integrate automation (data and equipment) opportunities and needs into its plans. The food service contractor has reviewed, modified as needed, and approved kitchen layouts and designs in plans for new schools.

Although the district is using this best practice, the evaluation team identified three ways to improve the program and enhance its operations. First, the program's *2002-03 Strategic Plan* is more reflective of an operational rather than a strategic plan, as it focuses on short-term goals and objectives for the current year only. As a result, this one-year operational plan does not fully align with the district's five-year strategic plan, the program's five-year cash flow budget, or other long-term district planning documents. For example, the district has not integrated automation opportunities and needs of the food service program into its technology plans as well as long-term kitchen facility needs assessment and subsequent capital renovation or construction plans.

Second, the food service contractor has developed an appropriate vision statement so team members share a common, agreed-upon purpose. The vision statement is documented in the program's *2002-03 Strategic Plan* and is posted in the food service central office. However, there was no evidence to indicate that the statement was posted at district cafeterias or communicated to and understood by cafeteria personnel so that all food service employees share a common, agreed-upon purpose.

Third, additional procedural documentation is needed in some areas to improve and clarify coordination between the district and contractor. The contractor's management team prepares an annual budget that is approved by the Duval County School Board. The annual food service program budget is incorporated into the annual amendments to the contract between the Duval County School Board and the contractor. Further, an established district budget development and approval process is followed by the food service program. However, no written procedure documents this budget development and approval process that is specific to the food service program. The district remains responsible for the financial viability of the program, and formal procedures should be created for development, review, and approval of the food service program budget. Also, no written policy exists pertaining to how the district's construction

process works for the renovation of existing kitchens within the district or how contractor management is involved in review and approval. Based on on-site visits to 28 cafeterias, the dining room, kitchen facilities, or equipment at a number of these locations are in serious need of upgrade, renovation, or replacement. More than one-half of all district kitchens remain without air conditioning. Both the district and the contractor are aware of the importance of improved working conditions for the employees and have begun the process. By the end of 2002, air conditioning systems had been installed in two kitchens. However, the large number of installations needed (84), the high capital outlay required (\$3.3 million), and competing needs complicate the completion of this goal. Development of an agreed-upon policy or descriptive statement about approval of food service construction, renovation, and equipment replacement processes should assist and expedite the improvement of the conditions of the facilities and equipment at program cafeterias.

To develop more of a long-term program plan that aligned with the district's strategic plan, we recommend that the district:

- **Collaborate with the food service contractor to develop a food service program strategic plan that covers a longer timeframe (three to five years), aligns with the district's strategic plan, and integrates program plans for corresponding functional areas (for example, budget, technology, facilities, and so on);**
- **Disseminate the food service program's vision statement to all personnel so team members share a common, agreed-upon purpose; and,**
- **Establish formal, written procedures for budget development, kitchen construction and renovation, and equipment replacement to improve the budgeting process and conditions of cafeteria facilities and equipment.**

Best Practice 2: Not Using

The district could be better organized to provide increased involvement and oversight of the food service program and the management contractor.

For the food service program to function well, district management, the food service contractor, the schools' cafeteria managers, and school principals need to balance authority and responsibility. If not closely monitored, this shared responsibility and authority can create barriers to student meal purchases and program success. Food service staffing at both the district- and the school-cafeteria level should balance efficiency and effectiveness. Supervising too few workers is wasteful, but supervising too many can result in a loss of control. Management theorists generally agree that managers should oversee between 3 and 10 employees; more than 10 may be supervised if they are in close proximity to the manager and perform routine or similar duties, such as in a cafeteria. All districts, even those with few employees, should maintain basic organizational charts to help management and employees understand their organizational relationships, explain lines of authority, assign responsibilities, and avoid conflicts.

The Duval County School District food service contractor has established organizational units that minimize administrative layers and food service staffing levels are established at district cafeterias based on Meals per Labor Hour (MPLH) workload measures and program labor costs. The food service contractor's management team has developed organizational relationships designed to allow and promote the food service program to succeed.

However, the district can improve its oversight of the food service program and the management contractor and meet best practice standards by addressing several issues. First, the district has not appropriately positioned itself to have sufficient authority to fulfill its responsibility for the overall supervision and oversight of the food service program and management contractor. Although a contract management company operates the food service program, the district is ultimately responsible and

accountable for the activities and results of the program. The contractor has been given considerable autonomy to operate the district's food service program with limited district oversight.

Second, the *Code of Federal Regulations* mandates that each school food authority (district) shall perform no less than one on-site review of the lunch counting and claiming system employed by each school under its jurisdiction prior to February 1 of each school year.³ The code also mandates that any school food authority that employs a food service management company in the operation of its nonprofit school food service shall monitor the food service operation through periodic on-site visits.⁴ The Florida Auditor General's report to the Duval County School Board for the fiscal year ended June 30, 2001, recommended that "the District enhance its procedures to ensure that on-site reviews of the food service operations are conducted by District personnel as required by Federal regulations." Similar to the recommendation made by Florida's Auditor General, *The 3R's for the Duval County Public Schools* study by the Council of the Great City Schools recommended that the district "appoint a contract compliance person to monitor performance guarantees and perform analyses required to ensure that the cost of outsourcing of Food Services is acceptable to the district." The district has relied on contractor personnel or a district employee supervised and evaluated by the contractor to perform the on-site reviews and contract compliance. The district has no administrative position independent of the contractor with sufficient time and skills to fully provide oversight of the food service contractor or ensure district responsibilities are met.

Third, the Duval County School District food service contractor has developed an organizational chart but it does not accurately reflect the food service program. The charts currently used by the district and the contractor include the positioning of the food service program within the district but not all key district positions that collaborate with the food service program. Also, the food service contractor's organizational chart is limited to management and technical support staff positions at the contractor's central office and does not include line positions located at school cafeterias. In addition, the chart does not reflect the dual-reporting relationship of the contractor's general manager, who reports to both the district's associate superintendent of Administration and Business Services and to the contract management company's management structure.

A review of the food service program organizational structure reveals no existing appropriate position to ensure these district duties are performed in accordance with federal requirements as presented in the background section of this chapter. The size of this district's food service program and the funds involve mandate such a need. By implementing Action Plan 10-1, the district will incur an additional estimated expense of \$80,000 per year, or \$400,000 over five years.⁵ As a minimum, this added position is needed to fulfill already existing district responsibilities and bring the program into full federal compliance.

³ 7 CFR, 210.8(a)(1)

⁴ 7 CFR, 210.16(a)(3)

⁵ Mid-range Director pay in Level 3 DCSB position in 2002-03 is \$62,976. The benefit expense at 31% of pay would result in an annual payroll cost of \$82,500. Assume that qualified candidate can be hired at total annual cost of \$80,000.

Action Plan 10-1

We recommend that a food service contract compliance position with internal audit responsibilities be established and positioned independent of the contractor to provide increased oversight of the food service program, to better serve the needs of the district, and to achieve compliance with federal regulations.

Action Needed	Step 1.	The associate superintendent of administration and district staff work together to develop a job description for a contract compliance administrator position to provide oversight of the food service program and management contractor. Interviews are conducted and an individual is hired for the position.
	Step 2.	The food service program organizational chart is revised to accurately reflect the recommended organizational changes, appropriately positioning the district to have sufficient authority to fulfill its responsibility for the overall operations of the food service program and oversight of the management contractor. This includes corresponding revisions to the contractor's internal auditor's job description.
Who Is Responsible	Associate superintendent of administration and business services	
Time Frame	July 2003	

Best Practice 3: Using

The food service contractor has developed training designed to meet basic program needs as well as to improve food services, both based on a needs assessment.

Training ensures that food service program employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to effectively and efficiently carry out their duties. Thus, food service programs should have a process for identifying and tracking employee-training needs. All food service employees should be required to complete at least a minimum level of sanitation, safety, and food production/handling training. In addition, comprehensive training, though not necessarily required of all employees, should include essential program functions such as food safety; portion control; production control; special diets; inventory; meal count procedures; receiving and storing food and supplies; emergency procedures; and customer service. The food service program should have an annual training plan that addresses routine and special needs. Care should be taken to ensure that all levels of food service employees (managers, assistant managers, interns, and line-production staff) receive the appropriate level of training. The food service program should also have a strategy for addressing cafeteria manager turnover, such as an intern program or an assistant manager program. The sophistication of the training plan, training documentation, and training methods may vary by the size of the district. Very large districts may designate an employee as a trainer, while in small districts, training may be the responsibility of the food service director and cafeteria managers. All districts should be taking advantage of training materials available from the Department of Education (DOE).

The food service contractor for Duval County School District recognizes the contribution training makes to achieve an effective food service program and has developed and implemented a comprehensive, systematic training program. The contractor has developed training designed to meet basic program needs as well as to improve food services, both based on a needs assessment. The contractor's general manager, human resource manager, and supervisors meet annually to identify training topics and select employees to train for promotion. Supervisors offer suggestions for training based on needs observed in the schools. Other components of the needs assessment include accident and incident reports and school audit results.

The contractor's management analyzes and develops comprehensive training plans that periodically include essential functions of the program, such as a training plan to meet the needs of new employees. Each year, prior to a school's opening, all new employees receive orientation and training. Each region

has designated cafeterias that serve as training sites for new employees. The contractor's human resource manager, supervisors, and other managers conduct the training.

MANAGEMENT

Best Practice 4: Not Using

The district has not developed comprehensive procedures manuals that are kept current. The management contractor has developed operational procedures manuals, but a procedures manual for food service central office staff has not been written.

Up-to-date procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner and that the district is in compliance with federal and state laws. In addition, written procedures serve as the program's institutional memory for key processes, and, as such, help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover. To ensure that employees know and use program policy and directives, food service programs should make comprehensive procedures manuals available to all food service managers. The manuals should cover important areas of food service operations and policy. Program management should conduct a scheduled and documented review process to keep manuals current and complete.

The Duval County School District food service program can improve operations and meet best practice standards by addressing two areas. First, as discussed elsewhere in this chapter, the district does not sufficiently oversee the program. The district has not developed a policies and procedures to provide sufficient district-level oversight of the contract-managed food service program. For example, district procedures for activities such as district on-site reviews of cafeteria operations, other contract compliance procedures by district staff, or federal required actions have not been written. The *Food Services Management Agreement* between the Duval County School Board and the private food service contractor is the primary document the district has to oversee and evaluate food service operations at the district-level. District administration and staff have not participated, reviewed, or endorsed the contractor's policies and procedures manual for cafeteria operations. Written procedures to develop, define, and implement district activities and strategies to oversee the food service program and ensure compliance with district, state, and federal regulations should be available and followed by both the district and contractor.

Second, although the food service contractor has developed comprehensive procedures manuals for cafeteria-level operations that are kept current, procedures for central office staff overseen by the contractor have not been developed to cover key areas of responsibility and communicate management intent. A formal procedures manual for central office management and staff positions would aid in training and continuity, and would also serve as a reference should the district ever change contractors or revert to district management. The major areas of responsibility should include area supervision, warehousing, procurement, technology, internal auditing, equipment repair and maintenance, accounting/finance, human resource management, and public relations. Once developed by the contractor, the district should review and coordinate the contents of the central office procedures manual.

Action Plans 10-2 and 10-3 provide the steps needed for the district and contractor to meet the standards of this best practice. Action Plan 10-2 is the policy and procedures manual to be developed by the district to organize how it will appropriately oversee contractor management of the program and fulfill federal requirements. Action Plan 10-3 is the policy and procedures manual that should be developed (and reviewed by the district) for central office staff functions and activities.

Action Plan 10-2

We recommend that a district-level policy and procedures manual be developed for oversight and evaluation of the food service program.

Action Needed	Step 1.	The new contract compliance administrator contacts other large school districts and requests copies of food service program district-level procedures manuals.
	Step 2.	Form a committee of appropriate district and contractor personnel that include the contract compliance administrator to develop a district-level food service program procedures manual.
	Step 3.	Draft a manual and test for three to five months. Have appropriate district staff annotate any edits or details as they perform their duties.
	Step 4.	Publish a final manual in a labeled, tabbed binder to improve identification and ready access to topic areas. Format in a manner so that changes and the latest edition can be readily indicated. Having the most current procedures manual available on the district-only web site could also increase use and improve the updating process.
	Step 5.	Review the manual at least annually for changes.
Who Is Responsible	Contract compliance administrator	
Time Frame	July 2004	

Action Plan 10-3

We recommend that a policy and procedures manual for food service program central office activities be developed.

Action Needed	Step 1.	The contractor's human resource manager contacts peer school districts and requests copies of food service program central office procedures manuals.
	Step 2.	Form a committee of appropriate district and contractor personnel that include the human resource manager to develop a food service central office program procedures manual.
	Step 3.	Draft a manual and test for three to five months. Have appropriate food service central office and district staff annotate any edits or details as they perform their duties.
	Step 4.	Publish a final manual in a labeled, tabbed binder to improve identification and ready access to topic areas. Format in a manner so that changes and the latest edition can be readily indicated. Having the most current procedures manual available on the district-only web site could also increase use and improve the updating process.
	Step 5.	Review the manual at least annually for changes.
Who Is Responsible	Contractor's human resources manager	
Time Frame	September 2004	

Best Practice 5: Not Using

The district currently has adequate cash reserves; however, late submission of reimbursement claims for meals has resulted in lost interest income to the program. Also, indirect cost allocation charges to the program have been inconsistent and inadequately documented.

School districts should run the food service program much like a business, ensuring that it remains in a healthy financial position, pays its share of operating expenses, and maintains a reserve fund balance within legal limitations to protect it from unanticipated emergencies. At a minimum, district management should require the food program to be self-sufficient by paying all appropriate direct and indirect expenses so that it does not drain general revenue dollars from the classroom. Management should also ensure that program account balances, plans, and budgets support future self-sufficiency. Districts of all

sizes should make prompt requests for payment to the federal National School Lunch Program because payments are so substantial they affect cash management and interest income.

The Duval County School District's food service program's unreserved fund balance of more than \$9 million is sufficient to operate the program and is not dependent upon general fund transfers for operations. The program has a five-year cash flow budget in place that meets planned needs and will not require use of general fund monies.

However, the district can meet best practice standards and improve operations and meet best practice standards by improving both timeliness and accuracy of National School Lunch Program claim submissions. The district does not submit and receive federal reimbursement claims in a timely manner during Fiscal Year 2001-02. Based on the analysis of reimbursement claims filed from the 2001-02 school year, the late submission of reimbursement claims resulted in lost interest income to the district of about \$32,000. This loss is based on a conservative 2% estimated annual interest rate and the number of days each month that reimbursement claims were submitted past the 30-day submission deadline. Most districts submit claims well within the 30-day deadline. The current interest rate is unusually low and lost income would have been even more significant at a more typical 7%-8% interest rate. Also, for the fiscal year ending June 30, 2001, Florida's Auditor General reported deficiencies in the district's procedures for reporting the number of meals and snacks served to students. This resulted in a potential excess of federal reimbursement of \$60,532 and potential under-reimbursement of \$132,281 for Fiscal Year 2000-01. Program management needs to improve procedures to ensure accurate meal count data is submitted to the Florida Department of Education.

By implementing Action Plan 10-3 the district should realize an annual increase in interest income of at least \$32,000 per year, or \$160,000 over the next five years.

The district and the program should also develop an equitable plan for charging the program for general account centrally billed expenses and a more systematic, integrated direct and indirect cost allocation plan. The federal indirect cost allocation rate is intended to cover services provided to the program by district general account personnel and accounting staff. Direct charges includes general account funded and centrally billed items such as utilities, janitorial support, trash removal, vehicle and equipment maintenance and parts, procurement, and renovation of facilities. A fair share of costs should be the guide for development of the plan. For example, as part of this plan, if the district intends charging the maximum allowable indirect rate, then the district should reconsider current program payment for three DCSD food service accounting office positions.

Also, we noted that the program's five-year cash flow budget projects a decline in the program fund balance from \$9 million in 2001-02 to \$3 million by 2005-06, resulting in part from estimated fund balance expenditures of more than \$7 million for capital outlay needs planned for the next four years. However, the five-year cash flow budget projects no overall revenue and expenditure increases for 2001-02. Based on historical revenue and expense increases, this projection does not appear accurate. The budget-planning process should take into account the activities projected in the district and food service program strategic plans.

Action Plan 10-4

We recommend the establishment of procedures to ensure that accurate meal counts, program data, and reimbursement claims are submitted within the 30-day deadline to maximize interest income.

Action Needed	Step 1.	District and program management revise procedures so that the program is equitably and consistently charged the proper indirect cost allocation rate and appropriate direct costs.
	Step 2.	The district amends the food service five-year cash flow budget to account for long -term projected activities and estimated increases and decreases in revenues and expenditures
	Step 3.	DCSD general director of business services and DCSD food service specialist evaluate the process of reimbursement claims submission and identify opportunities to ensure timely claim submissions.
	Step 4.	DCSD general director of business services and DCSD food service specialist evaluate the process for data collection for federal meal reimbursement claims and develop procedures to ensure accurate claim submissions.
	Step 5.	DCSD general director of business services and DCSD food service specialist set up a system to monitor and track the timing and accuracy of reimbursement claims each month and take corrective actions when necessary.
Who Is Responsible	General director of business services and food service specialist	
Time Frame	September 2003	

Best Practice 6: Using

District and program management optimizes most of its financial opportunities, but could save significant costs by eliminating all of the remaining district food service personnel. Other opportunities for improvement are in the areas of free and reduced-meal applications, meal and a la carte item pricing, and assessment of the program's core process functions.

If the food service program takes advantage of opportunities to reduce costs and enhance revenues, it can avoid the need to raise meal prices or supplement the food service program with general operating funds that otherwise could be directed to student education. For instance, the program should make optimal use of federally donated foods, which can substantially reduce food costs, and maximize its participation in the National School Lunch and Breakfast Programs to increase federal reimbursement income. In addition, meal prices should be reasonable but sufficient to provide for quality food and service, as well as to enable the program to make needed capital investments and pay employees a fair wage. To respond to changing conditions and control costs, the program should also periodically review core processes, such as warehousing and procurement. These reviews should help the district and program to make informed decisions as to which functions the program should perform and which should be outsourced.

The contractor for the Duval County School District analyzes and aggressively seeks to expand program operations. The program participates in the National School Lunch Program, School Breakfast Program, breakfast in the classroom, Provision 2, after school snack program, DCSD summer food service and a la carte programs, various community-based feeding programs; provides catering services from the Schultz Center; and operates the dining room at the DCSD central administration building.⁶ The food service program takes full advantage of USDA Donated Foods to reduce costs to the program.

⁶ Provision 2 is an option for administering the National School Lunch and School Breakfast Programs under which schools and districts offer free meals to all students, regardless of family income. Provision 2 is intended for schools/districts serving 60% or more free and reduced meals. This provision eliminates significant levels of paperwork and administrative costs. Under Provision 2, all students eat at no cost, regardless of income. Schools collect applications only once every four years to establish base year participation percentages and meals are tracked only by the total number served. Free, reduced-price, and paid categories are not documented. Meals served under Provision 2 must comply with USDA nutritional requirements, meet the Dietary Guidelines for Americans, and comply with federal and state food safety guidelines.

Although the district is using this best practice, there are ways the district could enhance its operations. While these are not required to meet the best practice standard, the district could improve the efficiency of its food service program by:

- accelerating the transition to a privatized food service program,
- improving processing efficiency of free and reduced-meal applications,
- standardizing its methodology for analysis and policy for pricing meals and a la carte items, and
- reviewing and assessing more systematically and frequently how it accomplishes core program functions.

Accelerating Transition To Privatized Food Service Program

The first way the district could improve the efficiency of its food service program by accelerating the transition to a privatized food service program. The district has improved the financial condition of the food service program by contracting management of the program, but additional savings are possible. About 12 years ago, when the district made the decision to use a contract management company to manage the food service program, it also opted to transition its workforce of employees from district employees to contractor employees over time, through attrition.⁷

The district's decision to phase in the privatization of food services may have contributed to the success the district has had privatizing the function, but continuing phasing in the privatization will cost the district millions of dollars over the next five years. As shown in Exhibit 10-6, the district's policy of phasing in the privatization of food service workers cost the program nearly \$1.5 million in Fiscal Year 2002-03.

Exhibit 10-6

The Policy of Attrition to Convert Food Service Employees from District to Contract Employees Cost the Program Nearly \$1.5 million in Fiscal Year 2002-03

Position	Number of Employees	Hours Worked Per Employee	Net Savings Per Hour	Net Cost
Manager	32	1,520	\$12.54	\$ 609,945.60
Lead Worker	34	1,281	2.33	101,480.82
Cook	39	1,267	4.97	245,582.61
Cashier	4	1,260	4.97	25,048.80
Food Service Assistant	93	1,260	4.31	505,045.80
Total ¹	202			\$1,487,103.63

¹ Estimate based on School Year 2002-03 staffing district employees that could be replaced with contract employees at lower rates of pay and benefits.

Source: Duval County School Board.

As we reported in Chapter 6 (Personnel Systems and Benefits, Best Practice 9), one of the main reasons for entering this arrangement with the vendor and the union was to protect the pension benefit rights of the employees under the Florida Retirement System. At the time, the retirement system was a defined benefit system, which provided optimum benefits to an employee who worked in it for their whole career. In 2002, the Florida Legislature modified the Florida Retirement System to create a defined contribution alternative which allows the employee to retain the value of the retirement contributions made on the employee's behalf even though employment is terminated. If the district were to eliminate the remaining

⁷ The Duval County School District has entered into a similar arrangement for phasing in the privatization of its custodial function. For more information about the privatization of custodial services, see Chapter 8 (Maintenance, Best Practice 17).

food service positions, those employees would be eligible to take a lump sum payment from the Florida Retirement System and invest it in an alternate retirement plan. Having access to a defined contribution plan increases the portability of an employee's retirement benefit and reduces the need to retain them on the district's payroll.

In February 2003, about 202 of the original 715 district food service employees remained on the district payroll, for an average attrition rate of about 9.95% per year over the past 12 years. Assuming the same rate of attribution for the next five years, we were able to estimate the number of remaining employees for each year if the district continues the current practice and project the potential cost over that period. Using an attrition rate of 9.95%, we estimated that the district should be able to save about \$2.89 million over the next five years by accelerating the transition to a totally privatized food service program.⁸

Improving Processing for Free and Reduced-Meal Applications

The first way the district could improve the efficiency of its food service program by improving the processing of free and reduced-meal applications. The current process requires individual applications, which increases the number of applications the district processes. Instead of using individual applications, the district could use family applications. Using family applications, as in a number of other districts, would increase efficiencies and could increase student meal participation. Although anticipated reductions in the three FTE positions that handle free- and reduced-meal applications may not occur, increased reimbursement revenue should be generated from increased student participation in the National School Lunch Program and the School Breakfast program. For example, under a revised system, secondary school students who may not bring the applications home to their parents due to a stigma associated with receiving free or reduced-priced meals would automatically become eligible if another sibling in an elementary school brought the application home.

Standardizing Methodology Pricing A la carte Meals Items

The third way the district could improve the efficiency of its food service program is by developing a standard methodology for analysis and policy for pricing meals and a la carte items. The district board, district management, and contractor periodically review meal and a la carte pricing. Due to the profitability of the program and its ability to build a large unreserved fund, lunch prices have remained the same for the past 8 years and have been increased only once in the past 12 years. The food service contractor reviews food costs per meal each meal to ensure appropriate pricing of meals and a la carte items. However, the district has not established a written methodology to establish breakfast or lunch meal prices or the prices of a la carte items. In addition, on-site team observations revealed that a la carte item prices were not posted in some schools.

⁸ In addition to factoring in an attrition rate of 9.95% over the next five years, our calculations assumed that the actual savings from accelerating the transition to a fully privatized food services program would only be effective for the last third, fourth, and fifth years of the next five-year period. For the first of the five-year period, we assumed that the district will be required to notify the bargaining unit that it will eliminate the affected food service positions by the end of the fiscal year. During this notification year, we assumed that the district and the bargaining unit would negotiate a severance package for its employees. Accordingly, the district will continue its current business practices during the notification year and there will be no savings. Our analysis also assumes that the value of the severance packages negotiated for the remaining employees will not exceed the amount of projected savings during the second year. Thus, any potential savings the second year will be used accordingly. However, for years three through five, the district should be able to save about \$2.89 million, as shown below:

Fiscal Year	Remaining Employees	Average Savings Per Employee	Total Annual Savings	Cumulative Savings
2003-04	181	\$ 0 (Notice Year)	\$-	\$-
2004-05	162	0 (Severance payment year)	-	-
2005-06	145	7,362	1,067,476	1,067,476
2006-07	130	7,362	957,047	2,024,523
2007-08	117	7,362	861,342	2,885,865

Reviewing and assessing Core Program Functions

Finally, the district could enhance operations by systematically and periodically reviewing and assessing how it accomplishes core program functions. The district and contractor do not assess the efficiency and effectiveness of the food service core process functions on a scheduled basis. The contractor has independently conducted reviews of specific projects and presents the results of the analysis to district administration. Recent examples include the construction of a central food production facility and cost comparison of maintaining a production center and satellite food service operations or utilizing stand-alone kitchens. The food service program management team also conducts analyses of potential projects such as the development of new dining concepts at high schools. However, systematic, planned assessments of core processes would provide ongoing information on the efficiency and effectiveness of key areas of the food service program such as procurement, warehousing, deliveries, central production, facilities, use of commodity processors, and so on. Assessments would allow for proactive planning to meet both current and future needs rather than reacting to issues as they arise.

