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Sharpening the Pencil

Best Financial Management Practices Review

Monroe County School District

Sharpening the Pencil
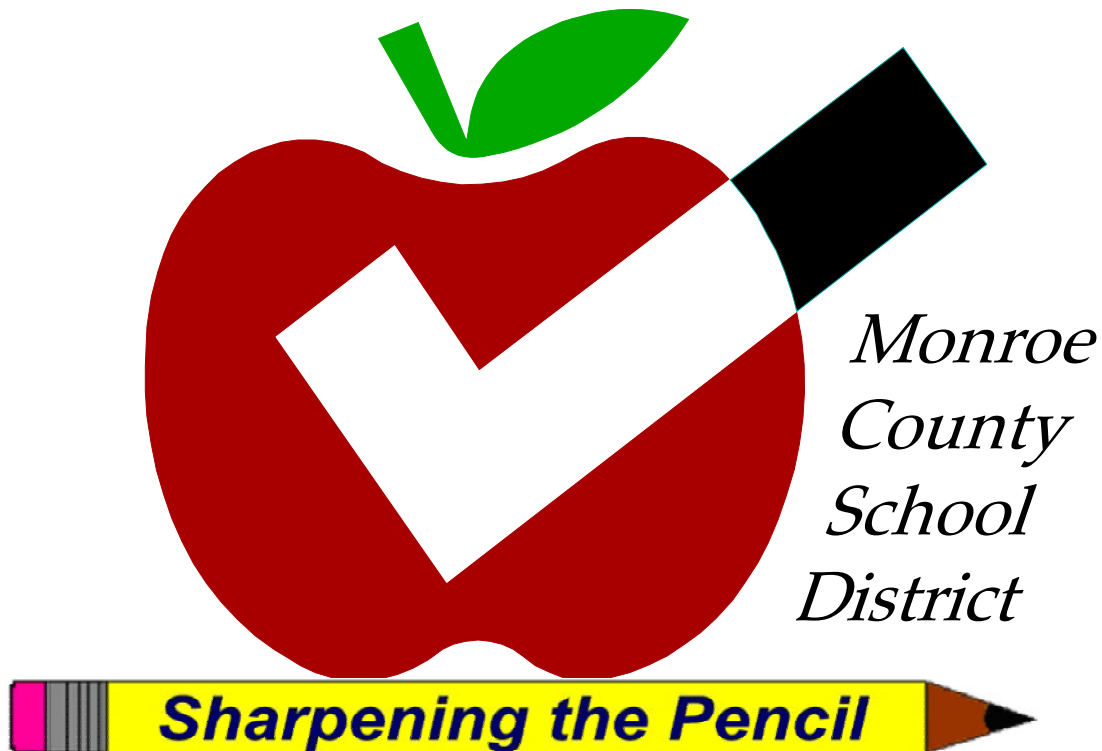
Office of Program Policy Analysis
and Government Accountability

an office of the Florida Legislature

Report 03-42

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 Monroe County School District
The School Board Members of the Monroe County School District

I have directed that a Best Financial Management Practices Review be conducted of the Monroe County School District. The 2001 Legislature directed that the Office of Program Policy Analysis and Government Accountability (OPPAGA) conduct 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, Monroe County School District* to comply with the law directing OPPAGA to issue a report to the district regarding its use of the best practices and cost savings recommendations.

OPPAGA and the Auditor General were responsible for fieldwork and report findings and recommendations. OPPAGA made the final determination on the district's use of Best Financial Management Practices.

Martha Wellman was the project manager for this review, which was supervised by David Summers. Other OPPAGA staff included Rose Cook, Kathleen Del Monte, Ron Patrick, Susan Speck, Jenny Wilhelm, Vic Williams and Rich Woerner. Auditor General staff included Jim Bell and Jim Kiedinger under the supervision of David Martin.

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

Sincerely,

Gary R. VanLandingham
Interim Director

GRV/mc

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

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Digest of the
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Monroe County School District

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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 Practices Review of the Monroe County School District during Fiscal Year 2002-03. The review determined that the Monroe County School District currently is using 80% (119 of 148) of the best practices adopted by the Commissioner of Education. The district is using a majority of the best practices in 9 of the 10 areas reviewed. (See Exhibit 1.) The report contains action plans to address the remaining best practices and to make the district eligible for the Seal of Best Financial Management. A detailed listing of all the best practices that identifies the district's status in relation to each starts on page 6 of this report.