To optimize its financial opportunities, we recommend that the district:

- **Accelerate its privatization of food services by eliminating the remainder of its food service employees;**
- **Replace individual applications with family applications as part of the free and reduced-meal eligibility application process; and**
- **Prepare a written methodology and policy for pricing meals and a la carte items, as well as post its a la carte item prices in all school cafeterias.**

PERFORMANCE AND ACCOUNTABILITY

Best Practice 7: Not Using

The food service contractor has developed performance and cost-efficiency measures that provide its management with information to evaluate program performance and better manage operations. However, the district has not developed or participated in the development of program-level performance and cost-efficiency measures to assess the performance of the contractor in managing the food service program.

Like other publicly funded entities, a school district should be held accountable to parents and other taxpayers for the performance and cost of its major programs and support services, such as food services. School districts should have a performance measurement system that allows managers at both the district and program level to evaluate performance and make informed decisions regarding the use of limited resources. A comprehensive set of program measures should include input, output, outcome, and cost-efficiency measures. Districts need to periodically verify that their performance information is reliable by testing its accuracy and assure its validity by assessing whether it is useful. Managers also need to occasionally review performance benchmarks and efficiency standards for appropriateness. The degree of sophistication of the district's performance measurement system may vary with the size of the district; smaller districts may have a less formal reporting system and simpler methodology for development and validation of benchmarks. Typically, food service programs that contract for management services use a performance measure to pay the contract fee. Thus, the district needs to periodically review and ensure the reliability and relevance of this key measure.

The Duval County School District can improve operations by better assessing the contractor's performance. The district has not developed a program-level performance measure that appropriately

assesses the performance of the contractor while managing the food service program for the district. The district could improve its operations by periodically reviewing these measures to ensure the reliability and relevance of data and performance. For example, the method used for payment of the management contract is based on calculating meal equivalents. As shown in Exhibit 10-8, the meal equivalent the district uses varies significantly from industry standards used by most peer districts.⁹ Since the lunch meal is the common denominator, it is the standard most frequently used for comparing all other services. These conversion rates are based on the use of some convenience foods and some preparation to provide the a la carte and breakfast food items. The labor requirements for producing lunch meals generally exceed those for a la carte and breakfast meals.

Exhibit 10-8

The Duval County School District's Meal Equivalents Overstate the Number of Meals Actually Served

Equivalent	Industry meal equivalents	Duval meal equivalents
Lunch	1 lunch meal = 1 meal	1 lunch meal = 1 meal
Breakfast	3 breakfast meals = 1 meal	1 breakfast meal = 1 meal
A la Carte equivalent	\$3.00 in a la carte sales = 1 meal	\$1.35 in a la carte sales = 1 meal

Source: McConnell Jones Lanier & Murphy LLP.

However, also as shown in Exhibit 10-8, as part of the contract with the district, the contractor has established meal equivalent conversions that differ significantly from those more commonly used. The meal equivalent conversion used by the district food service program results in overstating the number of meals served and both student participation percentages and employee productivity. Therefore, since it is not representative of overall effort of the program, it does not fairly represent participation and standard proportional meal type changes occurring in the program. In addition, this measure is a non-standard method of quantification for the industry used "meal equivalency" measure and not comparable with peer districts for analysis.

The district should redefine a meal to correspond with industry guidelines and then renegotiate a new contract management fee based on this new meal equivalent conversion. A formal methodology for developing relevant indicators should be initiated and the district should monitor the indicators and pertinent data from peer districts to ensure reliability and relevance. It is acknowledged that some changes to the current contract may be warranted. However, equitable and zero net payment changes should be possible between the district and contractor. In addition, the district should periodically review and validate performance measures used by the contract management company to ensure reliability of reported program performance.

Action Plan 10-5 provide step the district can take to be using this best practice. The important performance measures are in place, being used, and reported to management. Although the plan addresses only one measure it is key to the district and program. This one performance measure is key since it not only reports program performance, but is also used by the district as a basis for payment to the contractor for management services. This payment should be as proportional and representative of contractor effort and results as possible to ensure the district receive the most value possible from its contract relationship.

⁹ The standards in Exhibit 10-8 are from *Cost Control Manual for School Food Service* by Dorothy Pannell (pp. 4-5 of workbook).

Action Plan 10-5

We recommend that the meal equivalent calculation be revised to reflect industry standards and renegotiate a new contract management fee according to this calculation. We also recommend that the district periodically review this and other performance measures to ensure reliability and relevance and use for comparative purposes with peer districts.

Action Needed	Step 1.	Contract compliance administrator reviews industry standards and the methodology of other school districts for calculating meal equivalents.
	Step 2.	Contract compliance administrator and contractor's general manager agree on meal equivalent calculation for breakfast, lunch, a la carte, and snacks.
	Step 3.	The next Request for Proposal is updated to reflect agreed-upon changes relating to meal equivalent calculation and corresponding fees.
	Step 4.	Contract compliance administrator and contractor stay abreast of changes to meal equivalent calculations of peer districts and industry standards and make changes accordingly.
Who Is Responsible	Contract compliance administrator	
Time Frame	January 2005	

Best Practice 8: Using

The program does, at least annually, inspect and evaluate its operational components and the system as a whole, and then take action to initiate needed change.

School district food service programs should have a system for inspecting individual cafeterias and for evaluating overall program operation to ensure efficiency and compliance with public safety standards. Cafeteria inspections should address, at a minimum, program assets, safety, food preparation, and training. Evaluations of the program should analyze functions such as procurement and accountability. Program managers should use inspection and evaluation results to ensure that corrective actions are taken and to make changes to improve the program. As part of overall operational efficiency and to assist in budgeting and planning, the program should have a long-range equipment replacement plan and preventive maintenance program.

The food service contractor for the Duval County School District analyzes and develops comprehensive training plans that periodically include essential functions of the program. District staff is involved, where appropriate, in the development of this training plan and delivery of programs. The contractor also informs district administration of program performance using performance measures and financial information and makes recommendations for action. Each month, the contractor presents the monthly budget and monthly actual results for four performance indicators to the DCSD associate superintendent of Administration and Business Services. This monthly client letter provides an explanation for favorable or unfavorable variances in monthly performance indicators. The contractor's finance manager communicates daily with the district's Business Services office. Monthly and quarterly operational reports and documentation (profit/loss statement, inventory summary, and catering list) are provided to the food service specialist in DCSD Business Services.

Although it is using the best practice, the district can enhance the food services program in several ways. First, although the contractor has an inspection system to ensure that program policies and procedures are followed, the district has not established sufficient policies and procedures or an adequate inspection system at the district level to ensure the appropriate oversight of the contractor and the food service program. The district's oversight of the contractor is mostly limited to review of district central office financial data and reports submitted by the contractor. District administration and staff have little or no involvement in the development or inspection of the on-site operational components of district cafeterias, including on-site food storage, preparation, inventory, safety and sanitation, and so on. This concern was noted in the most recent Auditor General's report and the Council of Great City Schools study. Although the contractor takes appropriate action to improve operations when indicators of the operational evaluation system warrant, district staff have not been sufficiently involved in the periodic review and

occasional spot checking of performance to recommend or initiate appropriate action to improve operations.

Second, kitchen equipment replacement and preventive maintenance occurs, but on an as-needed basis. The program does not have any formal long-range kitchen equipment replacement or preventive maintenance plan. The contractor has its own maintenance staff and does not rely on district maintenance operations for kitchen equipment repair or maintenance. The food service program has only two maintenance technicians who are qualified to repair the kitchen equipment for the district's 158 cafeteria locations. Program managers often make equipment repair and replacement decisions in response to immediate requests by health department officials or cafeteria managers.

Based on our on-site visits to 28 cafeterias, the dining room and kitchen facilities and equipment at a number of these locations are in serious need of upgrade, renovation, or replacement. A number of cafeteria dining rooms were dreary and unappealing, while equipment was old or even inoperable in some kitchens. More than 80, or more than one-half, of all district kitchens remain without air conditioning, resulting in a very uncomfortable and unhealthy work environment for food service personnel. In our opinion, despite the prevailing cafeteria facilities and equipment needs, the district has shown an inconsistent pattern of capital outlay and inadequate spending on kitchen equipment replacement in the past five years. The program's fund balance of more than \$9 million, coupled with inadequate capital outlay expenses in recent years, indicates that the food service program does not have an appropriate facilities planning process to provide for continuous kitchen equipment replacement as needed. The timely replacement of kitchen equipment should reduce the high repair and maintenance demand now placed on the contractor's two maintenance technicians and should allow for the implementation of an effective preventive maintenance program to further reduce these demands.

Third, although the district seeks to optimize its procurement opportunities, there may be additional opportunities for improvement. The district's purchasing staff is actively involved with the contractor's purchasing manager in the procurement process and assists in the development of product specifications that best match menus and supplier prices. However, despite relatively few bid respondents, the contractor has not made efforts to obtain bids by zone as a means to increase bidders or reduce costs by making volume purchases directly from suppliers.

To improve its inspection and evaluation of its operational components and the system as a whole, and take appropriate corrective action, we recommend that the district:

- **Establish a process to evaluate the food service program's operational components and the system as a whole, and to take action to initiate needed changes.**
- **Formalize and implement a long-range plan and a preventive maintenance program cafeteria facilities and equipment so that facilities are repaired, renovated, upgraded, or replaced in a timelier manner.**
- **Optimize its procurement opportunities by evaluating bids by zone to maximize bidders and by making direct purchases from suppliers.**

Best Practice 9: Using

District and program administrators effectively manage costs of the food service program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.

School district and program administrators should be making informed management decisions based on a goal-driven, performance measurement system that is linked to the district's overall mission and strategic plan. Best practice 7 of this chapter addresses the design, development, and maintenance of a

comprehensive set of performance measures and benchmarks that comprise an accurate, complete, and reliable system of reporting for management to use. This best practice addresses management's use of the performance measurement system through the routine collection, analysis, and reporting of performance information. All food service programs should keep upper management informed with some form of performance reporting and analysis of operations.

The food service contractor for the Duval County School District has a reporting system that provides timely and accurate information to serve its internal purposes. The contractor evaluates staff allocation and makes adjustments as needed, at each school, monthly. Staffing guidelines are used to establish school-level budgeted labor costs. Staggered schedules with part-time cafeteria personnel are used to ensure that staffing is aligned according to business volume to maximize productivity. The contractor's management evaluates food and labor costs on a monthly basis to monitor menu costs, trends, production, and waste for each school site and the program overall. Through the improvements in Action Plan 10-5 make the information used by program management and provided to district leadership more accurate and useful.

The contractor's reporting system serves its internal purposes but this information could be more useful to the district's board, administration, staff, and internal or external reviewers. Most of the contractor's reports include raw data that is not summarized or compared to established performance indicators or peer district benchmarks. The information is very detailed and not compiled in a format that is easily understood or readily useable at district level. The lack of summarization of voluminous data into useable format makes it difficult for the contractor to easily present or discuss this information so that district administration, school board members or external reviewers can readily understand the outputs, outcomes, and measures. For example, food and labor costs are not presented as percentages of revenue, but rather as costs per meal. Yet, as already discussed in this chapter, the definition of a meal is not simple and is subject to redefinition.

The district should work with the contractor to improve its management reporting system. The improvements recommended in Action Plan 10-5 should make the information used by program management and provided to district leadership more accurate and useful.

We recommend that the district collaborate with the contractor to modify the management reporting system to present statistical information in a more usable, understandable, and summarized format; reports should include comparisons of key statistics with peer districts.

Best Practice 10: Not Using

The district does not comply with all federal, state, and district policies for the National School Lunch Program or competitive foods regulations.

To operate safely and efficiently, school districts and food service programs must comply with applicable federal, state, and district policies. Therefore, the district and program should have a systematic process for identifying these policies, performing the activities necessary for compliance, conducting internal periodic inspections to test for compliance, and implementing corrective action when areas of noncompliance are found. Of particular interest are policies pertaining to the pricing of a la carte items and the availability of certain beverages. For example, a la carte items should be priced to promote the purchase of complete meals designed to fulfill nutritional needs of students. Certain beverages, such as carbonated soda, should not be available for one hour before or after meal-serving periods, except in high schools when the board approves such sales.

The Duval County School District can do a better job of ensuring that more of its schools follow competitive food rules. Although the food service program performed satisfactorily on the Department of

Education School Meals Initiative, Department of Education Coordinated Review, and USDA Donated Foods inspection, federal, state, and district competitive food rules are not being followed at some district schools. During on-site visits to a sample of schools in the district, violations of the competitive food rules were noted. For example, contrary to policy and rule, carbonated beverages were sold to high school students throughout the day. Under certain conditions this can be permitted by recent changes to the State Board of Education Rule 6A-7.042(2)(c), *Florida Administrative Code*. However, the Duval County School Board policy on competitive foods, written in 1997, does not incorporate these new options. If the board wishes to exercise recently allowed flexibility, the board needs to specifically pass such policy. Vending machine agreements need to be kept in agreement with current board policy.

Action Plan 10-6

We recommend that DCSD management initiate actions and more systematic oversight to ensure that schools in the district comply with USDA competitive foods regulations.

Action Needed	<p>Step 1. Duval County School Board reconsiders district policies regarding competitive foods, clearly communicates policy to all DCSD school principals, and revises vending machine agreements, as appropriate.</p> <p>Step 2. DCSD food service internal auditor identifies specific schools where competitive foods violations are observed.</p> <p>Step 3. Duval County School Board issues directive to school principals at locations where competitive food rules are violated.</p> <p>Step 4. Internal auditor follows up to ensure Duval County School Board policy has been enforced and cites violations and requests Board directives as appropriate.</p>
Who Is Responsible	Duval County School Board and DCSD Regional Superintendents
Time Frame	August 2004

Best Practice 11: Using

The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed. However, feedback from these activities should be directed to district management for review and coordinated with the contractor.

Like most businesses, to be successful, school district food service programs must be responsive to customers, particularly students, teachers, and other employees. Therefore, food service programs should solicit feedback actively and use it to identify needed improvements, eliminate barriers to student meal participation, and gauge reactions to changes in program operations, promotional campaigns, and service levels. The program can use a variety of mechanisms to obtain this information such as individual cafeteria evaluations, regular customer surveys, suggestion boxes, customer taste tests, and web site access.

The food service contractor for the Duval County School District periodically contacts stakeholders to solicit comments and ideas. Principal surveys, Breakfast in the Classroom surveys, One World Café surveys, elementary student surveys, student nutrition advisory committees, and after school snack program surveys are conducted. The contractor's staff attends PTA meetings, presents information on the program, answers questions, and solicits feedback from those attending. Focus groups have been conducted with principals, teachers, and students to provide feedback regarding the food service program. These efforts led to the development of several programs such as Grill Works Combo and One World Café, and helped define menu offerings. Currently, program management is in the process of a major revision of the high school program that will involve surveys and focus groups with students, teachers, and administrators at several high schools. The contractor has developed a HOTLINE telephone number and email address on bright posters placed in district cafeterias for students, teachers, parents, and the public to use for questions, comments, and suggestions.

Although the district is using this best practice, it could improve its food service operations in a couple of ways. First, the district should provide adequate support to the food service contractor to help identify barriers to student participation or by being proactive in developing methods to overcome barriers. Some of these problems are the result of poor kitchen layout, inadequate equipment, and school policies regarding lunch scheduling. Other barriers to participation at district high schools include inadequate seating capacity in dining room areas and the open campus policies at certain campuses that allow juniors or seniors to leave campus during lunch. Many high schools we observed during on-site visits did not have sufficient seating to handle their current enrollment, considering their lunch period scheduling. Students' not having a place to sit while eating their lunch discourages lunch participation. In addition, it was reported to our team that some principals have made changes in lunch scheduling and other procedures that negatively affect the food service program without adequate input from food service program management.

Second, the district should develop a feedback mechanism to reduce the likelihood that the contractor can filter information. Most feedback from key stakeholders regarding the district's food service program is provided to the contractor, rather than district administration and staff, thus diminishing or interfering with program oversight responsibilities of the district. The few survey items in the district's Climate Control Survey corresponding to cafeteria operations were the only evidence of district involvement in soliciting feedback from key stakeholders with respect to the food service program. All other solicitation and input is gathered, evaluated, and could be potentially filtered by contractor.

To improve services and food quality where needed, we recommend that the district:

- **Collaborate with the contractor in identifying barriers to student participation at district cafeterias and become more proactive in developing methods to overcome these barriers.**
- **Direct information obtained from the HOTLINE, focus groups, advisory boards (parents, teachers, students), and surveys to district management and staff for evaluation, with the district's providing feedback to the contractor in order to coordinate corrective action as needed.**

11

Cost Control Systems

Summary

The Duval County School District is using 17 of the 22 best practices in cost control systems. To use all the best practice standards the district needs to:

- Complete, codify, and distribute all standard operating procedures concurrently with the implementation of the financial system upgrade and adopt a comprehensive fraud policy as a means of communicating its commitment to a highly ethical business environment;
- Adopt a policy requiring that weaknesses in internal control be resolved within a specified time frame;
- Develop a cost/benefit analysis for implementing an internal audit function; contract with a certified public accounting firm to conduct an initial risk assessment of the district's operations and activities, identifying high-risk areas and prioritizing the assignment of these areas; and develop a rating system and abbreviated audit programs to streamline audits of internal funds;
- Develop comprehensive procedures manuals for the purchasing function and review and update procedures periodically; implement a plan for districtwide use of the purchasing card program, and report results of program cost savings to the board quarterly; develop evaluation tools to analyze the overall cost-effectiveness of the Purchasing Department and whether purchasing options are maximized; and reclassify the stock clerk II job title to buyer assistant to provide continuity in the alignment of job titles and responsibilities; and
- Evaluate the warehouse operations to determine the cost-effectiveness of its services and develop performance measures and evaluation tools for periodic evaluation, and compare the warehouse operations with other peer districts to identify potential enhancements to the inventory operations.

Background

The Duval County School District's cost control systems include accounts payable, payroll, general accounting, treasury and debt management, purchasing and inventory control, risk management, budgeting, and internal controls. Cost control functions ensure that vendors and employees are paid accurately and timely; cash and debt are properly managed to meet operating requirements; idle funds are safely invested to maximize returns; quality goods and services are purchased at optimum prices; assets are safeguarded; budgets are prepared to ensure expenditure control; internal controls are established and operating effectively; and all financial activity is properly captured, classified, and reported.

Cost Control Systems

Like other school systems in Florida, the district uses a uniform chart of accounts to classify and report financial activity. A manual entitled, *Financial and Program Cost Accounting and Reporting for Florida Schools*, commonly, and hereafter, referred to as the Redbook, establishes revenue, expenditure, asset, and liability classifications for budgeting and accounting purposes. The district uses fund accounting to define and restrict resources. A fund is a self-balancing group of accounts established to provide separate accountability for assets, liabilities, fund balances, revenues, and expenditures.

In addition to funds, the Redbook establishes function and object codes to classify expenditures in more detail. Functions describe the purpose of expenditures. The Redbook classifies school district expenditures into four broad functions described in Exhibit 11-1.

Exhibit 11-1

Redbook Functional Classifications of Expenditures

Function	Description
Instruction	Activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Instruction is further classified as Basic (K-12), Exceptional, Vocational-Technical, and Adult General. Another subfunction, "Other Instruction," is provided for programs such as recreation and enrichment and pre-kindergarten instruction.
Instructional Support Services	Administrative, technical, and logistical support that facilitates and enhances instruction. Support services include pupil personnel services, instructional media, instruction and curriculum development services, and instructional staff training services.
General Support Services	Activities associated with establishing policies, operating schools and the school system, and providing the necessary facilities and services for the staff and pupils. This includes salaries and expenses for the board, general administration, school administration, facilities acquisition and construction, fiscal services, food services, central services, pupil transportation services, operation of plant, and maintenance of plant.
Community Services	Activities that are not directly related to providing education for pupils in a school system. These include noninstructional services provided by the school system for the community.

Source: Financial and Program Cost Accounting and Reporting for Florida Schools.

In addition, the Redbook establishes eight object classifications that describe the purpose of expenditures. The eight object classifications are:

- Salaries
- Employee Benefits
- Purchased Services
- Energy Services
- Materials and Supplies
- Capital Outlay
- Other Expenses
- Transfers

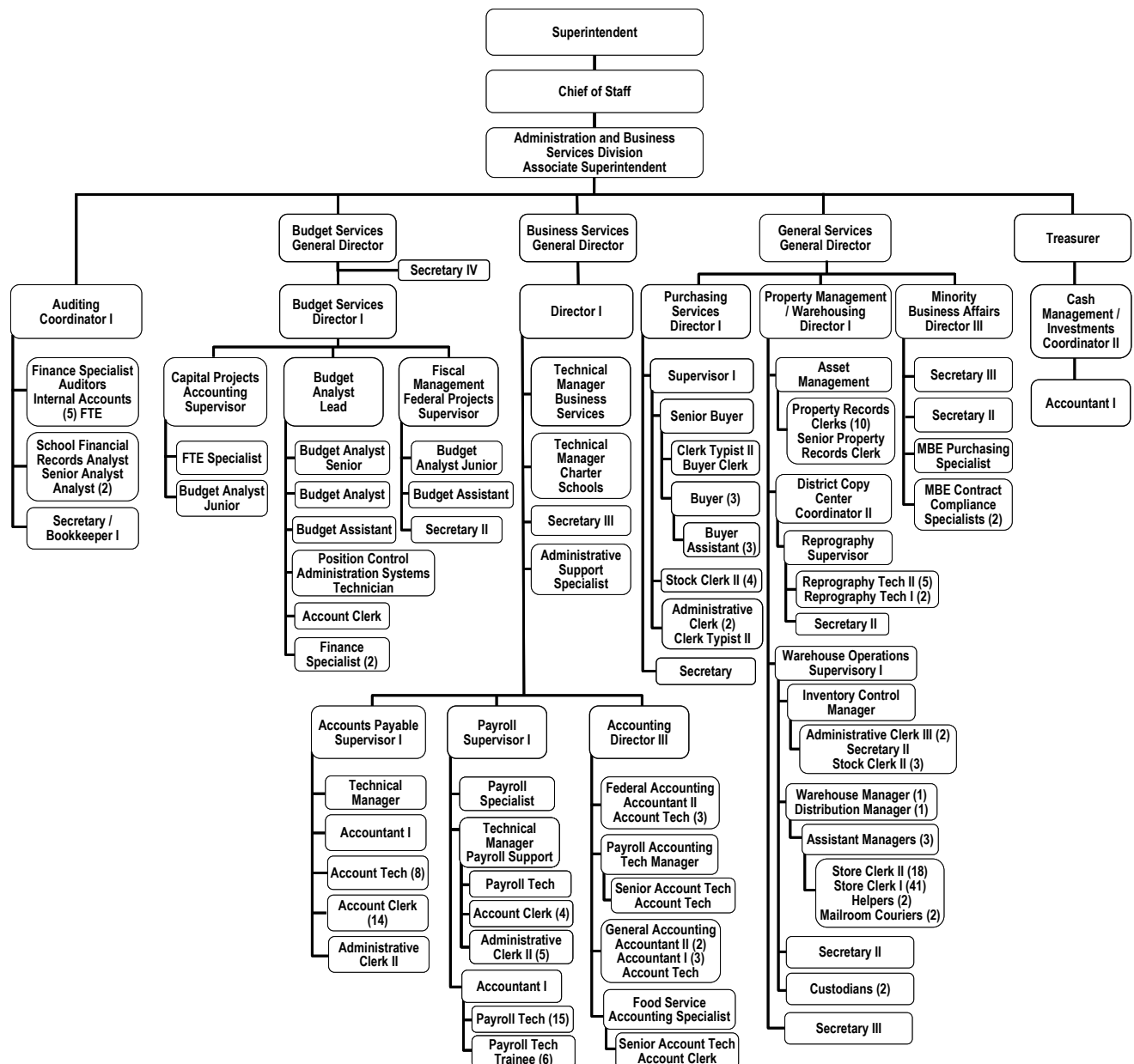
The Redbook defines other cost classifications such as facility, program, and project. However, fund, function, and object are the key components necessary for understanding the broad categories used by the Duval County School District and other Florida districts to capture and control costs.

Cost control functions are located in the district's Administration and Business Services Division. The associate superintendent for Administration and Business Services is responsible for the day-to-day

operations of the division. In addition to cost control, the associate superintendent is also responsible for facilities, transportation, and food service functions.

The associate superintendent has more than 30 years of school district experience. Prior to joining the district in 1997, he spent three years with the Broward County School District and also worked as the director of Business Services for two other school districts. Exhibit 11-2 shows the Administration and Business Services Division Organizational Chart as it relates to cost control systems. Eight administrative employees report to the associate superintendent; however, three of these administrative employees and their divisions are not shown since they do not have cost control system responsibilities.

Exhibit 11-2
Administration and Business Services Division Organizational Chart



Source: Consolidated from Duval County School District Organization Charts.

Of the four divisions shown in the organization chart (Exhibit 11-2), the Business Services Division has the most cost control systems responsibilities. Its functions include accounting, financial reporting, and payroll and accounts payable processing. As Exhibit 11-3 illustrates, Business Services' expenditures between the 2000-01 and 2001-02 fiscal years declined 14 percent. The 2002-03 fiscal year's budget increased approximately \$500,000 over the 2001-02 fiscal year's actual expenditures. Salaries and benefits comprise 91 percent of this increase. The financial system upgrade that began in late 2002 and that will continue until summer of 2004 is the primary driver of the cost increase.

Exhibit 11-3**Business Services Expenditure Overview—2000-01 through 2002-03 Fiscal Years**

Expenditures	2000-01 Actual	2001-02 Actual	2002-03 Budget
Administrative Salaries	\$ 237,583	\$ 347,214	\$ 498,384
Other Support Salaries	2,016,151	1,787,169	1,982,490
Part-Time Salaries	11,439	66,239	89,927
Employee Benefits	628,577	606,794	716,433
Prof & Tech Services	3,591	--	76,000
Travel	10,018	5,021	7,058
Repairs & Maintenance	9,832	415	2,743
Communications	362	186	600
Other Purchased Services	366,418	144,737	126,502
Supplies	31,846	31,587	36,478
Furniture & Equipment	90,536	15,209	15,326
Software	2,947	1,193	2,111
Dues & Fees	11,084	5,951	11,900
Temporary Salaries	--	--	--
Part-Time Temps	138,211	53,246	--
Other	1,783	134	641
Total	\$3,560,378	\$3,065,095	\$3,565,952

Source: Duval County School District.

Activities of particular interest

The district's enterprise resource planning system is used to account for all of the district's financial accounting, procurement, materials management, payroll, and human resource activities. The district is currently in the process of upgrading its financial accounting system. The new version will give Business Services enhanced capabilities that were unavailable in the old version. As a result, certain workarounds developed to accommodate deficiencies in the old version will be eliminated once the financial system upgrade has been fully implemented. For example, payments to vendors and employees are currently paid from designated bank accounts for all business areas (funds). The business areas are then balanced through the State Board of Administration (SBA) bank account with manual entries. Manual entries are also required to clear the payroll liability accounts between the general fund and other business areas.

In addition, the financial system upgrade will include a time evaluation module that will enable payroll information to be entered at the school level instead of at the central office. The financial system upgrade will also provide employee self-service capabilities. Employees will be able to access their W-2s, pay stubs, and earnings records online.

The Government Accounting Standards Board (GASB) issued Statement No. 34 in June 1999, which requires capital assets to be reported in the financial statements net of depreciation. Prior to this statement, state and local governments, including school districts, were not required to depreciate their

assets. GASB 34 requires that districts maintain cost or fair market value, age, and useful life information for its depreciable assets. The financial system upgrade is configured for GASB 34 compliance.

The district is also exploring options to outsource the general stores inventory with an office supply vendor, which would provide direct delivery of supplies to schools and departments similar to a just-in-time program and reduce operating expenses. The program, implemented by several school districts, allows the end users to order items directly from the vendors, who deliver the items directly to the school or department instead of the district stocking these items in the warehouse and processing requisitions from the schools and departments.

Conclusions and Recommendations

Summary of Conclusions for Cost Control Systems Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Financial Management	1. The district periodically analyzes the structure and staffing of its financial services organization.	Yes	11-8
	2. Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management practices.	No	11-9
	3. The district has adequate financial information systems that provide useful, timely, and accurate information.	Yes	11-12
	4. District financial staff analyzes significant expenditure processes to ensure that they are appropriately controlled.	Yes	11-14
Internal Controls	5. The district has established adequate internal controls.	Yes	11-15
	6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	No	11-17
	7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	Yes	11-18
	8. Management analyzes strategic plans for measurable objectives or measurable results.	Yes	11-21
External and Internal Auditing	9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	Yes	11-23
	10. The district has an effective internal audit function and uses the audits to improve its operations.	No	11-25
	11. The district ensures that audits of internal funds and discretely presented component units (charter schools) are performed timely.	Yes	11-28
Cash Management	12. The district periodically reviews cash management activities, banking relationships, investment performance, and considers alternatives.	Yes	11-29
Capital Asset Management	13. The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets.	Yes	11-31
	14. The district ensures that significant capital outlay purchases meet strategic plan objectives.	Yes	11-33
Debt Management	15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	Yes	11-34
	16. The district ensures that significant debt financings meet strategic plan objectives.	Yes	11-35
Risk Management	17. The district has established written policies and procedures and periodically updates them to provide for effective risk management.	Yes	11-35
	18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	Yes	11-37
	19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	Yes	11-38

Practice Area	Best Practice	Using the Best Practice?	Page No.
Purchasing	20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.	No	11-41
Inventory Management	21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	Yes	11-45
	22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	No	11-47

FINANCIAL MANAGEMENT

Best Practice 1: Using

The district periodically analyzes the structure and staffing of its financial services organization, but could improve by developing a formal training program for its payroll and accounts payable staff and by comparing its staffing levels with those of peer districts.

In recent years, a variety of external factors have had direct and indirect effects on school district financial services organizations. Some school districts have experienced significant changes in student population size, most getting larger, but some getting smaller. Similarly, changes in existing laws and new laws have changed financial documentation and reporting requirements, which have impacted workload requirements. Because of these changes, districts should regularly evaluate the financial services function's organizational structure and staffing to ensure that needed financial services are being provided effectively and efficiently. Similarly, it is important that financial services staff members receive timely and relevant training to ensure that the services they provide comply with current laws and reporting requirements.

The Duval County School District has a viable process in place to ensure that the structure and staffing of its financial services organization is periodically reviewed and analyzed for optimum performance. Business Services regularly reviews its financial management organizational structure each year during budget preparation. In addition, it updates the organization chart as organizational changes occur. In fact, the organization chart received as part of this review was obsolete the day it was received due to staffing changes taking place at the time. On each site visit, a new organizational structure was provided. Moreover, the district's job descriptions for each position are current and contain the proper elements. Finally, staff is cross-trained to perform critical functions. In fact, most critical positions have three or more staff members cross-trained to perform critical functions.

Although the district is using this best practice, it could improve its financial services organization in two areas. The first area is related to staff training. The Internal Audit Department trains school bookkeepers to account for and administer school internal funds. Bookkeepers perform payroll and accounts payable as well as other accounting duties. However, at some schools, staff other than the bookkeepers perform payroll and accounts payable duties. Bookkeepers and other school staff responsible for payroll and accounts payable are not well trained in performing these duties. District payroll and accounts payable clerks complained during focus groups that their jobs are more difficult because school staff responsible for payroll and accounts payable do not submit required paperwork timely or accurately. During five school visits, every staff person responsible for payroll and accounts payable who was interviewed said that payroll and accounts payable training is inadequate, especially for new staff. Experienced staff said that although they feel comfortable performing their duties, they recognize weaknesses in the training program for payroll and accounts payable functions. They also stated that training should be provided more frequently, particularly for changes that have taken place in the financial system. Bookkeepers have a high turnover rate; one school has had four bookkeepers since 2000. The lack of training and the intense pressure bookkeepers experience are the primary reasons for the high turnover. Some school staff said that a formal buddy system whereby experienced staff help train inexperienced staff could be one component of a training program and an improvement over the current informal system.

We recommend that the district develop a formal training program for school bookkeepers and other school staff responsible for payroll and accounts payable functions.

The second area in which the district could improve its financial services organization is by performing periodic staffing level comparisons with peer districts. Business Services is appropriately staffed to ensure effective delivery of financial services to users. However, it should periodically compare its staffing levels with peers to ensure that they remain adequate. Exhibit 11-4 presents staffing comparisons using the number of students and employees to compute staffing ratios. The data indicates that the district's staffing levels are high. However, accounting and financial service responsibilities may vary significantly from district to district. Therefore, the results of these kinds of comparisons provide only general conclusions related to staffing.

Exhibit 11-4
Duval County School and Peer Staffing Ratios

District	Number of Business Services Positions	2001-02 Student Enrollment	Total Full Time Employees	Students per Business Services Staff	Employees per Business Services Staff
Duval	90	128,092	11,520	1,507	136
Broward	83	260,000	26,847	3,133	324
Pinellas	43	112,604	15,513	2,619	361
Palm Beach	73	162,000	19,000	2,219	260
Orange	81	154,800	19,000	1,911	235
Hillsborough	97	165,940	28,242	1,711	291

Source: Business Services and Peer District Surveys.

We recommend that Business Services periodically compare its staffing ratios to those of its peers, and conduct in-depth analysis to reach specific conclusions about the adequacy of staffing levels in comparison to peers.

Best Practice 2: Not Using

Management has not developed and distributed written procedures for critical payroll processes and does not have formal procedures to promote ethical financial management practices in the accounting, accounts payable, and payroll areas.

It is critical that districts be able to continue day-to-day financial operations. Even small school districts have numerous control processes and safeguards to ensure that district resources are adequately protected and used. These control processes should be documented to ensure consistency in their application. Written procedures frequently represent the best way to document these processes.

Every school district has board policies that generally include policies related to accounting and financial services. However, these policies are not considered procedures. Procedures show district employees how to carry out board policies. Well written and organized procedures:

- Implement and assure compliance with board policies as well as document the intent of those policies;
- Protect the institutional knowledge of an organization, so that as experienced employees leave, new employees will have the benefit of the others' years of experience;
- Provide the basis for training new employees; and
- Offer a tool for evaluating employee performance based on adherence to procedures.

The development and maintenance of procedures manuals can be cumbersome and time-consuming tasks. For this reason, districts should, at a minimum, identify critical accounting and financial processes and ensure that written procedures are maintained for these processes. Written procedures ensure that someone other than the individual with primary responsibility can perform a given function. Critical processes can include bank reconciliations, processing of accounts payable checks, payroll processing, budget amendment processes, and so on.

Similarly, even small school districts benefit from having strong ethics standards (policies) for district accounting and financial staff and from processes that encourage reporting of suspected improprieties. When employees understand the importance of ethical conduct of their responsibilities and the ramifications of unethical conduct, the overall control environment is enhanced. Also, processes that encourage reporting of suspected improprieties without fear of reprisal further strengthen the control environment.

The Duval County School District has standard operating procedures (SOPs); however, several areas remain under development. In addition, while the district obviously supports and promotes ethical financial management practices, formal, written ethical financial management policies and procedures do not exist.

The district is not using this best practice for two reasons. First, while SOPs have been written for all critical general accounting and accounts payable functions, they have not been completed for the payroll function. Moreover, the SOPs have not been collected and codified in a manual available for distribution. The district has an opportunity during the implementation of its financial system upgrade to use the SOPs it has completed as a blueprint for mapping new processes and to complete the remaining SOPs. Once the implementation is completed, existing SOPs may require modification to conform to the upgraded system's requirements, and there may be a need to write new procedures to describe and support new processes.

Action Plan 11-1

We recommend that Business Services complete, codify, and distribute all SOPs concurrently with the implementation of the financial system upgrade.

Action Needed	Step 1:	Identify existing SOPs that will either be eliminated or require updating because of the financial system upgrade.
	Step 2:	Identify new business processes created by the financial system upgrade that will require new SOPs.
	Step 3:	Develop a standard format for all SOPs and create a common indexing scheme.
	Step 4:	Prepare a SOP manual for distribution that includes SOPs for all critical areas and ensure that SOPs are compatible with the financial system upgrade.
	Step 5:	Develop and implement a methodology for SOP revisions and updates.
Who Is Responsible	Associate Superintendent for Administration and Business Services General Director for Business Services	
Time Frame	August 2004 to coincide with implementation of the financial system upgrade	

The second reason the district is not using this best practice is because it has not adopted written ethics policies for the district's financial staff. The district provided information from Title X Ch. 112, *Florida Statutes* (2002), dealing with standards of conduct for public officers, employees of agencies, and local government attorneys. The statute covers solicitation or acceptance of gifts, misuse of public position, conflicting employment or contractual relationship, and lobbying by former local officers, among other subjects. However, the district has no policy incorporating the provisions of this statute into its own policies, other than by reference. Board policy GBEA states that administrative and instructional staff

members shall be provided with copies of the *Code of Ethics of the Education Profession in Florida*, and the *Principles of Professional Conduct for the Education Profession in Florida*, located in the State Board of Education Rules. The policy requires staff to become familiar with and abide by these principles. The district also provided a copy of a conflict-of-interest certificate that the Purchasing Department requires bidders to include in their responses. Although the certificate, properly executed, represents a component of an ethics culture, it alone does not constitute an ethics policy.

District management has also attended fraud presentations conducted by a national accounting firm as well as seminars offered through the Florida School Finance Officers Association and the Florida Association of School Business Officials.

Some organizations, including educational institutions, have implemented fraud policies which set forth management's philosophy and strategy for dealing with perceived and real fraud. These policies set the tone for how fraud will be handled in the organization and establish guidelines for reporting suspected improprieties without fear of reprisal. Exhibit 11-5 provides a model fraud policy adapted from the University of Colorado.

Exhibit 11-5

Key Elements of the University of Colorado's Fraud Policy

Policy Section	Description of Key Elements
Introduction	In recognition of the negative impact fraud may have on the financial resources and reputation of [Name of Organization] the [Governing Board] of [Name of Organization] at its regularly scheduled meeting held [Date] called for the creation of a 'no tolerance' policy on fraud. The [Governing Board] recognizes the need to set forth its expectations regarding conduct that adversely impacts the [Name of Organization]. Such conduct can take many forms. The purpose of the proposed fraud policy is to define actions the [Governing Board] find clearly unacceptable, and thus warrant discontinuation of its association with those engaging in such actions.
Purpose and Goals	<ul style="list-style-type: none"> Communicates board's intolerance for fraud. Promotes a control environment that deters fraud. Defines and conveys each employee's personal responsibility and accountability for reporting a suspected fraud. Requires allegations of fraud be promptly and objectively investigated. Requires specific actions and outcomes when fraud has been found.
Definitions	Defines and provides examples of fraudulent acts.
Policies	<p>Sets forth specific policies related to reporting and investigating fraudulent acts as well as consequences of such acts. Examples include:</p> <ul style="list-style-type: none"> Will not hire anyone found guilty of fraud. Will ensure a system of prudent internal controls to deter and detect fraud. Will recognize that all employees have a responsibility to report fraud to the Department of Internal Audit. Will promptly investigate reports of suspected fraudulent acts to the degree deemed appropriate based upon the judgment of the Department of Internal Audit and respective Campus Police Department. Will ordinarily terminate, immediately without eligibility for rehire, the employment of any employee involved in the perpetration of fraud. Will seek complete recovery of losses, report fraudulent acts to the criminal justice authorities for prosecution to the fullest extent of the law, determine the underlying cause of fraudulent acts, and implement prudent corrective actions to prevent further occurrences.

Source: University of Colorado Fraud Policy.

Action Plan 11-2

We recommend that the district adopt a comprehensive fraud policy as a means of communicating its commitment to a highly ethical business environment.

Action Needed	Step 1:	Review board policy GBEA and provisions of Title X Chapter 112, <i>Florida Statutes</i> (2002), to determine how they might be combined into a comprehensive fraud policy.
	Step 2:	Review fraud policies of other organizations for provisions that might strengthen and enhance the district's policy.
	Step 3:	Draft a policy for board review, approval, and adoption.
	Step 4:	Adopt the policy and distribute it to district employees.
	Step 5:	Ensure that the policy is woven into the fabric of the district's planning and operating culture.
Who Is Responsible	Associate Superintendent for Administration and Business Services School Board	
Time Frame	March 2004	

Best Practice 3: Using

The district has adequate financial information systems that provide useful, timely, and accurate information.

Florida school districts are subject to significant federal, state, and local (board) oversight of their financial activities. Also, given the limited financial resources provided school districts, it is important they have adequate financial information systems that provide useful, timely, and accurate information. Users of this information must be able to understand the information provided so that they can make informed spending and resource-use decisions.

In July 1999, the Duval County School District implemented its enterprise resource planning system. The system provides useful, timely, and accurate financial information to enable the district to manage school operations effectively. During interviews, it was obvious that the Business Services area is satisfied with the system and is looking forward to upgrading to the next version. In fact, implementation of the upgrade is already in progress. The director I, accounts payable supervisor, payroll supervisor, administrative support specialist, and payroll specialist have all been assigned full-time to the upgrade implementation through June 2004. Other Business Services staff will be assigned to the project as needed.

As a result of the accounting system's interconnectivity and integrated modules, very few workarounds and manual processes are necessary. However, no system is perfect, and the district expects the next version of the software to solve some of the problems it currently experiences, such as maintaining separate accounting for business units. This deficiency will be addressed in the update. Examples of other workarounds in the current version that are being addressed in the upgrade are shown in Exhibit 11-6.

Exhibit 11-6**Examples of Financial System Workarounds Addressed in Upgrade**

Area	Description of Workaround
<u>PAYROLL</u> Deferred Pay/Equalized Pay	A workaround is required to pay employees who are working fewer than 12 months over a 12-month period. The financial system vendor is currently working in conjunction with the district to resolve this issue, which will be addressed in the upgrade.
Multiple Assignments	This workaround is required to pay all employees who have an assignment other than their main job. The district needs a way to verify the rate of pay, cost assignment, commitment item, and dates the assignment is applicable. The financial system vendor has a solution, but it needs to be evaluated.
Costing of Benefits for Multiple Assignments	The benefits on the multiple assignments flow to the cost assignment of the main job. The district implemented a workaround that creates a journal entry to reduce the benefit expenditures from the multiple assignments that were charged to the main line and charge it to the correct benefit expenditure to coincide with the multiple assignments. This will be resolved in the upgrade if the multiple assignment process works in the financial system upgrade.
<u>ACCOUNTING</u> Balancing Business Areas	Vendor and employee payments are made from designated bank accounts for all business areas (funds). The business areas are then balanced through the State Board of Administration (SBA) account with manual entries. Manual entries are also required to clear the payroll liability accounts between general fund and other business areas. These workaround processes will be eliminated in the upgrade.
Preparation of Annual Financial Reports	Due to limitations in the current financial accounting system's module for budget tracking, at year-end and prior to rolling budgets into the next fiscal year, two systems must be maintained to obtain budget and encumbrance data. This will be eliminated in the financial system upgrade due to the incorporation of period reporting in the financial management module.
Posting of voided payroll checks	Manual entries are required to post voided payroll checks to the cash accounts. This process will be evaluated in the blue-print phase of the upgrade.

Source: General Director for Business Services.

Despite these workarounds, the current financial system still provides useful, timely, and accurate information. Some of the benefits of the financial system described by the district and verified by the review team include the use of:

- Life-to-date tracking of grant funds for improved federal expenditure reporting;
- An online approval process with release strategies;
- Uploads for journal entries, invoices, and payroll input via spreadsheets and databases, thus reducing data entry;
- Downloads for reconciling and analyzing data; and
- Control accounts and automatic reconciliation accounts.

The financial accounting system's reporting capabilities are strong as well. The system, which is available to all managers, provides reports showing budget and expenditure comparisons. In addition, grant project managers can generate monthly accounting reports that show the status of their grant funds. These reports can be viewed online, in real time, on a daily basis.

The district keeps the board informed through the monthly financial report, board agenda items, and PowerPoint presentations, as well as other ad hoc reports as requested. Board monthly financial reports are comprehensive and user friendly. They include colorful graphs showing revenues by source, expenditures by fund and object, and revenues and expenditures for the general fund. In addition, the package includes balance sheets and statements of revenues and expenditures, combined and by fund. In

addition to these general presentations, board members receive information for specific projects or requests through the Agenda Request Form. This form is required for all items considered by the board.

Also, during school visits and in interviews with central office administrators, we determined that principals and administrators know how to access and use the reports and find them very helpful. One administrator demonstrated how to access expenditure reports online, proving that financial information is literally at each administrator's fingertips with a few clicks of the mouse.

Best Practice 4: Using

District financial staff analyzes significant expenditure processes to ensure that they are appropriately controlled.

Other than salaries, the expenses of many school districts are frequently concentrated among a few vendors who are paid for goods or services on a repetitive basis. Examples include employee benefits, utility payments, payments for frequently used supplies, progress payments on contracts, and periodic payments for the use of assets, such as lease payments. Employees approving such bills for payment must be knowledgeable about relevant contract, payment, and other provisions to ensure that the bills are accurate and to ensure that only appropriate amounts are paid. In the case of utility payments, appropriate stewardship includes analyses of the payments to identify and determine the reasons for unusual fluctuations in consumption.

The Duval County School District does have procedures requiring analysis of significant expenditure processes to ensure that they are appropriately controlled. The review team received assurance through interviews and observations that district personnel analyze significant contract methods and financial negotiations, especially large dollar amounts or high-volume contracts. The major expenditures that would be in this category are for outsourced transportation, food service, and custodial functions. The district also spends large amounts for utilities.

Utility costs are controlled on various levels. First, they are reviewed annually during the budget process and monitored through the budget during the year. Detailed budget reports are available to compare actual with budgeted expenditures for multiple periods. Second, the Facilities Department is responsible for the coordination of the district's energy conservation program, including utilities, recycling, energy management, and solid waste disposal. Accounts Payable uploads utility expenditures and verifies the information against hard-copy invoices before payment is made. Accounts Payable uploads telephone charges from a disk received from a supervisor in telecommunications, who works with accounts payable staff on billings and recouping dollars for the district. Employee health and property casualty insurance policies are also major expenditures, which are procured through the request for proposal (RFP) process and overseen by risk management.

Typically, financial staff in Business Services do not conduct an analysis of major expenditures by themselves since, as the accounting function, they are at the end of the procurement process. The Accounting Department becomes involved after activities that have a financial impact on the district have already occurred. However, this does not mean that an analysis is not being performed somewhere in the district.

The district has established procedures at various levels to ensure control of significant expenditures. However, with the exception of the food service contract, Business Services financial staff does not conduct the analysis. Analysis and control of significant expenditures is a collaborative effort that takes place across the district.

First, spending priorities are established in the budget. During the annual budgeting process, each department submits an action plan that shows how it plans to achieve its annual goals. The action plans

give principals and district staff an opportunity to review significant expenditures before they are made. Second, board agenda items provide similar information prior to board approval. Third, the RFP process, administered through purchasing, provides a means of obtaining goods and services at competitive prices. Finally, oversight of specific contracts is decentralized. For example, the Technical Services Division monitors contracts with hardware and software vendors. The Facilities Division approves payments to contractors and coordinates the sign-off process with architects, as well as processing for the direct purchase program.

During interviews with technology staff, the review team learned that payments are not made to technology vendors until district technology coordinators certify that hardware and software installations have been completed according to specifications. Another example is the food service contract. The food service specialist position, which resides in Business Services, is responsible for monitoring payments to the food service vendor. The specialist conducts spot audits of the vendor's invoices to ensure that they are not overcharging the district. The audit includes a review of the vendor's payroll listing as well. In addition, Transportation Department staff is responsible for monitoring the outsourced transportation contract. Discussions with the consultant reviewing the transportation section revealed that the Department is doing an effective job of monitoring the contract.

INTERNAL CONTROLS

Best Practice 5: Using

The district has established adequate internal controls, but could strengthen controls over payroll and streamline the goods receipt process.

School districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended.

The Duval County School District has established adequate internal controls over receipting and disbursing processes. The district has established effective controls over receipting processes through the use of written procedures; cash receipt reports; cash receipt logs; prenumbered receipts; approved journal entries; validated deposit slips; the Redbook; and proper segregation of duties, which ensures that no one individual is responsible for the entire receipting process.

Departments collect funds from a variety of sources. The cashier receives cash at the district office, logs and tabulates the funds, and forwards it to the cash manager (newly hired in November), who verifies the totals and prepares the deposit. A third individual records each cash receipt in the general ledger according to codes provided in the Redbook. The district uses prenumbered receipt books to control cash receipts. The cash management coordinator controls the sequence for each department that has been issued a receipt book.

Disbursing processes include disbursement to vendors through accounts payable processes and to employees through payroll processes. The district has established effective controls over disbursing processes to vendors. The financial system uses automated authorization levels, known as release strategies. Before a requisition becomes a purchase order, it must pass through predetermined release strategies or approval levels. Before an invoice is paid, an approved purchase order and receipt information must be in the system. In addition, the system has built-in payment tolerances. The system will pay an invoice if the total differs by 10 percent up to \$50 per item. Amounts outside of this tolerance will not be paid. In addition, the system will not pay if the quantity exceeds the purchase order. Invoices that are rejected as a result of these tolerances are posted to an error report, which accounts payable staff

uses to correct check runs before they are finalized. Accounts payable staff also cancels payment vouchers and files a hard copy of the invoice with its posting document. Accounts payable staff writes the document number on the invoice for filing and reference purposes.

While the district has established adequate internal controls over receipting and vendor payments, there are two areas in which controls could be strengthened or streamlined. First, a serious control weakness was noted in the payroll area. Anyone in the Payroll Department can change pay rates, including their own, in the payroll system. We observed the payroll supervisor and a payroll clerk change their rate in the system and proceed to a screen that asked if they wanted to save the change. The payroll supervisor was surprised that the system allowed her to reach this screen. The district had indicated in the self-assessment that Payroll Department staff could not alter pay rates. The supervisor did not save the change because it might have altered the pay rate. Afterward, however, the district tested pay rate changes in a test box, which is a copy of the actual production process, and found that the system would have allowed the change to be saved.

As of March 2003, the Technical Services Division was making authorization changes so that the Payroll Department could not change the rate of pay. Due to the standard configuration in the district's financial accounting system, the required change will involve more than just changing one transaction code in the payroll staff profiles. Meanwhile, the payroll supervisor runs a report after preprocessing to verify that unauthorized changes to pay rates have not occurred. The same report is run after processing and before payroll checks are distributed to employees.

Although this control weakness is significant, the preprocessing and postprocessing edit reports serve as an adequate compensating control. The reports, though effective, are not the strongest or most desirable control because they are intended to detect an unauthorized change after it has occurred. Since payroll (salary payments) represent approximately 60 percent of operating expenditures and is one of the district's most critical administrative functions, the strongest, most effective controls should be in place.

We recommend that Business Services ensure that only Human Resources can change pay rates, and periodically review authorizations to ensure that only authorized individuals can alter master data tables.

The second area where the district could enhance internal controls involves streamlining the receipting process at the schools. Receipting is the process of verifying that goods and services have been received satisfactorily and in good working order. Before an invoice can be paid, the goods or services must be receipted in the system. If receipts are not entered timely, the payment process gets bogged down, which results in late invoice payments.

School bookkeepers and other campus staff responsible for accounts payable functions do not always enter goods receipts into the system on time because they might be waiting on paperwork or the occurrence of an event to obtain assurance that goods or services have been received. For example, staff at the Technology Center said they will not input a goods receipt until the district's technology coordinator verifies that installed computer equipment has been properly installed and is in good working order. Staff at the Textbook Center said textbooks are ordered in April and delivered during the summer when school-based textbook coordinators are on summer vacation and unavailable to enter a goods receipt for textbooks. Staff at an elementary school said receipting is often delayed because not enough information is included on the packing slip, and it takes time to research an item before entering a goods receipt. One individual said that until they receive a copy of the invoice, they will not enter a goods receipt because they want to verify that the prices and quantities are correct. This delay is unnecessary

because the Accounts Payable Department is responsible for checking prices and quantity. Moreover, the accounts payable system automatically flags payments that exceed established tolerances.