Exhibit 1
The District Is Using 80%
of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	12	2
Performance Accountability Systems (3)	1	2
Educational Service Delivery (12)	10	2
Administrative and Instructional Technology (9)	9	0
Personnel Systems and Benefits (11)	10	1
Facilities Construction (24)	21	3
Facilities Maintenance (22)	16	6
Transportation (20)	14	6
Food Service Operations (11)	8	3
Cost Control Systems (22)	18	4
All Areas (148)	**119**	**29**

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 $3,841,920 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
Facilities Maintenance	
• Reduce maintenance staff and increase supervision of maintenance and in-house construction employees. (Best Practice 6, Page 8-12)	$ 2,677,650
Transportation	
• Improve bus routing to reduce the number of buses and drivers needed along with reductions in the number of courtesy bus riders. (Best Practice 3, Page 9-7)	280,000
Food Service Operations	
• Reduce labor hours. (Best Practice 2, Page 10-8)	884,270 [1]
TOTALS	**$3,841,920**

[1] This amount would be savings in the food services funding, which could be used only in the food services area.

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. [1] 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 the schedule of Best Financial Management Practice Reviews in Florida law, the Legislature directed that OPPAGA review the Monroe County School District during Fiscal Year 2002-03. With 9,195 students in the 2002-03 school year, the district is the 51st largest school district in the state. Located on a 125-mile island chain in southeast Florida south of Dade County, the district operates 18 schools; 5 elementary, 2 middle, 1 preK-8, 1 K-8, 2 high, 1 7-12, 3 charter, and 3 juvenile justice facility schools. OPPAGA and Auditor General staff conducted fieldwork and developed report findings and recommendations.

The report contains findings related to each best practice and detailed action plans to address best practice standards not met. 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 action plan 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 Monroe County School Board and district employees who provided information and assistance during the review.

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[1] 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.

General Overview and District Obligations

Currently, the Monroe County School District is using 80% of the best practices adopted by the Commissioner and at this time is not eligible for a Seal of Best Financial Management. Appendix C 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 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 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 these 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 Monroe County School District is currently using 12 of 14 best practices in management structures. To use the remaining best practices, the district should adjust district administrative roles and continue to strengthen oversight of operations and site-based management. The district is equipped to do this as the superintendent and all school board members are Master Board trained and certified by the Florida School Board Association, one of only 13 of 67 school districts in Florida to have that distinction. The superintendent and board are attempting to alter some traditional processes in the district to ensure increasingly effective and efficient performance accountability for the Monroe County education system. As a recent example, the board has reviewed and implemented cost savings options that would result from employing contracted legal services this next year rather than maintaining the traditional in-house board attorney position.

Performance Accountability Systems

The Monroe County School District is using one of three best practices for performance accountability systems. The district has accountability measures and benchmarks for educational services at the school level and uses educational service performance data to develop school improvement plans. It reports these data to the school board and public. It also has conducted evaluations on some educational services programs and strategies.

The district could improve and meet the remaining best practice standards by developing a formal districtwide performance accountability system that addresses not only educational services, but also educational support programs such as transportation, food service, and maintenance. It should also develop districtwide criteria for determining which educational and support programs need to be evaluated. These criteria could include performance that does not meet expectations, areas of high expenditures, or public discontent. The district should continue to report the results of its accountability system and evaluation to the board and public and use them to continuously improve district operations.

Educational Service Delivery

The Monroe County School District is using 10 of the 12 educational service delivery best practices. The district uses data to improve student performance, provides effective accelerated and workforce development

programs, and ensures that schools use effective planning and evaluation processes. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its educational programs, the district should improve the processes through which students are referred, evaluated, and placed for ESE services and establish mechanisms to ensure that all teachers, including regular education teachers, provide the accommodations and other supports that ESE students need to succeed. In addition, the district should continue the work of the instructional materials task force and implement strategies to improve the mechanisms through which instructional materials are purchased and tracked.

Administrative and Instructional Technology

The Monroe County School District is using all of the administrative and instructional technology best practices. The district plans for its technology needs and acquires technology in a cost-effective manner. The district supports its technology through a well-developed technical support arrangement. The district also provides training for various technology applications and has written policies that apply safe and appropriate use practices. The district relies on well-developed data systems for delivering accurate financial and student information. In addition, the district's network infrastructure is dependable and district personnel make good use of the Internet and email to support both internal and external communications.