The accounts payable process at the schools, Technology Center, Textbook Center, and other departments can be improved by better communication, centralizing all goods receipts in one location at the school or department, and by assigning one person responsibility for preparing a goods receipt. Individual principals and administrators should be held responsible for ensuring that goods receipts are entered timely. These individuals should also ensure that a backup is trained to enter goods receipts into the system in case the person with primary responsibility for this function is unavailable.

We recommend that the district improve communication over the goods receipting process, ensure that goods are received at a single location at each school, and designate one person at the school, including a backup, to enter goods receipts into the system.

Best Practice 6: Not Using

Management does not proactively respond to identified internal control weaknesses and does not take immediate steps to correct the weaknesses.

As noted previously, school districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended. School districts demonstrate effective financial management when they proactively respond to internal control weaknesses identified in external audits and other monitoring reviews.

The Duval County School District responds to internal control weaknesses identified in audit reports and reviews. The Council of the Great City Schools (Council) conducted the district's most recent comprehensive review. Their report, dated September 2002, provides the best example of the district's commitment to correct control weaknesses identified during audits and reviews. The goal of the report was to provide the Superintendent and the Board with recommendations that could help the central administration become more efficient, cost effective, accountable and supportive of the success of all schools. District management was responding to findings in the Council's report during our second site visit; therefore, we were unable to obtain a final copy of the district's response. However, each department with a finding in the report was required to submit an action plan detailing how the recommendations would be implemented. The associate superintendent for Administration and Business Services collected each department's action plan for the superintendent's review prior to preparing the final action plan, which will be released in 2003.

The action plans provide insight into the district's commitment to respond to and implement the recommendations. Each action plan lists the division or department, superintendent's High Five goal related to the finding, topic, implementation status, area of concern, recommendation, alternative solution, district point of contact, resources required, timeline, and evidence or documentation supporting implementation of the recommendation.

The Council's audit was a comprehensive review of the entire district and was conducted by an external entity. Internally, the Internal Audit Department performs two types of audits at the school level: school fund audits and student full-time equivalent (FTE) audits. The Internal Audit Department notifies school principals of their findings and gives them a reasonable time period in which to respond. We determined that school principals respond to control weaknesses identified in these audits. For example, one school, in response to audit findings regarding the timing of extended-day program payments, revised the

payment schedule. In another example related to an FTE audit, a school principal changed the way matrix numbers were used and reported for the Exceptional Student Education program.

Although the district responds to internal control weaknesses identified in audit reports and reviews, it is not using this best practice because it has been slow to respond to the significant payroll weakness identified in Best Practice 5. As of the third site visit, which occurred February 10 through 12, 2003, the payroll system weakness still had not been resolved, even though the payroll supervisor acted immediately to notify the Technical Services Division of the problem. We conducted the original test on December 11, 2002. On that same day, the payroll supervisor sent an email to the Technical Services Division saying, “We need to look at a way to set up the authorizations so that Payroll Department staff have display-only capability on HR ITs and vice versa.” During our third site visit, we were told that the holidays prevented any action from being taken in December, and that January was dedicated to processing employee wage and tax statements (W-2s) before the January 31 deadline.

During the first few weeks in February, the district began testing prior to making a final correction that was to be completed February 14, 2003. However, as of February 25, 2003, the district still had not provided any evidence that the situation had been corrected. Personnel working on the problem were redirected to another project; therefore, the district was still testing before finally resolving the problem. The required change in the financial accounting system is more involved than simply changing an authorization code. Therefore, until the problem is corrected, Business Services will continually monitor any changes made in the payroll system using edit reports specifically designed for that purpose. However, as noted earlier, this type of weakness is best detected before pay rate changes occur. Although edit reports are a compensating control, they are “after the fact” and, therefore, not as desirable.

Action Plan 11-3

We recommend that the district adopt a policy requiring that weaknesses in internal control be resolved within a specified time frame.

Action Needed	Step 1:	Draft a policy specifying a time frame for resolving weaknesses in internal control.
	Step 2:	Calibrate the time frame based on the significance of the weakness; serious weaknesses should be resolved more quickly.
	Step 3:	Submit the policy to the board for approval and adoption.
	Step 4:	Obtain board approval and adopt the policy.
Who Is Responsible	Associate Superintendent for Administration and Business Services Director I, Business Services School Board	
Time Frame	February 2004	

Best Practice 7: Using

The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.

Districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that looks at all district operations, links support functions to the achievement of institutional goals, and has a direct link to the annual planning and budgeting process. Effective strategic planning includes:

- Identifying priorities through surveys of students, parents, teachers, administrators, and community leaders;
- School board input on goals and major priorities;

- Developing objectives for strategic plan goals that include measurable outcomes and achievement dates as appropriate;
- Assignment of responsibility for achieving objectives;
- Annual performance monitoring and adjusting of objectives as necessary to ensure achievement of strategic plan goals; and
- Budgets that require expenditures to be tied directly to the strategic plan priorities of the district.

The Duval County School District's budget is tied to the district's strategic plan and provides useful, understandable information to users. The superintendent has established the following goals for the district, known as the High Five goals:

- Safe Schools and Discipline
- Academic Performance
- Accountability
- Learning Communities
- High Performance Management Teams

During the 2002-03 fiscal year budget process, the associate superintendent for Administration and Business Services issued a memorandum instructing all district divisions and departments to submit High Five priority goals and accountability placards with their budget submission. The memorandum stated, *"For strategic planning . . . it is essential that we have these documents returned and tied to one or more of the Superintendent's 'High Five' Priority Goals."*

Each department was required to submit its top five goals with the 2002-03 fiscal year budget submission. Departmental goals were to be linked by reference to one or more of the superintendent's High Five goals. In addition, departments submitted accountability placards, which had to be completed for each High Five goal. Accountability placards, which are designed for display, describe the department's mission, customers, goals, measurements, current performance, target performance, and barriers. The budget director said each department was required to submit the documents under penalty of not having their budget funded.

The 2002-03 fiscal year budget begins with a narrative that summarizes how the state will allocate the additional state funds of \$39.4 million. A summary table and pie chart provide a graphic illustration of how the funds are being used and enhance the reader's understanding of the narrative. Next, there is a discussion of major budget objectives that are the focus of the budget. Although not actually linked in the budget document, the objectives can be associated with one or more of the superintendent's High Five goals. For example, one objective is to redirect \$2.5 million to kindergarten classrooms. This objective can be linked to goal number 1, "Safe Schools and Discipline," or goal number 2, "Academic Performance." A discussion of the millage levy, a comparison of the current and prior year's budgets, projected student enrollment, and a discussion of the five-year facilities plan are also included. Before the detailed budget schedules are presented, there is a summary of revenues, by fund, compared to the prior year. Exhibits 11-7 and 11-8 present the district's budgeted revenues for the 2002-03 fiscal year.

Exhibit 11-7

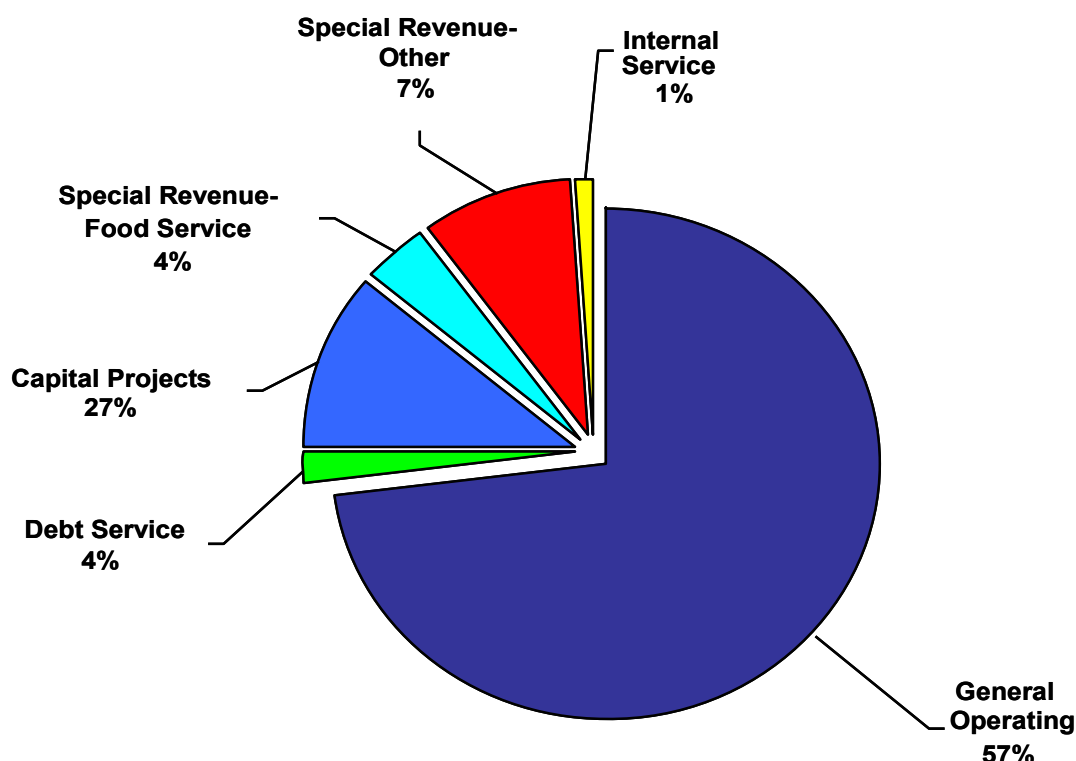
Duval County School District Revenue Budget 2002-03 (Amounts in Thousands)

Fund	Amended Budget 2001-02	Budget 2002-03	Difference
Operating	\$ 707,793	\$ 724,877	\$ 17,084
Debt Service	47,280	47,519	239
Capital Projects	391,501	345,090	(46,411)
Special Revenue-Food Service	44,521	48,313	3,792
Special Revenue-Other	83,627	85,403	1,776
Internal Services	20,262	21,147	885
Total Revenues	\$1,294,984	\$1,272,349	\$ 22,635

Source: Duval County School District, Budget Department, July 2003.

Exhibit 11-8

Duval County School District 2002-03 Fiscal Year Revenue Budget Pie Chart



Source: Duval County School District, Budget Department.

In addition to budget planning done by principals and other school administrators, School Advisory Councils (SACs) are included in the budgeting process at the school level. The legislature appropriates school improvement funds, which are provided from lottery enhancement proceeds. These moneys may be expended only on programs or projects selected by the SACs to meet the goals of their school improvement plan. These funds are used exclusively for this purpose and principals cannot overrule SAC decisions regarding the use of these funds. The SACs also publish newsletters announcing meeting schedules, provide agendas, and generate minutes of budget deliberations.

Best Practice 8: Using

Management analyzes strategic plans for measurable objectives or measurable results.

As mentioned previously, districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that looks at all district operations, links support functions to the achievement of institutional goals, and has a direct link to the annual planning and budgeting process.

The Duval County School District's Business Services area analyzes strategic plans for measurable objectives and results. Moreover, its strategic plan is aligned with the district's plan. The department establishes goals and develops action plans and performance indicators to measure progress on the strategic plan. The department's stated mission is, "To provide high-quality fiscal services in a customer-oriented environment to schools, departments, and the public while providing accountability and compliance with federal, state, and other regulatory agencies to facilitate a successful educational experience for students." Goals established for the 2002-03 fiscal year budget are shown in Exhibit 11-9.

Exhibit 11-9

Business Services—Fiscal Year 2002-03 Goals and Objectives

Goal	Objectives
1. Provide High-Quality Financial Reporting	<ul style="list-style-type: none"> Obtain Certificate of Achievement for Excellence in Financial Reporting from GFOA. Obtain Certification of Excellence in Financial Reporting from ASBO. Submit all financial reports to appropriate authorities by deadline.
2. Provide Continuous Improvement to Business Processes and Procedures	<ul style="list-style-type: none"> Develop comprehensive procedures manual. Pay all vendors within 30 days of receipt of invoice and in accordance with the Prompt Payment Act. Reconcile all balance sheet accounts within 30 days of period end. Pay all employees in a timely manner and in accordance with payroll deadlines. Implement a Direct Deposit Campaign. Reduce staff overtime.
3. Provide High-Quality Customer Service	<ul style="list-style-type: none"> Improve customer service to all internal and external customers. Cross-train staff to maintain ample back-up structure for quick response to customer needs. Provide "Family Friendly" and other training on customer service techniques. Develop a front desk manual with most frequently asked questions (FAQs) and quick reference tips. Develop cooperative work teams between management and other staff.
4. Establish and Maintain Effective Communication Networks that Promote Learning Communities	<ul style="list-style-type: none"> Publish bulletins and newsletters to communicate important information to customers. Create a Business Services Web site to access forms and to communicate important information to customers. Develop teams with other departments to understand and improve the integration of business processes.
5. Comply with all Financial Reporting Requirements	<ul style="list-style-type: none"> Implement GASB 34 and other statutory requirements. Ensure compliance with OPPAGA's Best Practice Indicators.

Source: Duval County School District, Business Services.

After developing strategic goals and objectives, the next step is establishing performance indicators to measure progress towards meeting those goals and objectives. Business Services has established performance indicators. The baseline for measuring performance is the 1999-00 fiscal year. For each goal, Business Services identifies performance measures, priority action strategies, the status of current performance, and barriers to implementation. To illustrate, Exhibit 11-10 summarizes selected metrics for goal number 2.

Exhibit 11-10

**Business Services Performance Measures for Goal Number 2
2002-03 Fiscal Year Budget**

Performance Measures for Goal Number 2	Baseline		
	19 0	20 2	2 2
Percentage of Standard Operating Procedures (SOPs) completed.	0.0%	85.0%	100.0%
Percentage of invoices paid within 30 days of receipt.	N/A	N/A	95.0%
Number of manual payroll checks printed as a result of late processing or other errors.	3,671	3,300	1,300
Percentage of total balance sheet general ledger accounts reconciled.	4.5%	85.0%	100.0%
Number of Business Services' Customer Request Forms (CRFs) submitted to Business Systems.	106	80	60
Percentage of Business Services' CRFs completed by Business Systems.	74.5%	85.0%	95.0%
Number of Business Services' audit findings.	2	1	1
Percentage of employees on direct deposit.	58.9%	70.0%	95.0%
Dollars spent on staff overtime.	\$393,829	\$170,000	\$100,000

Priority Action Strategies for Goal Number 2:

- Identify all functions and develop Standard Operating Procedures (at least one per month).
- Develop databases and internal processes to track and validate each measure.
- Train schools/departments on the correct use of goods receipts in the financial system.
- Coordinate with other departments training in other financial system modules to increase the knowledge base to facilitate successful and timely reconciliations.
- Develop cooperative work teams with other departments to communicate issues and facilitate resolutions.
- Permit staff, through the use of instructional materials and training, to become more knowledgeable of functions to achieve improvements in efficiency and effectiveness.
- Develop a report to track invoices paid within 30 days.

Status of Current Performance of Goal Number 2:

- SOPs are drafted for all critical functions and several daily operating functions.
- An extensive effort was made by accounts payable staff during the 2000-01 fiscal year to clear GR/IR variances through 1999-00. Currently, a plan is in place to clear variances through the 2000-01 fiscal year. All federal project variances are cleared and reviewed on a monthly basis.
- As of fiscal year ended 2001, there was an increase of 67.2 percent of reconciled balance sheet general accounts over the previous fiscal year.

Source: Duval County School District, Business Services.

EXTERNAL AND INTERNAL AUDITING

Best Practice 9: Using

The district ensures that it receives an annual external audit and uses the audit to improve its operations.

Sections 11.45(2)(d) and 218.39, *Florida Statutes*, require school districts to annually obtain a financial audit. Section 11.45(1)(c), *Florida Statutes*, defines a financial audit as an examination conducted in order to express an opinion on the fairness of the financial statements in conformity with generally accepted accounting principals and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. This Section also provides that financial audits must be conducted in accordance with generally accepted auditing standards and government auditing standards as adopted by the Board of Accountancy.

The Duval County School District has processes in place to provide the external auditors with required information in a timely manner. The district is audited every three years by the Auditor General (AG), as required by state law. The AG is responsible for performing independent financial and compliance audits of the district, which include the examination of the general purpose financial statements, consideration of internal controls, determination of compliance with legal requirements, and presentation of reports of audit findings and recommendations relating to those matters. The AG conducted a financial, operational, and federal single audit of the district for the fiscal year ended June 30, 2001. The district makes reasonable efforts to resolve all report findings in a timely manner. The district provided responses with corrective actions, as deemed applicable, to each audit finding and recommendation, which are included in the final report issued by the AG. For the 2000-01 audit, the district concurred with or developed corrective actions for 11 of 14 (79 percent) audit findings and 4 of 8 (50 percent) federal award findings. Exhibit 11-11 shows the status of the district's corrective actions as of March 2003.

Exhibit 11-11

2000-01 Fiscal Year Auditor General Audit Findings

Findings	Corrective Action Status 2003
Audit	
1. The district could enhance its internal control system with the development and maintenance of a comprehensive procedures manual pertaining to the district's financial operations.	Corrective Action Ongoing
2. The district had not completed reconciliations for several of its general ledger control accounts.	Corrective Action Implemented
3. The district did not provide for adequate controls over tangible personal property disposals.	Corrective Action Implemented
4. Control procedures over collections outside the central cashier were not always adequate to ensure that moneys collected were properly accounted for, safeguarded, and deposited.	Corrective Action Implemented
5. Discrepancies were noted in computerized leave balances for 6 of 12 newly hired employees reviewed.	Corrective Action Implemented
6. The district should develop written management reporting guidelines for monitoring and communicating the status of its capital construction program.	Corrective Action Implemented
7. The district should review its capital construction planning and budgeting procedures to ensure that the capital construction program, as documented in the required five-year facilities work program, is consistent with the annual capital outlay budget.	Corrective Action Implemented
8. The district should enhance its construction project management procedures to ensure that construction plans and final project completions are handled in accordance with applicable state laws and the Florida Department of Education's State Requirements for Education Facilities.	Corrective Action Implemented
9. The board should enhance its procedures for verifying that the ethnic, racial, and economic composition of each school advisory council is representative of the community served by the school.	Corrective Action Implemented
10. Information technology access and security controls could be enhanced by consistently documenting authorization for access to information technology applications; by implementing an ongoing information technology security awareness training program; and by documenting procedures for ongoing review of user access to assure proper segregation of duties.	Corrective Action Implemented
11. The district should enhance its documentation of the information technology system modification process.	Corrective Action Implemented
Federal Awards	
12. The district charged the federal Class Size Reduction program twice for the salaries and benefits costs totaling \$36,907 for one teacher.	Corrective Action Implemented
13. Deficiencies in the district's procedures for reporting the number of meals and snacks served to students resulted in potential excess federal reimbursements totaling \$60,532 and potential under reimbursements totaling \$132,281.	Corrective Action Implemented
14. The district did not comply with applicable federal regulations and state rules relating to the sale of competitive food and beverage items.	Corrective Action Not in Compliance
15. District personnel did not perform the required on-site reviews of each school food service operation as required by federal regulations.	Corrective Action Not In Compliance

Source: Duval County District School Board Financial, Operational, and Federal Single Audit Report for fiscal year ended June 30, 2001, Auditor General Report No. 02-190.

To provide an annual audit for the fiscal years not reviewed by the AG, the district obtained the services of an independent certified public accounting firm (accounting firm) under a five-year service contract, beginning with the fiscal year ended June 30, 1999. In planning and performing the audit, the accounting firm considers the internal controls of the district to determine their auditing procedures and the report

sometimes results in recommendations for the district to improve its internal controls and procedures, similar to the AG. As required, the district provided responses with corrective actions for the audit findings, as deemed applicable, which were included in the final report. Of the findings, the district concurred with or developed action plans for one of three findings. The district was providing a level of control and processes for the other two findings. Our review of the annual financial audits for the 1999-2000, 2000-01, and 2001-02 fiscal years showed that the audits were performed in accordance with generally accepted auditing standards and government auditing standards.

Best Practice 10: Not Using

The district has not established an internal audit function with its primary mission to provide assurance that the internal control processes in the district are adequately designed and functioning effectively.

Section 1001.42(10)(l), *Florida Statutes*, permits school boards to employ internal auditors to perform ongoing verification of the financial records of the school district. This law requires the internal auditor to report directly to the board or its designee. Internal auditing is a managerial control that can be used to measure and evaluate the efficiency, effectiveness, and cost/benefit of operations, programs, other controls, and systems. The objective of internal auditing is to help management effectively discharge its responsibilities by providing analyses and recommendations on the activities reviewed. The internal audit function typically performs annual risk assessments in private sector businesses.

The district's Internal Audit Department provides effective examination and monitoring of the district's internal funds activities. Annual audits of all district internal funds, as required by Rule 6A-1.087, *Florida Administrative Code*, and FTEs are performed through the internal audit function. The internal audit coordinator oversees compliance of district policies and procedures for internal funds throughout the year with monthly review of each school's activities and procedures. The principals and regional superintendents implement corrective actions for any reported conditions to comply with policy or improve operations of internal funds. The finance specialist auditors (internal funds auditors) examine the status of corrective actions in the subsequent audits to ensure that they are operating as intended. No major or material internal control weaknesses or errors were reported for the 2000-01 and 2001-02 fiscal years. All internal fund audit results were reported to the board.

The district does not employ internal auditors, permitted by s. 1001.42(10)(l), *Florida Statutes*, to provide internal assessment that internal control processes of the district are adequately designed and functioning properly. The district relies on the annual external audit by the AG and the external audit firm to independently evaluate the integrity and effectiveness of its cost control systems. The AG conducts its audit every third year and the external audit firm conducts audits in the years not performed by the AG. However, these external reviews do not replace the responsibilities assigned to an internal audit function, such as risk assessments; compliance with laws, regulations, policies, procedures, and contracts; ensuring safeguarding of assets; etc.

Although the district has an Internal Audit Department, it is not using this best practice for three reasons. First, the district should evaluate the cost-benefit of establishing an internal audit function to perform ongoing financial verification of the district's financial records and report directly to the school board or designee. An internal audit function established in this manner would provide assurance that the district's internal control processes are adequately designed and functioning effectively, and that the district is in compliance with established board and administrative policies and procedures and state and federal guidelines. Internal auditors can provide assistance to district management in effectively carrying out its responsibilities, identifying opportunities for improvement, and addressing issues before they become major problems. A developed internal audit function can add value to district operations.

Responsibilities of the internal audit function can include:

Cost Control Systems

- Verifying the reliability and integrity of information;
- Determining compliance with laws, regulations, policies, procedures, and contracts;
- Ensuring the safeguarding of assets;
- Appraising the economic and efficient use of resources; and
- Determining and measuring whether established objectives and goals for operations or programs have been accomplished.

The requirements for the district to establish an effective internal audit function are influenced by management's objectives, their operations, and district needs. The district could benefit from expanding the role of its internal audit function to include districtwide audits. At least three of the five peer districts provide internal auditors to conduct operational audits of their districts.

Action Plan 11-4

We recommend the district develop a cost/benefit analysis for implementing a comprehensive internal audit function.

Action Needed	Step 1:	Prepare a formal cost/benefit analysis for establishing an in-house Internal Audit Department or outsourcing the function, including input from stakeholders.
	Step 2:	Use the results of the analysis to determine alignment with the district's strategic plan.
	Step 3:	Prepare recommendation to the board.
Who Is Responsible	Superintendent Associate Superintendent for Administration and Business Services	
Time Frame	January 2004	

The second reason the district is not using this best practice is because it does not prepare an annual risk assessment and an annual comprehensive internal audit plan that is based on prioritization of risks identified in the annual risk assessment. A risk assessment is designed to identify and address areas of high risk to the district, with representative input from major stakeholders, to prevent unnecessary losses and improve operations. Although some of the high-risk areas are addressed (internal funds audits, FTEs, purchasing card activities, and physical asset verification), an annual risk assessment may identify other activities and operations that need to be addressed. Risk assessments are typically an internal audit responsibility. Once identified and prioritized, resources are allocated based on prioritization of the identified risks. Preparing an annual risk assessment requires time and resources. Considering the district's current enterprise resource system upgrade, the initial risk assessment should be outsourced to a certified public accounting firm experienced in conducting risk assessments. The initial risk assessment should result in an annual audit plan approved by an audit committee and the school board. Based on an estimate of 400 hours at an average rate of \$90 per hour, it should cost the district approximately \$36,000 to have a public accounting firm perform the initial risk assessment, which would also provide the district with a methodology for performing the risk assessments in the future.

Action Plan 11-5

We recommend that the district contract with a certified public accounting firm to conduct an initial risk assessment of the district's operations and activities, identifying high-risk areas and prioritizing the assignment of these areas.

Action Needed	Step 1:	Develop, obtain approval, and issue a request for proposal for risk assessment services.
	Step 2:	Review and select firm based on stated criteria.
	Step 3:	Have the firm conduct a self-assessment and present a prioritized list of risks to district management.
	Step 4:	Upon final approval, adopt risk assessment and develop a work plan to prioritize work and report results.
	Step 5:	Prepare a written annual and long-term audit plan for approval by the board.
	Step 6:	Conduct subsequent annual risk assessments internally.
Who Is Responsible	Internal Audit Coordinator Associate Superintendent for Administration and Business Services Superintendent	
Time Frame	January 2004	

The third reason the district is not using this best practice is because it could enhance its methodology for auditing internal funds to streamline the audit process. Internal funds are required to be audited annually and each finance specialist auditor is assigned audits until all schools are completed. The district has 160 school internal funds and a staff of five auditors. Therefore, each auditor averages 32 audits annually, and typically has little or no time to perform other district audits or unplanned or special requests. With the addition of new schools and other activities requiring audit services, such as the purchasing card program, the Internal Audit Department should consider streamlining the audit approach by developing a rating system and an abbreviated audit program for certain ratings issued. A rating system is designed to grade the level of performance of the school's internal funds operation. The district could then use the rating system to evaluate potential risk and to determine the level of audit work to be performed.

The Hillsborough County School District uses such a rating system for its internal funds audits. Using this system, a school that receives an exemplary rating has its next audit conducted with an abbreviated audit program instead of a comprehensive audit program to reduce audit time. With this approach, Hillsborough County School District reported a 57 percent (14 to 6) decrease in the number of unsatisfactory internal funds audits from the 1998-99 to 2000-01 fiscal years despite a 3 percent (177 to 183) increase in the number of schools.¹ The Broward County School District also uses a streamlined audit program for those schools having a clean audit in the prior year, which allows the department to conduct audits more efficiently.

The Duval County School District's auditors use the same audit programs for each internal funds audit, although certain audit areas are indicated as optional based on an informal assessment of audit risk. If a formal rating system was used to rate the results of each internal funds audit, along with abbreviated audit programs, audits could be conducted in a more efficient manner and potentially provide audit resources for coverage of districtwide areas identified. Of the five peer districts selected, only Hillsborough County School District uses a rating system in its audit approach. Hillsborough County School District's ratings are shown in Exhibit 11-12.

¹ Source: Hillsborough County School District OPPAGA Best Financial Management Practices Report issued July 2002.

Exhibit 11-12

Hillsborough County School District - Internal Funds Audit Rating System

Rating Category	Explanation
Exemplary	Indicates exceptional proficiency in the areas audited
Satisfactory	Reflects only minor audit concerns, indicating proficiency in the area audited
Unsatisfactory	Indicates inefficient operations, inadequate bookkeeping practices, or procedural errors

Source: Hillsborough County School District Best Financial Management Practice Report, July 2002, issued by OPPAGA.

Action Plan 11-6

We recommend that the Internal Audit Department develop a rating system and abbreviated audit programs to streamline audits of internal funds.		
Action Needed	Step 1:	Contact Hillsborough County School District's Internal Audit Department to obtain information to develop a rating system and abbreviated audit programs.
	Step 2:	Present a plan to incorporate the rating system and abbreviated audit programs to the superintendent and board for approval.
	Step 3:	Obtain board approval of the rating system and programs.
	Step 4:	Implement the approved rating system and programs in the audit process.
Who Is Responsible	Internal Audit Coordinator	
Time Frame	January 2004	

Best Practice 11: Using

The district ensures that audits of internal funds and discretely presented component units (charter schools) are performed timely.

The financial transactions of individual school activities and organizations are accounted for in the school internal accounts (funds). The law requires that school districts provide for the annual audits of the school internal funds. Similarly, school districts may have related organizations such as foundations and charter schools. Due to the nature of these related organizations, their financial activity generally should be included with that of the school district. However, Florida law requires that these organizations provide for their annual financial audits. School districts frequently provide little if any oversight of these related organizations other than to monitor their activity. School districts frequently achieve their monitoring responsibilities by reviewing each related organization's annual audit reports. Accordingly, it is important that the school districts receive timely audits of these related organizations and perform appropriate review of the reports.

The Duval County School District has implemented policies and procedures to monitor each school's internal accounts activities and to ensure that the audits of the school internal funds are performed timely. The Internal Audit Department has financial records analysts who are responsible for training school personnel in accounting for internal funds activity and providing support to school bookkeepers, particularly when turnovers occur and replacement is not timely. The Internal Audit Department developed and distributed a comprehensive manual for internal funds and is responsible for training all school bookkeepers and principals to ensure consistency and compliance. The *Internal Accounts Policies and Procedures Handbook* details the procedures required to manage and process internal funds activities. The financial records analysts also review the schools' monthly financial reports to ensure consistency and compliance of the funds' activities and identify and correct any discrepancies immediately. To prevent a conflict of interest, the Internal Audit Department uses its financial records analysts to provide training and monitoring, whereas its finance specialist auditors are responsible for auditing the school internal funds. The internal audit coordinator requires that schools have year-end documentation

available for audit by July 15. A designated sample of the internal funds audits are completed for review by the external accounting firm for the district's annual financial audit, and all internal funds audits are completed before the end of the next fiscal year.

The district's Business Services Department is responsible for the oversight of charter schools. As stipulated in the district's contract agreement with each charter school, the charter schools are required to have an annual audit completed within a specified time frame after fiscal year-end, and to submit the audit report to the district for consolidation with the district's year-end financial reports. Effective for the 2002-03 fiscal year contract period, the district has standardized the contract to require that all charter school audits be completed within 90 days following the end of the fiscal year. The district has seven charter schools under its jurisdiction as of June 30, 2002, and as part of its oversight responsibility, it provides each charter school with a checklist of required items; meets monthly to address any identified issues/concerns; and reviews monthly and quarterly financial reports for compliance and accuracy. In addition, in July 2002, Business Services consolidated its procedures for monitoring charter school compliance with one staff position instead of three.

CASH MANAGEMENT

Best Practice 12: Using

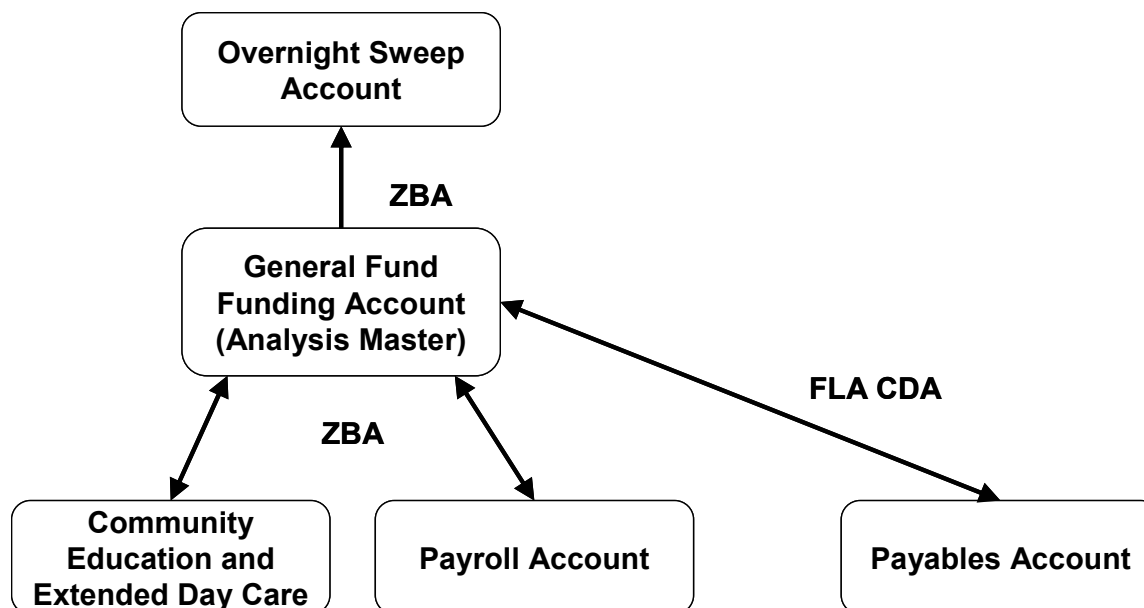
The district periodically reviews cash management activities, banking relationships, and investment performance, and considers alternatives.

Cash and investment management involves the systematic coordination of cash-flow forecasting, cash-flow management, investment of surplus cash, and sound banking and investment relationships. Even small school districts have annual cash-flows of millions of dollars and effective cash management and investing of these resources can generate beneficial results and resources that can be used to meet district needs. Similarly, beneficial banking services arrangements should promote the investment of idle cash and limit any banking service fees.

The Duval County School District issued its first ever request for proposal (RFP) for General Banking Services in April 2001. Previously, banking services were provided through the district's arrangement with Duval County. In May 2001, the district selected a major vendor as its primary provider of banking services. We reviewed the district's RFP for General Banking Services and the bids of the three responding banks, and found that a reasonable strategy and process was used to select the depository bank.

A diagram of the district's Treasury Management Structure, Exhibit 11-13, shows an efficient and compact account configuration. The district uses a number of cash management services designed to improve operational and administrative efficiencies, including controlled disbursement accounts, account reconciliation, and daily computerized reporting of account balance and transaction activity.

Exhibit 11-13
Treasury Management Structure



Source: Duval County School District Cash Management Department, January 2003.

The district's cash manager is responsible for daily cash management. Each day, the cash manager retrieves the previous-day balance and transaction activity using bank software to update and verify cash records and determine excess cash available for investment.

The cash manager maintains five bank accounts for normal operations as shown in Exhibit 11-14 and each school maintains a separate bank account at an approved bank. Accounting staff not responsible for posting cash receipts or making journal entries to the district's general ledger are responsible for reconciling the district's bank accounts. The director of Accounting reviews and approves reconciliations on a monthly basis and investigates outstanding or unusual items.

Exhibit 11-14
Duval County School District Bank Accounts

Account Name	Purpose of Account
Overnight Sweep Account	Master account used to fund all disbursement accounts
General Fund Funding Account	Funding account for all checking accounts and wire transfers
Community Ed. & Extended Day Care	Deposits for extended day care and community education receipts
Payroll Account	Payroll check disbursements
Payables Account	Vendor accounts payable disbursements

Source: Duval County School District Accounting Department.

The district invests its excess cash in accordance with Florida law. The district currently uses the Local Government Surplus Funds Investment Pool administered by the State Board of Administration (SBA) as

its primary investment vehicle, but has invested cash in U.S. Treasuries, an approved investment option under Florida law, to earn a higher rate of interest.

The cash management position had recently been vacant for several months and the director of Accounting had assumed the duties of the position. The district recognized that it was not adequately addressing the investment process and formed a task force to review the district's policies and develop recommendations to maximize investment earnings. The task force's *Report of Cash Management Opportunities* included recommendations to:

- Create a new position - general director of Cash Management and Investments. The position was subsequently changed to Treasurer, reporting directly to the associate superintendent for Administration and Business Services;
- Create an Investment Oversight Committee consisting of laypersons selected by board members and a staff member from the district; and
- Create an investment policy that allows for broader investment portfolio diversification without sacrificing safety of the district's assets.

As permitted by s. 218.415, *Florida Statutes*, the board adopted its own investment policy on May 6, 2003, to allow for the broader range of other authorized investments. Also, on March 3, 2003, the district filled the Treasurer's position. Job duties include *"conduct all treasury activities which include care and custody of all cash, day-to-day relationships with financial institutions, securities, bonds, investments, and debt service of the district. Responsible for the daily analytical review to determine funding requirements for all cash and investment accounts. Responsible for presenting investment strategies for the district based upon current market conditions and justification. Responsible for the posting of accounting transactions to correctly record activity of assigned accounts to the General Ledger. Serves as the district contact for Investment Advisory Committee."*

Although the district currently does not prepare a comprehensive cash forecast that is monitored and updated periodically, the first duty listed on the Treasurer position description is to forecast cash requirements to meet outstanding and planned commitments. As the district enhances its investment activities, an accurate cash-flow forecast will be essential to know when and how much cash will be needed in the future for selecting appropriate investment instruments with maturities that match the dates of future cash needs.

CAPITAL ASSET MANAGEMENT

Best Practice 13: Using

The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets; however, the physical inventory process could be improved by using scannable bar codes to identify and update property locations.

Capital assets include all properties, vehicles, equipment, and building contents. School districts should keep and maintain accurate accounting records because:

- Accurate capital asset records provide the basis for adequate insurance coverage;
- Annual physical inventories of capital assets allow the district to survey the physical condition of its assets and assess the need for repair, maintenance, or replacement;

Cost Control Systems

- Reliable information about currently owned capital assets provides assistance when determining future needs and provides a basis for budgeting capital asset needs; and
- Accurate capital asset records provide users with documentation of how taxes have been used to carry out the operations of the district.

The Duval County School District's capital assets, net of depreciation, totaled \$585 million as of June 30, 2002. Exhibit 11-15 shows a summary of the district's capital assets. (Note: The deletions column includes depreciation as well as deletions, disposals, and reclassifications.)

Exhibit 11-15 Duval County School District's Capital Assets

Description	Net Assets July 1, 2001	Additions	Deletions	Net Assets June 30, 2002
Land	\$ 57,489,696	\$ 1,362,016	\$ (249,729)	\$ 58,601,983
Construction in Progress	23,581,813	65,369,141	(17,622,549)	71,328,405
Improvements Other Than Buildings	16,858,436	10,135,002	(8,474,304)	18,519,134
Buildings & Fixed Equipment	351,158,085	90,923,107	(69,596,365)	372,484,827
Furniture, Fixtures & Equipment	49,663,411	11,483,791	(14,795,028)	46,352,175
Motor Vehicles	3,699,316	1,127,542	(822,915)	4,003,944
Property Under Capital Lease	8,269,752		(2,951,545)	5,318,206
Audio Visual Materials	84,737	17,083	(40,845)	60,975
Computer Software	6,497,362	5,081,708	(3,392,933)	8,186,136
Total Capital Assets	\$517,302,609	\$185,499,390	\$ (117,946,214)	\$584,855,785

Source: Duval County School District Annual Financial Report.

The Property Management/Warehousing Department, a unit of General Services, is responsible for asset management, including fixed asset inventory. An asset accountant, reporting to the Business Services director of Accounting, is responsible for reconciling between asset management and the general ledger reports. The district uses bar-coded tags for most capital assets. Once confirmation of goods is received from a school or department, a tag is printed and a property records clerk is dispatched to tag the item. Property Management staff stated that their goal is to tag an item within one week of receipt confirmation. A team of six field clerks is used to tag the equipment. Staff responsible for capital asset accounting have no control over asset custody.

The district uses a sophisticated financial accounting and resource management software package to maintain detailed fixed asset subsidiary ledgers. The software is extremely flexible in its design for tracking assets and maintaining controllable asset records. The asset accountant uses the various system modules to produce depreciation schedules and other required reports. The asset accountant works closely with the property records clerks to reconcile purchased assets to the general ledger.

Field clerks conduct annual inventories of fixed assets at schools and other district facilities. It takes a full year to conduct a complete inventory of all district assets. (Once a full inventory cycle is completed, staff starts the process over again.) In an effort to make the inventory process more efficient, the district purchased hand-held scanners and software. The devices proved to be ineffective because the scanners were limited in their information storage capacity. The district is currently working with the vendor to solve the storage capacity issues.

The district implemented new procedures relating to missing property items in response to Auditor General audit findings. The district now sends copies of the missing items report to the Duval County

Sheriff's Office, the district's security department, and the school principal. Additionally, the district assigns a code to each asset as follows:

- 4 – Retired, sale, or recycle
- 5 – Stolen, an incident report must be filed by the responsibility center
- 6 – Trade-ins
- 7 – Cannot locate after two years

Although the district is using this best practice, it could enhance its inventory procedures by assigning location codes within buildings and using scannable bar codes to identify and update property locations. We randomly selected 10 assets from the district's detailed subsidiary ledgers of an elementary school, middle school, high school, district headquarters, and the district's technology staff. Using the bar and location codes on the ledger, we were successful in finding almost all items. Staff at the facilities were able to account for unlocated items, which had generally been recently transferred or were being used by another office in the school or facility. Although the majority of items were located, the review team had some difficulty locating items because location codes did not always agree with room numbers assigned at the facility. The district should narrow its location definitions and place bar-coded identification tags in the door jam of offices, rooms, closets, and other areas within buildings where fixed assets might be located. Cubicles adjoined by common panels that form a single workstation should also receive a location tag. This would expedite the process of locating items during the physical inventory. As the inventory takers enter a room or workstation, they would use their handheld bar-code reader to scan the location code and the identification tags of each asset found at the location.

We recommend that the district assign location codes to areas within buildings such as offices, cubicles, and workstations to expedite the process of updating the property records and locating fixed assets during the physical inventory.

Best Practice 14: Using

The district ensures that significant capital outlay purchases meet strategic plan objectives.

As mentioned previously, districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that includes all district operations, including the capital acquisition program, and links them to the achievement of institutional goals.

The Duval County School District prepares a *Long Range Facilities Projects Plan* annually for board approval. The district's five-year plan and maintenance lists are accounted for by project with periodic reporting of work in progress. In the most recent audit report, the Auditor General recommended that the district develop written management reporting guidelines for monitoring and communicating the status of its capital construction program to the Board. In response to the Auditor General's recommendation, the district implemented a comprehensive reporting process for its five-year work program that includes:

- A schedule of major repair and renovation projects necessary to maintain the educational plant and ancillary facilities;
- A schedule of capital outlay projects necessary to ensure the availability of satisfactory student stations for the projected student enrollment in K-12 programs;
- Locations, capacities, and planned utilization rates of current educational facilities of the district, including both permanent and relocatable facilities for both planned facilities and existing schools;

Cost Control Systems

- Plans for multitrack scheduling, grade-level organization, block scheduling, or other alternatives that reduce the need for permanent student stations;
- Plans for the use and location of leased facilities, relocatable units, or permanent classrooms;
- Plans for the use and location of charter schools;
- Average class size (five years out) that will result if the district facilities work plan is fully implemented;
- The number and percentage of district students planned to be educated in relocatable facilities during each year;
- Plans for the closure of any school, including plans for disposition of the facility or usage of facility space, and anticipated revenues;
- The projected cost for each project identified in the tentative district facilities work program; and
- Schedule of Estimated Capital Outlay Revenue from each currently approved source that is estimated to be available for expenditures on the projects included in the tentative district facilities work program.

The report is prepared and updated by the Budget Services Department, a unit of the Administration and Business Services Division. The report shows the original budget, revisions, and actual moneys spent over the five-year period and is updated quarterly.

DEBT MANAGEMENT

The Duval County School District had debt totaling \$254.6 million as of June 30, 2002, which includes approximately \$192.4 million of debt used primarily to finance the district's wide range of capital asset projects. Exhibit 11-16 provides a summary of the district's debt activity.

Exhibit 11-16 Summary of Debt Activity

Description	Balance 7-1-01	Additions	Deductions	Balance 6-30-02
Revenue Anticipation Notes	\$ 3,527,113	\$ 28,102	\$1,293,321	\$ 2,261,894
Obligations Under Capital Lease	2,616,006		627,468	1,988,538
State School Bonds	43,000,000		1,795,000	41,205,000
General Obligation Bonds - Series 1992	108,900,000		12,060,000	96,840,000
Compensated Absences Payable	67,574,701		5,769,294	61,805,407
Certificates of Participation	51,830,000		1,735,000	50,095,000
Retirement Incentives Liability	888,975	85,415	570,883	403,507
Total Governmental Activities	\$278,336,795	\$113,517	\$23,850,966	\$254,599,346

Source: Duval County School District Annual Financial Report.

Best Practice 15: Using

The district has established written policies and procedures and periodically updates them to provide for effective debt management.

Many school districts must identify and procure other sources of financing to meet current facility needs and, in some instances, operating needs. Specific provisions of state law govern school districts' ability

to incur debt. Also, most debt instruments are highly complex financial transactions that require a high level of expertise to ensure compliance with federal (primarily arbitrage), state, and district requirements as well as to ensure that the transactions are appropriately accounted for and monitored. Many school districts, depending on the extent of their debt program, must have effective procedures to ensure that debt service requirements are appropriately followed.

The Duval County School District's procedures for managing its debt are effective. The director of Accounting I is responsible for tracking debt service requirements and ensuring that interest and principal payments are made on a timely basis. The district actually sends the funds to its fiscal agent three working days prior to the July 1 bondholder distribution date to comply with the agent's distribution compliance requirements. The superintendent must attest to timely payment and our review confirmed the district's compliance with all debt covenants.

The district understands its disclosure requirements and has timely filed all required reports to federal and state authorities. The district is in compliance with federal arbitrage requirements and has retained legal counsel and other outside professionals to assist with all reporting requirements. The district received an Aaa rating from Moody's on its Certificates of Participation issued September 2000, which was the best underlying rating for a Florida school district at the time of issue. The district's *Comprehensive Annual Financial Report (CAFR)* was provided to appropriate agencies in compliance with U.S. Securities and Exchange Commission rules.

Best Practice 16: Using

The district ensures that significant debt financings meet strategic plan objectives.

As mentioned previously, districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that covers all district operations, including the use of debt management to meet capital acquisition program goals, and links them to the achievement of institutional goals.

The Duval County School District used an innovative call waiver remarketing technique that provided more than \$8 million of cash for capital projects in August 2002. The call waiver of the General Obligation Bonds, Series 1992, did not impact on the district's existing tax levy.

The district sought and received an analysis of its projected lease-purchase financing capacity from an investment advisory firm in March 2000. The *Certificates of Participation Capacity Analysis* (COP capacity analysis) showed the district's ability to generate funds for educational facilities and equipment under various scenarios of allowable millage levies authorized by state law. The COP capacity analysis demonstrates the district is actively engaged in evaluating various financing alternatives for its capital projects. Additionally, the district consults with outside financial advisors and attorneys on a regular basis.

RISK MANAGEMENT

Best Practice 17: Using

The district has established written policies and procedures and periodically updates them to provide for effective risk management.

Managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and identify ways to contain costs. Effective risk management involves:

Cost Control Systems

- Evaluating insurance alternatives such as self-insurance and other current industry trends;
- Evaluating current insurance programs for deductible amounts, coinsurance levels, and types of coverage provided;
- Evaluating risks and implementing programs to minimize exposure to potential losses; and
- Monitoring district compliance with applicable laws and regulations.²

The Duval County School District has established written policies and procedures that are periodically updated to provide for effective risk management. Policy EI is the district's risk management policy and states that the superintendent or designee shall develop a risk management program to deal with losses resulting from property, casualty, and personnel loss exposures. The policy, though not exhaustive, also establishes acceptance procedures for settlements.

A manual entitled *Comprehensive Risk Management Program* covers safety programs and procedures. The manual was last updated in October 2001, and clearly communicates the district's commitment to risk management from a safety perspective. It expresses the notion that safety must be "at the forefront and woven into all of our daily operations." The manual's table of contents includes the following broad areas that correspond to a detailed section:

- Emergency procedures
- Natural disasters
- Accident reporting & procedures
- Site safety committee
- Shelter management
- Safety programs
- Bloodborne pathogens program
- Laboratory safety (chemical hygiene plan)
- Appendix of forms

Safety coordinators throughout the district, as well as site safety committees, meet at least quarterly. Safety coordinators head the safety committees and are prepared to be first responders in case of an emergency. Coordinators have an emergency bucket in their vehicles that contains tools and information that might be needed in an emergency. A color-coded flip chart with alert cards broken down by area advises the safety coordinator of what to do in specific emergencies. For example, red cards indicate the most serious emergencies and prompt serious actions. Yellow is less severe, requiring more limited responses. Other emergency bucket contents include:

- Staff emergency procedures
- Administrative emergency procedures
- Important phone numbers
- School directions
- Car magnets
- Identification badge to get through police lines

² Risk management as it applies to this section relates to insurance coverage required by law other than employee group benefits, such as group health insurance, which are discussed in Chapter 6—Personnel Systems and Benefits.

- Vests with identification
- Signage to rope off areas
- Media book
- First aid kit
- Pens, pencils, batteries, mask, rubber gloves
- “Do not cross” tape

Best Practice 18: Using

District staff periodically monitors the district’s compliance with various laws and regulations related to risk management.

School districts are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Florida law requires school districts to provide effective protection against these risks. Florida law allows school districts 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 district is either authorized or required by law to contract for insurance. Due to the significant risks that school districts are exposed to, it is important that they effectively monitor compliance with the various laws and regulations related to risk management.

The Duval County School District periodically monitors the district’s compliance with various laws and regulations related to risk management. Risk management functions are located in General Services and are overseen by the general director I, who reports to the associate superintendent for Administration and Business Services. The general director I, also referred to as the risk manager, has an insurance license and is a certified risk manager for educational facilities. The risk manager reviews all insurance certifications to ensure that the district is listed as an additional insured and that they include minimum levels of coverage. The district also uses an insurance broker.

To keep abreast of changes in the insurance market, the risk manager holds frequent meetings and discussions with the insurance broker throughout the year regarding coverage, cost, and other insurance-related issues. The risk manager also periodically compares costs and risks with other Florida school districts through informal discussions with the insurance broker and attendance at Florida Educational Risk Managers Association (FERMA) conferences. For example, the risk manager attended the 57th Annual Joint Conference held in December 2002. FERMA was one of the sponsors of this meeting. Conference workshops provide opportunities to share cost and risk information with other school districts in attendance. Examples of workshops provided at the December 2002 meeting included an OPPAGA-Best Financial Management Practices Review workshop, a cost savings ideas roundtable, and a workshop entitled, “Current Market Conditions & the Advantages of Group Purchasing.”

To keep abreast of changes in insurance legislation, the district contracts with a consultant to monitor laws and activities of the Florida state legislature. No significant laws have affected risk management in recent years.

Best Practice 19: Using

The district prepares appropriate written cost and benefit analyses for insurance coverage, but could benefit from comparing the cost of its insurance program to that of its peer districts.

As mentioned previously, managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and to identify ways to contain costs. Effective school districts regularly evaluate the costs of their risk management programs, compare costs with their peers, and continually evaluate new risk management products to determine the cost benefit.

The Duval County School District has established written policies and procedures that are periodically updated to provide for effective risk management, monitors compliance with risk management laws, and analyzes the cost and benefits of insurance coverage. The district prepares appropriate written cost and benefit analyses for insurance coverage through its insurance broker. Each year, the insurance broker conducts a review of the district's property insurance program. Their renewal report contains a summary and analysis of the Florida property insurance market; an overview of the district's program, including coverage's, and premium comparison to prior year by coverage; insurance carrier ratings; and a schedule of district property values and locations. In addition, the insurance broker includes a market analysis in the report.