Personnel Systems and Benefits

The Monroe County School District is using 10 of the 11 personnel systems and benefits best practices. The district recruits and hires qualified employees, provides a comprehensive staff development program, and uses cost-containment methods for its worker's compensation and employee benefits programs. To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its personnel function, the district should improve its personnel record keeping processes and use the records to monitor its employee performance evaluation system.

Facilities Construction

The Monroe County School District is using 21 of the 24 facilities construction best practices. The district operates a well managed, mostly privatized construction program that delivers projects on time and within budget. After passage of the one-half cent sales surtax in October 1995, the district recognized it did not have the expertise in house to manage a multi-million dollar, multi-site construction program so the district wisely decided to contract for an in-house construction program manager to provide expert advice on facilities assessment, contracting,

pricing and value engineering. [2] The district also used a smart financing strategy to make the most of taxpayer dollars. By phasing the construction program, the district was able to finance schools on a pay-as-you go basis and earn interest on sales tax dollars rather than pay interest to bondholders. As a result the district systematically modernized and replaced outdated schools, many of which were more than 45 years old and far behind in the technology required to educate students in the 21st century.

The district can further improve an otherwise good construction program by adopting a formal post occupancy building evaluation process and implementing measures to evaluate the construction program as part of the district's overall accountability system. These measures should be based on established benchmarks from the construction industry, cost data the district collects and comparisons to peer districts.

Facilities Maintenance

The Monroe County School District is adequately maintaining its schools. The district uses 16 of the 22 facilities maintenance best practices. The district sets priorities and adequately funds the operations and maintenance programs. It also effectively uses its energy management control system to lower energy costs. To meet the remaining best practice standards, the district should develop a maintenance plan, work control procedures, and implement an accountability system to evaluate program performance.

The district's maintenance and operations costs are the highest of its peer districts even though its salaries for most of its skilled trades workers are below the state average. These higher costs can be partially attributed to maintaining and operating more space than is needed for the student population and to higher than average maintenance staffing according to the Department of Education staffing guidelines. In addition, the district should improve supervision and monitoring procedures for employees' use of overtime to ensure the hours claimed are reasonable and cost effective for small construction projects and some maintenance services.

Despite its generous staffing, the maintenance department suffers from low performance. The results of the districtwide climate survey evaluation of maintenance and custodial functions showed that 60% of respondents gave the department a "C" rating, so room for improvement exists. The district should develop employee performance standards and effectively supervise employees to increase performance and efficiency.

Too often, the maintenance department relies on informal processes rather than written procedures to direct its work

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[2] The district construction program manager is under contract to the district and is not a district employee. He supervises the activities of the construction firm hired to build and renovate district facilities.

flow. The district should develop a maintenance plan with outcome-oriented goals and objectives to give employees a sense of direction and purpose. Since the district has not developed work control procedures including the use of overtime, standards or benchmarks to evaluate performance, its ability to hold staff accountable for work tasks is limited. In addition, the district should develop an overall set of accountability measures to evaluate program performance against its standards for maintenance and operations costs, productivity, and customer satisfaction to actual performance.

Transportation

The Monroe County School District is using 14 of the 20 transportation operations best practices. The district effectively recruits and trains bus drivers, makes cost-effective fuel purchases, and ensures that bus routes operate in accordance with established routines. However, to meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should improve its bus routing, vehicle servicing, and spare parts operations. The district also should do more to discourage vehicle vandalism and evaluate to potential for privatizing some transportation functions. In addition, it should develop an accountability system for transportation.

Food Service Operations

The Monroe County School District is using 8 of the 11 food service operations best practices. The district has a well-organized food service department, food service policies and procedures, and a training program for employees. It performs sound cash and account management and optimizes its financial opportunities. The district has begun to implement performance measures and is developing benchmarking practices for food services. It also generally meets its program compliance requirements and uses customer information to develop its program.

However, to meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should develop better food service program goals and objectives. The district also should establish a mechanism to document annual operational assessments and manage overall food service program costs, meal costs, and meal prices using effective performance measures and benchmarks.

Cost Control Systems

Monroe County School District is using 18 of the 22 cost control systems best practices. The district has adequate financial information systems that provide timely, useful, and accurate information. It has adequate internal controls. It also receives an annual external audit and uses the results to improve operations. However, to use all the best practice standards and enhance its cost control

systems, the district should establish comprehensive procedures manuals that address all critical financial and accounting processes and the self-insurance programs, develop a process for the reporting of suspected improprieties, and perform a risk assessment of its operations.