Exhibit 11-17 provides a summary of the district's 2002-03 property coverage, while Exhibit 11-18 provides a summary of liability coverage. No property claims have been filed in recent years.

Exhibit 11-17 Summary of Property Insurance

Type of Coverage	Term of Coverage	Annual Premium	Amount of Coverage	Deductible
Property	03/06/02 - 03/06/03	\$1,418,750	<u>Coverage:</u> Real and Personal Property, generally <u>TIV:</u> \$1,784,790,747	\$200,000 per occurrence, except with respect to each loss which is covered by windstorm. 2% of total insured values for all locations involved in any one loss occurrence as per the schedule of locations on file with the company; all subject to a minimum deductible of \$250,000 per occurrence.
			<u>Primary Layer</u> \$5,000,000 (100%) per occurrence in excess of deductibles. All Risk excluding California Earthquake, Boiler & Machinery, Flood Zone A. <u>Fourth Excess Layer</u> \$12,500,000 (25% of \$50,000,000 per occurrence in excess of \$50,000,000 per occurrence), plus underlying deductibles. All Risk excluding California Earthquake, Earthquake, Flood, Boiler & Machinery.	
Excess Property	03/06/02- 03/06/03	\$1,637,118	<u>Sum of Excess Layers:</u> \$182,500,000	
Boiler & Machinery	03/06/02- 03/06/03	\$79,041	\$50,000,000	

Source: Duval County School District's Insurance Broker, January 2003.

Exhibit 11-18
Summary of Liability Insurance

Type of Coverage	Term of Coverage	Annual Premium	Amount of Coverage	Deductible
Commercial General Liability for PTA Members of Duval County School District	12/06/02-12/05/03	\$16,600	Legal liability to members of the public for claims arising out of premises, operations, products, or completed operations \$1,000,000/\$1,000,000	\$500 per claim applies to Bodily Injury/Property Damage and loss adjustment expenses
School Leaders Errors and Omissions	10/02/02-9/30/03	\$166,857	Wrongful Act (any actual or alleged breach of duty, neglect, error, misstatement, or omission by an insured solely in the performance of duties for the School Entity) \$1,000,000/\$1,000,000	\$100,000 for any Employment Practices related claims
Public Employee Dishonesty Bond	11/14/02-11/14/03	\$4,123	Employee theft, depositors forgery or alteration, theft, disappearance/destruction (money, securities), robbery/safe burglary, and computer and funds transfer fraud \$100,000	\$2,500
Catastrophic Medical for Athletes in Middle/High Schools	7/01/02-6/30/03	\$36,266	Coverage for athletes participating in interscholastic athletic programs \$1,000,000	\$25,000
Elected Public Official Bond for Duval County School Board	C'man & Co-C'man one year; members, 4 years	\$100 C'man & Co-C'man; \$89 members	Compliance with Section 237.191, FS (Section 1010.07, FS, effective 1/7/03)	N/A
Self-funded Retention Workers' Compensation	01/31/02 - 01/31/03	\$785,542	Coverage A: Statutory Coverage B: \$1,000,000	<u>Self-funded Retention:</u> \$350,000 each employee for Bodily Injury by Disease \$350,000 each accident for Bodily Injury by Accident

Source: Duval County School District's Insurance Broker, January 2003.

In its 2002-03 fiscal year renewal report, the insurance broker reviewed the rising costs of reinsurance and stated that *"reinsurance seems to be going up around 30-35% for most of the carriers."* They also noted, *"The property insurance market has turned and no account is immune from its effect. Many carriers are exiting the Florida market or offering small layers at greatly increased prices Catastrophic losses over the past several years have severely impacted the property marketplace. The 1999 storm season was the second most expensive year in insurance history Renewal carriers are all looking for premium increases ranging from 20-25%, 25-50%, and even 100, 200, and 300% increases, depending on the aggressiveness and bottomed out expiring program."*

The district's property insurance rates reflect this trend. The district's rates have increased dramatically, while coverage has declined by more than half. During 2001-02 policy period, the district had \$500

million of coverage on total insured value (TIV) of approximately \$1.759 billion. The rate for this coverage was \$0.13292 per \$100 of TIV, or approximately \$2.3 million. The TIV for the 2002-03 policy period is \$1.785 billion. However, the rate has climbed to \$0.17106 per \$100 dollars of TIV, an increase of about 29 percent. Consequently, for the 2002-03 policy period, the district is paying approximately \$3.1 million for \$200 million of coverage compared to \$2.3 million for \$500 million of coverage in the prior policy period. In other words, during 2002-03 policy period, the district paid \$15,265 per million of coverage compared to \$4,676 per million during the prior policy period, an increase of 226 percent. It is not economically feasible for the district to provide 100 percent coverage on \$1.785 billion of TIV, and the district is being forced by current market conditions to pay more for less, all while exposures are increasing.

Although the district is using this best practice, it could enhance its insurance program by periodically comparing and formally documenting its costs and coverages with peer districts. The insurance broker does not include such comparisons in its annual market study, and none are presented to the board. The market study is general and refers to the condition of the Florida market, but does not include specific comparisons.

One of the reasons Risk Management does not make comparisons is because Duval County School District is the first district in the state to renew each year. The risk manager renews all district policies in March, and peer costs are not available at that time since other districts renew later in the year. However, nothing precludes the district from comparing its prices to those of its peers once peer costs become available. Although such comparisons would not be useful for the current year, they would provide useful information for the following year's renewal. Moreover, as more data is collected and compared from year to year, helpful trends will emerge to aid in the decision-making process.

Exhibits 11-19 and 11-20 provide a comparison of the district's property coverage to that of its peers for the 2001-02 and 2002-03 fiscal years. The data shows that in comparison to its peers, the district's property insurance program is very competitive. Although the district was hit with fairly hefty increases, it fared better than its peers, on average. The exhibits also illustrate how useful peer comparisons can be.

Exhibit 11-19

Comparison of Property Insurance Coverage and Cost for Duval County School District and its Peers

District	2001-02			2002-03		
	Total Insurable Value	Amount of Coverage	Total Premium	Total Insurable Value	Amount of Coverage	Total Premium
Duval	\$1,759,250,397	\$500,000,000	\$2,338,396	\$1,784,790,747	\$200,000,000	\$3,053,063
Broward	\$2,750,866,510	\$600,000,000	\$7,293,004	\$2,876,901,828	\$250,000,000	\$11,160,000
Palm Beach	\$1,816,000,000	\$200,000,000	\$4,940,765	\$2,171,000,000	\$200,000,000	\$5,756,749
Pinellas	\$1,600,000,000	\$200,000,000	\$2,558,994	\$1,800,000,000	\$170,000,000	\$4,031,457
Hillsborough	\$2,256,000,000	\$500,020,000	\$2,971,000	\$2,426,000,000	\$350,000,000	\$4,320,000
Orange	\$2,045,808,922	\$400,000,000	\$1,447,572	\$2,059,446,007	\$300,000,000	\$1,990,000

Source: Duval County School District's Insurance Broker, January 2003, and Peer District Surveys.

Exhibit 11-20**Comparison of Property Insurance Coverage and Cost for Duval County School District and its Peers**

Period	Orange	Broward	Palm Beach	Pinellas	Hillsborough	Peer Average	Duval
Coverage as a Percentage of TIV							
2001-02	20%	22%	11%	13%	22%	17%	28%
2002-03	15%	9%	9%	9%	14%	10%	11%
Cost per \$1M of Coverage							
2001-02	\$3,619	\$12,155	\$24,704	\$12,795	\$5,942	\$11,600	\$4,677
2002-03	\$11,706	\$44,640	\$28,784	\$23,714	\$12,343	\$24,933	\$15,265
Percentage Change in Cost per \$1M of Coverage							
2002 to 2003	223%	267%	17%	85%	108%	115%	226%
Percentage Change in TIV							
2002 to 2003	1%	5%	20%	13%	8%	8%	1%
Percentage Change in Premium							
2002 to 2003	37%	53%	17%	58%	45%	41%	31%
Rate per \$100 of TIV							
2001-02	\$0.070758	\$0.265117	\$0.272069	\$0.159937	\$0.131693	\$0.197747	\$0.132920
2002-03	\$0.096628	\$0.387917	\$0.265166	\$0.223970	\$0.178071	\$0.257520	\$0.171060
Change	36.6%	46.3%	(2.5%)	40.0%	35.2%	30.2%	28.7%

Source: Duval County School District's Insurance Broker, January 2003, and Peer District Surveys.

We recommend that the district's risk management function periodically compare insurance costs and coverages with peer districts, and report such comparisons to the board.

PURCHASING

Best Practice 20: Not Using

The district has not established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.

An effective purchasing system allows a school district to provide quality materials, supplies, and equipment in the right quantity in a timely, cost-effective manner. A good purchasing system has established purchasing policies implemented through effective and well-developed procedures. Careful planning and cost-effective practices such as bulk-purchasing and price/bid solicitation provide the framework for the efficient procurement of goods and services. School districts must also ensure that goods and services are obtained to the specifications of the users; at the lowest possible costs; and in accordance with applicable state laws and regulations.

The Duval County School District has established written policies to govern their purchasing practices that are specified by state laws, rules, and regulations. The district's policies are direct adoption of those laws, rules, and regulations. Unless otherwise authorized by law, all district contracts are awarded by one of the following methods: formal sealed bidding; formal sealed proposals; informal procurements; sole source; emergency; or Florida Administrative policies. Rule 6A-1.012(5), *Florida Administrative Code*,

waives the requirements for requesting bids when purchases are made in contracts awarded by city or county governmental agencies, other school boards, community colleges, state university system cooperative bid agreements, or state contracts. The district may use some government contracts more than others, particularly for vehicle purchases. For example, the fleet manager and buyer compare state contracts to other government contracts to obtain the best price on vehicles for the district. In 2003, the district was able to achieve some savings by purchasing a dump truck using a City of Gainesville contract rather than the state or other government contracts.

In addition, the district implemented an innovative way to save the district money with the direct purchase program in 2002. The program, permitted by s. 212.08(6), *Florida Statutes*, and Rule 12A-1.094, *Florida Administrative Code*, exempts the district from the 6 percent Florida sales tax rate for the purchase of construction materials, supplies, and equipment used in a construction project. The district saves sales tax dollars by purchasing construction materials directly from the vendor instead of through the construction management companies. The assistant superintendent of Facilities Services handles all construction-related transactions. The district issued more than 100 purchase orders from March 2002 through December 2002. The district has achieved savings of \$263,700 in taxes for the 2002-03 fiscal year for direct purchases of construction materials and, overall, expects to save an estimated \$590,000.

Furthermore, the district has joined an Internet-based purchasing network that offers vendors around-the-clock access to all of the information about available Invitations To Bid and Requests For Proposals of the district. This service significantly streamlines the bid process, saves money (cost to fax or mail documentation to vendors), and creates a larger and more diverse pool of suppliers. Vendors subscribing to the service receive automatic notification of the district's bids and proposals. Increased bid competition drives costs down, and reduces marketing and administrative expenses.

Although the district's purchasing process is generally functioning as designed, the district is not using this best practice for four reasons. The first reason relates to the need for developing comprehensive procedures manuals for the purchasing process. Such manuals serve as the authoritative source for all procedures, policies, directives, and operations of the department. The Purchasing Department has what is referred to as the Gray Book (*Purchasing Services Instructions*), which identifies 20 purchasing procedures; however, the book is not comprehensive and not structured in an effective and well-developed procedures manual format, which is evidence of a good purchasing system. The individual purchasing procedures should be developed into a comprehensive procedures manual for the purchasing operations, detailing the process steps for each critical purchasing function, and taking each function from the beginning to completion of the process. Examples of procedures to include in the manual are the requisitioning process, bid process, purchasing card process, and most of the items included in the Gray Book. Written procedures are designed to assure continuity within the operations of the department and ensure that activities are carried out in an efficient and effective manner. The department should also ensure that the manual is maintained and updated periodically, as controls and procedures change. The department should develop a comprehensive manual for the Purchasing Department and make it available to all of the department's staff, and update it as key processes and controls change.

Action Plan 11-7

We recommend that the director of purchasing develop comprehensive procedures manuals and review and update procedures periodically.

Action Needed	<p>Step 1: Create a team to develop comprehensive procedures manuals, consisting of purchasing staff and relevant stakeholders.</p> <p>Step 2: Identify critical elements of procedures manuals, compile existing documentation, and research industry best practices resources and other reference sources.</p> <p>Step 3: Evaluate existing processes and develop written procedures.</p> <p>Step 4: Approve manuals for distribution and training.</p> <p>Step 5: Communicate changes districtwide.</p> <p>Step 6: Review and update procedures manuals periodically.</p>
Who Is Responsible	<p>Director of Purchasing</p> <p>Purchasing Staff</p>
Time Frame	January 2004

The second reason the district is not using this best practice relates to its need for districtwide implementation of the purchasing card (PCard) program. The PCard is designed to give schools and departments flexibility for purchasing certain routine materials and supplies. The district implemented its PCard program in April 2001 to reduce or control processing costs for small-dollar purchases. The district established controls and other limitations on card usage during the implementation phase; however, only 48 cards had been issued in the 20-month period ending December 2002, and only 14 of the 48 cards were issued to school principals. During the 2001-02 fiscal year, the district issued 36,220 purchase orders, of which 69 percent (24,987) represent items valued at \$750 or less (PCard single-purchase threshold) as shown in Exhibit 11-21.

Exhibit 11-21**Purchase Orders Fiscal Years 2000-01 through 2001-02**

Dollar Value Range	2000-01	Percentage to Total	2001-02	Percentage to Total
\$100 and less	9,267	25%	8,760	24%
\$100 - \$750	16,651	44%	16,227	45%
\$751 - \$1,000	2,506	7%	2,785	7%
\$1,001 - \$4,999	5,963	16%	5,657	16%
\$5,000 and greater	2,958	8%	2,791	8%
Total	37,345	100%	36,220	100%

Source: Duval County School District Purchase Order Data Extract.

Although all purchase orders for \$750 or less may not be eligible for purchase with the PCard, the district is missing potential savings even if only 10 percent of the purchase orders are eligible. Whether the district achieves any financial savings is dependent upon whether recurring operating expenses of the department can be permanently eliminated.

Without full implementation, the district has not met the objective of the program. Failure to implement the program districtwide to realize the greatest reduction in small-dollar purchase orders defeats the program benefits. Hillsborough County School District fully implemented their PCard program districtwide over a 24-month period and; therefore, is realizing the benefits of full implementation. The greatest benefits to any organization are the gains in efficiencies from the departments and schools ordering directly from the vendor and receiving goods more quickly; from the ability of purchasing staff

to better utilize its time for larger purchases; and from accounts payable paying one instead of multiple vendors. Many organizations also claim significant cost savings from implementing a PCard program; however, exact measurements of these savings are not available.

Action Plan 11-8

We recommend that the director of purchasing develop and implement a plan for districtwide use of the purchasing card program, and report results of the program cost savings to the board quarterly.

Action Needed	Step 1:	Determine the remaining schools and departments that would benefit from the PCard program.
	Step 2:	Prioritize issuance of cards by school/department, number of users with training, and release dates.
	Step 3:	Determine if existing cardholders are maximizing use of the program and implement any changes to the procedures, if necessary.
	Step 4:	Complete the implementation of the program; compile, analyze, and report results to the superintendent and board.
	Step 5:	Review effectiveness of program periodically.
Who Is Responsible	Director of Purchasing	
Time Frame	January 2004 and quarterly thereafter	

The third reason the district is not using this best practice relates to its need for evaluation tools to determine whether the Purchasing Department is operating in a cost-effective manner. The evaluation process includes extracting data from the system to analyze the results, including but not limited to, purchasing methods, vendors, dollar volume, commodities, and others. The evaluation results may reveal whether or not the district is maximizing state contracts, catalog purchases, direct purchases, PCard purchases, or issuing purchase orders timely. One evaluation example is that the district implemented an electronic bid notification system designed to reduce costs; however, the district has not analyzed its savings from reduced postage, envelopes, and paper to determine if the program met the district's needs. The Purchasing Department reports certain required information to the board depending on whether a purchase is for more or less than \$50,000. However, the department does not compile any statistical data, analyze the results, and make operating decisions, as appropriate, for the continued effectiveness and efficiency of the department.

Action Plan 11-9

We recommend that the director of purchasing develop evaluation tools to analyze the overall cost-effectiveness of the department and whether purchasing options are maximized.

Action Needed	Step 1:	Develop performance measurements and goals for the department.
	Step 2:	Determine the capabilities of the financial system to generate required data and develop a required report format, if not available.
	Step 3:	Generate monthly analyses and comparison to department goals.
	Step 4:	Report results to the superintendent and board.
Who Is Responsible	Director of Purchasing	
Time Frame	January 2004 and monthly thereafter	

The fourth reason the district is not using this best practice relates to its need for continuity in the alignment of job titles and responsibilities for the Purchasing Department's buyer assistants and stock clerks II. In 1998, the district separated from the City of Jacksonville's Purchasing Department to become a stand-alone district department. The Purchasing Department had buyer assistants who handled the smaller dollar requests, in addition to providing assistance to the buyers. However, stock clerk II

employees, who are primarily responsible for procuring supplies for the Maintenance Department and are part of the maintenance bargaining union, were assigned to the Purchasing Department because they create and issue purchase orders and are physically located in the Purchasing Department. However, being a part of the maintenance bargaining union, they are required to wear uniforms, including steel-toed shoes, but do not have any onsite maintenance responsibilities. They are essentially performing office duties. Although the stock clerk II employees are part of a bargaining unit that is different from the clerical purchasing employees, the district should reclassify the four stock clerk II employees to buyer assistants or a comparable position to better align with their purchasing functions.

Action Plan 11-10

We recommend that the district reclassify the stock clerk II job title to buyer assistant to provide continuity in the alignment of job titles and responsibilities.

Action Needed	Step 1:	Document the district's need and justification for the change.
	Step 2:	Consult with human resources and legal counsel to determine the district's legal requirements, limitations, and appropriate course of action.
	Step 3:	Present the district's request to the appropriate employees' union representative.
	Step 4:	Implement changes based on the union's ruling.
Who Is Responsible	Director of Purchasing	
	Assistant Superintendent for Human Resource Services	
	Legal Counsel	
Time Frame	January 2004	

INVENTORY MANAGEMENT

Best Practice 21: Using

The district has established written inventory management policies; however, inventory management procedures have not been documented in comprehensive procedures manuals, and formal monitoring procedures for slow-moving or obsolete inventory items have not been developed.

Many school districts have chosen to centralize their warehousing function. In many instances, school district inventories include desirable items that are subject to misappropriation. Depending on the size of the warehousing function and the nature of the inventory items stored, it is essential that these school districts establish effective policies and procedures that ensure inventory assets are appropriately controlled, safeguarded, and counted.

The district has established good controls in its Consolidated Services Department, including an electronic inventory requisitioning and receipting system as part of the enterprise resource planning system implementation in 1999. The inventory/warehouse module of the system provides accountability for inventory assets and automatic reorder points for stock replenishment. The inventory specialists monitor the activity for their assigned items weekly and adjust reorder points, based on varying circumstances, to ensure goods are available when requests are received. Electronic approval is also established in the system to ensure inventory requisitions are properly approved. The system automatically "reserves" and removes inventory items from availability when requisitions are processed, providing real-time status of inventory levels. To verify accuracy of inventory balances, the department conducts an annual physical inventory, reconciles it to the system balances, and makes appropriate adjustments. The inventory manager prepared a formal report of non-usage inventory for the first time as of December 12, 2002, which identified 1,940 non-usage inventory material types to dispose of as scrap,

accounting for 32 percent of total inventory material types and representing 11% (\$362,000) of total inventory value. Exhibits 11-22 and 11-23 show the inventory balances for the 1999-00 through 2001-02 fiscal years and physical inventory adjustment percentages.

Exhibit 11-22
Warehouse Inventory Balances
Fiscal Years 1999-00 through 2001-02

	1999-2000	2000-01	2001-02
General Stores	\$1,243,453	\$1,685,082	\$1,511,675
Maintenance	\$1,612,175	\$1,692,080	\$1,542,948
Total	\$2,855,628	\$3,377,162	\$3,064,623

Source: Duval County School District Consolidated Services Department Physical Inventory Reports.

Exhibit 11-23
Physical Inventory Adjustment Percentage
Fiscal Years 2000-01 through 2001-02

	2000-01	2001-02
General Stores	36%	(10%)
Maintenance	5%	9%

Source: Duval County School District Consolidated Services Department Physical Inventory Reports.

Additionally, the district provides adequate physical safeguards at the warehouse facility with employee identification badges; restricting access to visitors; and storing items in locked and caged areas with limited access authorization. The district installed a closed-circuit TV system to monitor the warehouse, truck court, and exterior parking lots during March 2003.

Although the district is using this best practice, it could enhance its inventory management procedures by developing comprehensive procedures manuals and effectively monitoring slow-moving or obsolete inventory items. First, the district should develop comprehensive procedures manuals for the entire inventory and warehouse operations. The manuals serve as the authoritative source for all procedures, policies, directives, and operations of the department and serves as a training manual for new employees. Generally, Consolidated Services Department employees are provided with software system training and actual hands-on training in inventory and warehouse operations. The district has documented only the standard operating procedures for the primary processes of the inventory management function, which provides an overview of the process requirements. The Consolidated Services Department should develop comprehensive procedures manuals that detail the process steps for each critical operating function; taking each function from the beginning to completion of the process, and make them available to all of the department's staff. Written procedures are designed to assure continuity within the operations of the department and that activities are carried out in an efficient and effective manner. The department should also ensure that the manual is maintained and updated periodically, as controls and procedures change.

We recommend that the director of Consolidated Services develop comprehensive procedures manuals and review and update periodically.

The second area where the district could enhance its inventory management procedures is by developing formal monitoring procedures for slow-moving or obsolete inventory items. The district does not

consistently perform a formal review of inventory items to ensure that a minimal level of unneeded items are disposed. The department management reviews the inventory, but not necessarily with an established methodology or review period. As previously noted, Consolidated Services recently identified approximately \$362,000, or 11 percent of the total inventory, to be disposed as of December 12, 2002, in addition to \$62,000 scrapped during the 2002-03 fiscal year.

We recommend that the district develop formal monitoring procedures for slow-moving or obsolete inventory items.

Best Practice 22: Not Using

The district does not periodically evaluate the cost-effectiveness of its warehousing function and does not compare its warehouse operations with peer districts.

School districts with centralized warehousing functions that are using this best practice evaluate the total cost of the warehousing operation and compare this cost with alternative inventory procurement services. Recently, many organizations have been reassessing the need to maintain central warehousing facilities by assessing the potential economies of outsourcing warehouse operations to inventory supply companies. Some organizational studies have found that inventory suppliers can provide services comparable to the central warehouse function at costs equal to or lower than the central warehouse function. The end result for these school districts has been to fully eliminate central warehouses and replace them with inventory supply delivery services for applicable and appropriate items.

Prior to July 1994, the Duval County School District operated separate departments for Print Shop, Testing, Textbook, General Stores, and Maintenance. Each department had its own or shared facilities and delivery vehicles, and several trucks made deliveries to the same locations daily. These departments were consolidated in 1994 under one department and one facility, and all departmental materials are delivered by one truck on a daily basis. The district stated that savings were achieved through the consolidation; particularly, a reduction of 10 employees over a period of time. However, the director of Consolidated Services has not analyzed or documented any savings.

The district is not using this best practice for two reasons. First, the district should evaluate total costs to maintain inventories and operate the warehouse. The Consolidated Services Department does not evaluate the cost of providing their services to schools and departments. The district is still structured as a traditional centralized warehouse operation, centrally receiving, storing, and delivering items to schools and departments. In April 2002, the district solicited an office supply vendor to provide next-day inventory services to the district by reducing or eliminating general stores inventory items and allowing the district to order items directly from the vendor, but found it not to be cost-effective. The district is revisiting with the same vendor in 2003 to reevaluate the potential for outsourcing the office supplies. The district only compared costs of the items and did not factor in its cost of operating the facility, salaries and benefits, utilities, vehicle and fuel costs, etc., which would increase the per-unit cost of the items stocked by the district. A proper comparison of total department operating costs to outsourcing costs is required to determine the department's cost-effectiveness. Various factors can influence a district's ability to provide services internally or externally; for example, competitive market conditions and service-driven marketing by inventory suppliers. Consequently, the district must be able to analyze and evaluate its operations periodically and make appropriate changes.

One of the peer districts, Hillsborough County School District, implemented a "just-in-time" stockless supply procurement program, which allows the district to order products from the vendors and deliver directly to the requesting site. Another peer district, Broward County School District, has established its central warehouse operation as an enterprise fund system that is supported through user charges and fees.

Broward County School District told the review team that they can provide general supply items to the district at 28 percent less than the cost from outside vendors for 1,300 general office supply items. At least one of the remaining three peer districts operates its inventory function as an enterprise fund.

The district's general stores and maintenance inventories are valued at a moving average cost. No user fee or administrative costs are passed on to the schools and departments to absorb operating costs of the department. Exhibit 11-22 shows the district's warehouse inventory values for the 1999-2000 through 2001-02 fiscal years. Exhibit 11-24 compares the district's warehouse inventories and staff levels with its peer districts.

Exhibit 11-24

Peer District Warehouse Inventory Comparison—2000-01 and 2001-02 Fiscal Years

District	Staff Size 2002-03	2000-01	2001-02
Duval County	81	\$3,377,162	\$3,064,623
Hillsborough County	32 ¹	\$1,283,788	\$1,269,479
Orange County	34	\$2,700,000	\$2,100,000
Pinellas	45	\$2,500,000	\$2,500,000

¹ Staff count includes textbook depository staff transferred to the warehouse operations, resulting from elimination of central stores inventory in the 2002-03 fiscal year.