Monroe County School District
Best Financial Management Practices

Currently, the Monroe County School District is using 80% (119 of 148) of the 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.

Best Practices	Is the District Using Best Practices?		
MANAGEMENT STRUCTURES	*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.	✓		2-4
2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	✓		2-4
3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	✓		2-4
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.	✓		2-5
5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.		✓	2-6
6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	✓		2-6
7. The superintendent and school board exercise effective oversight of the district's financial resources.	✓		2-6
8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to district-wide policies and procedures.		✓	2-7
9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	✓		2-7
10. The district has a system to accurately project enrollment.	✓		2-8
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.	✓		2-8
12. When necessary, the district considers options to increase revenue.	✓		2-8
13. The district actively involves parents and guardians in the district's decision making and activities.	✓		2-9
14. The district actively involves business partners and community organizations in the district's decision making and activities.	✓		2-9

Best Practices	Is the District Using Best Practices?		

PERFORMANCE ACCOUNTABILITY SYSTEM	*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 • Vocational/Technical Education, English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security. [3]		✓	3-3
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.		✓	3-4
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.	✓		3-5

EDUCATIONAL SERVICE DELIVERY	*YES*	*NO*	*PAGE*
1. District administrators use both academic and nonacademic data to improve K-12 education programs.	✓		4-7
2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. [4]		✓	4-10
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]. [5]	✓		4-13
4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	✓		4-15
5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	✓		4-16
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.	✓		4-17
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	✓		4-18
8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	✓		4-19
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.		✓	4-19
10. The district has sufficient school library or media centers to support instruction.	✓		4-21

[3] 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.

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

[5] 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?**		

EDUCATIONAL SERVICE DELIVERY	*YES*	*NO*	*PAGE*
11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	✓		4-22
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.	✓		4-23

ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY	*YES*	*NO*	*PAGE*
1. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.	✓		5-6
2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs. [6]	✓		5-7
3. District and school-based staff receive professional development training for all technologies used in the district.	✓		5-8
4. The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.	✓		5-10
5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	✓		5-11
6. The district uses technology to improve communication.	✓		5-12
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.	✓		5-13

PERSONNEL SYSTEMS AND BENEFITS	*YES*	*NO*	*PAGE*
1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	✓		6-4
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. [7]	✓		6-4

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

[7] 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?		
PERSONNEL SYSTEMS AND BENEFITS	**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. [8]	✓		6-5
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.	✓		6-6
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. [9]	✓		6-6
6. The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	✓		6-7
7. The district maintains personnel records in an efficient and readily accessible manner.		✓	6-7
8. The district uses cost-containment practices for its Workers' Compensation Program.	✓		6-8
9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	✓		6-9
10. The district's human resource program is managed effectively and efficiently.	✓		6-9
11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	✓		6-9

FACILITIES CONSTRUCTION	**YES**	**NO**	**PAGE**
1. The district has effective long-range planning processes. [10]	✓		7-7
2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	✓		7-7
3. The five-year facilities work plan establishes budgetary plans and priorities.	✓		7-8

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[8] 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.

[9] 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.

[10] Long-range covers 5-20 years out.

Best Practices	Is the District Using Best Practices?		

FACILITIES CONSTRUCTION	**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.	✓		7-8
5. The district has an effective site selection process based on expected growth patterns.	✓		7-9
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.	✓		7-10
7. Funds collected for school projects were raised appropriately.	✓		7-10
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.	✓		7-11
9. The district develops thorough descriptions and educational specifications for each construction project. [11]	✓		7-12
10. The architectural design fulfills the building specification needs as determined by the district.	✓		7-13
11. New construction, remodeling, and renovations incorporate effective safety features.	✓		7-13
12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	✓		7-14
13. The district has effective management processes for construction projects.	✓		7-14
14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	✓		7-15
15. All projects started after March 1, 2002, comply with the Florida Building Code.	✓		7-15
16. The district requires appropriate inspection of all school construction projects.	✓		7-16
17. The district retains appropriate professionals to assist in facility planning, design, and construction.	✓		7-16
18. The district follows generally accepted and legal contracting practices to control costs.	✓		7-17
19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	✓		7-17
20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	✓		7-18
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.	✓		7-18

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[11] 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?		