Source: Peer District Surveys.

Okaloosa County School District periodically evaluates the cost benefit of its warehouse operations. Based on their review, Okaloosa closed the central warehouse and used suppliers to provide delivery services for supply items. Maintenance inventories were all but eliminated, and purchases were made with PCards; transportation inventory was reduced; and food service inventories were being evaluated.

System reports can provide valuable data for analyzing activities and assisting management in determining if projected levels of material, costs, and operating efficiency are achieved by the department on a short- and long-term basis. The district's inventory system may provide some standard statistical data reports, but the Consolidated Services Department generally reports only annual and monthly volume data (inventory ordered and inventory issued by type and by volume) and the value of inventory to the superintendent and board. The staff uses inventory usage reports in their weekly monitoring of usage levels and ordering of assigned commodities. The usage reports show material usage for one, three, six, and twelve months.

The department management generates no other statistical operating data, such as inventory turnover or trend information. Although an upgrade to the existing system in 2003 should provide various reports, the district should identify available reports that would enhance analyses and reporting of the operations in management's efforts to provide efficient and effective service. Since the answers for each district depend on factors that vary from service to service and from district to district, the Consolidated Services Department should evaluate the cost-effectiveness of all services provided to the district and develop a plan to realign the department operations to achieve best financial management practices.

Action Plan 11-11

We recommend that the district evaluate the warehouse operations to determine the cost-effectiveness of its services and develop performance measures and evaluation tools for periodic evaluation.

Action Needed	Step 1:	Develop and generate financial data/reports to assist in the analysis of inventory/warehouse operations.
	Step 2:	Determine all costs (staffing, equipment, facilities, overhead, other) associated with maintaining inventories.
	Step 3:	Determine the costs and benefits with using alternative inventory management resources.
	Step 4:	Document the results; present analyses and recommendations to the superintendent and board.
	Step 5:	Implement approved recommendations.
	Step 6:	Develop performance measures and evaluation tools to analyze operations periodically.
Who Is Responsible	Director of Consolidated Services	
Time Frame	January 2004	

The second reason the district is not using this best practice relates to its need for periodic comparisons of its warehouse operations, including inventory levels, with other peer districts. This process will assist the district in identifying potential enhancements to its inventory operations, as well as identifying excess inventory levels. As noted previously, the district must determine the factors that influence its ability to provide cost-effective services, particularly as state funding decreases and budget cuts continue.

Action Plan 11-12

We recommend that the district compare its warehouse operations with other peer districts to identify potential enhancements to the inventory operations.

Action Needed	Step 1:	Research OPPAGA's best financial management practices reports and other sources to identify innovative processes and programs.
	Step 2:	Contact peer districts for additional information on their programs and processes.
	Step 3:	Compare the district's data to peer data to assist in identifying proper inventory levels for its size.
	Step 4:	Develop criteria to determine when to perform services in-house and when to outsource.
Who Is Responsible	Director of Consolidated Services	
Time Frame	January 2004	



Action Plan

Management Structures

Action Plan 2-1

We recommend that the district develop and implement a policy and procedures for a system of board member orientation and training to instruct board members on their specific roles and responsibilities and to provide guidance into the operation of the district and to develop a process for assessing its performance.

Action Needed	Step 1.	Executive Team and School Board meet to establish the orientation and training design and format. The training program should cover board duties, process of communication with staff, process of communicating community concerns to staff, understanding academic and financial data, and a schedule for training in understanding district operations, which may include open house sessions of the departments for the board members and board member to board member mentoring.
	Step 2.	Executive Team establishes a work plan to develop orientation and training session in accordance with areas of step 1 and any additional board or staff specifications. Board reviews and approves the work plan. The work plan should be inclusive of timelines for completion and parties responsible for each activity.
	Step 3.	Superintendent presents draft of orientation and training program to the board for their review in work session. Board members should be prepared to discuss any additional best practices to include in the program. Superintendent and staff make revisions to the draft program as directed.
	Step 4.	Superintendent presents program to the board for their approval at a board meeting.
	Step 5.	Board votes to approve program and passes policy to formally institute a training and orientation program to be conducted following each election regardless of outcome the with attendance mandatory for all board members.
	Step 6.	Policy compliance officer drafts work plan to review the policies regarding the school board. This work plan should be inclusive of timelines and persons bearing responsibility and will be presented at the board work session.
	Step 7.	Board members, superintendent, board liaison, executive team, and policy compliance officer identify or develop process to identify current district practices that do not reflect policy guidelines.
	Step 8.	In work session, board members, superintendent, board liaison, policy compliance officer, and executive team discuss means of correcting identified disconnects between practice and policy, particularly in the areas of contact with staff, requests for information, staff reports to the board and participation in the strategic plan.
	Step 9.	Based on the feedback in step 3, the policy compliance officer drafts the updated board policies to be submitted to the board in work session for their comment, review, and revision.

	Step 10.	Board approves updated policies.
	Step 11.	In a board work session, discuss the general framework for evaluation. This discussion should be inclusive of the time of evaluation, method of identifying opportunities for improvement, and methods of implementing improvements.
	Step 12.	Board members draft the process of self-evaluation.
Who Is Responsible	School Board and Superintendent.	
Time Frame	June 2005	

Action Plan 2-2

We recommend that the board members and superintendent review district policies against current district practices to determine how policies or practices should be amended.

Action Needed	Step 1.	Policy compliance officer includes a brief summary of current district practice for each of the policies under review during the board work session policy review and proposes updated policies to address cases where policy and practice differ.
	Step 2.	Board and superintendent review impact, benefits, rationale, and recourse to correct discrepancies between policy and practice.
	Step 3.	Policy manual is updated accordingly.
	Step 4.	Create an electronic version of the district policy manual to be maintained by the Office of Policy Compliance.
Who Is Responsible	Board Members, Superintendent	
Time Frame	January 2004	

Action Plan 2-3

We recommend that the district establish written policies and procedures relating to legal services. These should include policies and procedures regarding and criteria for using counsel.

Action Needed	Step 1.	Work with the Office of the General Counsel to clarify the role and latitude of responsibility for the policy compliance officer.
	Step 2.	Work with the Office of the General Counsel to update district policies detailing who may solicit legal services on the district's behalf, the circumstances under which it would be appropriate to seek advice from the Office of General Counsel rather than from the policy compliance officer, and the process by which those services may be requested.
	Step 3.	The superintendent assigns a staff person to draft a policy and procedures relating to legal services.
	Step 4.	The assigned staff person drafts the policy and procedures in consultation with the district's attorney.
	Step 5.	The superintendent places the policy and procedures on a board meeting agenda for the board to adopt the policy and review the procedures.
	Step 6.	The board votes to approve the policy and procedures.
	Step 7.	The policy and procedures are disseminated to all district staff that may have contact with the district's attorney of the policy compliance officer.
	Step 8.	Policy manual is updated accordingly.
	Step 9.	Create an electronic version of the district policy manual to be maintained by the Office of Policy Compliance.
	Step 10.	Create a process to review legal expenses to identify areas of consistent legal expense and opportunities to mitigate the legal cost exposure on those areas.
	Step 11.	Board and superintendent review impact, benefits, rationale, and recourse to correct discrepancies between policy and practice.
Who Is Responsible	Board Members, Superintendent	
Time Frame	July 2004	

Action Plan 2-4

We recommend that the district review its organizational structure, related functions, and business processes to assess the reasonableness of its administrative staffing levels and reduce its administrative staff appropriately.

Action Needed	Step 1.	Review organizational structure, business functions, business processes, and total administrative staffing levels, including support staff.
	Step 2.	Determine the extent to which the district could improve staffing efficiency.
	Step 3.	Identify departments, divisions, and functions with excess administrative staff.
	Step 4.	Reduce excess administrative staffing during the annual budget cycle.
Who Is Responsible	Superintendent	
Time Frame	May 2004	

Action Plan 2-5

We recommend that the district develop a formal board policy specifically outlining the authority assigned to school administrators and communicate this authority to principals annually.

Action Needed	Step 1.	Prepare draft of formal policy for board to review.
	Step 2.	Review and approve policy.
	Step 3.	Revise <i>Principal's Manual</i> to include board policy.
	Step 4.	Communicate authority via memoranda and <i>Principal's Manual</i> at the beginning of each school year.
Who Is Responsible	Board members, superintendent, and regional superintendents	
Time Frame	January 2004	

Performance Accountability Systems

Action Plan 3-1

We recommend that the district expand its performance accountability system to include specific objectives and measures that will apply to non-instructional programs as well as the educational programs. We also recommend that the district develop a program-level accountability system to examine whether programs are having the desired results. Finally, we recommend that the district develop a system to incorporate and report performance information to improve district operations.

Action Needed	Step 1.	Identify a few high-level outcome and efficiency measures for inclusion into the district's strategic plan that reflect board priorities for educational and operational programs and services. In addition, for each major educational and operational program identify supporting measures that reflect the primary purpose of each program that managers can use to monitor performance.
	Step 2.	For each measure, identify the data needed and determine the information below. <ul style="list-style-type: none"> ▪ Who will collect performance data and how often? ▪ What is the source of the data (e.g., state or district reports)? ▪ In what format is the data needed? ▪ How often should the data be collected? ▪ Who (program staff, department head, assistant superintendent, superintendent, school board) will the data be reported to and how often? ▪ How should the data be used?
	Step 3.	Identify and prioritize data needs by classifying data into the following two categories: <ul style="list-style-type: none"> ▪ data currently available, accessible, and in the format needed to

	determine progress toward program goals and objectives and
	<ul style="list-style-type: none"> data currently either not available, accessible or in the format needed to determine progress toward program goals and objectives.
Step 4.	For each measure, determine a standard (benchmark) for performance the district would like to achieve, which may be based on past performance, the performance of comparable districts, or industry standards.
Step 5.	<p>For each measure or related measures develop a written statement (objective) that indicates the desired performance (result) or improvement target. For academic programs, objectives should be stated in terms of student outcomes (that is, the effect the program will have on participating students if the program is successful). For operational programs objectives should be stated in terms of the quality and cost of service provided of desired performance. Objectives should be</p> <ul style="list-style-type: none"> either short-term (two to three years) or mid-term (four to five years); address major aspects of the program's purpose and expenditures; be specific; be easily understood; be challenging but achievable; be measurable and quantifiable; <p>Examples of objectives include:</p> <p>"The food service program will maintain a labor margin of ____% in 2003-04."</p> <p>"By 2005, the facilities department will decrease average energy cost per gross square foot from \$____ to \$____ which is consistent with the average of its peers (identify peers)."</p> <p>"By 2004, the maintenance department will reduce number of custodians per net square foot to _____ which is consistent with the industry standard of 1:_____."</p>
Step 6.	Periodically compare district performance data to data from other, comparable districts or programs to determine whether the district could improve its operations.
Step 7.	
Step 8.	Based on the ongoing analysis described in Step 6 above, identify undesirable trends in performance and cost that need more in-depth evaluation.
Step 9.	Conduct more in-depth evaluations to identify the cause and potential remedies to address trends identified in Step 7. Put the results of these in-depth evaluations in writing.
Step 10.	At least annually, report performance related to high-level measures to the school board. Provide the written results of in-depth evaluations to the school board.
Who Is Responsible	Superintendent
Time Frame	June 30, 2005

Administrative and Instructional Technology

Action Plan 5-1

We recommend that the district create a district technology committee and adopt a planning model to facilitate the development of a comprehensive technology plan complete with implementation strategies, timelines, accountabilities, and links to measurements for student achievement.

Action Needed	Step 1.	Establish a manageable group of seven to nine key administrators from the schools, district office, and the Division of Technology to oversee the planning process and to facilitate cooperation and support from teachers and administrators.
	Step 2.	Compile a project portfolio of all existing initiatives and projects.
	Step 3.	Estimate expenditures matched with the division budget.
	Step 4.	Evaluate the status of all projects and initiatives.
	Step 5.	Define a core strategy for the district.
	Step 6.	Identify and fund projects that are strategically aligned and meet budget parameters.
	Step 7.	Monitor student performance metrics and business measures to assess planning process.
Who Is Responsible	Chief Information Officer and district executives	
Time Frame	March 2004	

Action Plan 5-2

We recommend that the district collect information that identifies callers as users or non-users and levels of service such as level one or level two and higher. We also recommend that the district identify the cost of bandwidth currently provided by the contractor and compare it to other vendors' bandwidth costs.

Action Needed	Step 1.	Modify trouble tickets to include appropriate information.
	Step 2.	Implement modified trouble tickets in cooperation with the contractor.
	Step 3.	Establish database for information collected.
	Step 4.	Analyze data.
	Step 5.	Obtain bandwidth cost from contractor.
	Step 6.	Obtain bandwidth costs from other vendors.
	Step 7.	Compare bandwidth costs.
	Step 8.	Identify help desk alternatives based on data analysis and cost comparisons.
	Step 9.	Recommend to the board an alternative service delivery system, if warranted.
	Step 10.	Board will vote on the recommendations.
Who Is Responsible	Director of Technology Support	
Time Frame	January 2005	

Action Plan 5-3

The district should determine if it has a long-term need for consultants and, if so, replace them with in-house employees. We also recommend that the district improve its method of measuring user satisfaction.

Action Needed	Step 1.	Evaluate long-term need for consultant staff. If need exists, go to step 2.
	Step 2.	Consultant staff should document all procedures and tools in use.
	Step 3.	Re-post positions internally and conduct interview process.
	Step 4.	Re-examine compensation policies.
	Step 5.	Open recruitment to public to fill technology positions that support the system.
	Step 6.	Conduct interviews with candidates.
	Step 7.	Extend offers, hire candidates and provide extensive cross-training with consultant staff.
	Step 8.	Release consultant staff from duties.
	Step 9.	Develop survey instrument to gauge user satisfaction.
	Step 10.	Test instrument on small sample of users.
	Step 11.	Revise instrument and install on district intranet.
	Step 12.	Survey users annually and when they request assistance.
Who Is Responsible	Chief Information Officer and Chief Financial Officer	
Time Frame	March 2004	

Personnel Systems and Benefits

Action Plan 6-1

We recommend that the district collect, analyze, and report turnover data for all employee groups and use the results to identify and address trends and issues related to turnover and employee morale.

Action Needed	Step 1.	Review and strengthen the current exit interview process to ensure that all instructional employees are interviewed, and that data is collected that is useful to the district. Also, develop an exit interview process for non-instructional employees.
	Step 2.	Incorporate the exit interview component as part of a formal separation process to finalize the employee exit from the district.
	Step 3.	Identify staff to coordinate the exit interview process.
	Step 4.	Implement the exit interview process.
	Step 5.	Determine the critical turnover information that should be presented in the employee turnover report.
	Step 6.	Draft a report format with narrative analyses and present to the superintendent for approval.
	Step 7.	Use the approved format to produce employee turnover reports for the superintendent and the board.
Who Is Responsible	Assistant Superintendent of Human Resource Services	
Time Frame	June 2004	

Action Plan 6-2

We recommend that the district expand the use of climate surveys to solicit feedback from all employee groups and include questions related to the services and programs managed by the administrative departments.

Action Needed	Step 1.	Develop questions related to services and programs managed by administrative departments and include employees from all employee groups to participate in the climate survey.
	Step 2.	Modify the existing climate survey process to distribute the climate survey to all employees.
	Step 3.	Collect and analyze survey results and present a detailed report to administrative departments.
	Step 4.	Work with administrative departments to develop a plan that is responsive to substantive survey feedback to improve overall operations.
Who Is Responsible	Superintendent	
Time Frame	January 2005	

Action Plan 6-3

We recommend that the district develop a comprehensive staff development program for its non-instructional personnel.

Action Needed	Step 1.	Conduct a needs assessment analysis and compile the results into a districtwide staff development plan.
	Step 2.	Compare major elements identified in the districtwide plan with the Strategic Plan/priority action strategy to ensure compatibility.
	Step 3.	Create evaluation methods for each major element or objective of the plan.
	Step 4.	Determine realistic goals and objectives for the elements of the plan and timetables for meeting those goals and objectives.
	Step 5.	Update the staff development plan to include evaluation methods, goals, objectives, and timetables.
	Step 6.	Submit the staff development plan to each department for approval of the components and goals affecting that department.
	Step 7.	Submit the staff development plan to the superintendent and the board for approval.
	Step 8.	Gain approval of the plan from the superintendent and board.
	Step 9.	Conduct annual evaluation of the plan based on stated goals and objectives and report results to department heads, superintendent, and board.
Who Is Responsible	Associate Superintendent of Curriculum and Instructional Services Assistant Superintendent of Human Resource Services	
Time Frame	January 2005 and ongoing	

Action Plan 6-4

We recommend that the district improve controls and accountability for the quality and timely completion of performance evaluations.

Action Needed	Step 1.	Establish a committee of stakeholders composed of administrators, instructional staff, non-instructional employees, and union representatives to develop goals, an activity schedule, and the process for HR to conduct a review of completed performance evaluations.
	Step 2.	Develop a checklist of key areas that will be reviewed and assessed on the completed performance evaluations.
	Step 3.	Develop a revised procedure, including a master list form and reporting process, for the submission of completed performance evaluations.
	Step 4.	Communicate the new process districtwide and instruct department staff on the new process.
	Step 5.	Review and assess selected performance evaluations based on the checklist.
	Step 6.	Analyze results and provide feedback and recommendations as appropriate to respective supervisors.
	Step 7.	Conduct training or coaching sessions as needed.
	Step 8.	Collect data and report compliance and noncompliance information to the superintendent and regional superintendents
	Step 9.	Conduct an annual evaluation of the process based on stated goals and report results to department heads and superintendent.
Who Is Responsible	Assistant Superintendent of Human Resource Services Associate Superintendent of Curriculum and Instructional Services General Director of Research, Assessment, and Evaluation	
Time Frame	June 2004 and ongoing	

Action Plan 6-5

We recommend that HR continue working with the consultant to develop its strategic plan with sound goals and effective performance measures that address major aspects of the district's human resource program. HR should use the results of the mapping process to finalize and implement its reorganization plan.

Action Needed	Step 1.	Continue working with the consultant to review and update the department's strategic plan and organizational structure.
	Step 2.	Review the department's vision and mission statements for effectiveness.
	Step 3.	Revise and restate the strategic goals and performance measures to more accurately reflect the department's vision and ability to compete.
	Step 4.	Use results of comparisons, consultant recommendations, and process maps to determine appropriate organizational structure and staffing levels.
	Step 5.	Submit revised structure and restructuring plans to the superintendent and board for approval.
	Step 6.	Implement the reorganization and goals and monitor progress and effectiveness on a regular basis.
Who Is Responsible	Assistant Superintendent of Human Resource Services	
Time Frame	July 2004	

Facilities Construction

Action Plan 7-1

We recommend that the district review under-used elementary schools, develop objective criteria for closure and/or consolidation and implement a plan for closure and consolidation as part of the master planning process.

Action Needed	Step 1.	Forecast facility needs based on class size reduction requirements, small school goals and requirements.
	Step 2.	Modify, if necessary, the evaluation matrix (see Exhibit 7-11) to ensure it objectively addresses issues of obsolescence, cost to upgrade, under use, demographic trends, and other relevant local factors.
	Step 3.	Apply evaluation matrix based on updated goals and needs and determine likely candidates for closure.
	Step 4.	Develop recommendations for closure/consolidation as part of a long-range master planning process and present to the Board for action.

Who Is Responsible	Facilities Services Director
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Time Frame	March 2004
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Action Plan 7-2

We recommend that the district increase stakeholder representation on the Facilities Advisory Committee.

Action Needed	Step 1.	Change the membership of the facilities advisory committee to include at a minimum: (1) parent; (2) representative from two community organizations; (3) high school student; (4) PTA; (5) architectural/engineering profession; (6) construction industry representative; and (7) educator.
	Step 2.	Appoint news members to the committee to fill any new openings created in step one. Revise the responsibilities of the committee to include developing criteria, reviewing the findings, and participating in developing a long-range facilities master plan.

Who Is Responsible	Superintendent
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Time Frame	June 2005
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Action Plan 7-3

We recommend that the district incorporate the forthcoming needs assessment into its long range planning processes to clearly state goals and objectives and develop a reliable system for developing feedback about facilities construction performance.

Action Needed	Step 1.	Assign one staff the responsibility of administering the master and strategic planning process and working with the consultant selected to provide the functional needs assessment.
	Step 2.	Assign an in-house facilities planning task force to develop criteria, review the findings, and participate in developing a long-range facilities master plan that incorporates the facilities master plan elements outlined in Exhibit 7-7.
	Step 3.	Establish a reporting and accountability mechanism to collect feedback from the implementation of the long-range plan. This should include information on the accuracy of forecasts and the ability of the district to meet goals and objectives.
	Step 4.	Depending on the reporting mechanisms selected, develop a system or purchase software to ensure a uniform reporting process and procedure.
	Step 5.	Modify the Standard Operating Procedures (SOPs) to reflect the new approach to long-range and strategic planning integrating construction and major maintenance.
	Step 6.	Develop a training program and implement the new procedures.
	Step 7.	Periodically evaluate the procedures and make an initial evaluation six months after implementation.
Who Is Responsible	Facilities Services Director	
Time Frame	June 2005	

Action Plan 7-4

We recommend that the district adopt a policy encouraging development of multi-school campuses that encourage sharing of facilities and that this policy is reflected in a revised set of educational specifications.

Action Needed	Step 1.	The board establishes a task force, with membership including an advocacy group and/or outside professional, to research efforts other districts, as well as, to solicit input from administrators and teachers within the district.
	Step 2.	The district convenes a task force to make recommendations to the board regarding the facilities that should be shared among adjacent schools and the appropriate spatial relationships for each type of school.
	Step 3.	Upon approval the district modifies the educational specifications to reflect the policy change.
	Step 4.	The board should further direct staff to acquire adjacent school sites whenever feasible.
Who Is Responsible	Assistant superintendent for facilities services	
Time Frame	September 2004	

Action Plan 7-5

We recommend that the district adopt a policy to only construct new schools when initial enrollment will be at least 85% of the design capacity. When school enrollment increases, the district should use temporary facilities (such as relocatables) until enrollment projections exceed 115% in the five year workplan.

Action Needed	Step 1.	Develop educational specifications for facilities that balance core school requirements with the number of classrooms for schools that open below 85% of capacity for five or more years.
	Step 2.	Develop phasing diagram for expansion using temporary and later permanent facilities, as demographics require.
	Step 3.	Develop educational specifications for smaller schools that can meet the small schools requirement without necessarily using the school within a school concept.
Who Is Responsible	Facilities Services Director	
Time Frame	March 2004	

Action Plan 7-6

We recommend that the district research best practices and lessons learned and develop a comprehensive building design policy and develop specific prototypes for new schools,.

Action Needed	Step 1.	Research and report to the board best practices and lessons learned in other districts and from past construction in Duval.
	Step 2.	Based upon the results of the assistant superintendent's research, prepare recommendations to the board with respect to the use of prototypes of new schools, placing particular emphasis on schools that earned SMART awards.
	Step 3.	Present recommendations to the board for approval.
	Step 4.	Upon the board's approval, develop prototype designs that incorporate SMART design criteria and the district's revised educational specifications.
	Step 5.	Update the educational specifications and/or design fees where applicable.
Who Is Responsible	Assistant superintendent for facilities	
Time Frame	June 2004	

Action Plan 7-7

We recommend that the district research and evaluate SMART building design policy; and develop specific guidelines and cost saving goals and implement them for new schools, additions and existing building inventory.

Action Needed	Step 1.	Evaluate construction decisions made to bring costs in line with the SMART schools requirements and determine if they increased long-term costs.
	Step 2.	For any decisions resulting in higher long-term costs consult with staff in other district receiving SMART awards and staff at DOE to determine if other alternatives are available.
	Step 3.	Develop recommended guidelines for future SMART construction, including <ul style="list-style-type: none"> ▪ establishing balanced performance benchmarks; ▪ requiring building and site impact on operating costs; ▪ including lighting and sensory-controlled devices in operating cost analysis; and ▪ balancing construction and operating costs.
	Step 4.	Present recommendations for Board approval and implement.
	Step 5.	Update the educational specifications and/or design fees where applicable.
Who Is Responsible	Assistant superintendent for facilities	
Time Frame	June 2004	

Action Plan 7-8

We recommend that the district establish a policy and procedures to design, administer and implement a post occupancy evaluation process for facilities programming and construction.

Action Needed	Step 1.	Develop goals and objectives of the post occupancy evaluation.
	Step 2.	Establish a task force consisting of regional superintendents, facilities project managers, and Facilities Services Division staff involved in preparation of educational specifications to conduct research and evaluate various post-occupancy alternatives available from various consultants and organizations.
	Step 3.	Determine whether to outsource the evaluation process, develop in-house capabilities immediately, or a combination of outsourcing with internal capabilities.
	Step 4.	Develop a budget based on the preferred and most efficient and effective method and resource.
	Step 5.	Conduct trial post-occupancy evaluations on 10 most representative recent projects.
	Step 6.	Evaluate results and recommend a program for board approval and implement.
	Step 7.	Use the results to select what type of occupation the district should have.
Who Is Responsible	The Assistant Superintendent for Facilities Services	
Time Frame	January 2004	

Action Plan 7-9

We recommend that the Facilities Services Division periodically determine the effectiveness of long-range facilities strategies and gather operational benchmark data to determine the cost-effectiveness of operations.

Action Needed	Step 1.	Set goals and measurable objectives for the construction department.
	Step 2.	Establish performance benchmarks.
	Step 3.	Gather appropriate operational data from Duval County School District and other school districts which have demonstrated exemplary facilities management practices.
	Step 4.	Using benchmark data gathered, conduct annual benchmarking activity.
	Step 5.	Use results to improve the cost-effectiveness of operations.
Who Is Responsible	The assistant Superintendent for Facilities Services	
Time Frame	January 2004	

Action Plan 7-10

We recommend that the Facilities Services Division evaluate the mission, structure, and staffing levels within the department: reorganize the department and eliminate one general director position and four administrative positions.

Action Needed	Step 1.	Develop an organizational structure more closely aligned with the division's planning/design/construction and facilities management function.
	Step 2.	Develop a staffing plan that strengthens the planning and facilities management operations.
	Step 3.	Develop a plan to automate manual processes using compatible software designed for program and project management activities. Coordinate with revisions to Standard Operating Procedures.
	Step 4.	Develop new staff job descriptions and determine which professional and support positions will be enhanced, downgraded, or eliminated.
Who Is Responsible	The assistant Superintendent for Facilities Services	
Time Frame	January 2004	

Facilities Maintenance

Action Plan 8-1

We recommend that the district develop performance standards for maintenance based on recognized industry benchmarks and comparisons with peer districts.

Action Needed	Step 1.	Develop performance standards based on suggested DOE effectiveness standards such as: <ul style="list-style-type: none"> ▪ Maintenance cost per square foot; ▪ Maintenance cost per student; ▪ Custodial cost per square foot; ▪ Square feet of building per FTE custodian; ▪ Square feet of building per maintenance staff; ▪ Average age of facilities; ▪ Timeliness of responses; and, ▪ Customer satisfaction.
	Step 2.	Review DOE operating statistics and contact peer districts for comparative benchmark data.
	Step 3.	Calculate and verify measures.
	Step 4.	Select critical performance and cost-efficiency measures that should be reported to the superintendent and school board.

Who Is Responsible	The general director of Plant Services
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Time Frame	August 2003
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Note: This action plan should be implemented in conjunction with Action Plan 3-1.

Action Plan 8-2

We recommend that the district develop a survey instrument that obtains separate customer feedback for maintenance and custodial operations and the survey be administered annually to identify and address opportunities for program improvement.

Action Needed	Step 1.	Develop a survey instrument that provides clear, quantifiable results for both maintenance and custodial operations.
	Step 2.	Administer the survey to a broad cross-section of district stakeholders to include principals, teachers, professional, administrative, and clerical staff.
	Step 3.	Tabulate the survey results.
	Step 4.	Review the survey results with Maintenance management and staff.

Who Is Responsible	Supervisor for Plant Services and the director of Facilities Planning/Real Estate, Facilities Services Department
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Time Frame	January 2004
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Action Plan 8-3

Develop staffing allocation guidelines for maintenance and operations.

Action Needed	Step 1.	Determine total number of maintenance employees by craft.
	Step 2.	Determine total square footage of all district facilities.
	Step 3.	Determine age of facilities, historical maintenance trends, projects, and so on.
	Step 4.	Calculate the number of maintenance employees per square footage.
	Step 5.	Obtain comparable statistics from exemplary peer districts and develop staffing allocation formulas accordingly.
Who Is Responsible	The general director of Plant Services and the supervisor for Plant Services.	
Time Frame	January 2004	

Transportation

Action Plan 9-1

We recommend that the transportation department develop cost analyses for its routes that serve various program areas, including magnet school and ESE routes, to identify potential savings to present to the school board and public during the budget process.

Action Needed	Step 1.	The general director of transportation, operations supervisor, and business supervisor work together to conduct a detailed analysis of the actual costs of each transportation program.
	Step 2.	Using this analysis, the general director of transportation, operations supervisor, and regular/magnet coordinators identify ways to reduce route miles by program. The general director of transportation develops and presents recommendations to the general director of general services.
	Step 3.	The general director of general services presents the cost analysis data and recommendations to the superintendent, school board, and public for use in making decisions on program location and in the budgeting process.
	Step 4.	The general director of transportation, operations supervisor, and business supervisor develop a cost allocation methodology for ongoing analysis of program costs. Findings are reported to the general director of general services.
Who Is Responsible	General director of transportation	
Time Frame	July 2004	

Action Plan 9-2

We recommend that the transportation department make regular reports to the Duval County School Board on student transportation performance indicators and the cost of various programs and initiatives.

Action Needed	Step 1.	The associate superintendent for administration and business services, the general director of general services, and the general director of transportation should establish a schedule for regular reports on student transportation to the school board. The reports should be made at least once per school term.
	Step 2.	The superintendent and chief of staff should approve the schedule and format for board presentations and propose the agenda to the school board.
	Step 3.	The general director of general services and the general director of transportation should design the content and format for reports on performance, including performance indicators for contractors and for the district's budget for student transportation.
	Step 4.	The general director of transportation should include in the annual budget presentation recommendations for cost savings based on program cost analysis for ESE and magnet programs or other initiatives to reduce total route miles for student transportation.
Who Is Responsible	General director of transportation	
Time Frame	January 2004	

Action Plan 9-3

We recommend the transportation department revise the organizational plan to reflect a performance-based management structure.

Action Needed	Step 1.	The general director of transportation identifies areas of the Duval County School District's transportation department organization that should be modified and makes appropriate changes.
	Step 2.	The general director of transportation submits a revised organizational plan to the general director of general services for approval.
	Step 3.	The general director of general services conducts the proposed organizational plan through the appropriate channels for approval, including the superintendent and school board.
	Step 4.	Upon approval, the general director of transportation implements the revised organizational plan. The implementation process may involve coordination with the human resources department if any positions are upgraded.
Who Is Responsible	General director of transportation, general director of general services	
Time Frame	May 2004	

Action Plan 9-4

We recommend the consolidated services department fill the positions of fleet inspector and secretary to support the fleet coordinator for white fleet vehicle management.

Action Needed	Step 1.	The consolidated services department requests the human resources department compile a list of candidates for the fleet inspector and secretary positions.
	Step 2.	Upon receipt of resumes and applications, the consolidated services department interviews and selects appropriate candidates.
	Step 3.	The consolidated services department works with the human resources department to facilitate hiring of the selected candidates.
Who Is Responsible	Director of consolidated services	
Time Frame	January 2004	

Action Plan 9-5

We recommend the Duval County School Board adopt a vehicle replacement policy for district vehicles in the white fleet.

Action Needed	Step 1.	The fleet coordinator and the director of Consolidated Services should develop criteria to determine when a vehicle should be replaced. The criteria should include data such as age of the vehicle, vehicle mileage, and maintenance cost versus vehicle value. The replacement schedule will vary for different types of white fleet.
	Step 2.	The fleet coordinator should use the criteria to evaluate the existing white fleet. A schedule for vehicle replacement should be prepared.
	Step 3.	The vehicle replacement criteria and the schedule for vehicle replacement should be presented to the general director of General Services and the assistant superintendent of Administration & Business Services for review with district administrators for comment and concurrence.
	Step 4.	The superintendent should provide the replacement policy to the school board for approval. The superintendent should ask the school board to review this policy each year with the budget cycle for any revisions that may be needed. The vehicle replacement standards should have sufficient allowance for projected growth and for accommodation of school board program decisions that have an impact on the white fleet.
	Step 5.	The fleet coordinator should present the procurement schedule to responsible employees in each functional area to budget for vehicle replacement.
	Step 6.	The fleet coordinator should maintain records to document the vehicle replacement standards are being met.
Who Is Responsible	Assistant superintendent for administration and business services	
Time Frame	July 2005	

Action Plan 9-6

We recommend the district make a claim for Medicaid reimbursement for transporting students who qualify for Medicaid funding for certain approved bus runs.

Action Needed	<p>Step 1. The assistant superintendent for business and administration with the assistance of the general director of ESE and the director of budget services, report to the superintendent and the school board the amount of money to be realized from Medicaid reimbursement (less the cost of collecting the necessary information).</p> <p>Step 2. The school board decides if the district will make a claim for Medicaid reimbursement.</p> <p>Step 3. The general director of ESE and the director of budget services develop a procedure to file 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 4. The ESE personnel would 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; and ▪ Procedures for submitting Medicaid requests for payment. <p>Step 5. The transportation department and general director of ESE coordinate to agree on the number of students qualified.</p> <p>Step 6. ESE personnel prepare claims for Medicaid reimbursement.</p> <p>Step 7. The budget department modifies accounting procedures and processes in response to any Medicaid changes.</p> <p>Step 8. ESE personnel implement reporting systems as required and provide monthly report to the superintendent.</p>
Who Is Responsible	Assistant superintendent for administration and business services
Time Frame	May 2004

Action Plan 9-7

We recommend the transportation department and ESE personnel work with bus contractors to develop a curriculum to provide training for drivers and attendants who transport ESE students.

Action Needed	<p>Step 1. The operations supervisor and ESE coordinator research ESE bus driver training curricula from other school systems.</p> <p>Step 2. The operations supervisor and ESE coordinator work with contractors to develop draft ESE training curriculum and training materials.</p> <p>Step 3. The operations supervisor distributes the draft ESE training curriculum to the contractors and ESE Department for comments and suggestions.</p> <p>Step 4. The operations supervisor finalizes and distributes the training curriculum and discusses expectations for using the curricula with the contractors.</p> <p>Step 5. The contractors begin using the ESE training curriculum. The regular/magnet coordinators monitor the training program.</p>
Who Is Responsible	Operations supervisor, ESE coordinator
Time Frame	January 2004

Action Plan 9-8

We recommend the district require contractors to provide training for bus drivers to better handle student discipline on school buses.

Action Needed	Step 1.	The operations supervisor works with contractors to update student management curriculum and training materials.
	Step 2.	The operations supervisor completes and distributes the training curriculum and discusses expectations for using the curriculum with the contractors.
	Step 3.	The contractors begin using the student-management training curriculum. The regular/magnet coordinators monitor the training program.
Who Is Responsible	Operations supervisor	
Time Frame	July 2004	

Action Plan 9-9

We recommend the district implement improvements in technology and computer support for student transportation that will save operating costs by reducing miles operated.

Action Needed	Step 1.	The general director of transportation and the technology coordinator meet with the information technology department to plan for implementation of the School Bus Transportation Technology Project.
	Step 2.	The technology coordinator prepares a cost benefit analysis that demonstrates which technological investments can return the cost savings for improved routing and scheduling identified in Action Plan 9-1.
Who Is Responsible	General director of transportation, chief information officer	
Time Frame	May 2004	

Action Plan 9-10

We recommend the district provide training for employees to optimize the use of the financial accounting system as a vehicle management reporting system for the white fleet.

Action Needed	Step 1.	Information Technology personnel schedule training for the financial accounting system for the white fleet coordinator and supporting personnel.
	Step 2.	The white fleet coordinator begins using the financial accounting system to produce management reports and trends analysis for the costs of vehicle maintenance for the white fleet.
Who Is Responsible	White fleet coordinator, chief information officer	
Time Frame	September 2004	

Action Plan 9-11

We recommend the district develop a budget and financial management reports for the white fleet for the district and for each functional area.

Action Needed	Step 1.	The budget department should work with the consolidated services department director to develop budget and financial management reports for the white fleet that include appropriate categories by which expenditures may be usefully tracked for the district total and also for each user department.
	Step 2.	The white fleet coordinator should document a systematic review of expenditures against the budget for expense categories for the total district and by user department.
	Step 3.	Administrators in user departments should be notified of cost control issues raised during such reviews and what actions must be taken, by whom, and when.
	Step 4.	The white fleet coordinator should produce a monthly report on budget versus actual expenses for white fleet repairs, fuel purchases, and vehicle purchases. The report should be provided to district administrators. An annual report comparing actual expenditures to the budget and to the previous-year expenses should be provided to the school board.
Who Is Responsible	Budget director, director of consolidated services	
Time Frame	October 2004	

Action Plan 9-12

We recommend the district establish appropriate performance and cost-effectiveness measures and benchmarks for student transportation and provide an annual report card on all selected measures.

Action Needed	Step 1.	The general director of transportation, operations supervisor, and business supervisor work together to develop appropriate cost-efficiency and service-quality measures for student transportation. If necessary, the supervisors contact peer districts to research examples of cost-efficiency and service quality performance measures.
	Step 2.	The operations and business services supervisors develop performance reports on a quarterly basis tracking the selected measures. The supervisors submit the quarterly reports to the general director of transportation.
	Step 3.	The general director of transportation compiles an annual report and submits the report to the school board.
Who Is Responsible	General director of transportation	
Time Frame	March 2004	

Action Plan 9-13

We recommend the district establish appropriate objectives, performance measures, and benchmarks of cost efficiency and service quality for white fleet vehicle maintenance and provide an annual report card on all selected measures.

Action Needed	Step 1.	The consolidated services department director and white fleet coordinator work together to develop appropriate cost-efficiency and service-quality objectives, measures, and benchmarks for white fleet maintenance. If necessary, the white fleet coordinator contacts peer districts to research examples of cost-efficiency and service-quality objectives, performance measures, and benchmarks.
	Step 2.	The white fleet coordinator develops performance reports on a quarterly basis tracking the selected measures. The white fleet coordinator submits the quarterly reports to the consolidated services department director.
	Step 3.	The consolidated services department director compiles an annual report and submits the report to the school board.

Who Is Responsible	Director of consolidated services
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Time Frame	September 2004
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Food Service Operations

Action Plan 10-1

We recommend that a food service contract compliance position with internal audit responsibilities be established and positioned independent of the contractor to provide increased oversight of the food service program, to better serve the needs of the district, and to achieve compliance with federal regulations.

Action Needed	Step 1.	The associate superintendent of administration and district staff work together to develop a job description for a contract compliance administrator position to provide oversight of the food service program and management contractor. Interviews are conducted and an individual is hired for the position.
	Step 2.	The food service program organizational chart is revised to accurately reflect the recommended organizational changes, appropriately positioning the district to have sufficient authority to fulfill its responsibility for the overall operations of the food service program and oversight of the management contractor. This includes corresponding revisions to the contractor's internal auditor's job description.

Who Is Responsible	Associate superintendent of administration and business services
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Time Frame	July 2003
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Action Plan 10-2

We recommend that a district-level policy and procedures manual be developed for oversight and evaluation of the food service program.

Action Needed	Step 1.	The new contract compliance administrator contacts other large school districts and requests copies of food service program district-level procedures manuals.
	Step 2.	Form a committee of appropriate district and contractor personnel that include the contract compliance administrator to develop a district-level food service program procedures manual.
	Step 3.	Draft a manual and test for three to five months. Have appropriate district staff annotate any edits or details as they perform their duties.
	Step 4.	Publish a final manual in a labeled, tabbed binder to improve identification and ready access to topic areas. Format in a manner so that changes and the latest edition can be readily indicated. Having the most current procedures manual available on the district-only web site could also increase use and improve the updating process.
	Step 5.	Review the manual at least annually for changes.
Who Is Responsible	Contract compliance administrator	
Time Frame	July 2004	

Action Plan 10-3

We recommend that a policy and procedures manual for food service program central office activities be developed.

Action Needed	Step 1.	The contractor's human resource manager contacts peer school districts and requests copies of food service program central office procedures manuals.
	Step 2.	Form a committee of appropriate district and contractor personnel that include the human resource manager to develop a food service central office program procedures manual.
	Step 3.	Draft a manual and test for three to five months. Have appropriate food service central office and district staff annotate any edits or details as they perform their duties.
	Step 4.	Publish a final manual in a labeled, tabbed binder to improve identification and ready access to topic areas. Format in a manner so that changes and the latest edition can be readily indicated. Having the most current procedures manual available on the district-only web site could also increase use and improve the updating process.
	Step 5.	Review the manual at least annually for changes.
Who Is Responsible	Contractor's human resources manager	
Time Frame	September 2004	

Action Plan 10-4

We recommend the establishment of procedures to ensure that accurate meal counts, program data, and reimbursement claims are submitted within the 30-day deadline to maximize interest income.

Action Needed	Step 1.	District and program management revise procedures so that the program is equitably and consistently charged the proper indirect cost allocation rate and appropriate direct costs.
	Step 2.	The district amends the food service five-year cash flow budget to account for long -term projected activities and estimated increases and decreases in revenues and expenditures
	Step 3.	DCSD general director of business services and DCSD food service specialist evaluate the process of reimbursement claims submission and identify opportunities to ensure timely claim submissions.
	Step 4.	DCSD general director of business services and DCSD food service specialist evaluate the process for data collection for federal meal reimbursement claims and develop procedures to ensure accurate claim submissions.
	Step 5.	DCSD general director of business services and DCSD food service specialist set up a system to monitor and track the timing and accuracy of reimbursement claims each month and take corrective actions when necessary.
Who Is Responsible	General director of business services and food service specialist	
Time Frame	September 2003	

Action Plan 10-5

We recommend that the meal equivalent calculation be revised to reflect industry standards and renegotiate a new contract management fee according to this calculation. We also recommend that the district periodically review this and other performance measures to ensure reliability and relevance and use for comparative purposes with peer districts.

Action Needed	Step 1.	Contract compliance administrator reviews industry standards and the methodology of other school districts for calculating meal equivalents.
	Step 2.	Contract compliance administrator and contractor's general manager agree on meal equivalent calculation for breakfast, lunch, a la carte, and snacks.
	Step 3.	The next Request for Proposal is updated to reflect agreed-upon changes relating to meal equivalent calculation and corresponding fees.
	Step 4.	Contract compliance administrator and contractor stay abreast of changes to meal equivalent calculations of peer districts and industry standards and make changes accordingly.
Who Is Responsible	Contract compliance administrator	
Time Frame	January 2005	

Action Plan 10-6

We recommend that DCSD management initiate actions and more systematic oversight to ensure that schools in the district comply with USDA competitive foods regulations.

Action Needed	Step 1.	Duval County School Board reconsiders district policies regarding competitive foods, clearly communicates policy to all DCSD school principals, and revises vending machine agreements, as appropriate.
	Step 2.	DCSD food service internal auditor identifies specific schools where competitive foods violations are observed.
	Step 3.	Duval County School Board issues directive to school principals at locations where competitive food rules are violated.
	Step 4.	Internal auditor follows up to ensure Duval County School Board policy has been enforced and cites violations and requests Board directives as appropriate.
Who Is Responsible	Duval County School Board and DCSD Regional Superintendents	
Time Frame	August 2004	

Cost Control Systems

Action Plan 11-1

We recommend that Business Services complete, codify, and distribute all SOPs concurrently with the implementation of the financial system upgrade.

Action Needed	Step 1.	Identify existing SOPs that will either be eliminated or require updating because of the financial system upgrade.
	Step 2.	Identify new business processes created by the financial system upgrade that will require new SOPs.
	Step 3.	Develop a standard format for all SOPs and create a common indexing scheme.
	Step 4.	Prepare a SOP manual for distribution that includes SOPs for all critical areas and ensure that SOPs are compatible with the financial system upgrade.
	Step 5.	Develop and implement a methodology for SOP revisions and updates.
Who Is Responsible	Associate Superintendent for Administration and Business Services General Director for Business Services	
Time Frame	August 2004 to coincide with implementation of the financial system upgrade	

Action Plan 11-2

We recommend that the district adopt a comprehensive fraud policy as a means of communicating its commitment to a highly ethical business environment.

Action Needed	Step 1.	Review board policy GBEA and provisions of Title X Chapter 112, <i>Florida Statutes</i> (2002), to determine how they might be combined into a comprehensive fraud policy.
	Step 2.	Review fraud policies of other organizations for provisions that might strengthen and enhance the district's policy.
	Step 3.	Draft a policy for board review, approval, and adoption.
	Step 4.	Adopt the policy and distribute it to district employees.
	Step 5.	Ensure that the policy is woven into the fabric of the district's planning and operating culture.
Who Is Responsible	Associate Superintendent for Administration and Business Services School Board	
Time Frame	March 2004	

Action Plan 11-3

We recommend that the district adopt a policy requiring that weaknesses in internal control be resolved within a specified time frame.

Action Needed	Step 1.	Draft a policy specifying a time frame for resolving weaknesses in internal control.
	Step 2.	Calibrate the time frame based on the significance of the weakness; serious weaknesses should be resolved more quickly.
	Step 3.	Submit the policy to the board for approval and adoption.
	Step 4.	Obtain board approval and adopt the policy.
Who Is Responsible	Associate Superintendent for Administration and Business Services Director I, Business Services School Board	
Time Frame	February 2004	

Action Plan 11-4

We recommend the district develop a cost/benefit analysis for implementing a comprehensive internal audit function.

Action Needed	Step 1.	Prepare a formal cost/benefit analysis for establishing an in-house Internal Audit Department or outsourcing the function, including input from stakeholders.
	Step 2.	Use the results of the analysis to determine alignment with the district's strategic plan.
	Step 3.	Prepare recommendation to the board.
Who Is Responsible	Superintendent Associate Superintendent for Administration and Business Services	
Time Frame	January 2004	

Action Plan 11-5

We recommend that the district contract with a certified public accounting firm to conduct an initial risk assessment of the district's operations and activities, identifying high-risk areas and prioritizing the assignment of these areas.

Action Needed	Step 1.	Develop, obtain approval, and issue a request for proposal for risk assessment services.
	Step 2.	Review and select firm based on stated criteria.
	Step 3.	Have the firm conduct a self-assessment and present a prioritized list of risks to district management.
	Step 4.	Upon final approval, adopt risk assessment and develop a work plan to prioritize work and report results.
	Step 5.	Prepare a written annual and long-term audit plan for approval by the board.
	Step 6.	Conduct subsequent annual risk assessments internally.
Who Is Responsible	Internal Audit Coordinator Associate Superintendent for Administration and Business Services Superintendent	
Time Frame	January 2004	

Action Plan 11-6

We recommend that the Internal Audit Department develop a rating system and abbreviated audit programs to streamline audits of internal funds.

Action Needed	Step 1.	Contact Hillsborough County School District's Internal Audit Department to obtain information to develop a rating system and abbreviated audit programs.
	Step 2.	Present a plan to incorporate the rating system and abbreviated audit programs to the superintendent and board for approval.
	Step 3.	Obtain board approval of the rating system and programs.
	Step 4.	Implement the approved rating system and programs in the audit process.
Who Is Responsible	Internal Audit Coordinator	
Time Frame	January 2004	

Action Plan 11-7

We recommend that the director of purchasing develop comprehensive procedures manuals and review and update procedures periodically.

Action Needed	Step 1.	Create a team to develop comprehensive procedures manuals, consisting of purchasing staff and relevant stakeholders.
	Step 2.	Identify critical elements of procedures manuals, compile existing documentation, and research industry best practices resources and other reference sources.
	Step 3.	Evaluate existing processes and develop written procedures.
	Step 4.	Approve manuals for distribution and training.
	Step 5.	Communicate changes districtwide.
	Step 6.	Review and update procedures manuals periodically.
Who Is Responsible	Director of Purchasing Purchasing Staff	
Time Frame	January 2004	

Action Plan 11-8

We recommend that the director of purchasing develop and implement a plan for districtwide use of the purchasing card program, and report results of the program cost savings to the board quarterly.

Action Needed	Step 1.	Determine the remaining schools and departments that would benefit from the PCard program.
	Step 2.	Prioritize issuance of cards by school/department, number of users with training, and release dates.
	Step 3.	Determine if existing cardholders are maximizing use of the program and implement any changes to the procedures, if necessary.
	Step 4.	Complete the implementation of the program; compile, analyze, and report results to the superintendent and board.
	Step 5.	Review effectiveness of program periodically.
Who Is Responsible	Director of Purchasing	
Time Frame	January 2004 and quarterly thereafter	

Action Plan 11-9

We recommend that the director of purchasing develop evaluation tools to analyze the overall cost-effectiveness of the department and whether purchasing options are maximized.

Action Needed	Step 1.	Develop performance measurements and goals for the department.
	Step 2.	Determine the capabilities of the financial system to generate required data and develop a required report format, if not available.
	Step 3.	Generate monthly analyses and comparison to department goals.
	Step 4.	Report results to the superintendent and board.
Who Is Responsible	Director of Purchasing	
Time Frame	January 2004 and monthly thereafter	

Action Plan 11-10

We recommend that the district reclassify the stock clerk II job title to buyer assistant to provide continuity in the alignment of job titles and responsibilities.

Action Needed	Step 1.	Document the district's need and justification for the change.
	Step 2.	Consult with human resources and legal counsel to determine the district's legal requirements, limitations, and appropriate course of action.
	Step 3.	Present the district's request to the appropriate employees' union representative.
	Step 4.	Implement changes based on the union's ruling.
Who Is Responsible	Director of Purchasing Assistant Superintendent for Human Resource Services Legal Counsel	
Time Frame	January 2004	

Action Plan 11-11

We recommend that the district evaluate the warehouse operations to determine the cost-effectiveness of its services and develop performance measures and evaluation tools for periodic evaluation.

Action Needed	Step 1.	Develop and generate financial data/reports to assist in the analysis of inventory/warehouse operations.
	Step 2.	Determine all costs (staffing, equipment, facilities, overhead, other) associated with maintaining inventories.
	Step 3.	Determine the costs and benefits with using alternative inventory management resources.
	Step 4.	Document the results; present analyses and recommendations to the superintendent and board.
	Step 5.	Implement approved recommendations.
	Step 6.	Develop performance measures and evaluation tools to analyze operations periodically.
Who Is Responsible	Director of Consolidated Services	
Time Frame	January 2004	

Action Plan 11-12

We recommend that the district compare its warehouse operations with other peer districts to identify potential enhancements to the inventory operations.

Action Needed	Step 1.	Research OPPAGA's best financial management practices reports and other sources to identify innovative processes and programs.
	Step 2.	Contact peer districts for additional information on their programs and processes.
	Step 3.	Compare the district's data to peer data to assist in identifying proper inventory levels for its size.
	Step 4.	Develop criteria to determine when to perform services in-house and when to outsource.
Who Is Responsible	Director of Consolidated Services	
Time Frame	January 2004	