FACILITIES CONSTRUCTION	*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.		✓	7-19
23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.		✓	7-20
24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.		✓	7-21

FACILITIES MAINTENANCE	*YES*	*NO*	*PAGE*
1. The district's maintenance and operations department has a mission statement and goals and objectives that are established in writing.		✓	8-6
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.	✓		8-15
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.	✓		8-16
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.	✓		8-17
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.	✓		8-17
12. The district minimizes equipment costs through purchasing practices.	✓		8-17
13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	✓		8-18
14. The district uses proactive maintenance practices to reduce maintenance costs.	✓		8-18
15. The maintenance and operations department identifies and implements strategies to contain energy costs.	✓		8-19
16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	✓		8-20

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

Best Practices	Is the District Using Best Practices?		
TRANSPORTATION	*YES*	*NO*	*PAGE*
1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	✓		9-6
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.	✓		9-6
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. [12]		✓	9-7
4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.	✓		9-8
5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	✓		9-9
6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	✓		9-9
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.	✓		9-9
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.	✓		9-10
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.		✓	9-12
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		9-14
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	✓		9-15
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.		✓	9-16

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[12] 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? | | |

TRANSPORTATION	YES	NO	PAGE
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.	✓		9-17
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	✓		9-18
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns	✓		9-19
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.		✓	9-19
17. The district provides appropriate technological and computer support for transportation functions and operations.	✓		9-20
18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	✓		9-21
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.		✓	9-21
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.		✓	9-22

FOOD SERVICE OPERATIONS	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.		✓	10-7
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.	✓		10-8
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.	✓		10-14
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.	✓		10-15
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.		✓	10-17
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.		✓	10-18
10. The food service program and district complies with federal state and district policy.	✓		10-19

Best Practices	Is the District Using Best Practices?		

FOOD SERVICE OPERATIONS	*YES*	*NO*	*PAGE*
11. The district conducts activities to ensures that customer needs are met and acts to improve services and food quality where needed.	✓		10-19

COST CONTROL SYSTEMS	*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.		✓	11-8
3. The district has adequate financial information systems that provide useful, timely, and accurate information.	✓		11-9
4. District financial staff analyzes significant expenditure processes to ensure they are appropriately controlled.	✓		11-10
5. The district has established adequate internal controls.	✓		11-11
6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	✓		11-11
7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	✓		11-11
8. Management analyzes strategic plans for measurable objectives or measurable results.	✓		11-12
9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	✓		11-12
10. The district has an effective internal audit function and uses the audits to improve its operations. [13]		✓	11-13
11. The district ensures that audits of internal funds and discretely presented component units (foundations and charter schools) are performed timely.	✓		11-14
12. The district periodically reviews cash management activities, banking relationships, investment performance, and considers alternatives.	✓		11-14
13. The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets.	✓		11-15
14. The district ensures significant capital outlay purchases meet strategic plan objectives.	✓		11-15
15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	✓		11-16
16. The district ensures that significant debt financings meet strategic plan objectives.	✓		11-16
17. The district has established written policies and procedures and periodically updates them to provide for effective risk management		✓	11-17
18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	✓		11-17
19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	✓		11-18

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[13] 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?		
COST CONTROL SYSTEMS	*YES*	*NO*	*PAGE*
20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.	✓		11-18
21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.		✓	11-19
22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	✓		11-19

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 use of resources and 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

1. use performance and cost-efficiency measures to evaluate programs;

2. use appropriate benchmarks based on comparable school districts, government agencies, and industry standards;

3. identify potential cost savings through privatization and alternative service delivery; and

4. 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. 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

Districts found to be using the Best Financial Management Practices will be awarded a Seal of Best Financial Management by the State Board of Education. Districts that are found not to be using Best Financial Management Practices are provided a detailed action plan for meeting best practice standards within two years. The district school board must vote whether or not to implement this action plan.

Methodology ——————————————————

OPPAGA and the Auditor General 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 Monroe County School District and public schools. The evaluators interviewed district administrators and personnel, held three public forums, interviewed principals, and conducted focus groups with teachers. Evaluators also gathered and reviewed many program documents, district financial data, data on program activities, and data on student performance.

To put Monroe County School District programs and activities in context with other Florida school districts, OPPAGA and the Auditor General gathered information from five peer districts around the state: Flagler, Martin, Nassau, Santa Rosa, and Wakulla counties. 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 Monroe County was 78,556. The county's population increased by 2% between 1990 and 2000, which was slower than the state's growth rate of 23.5% during that same time period. However, between June 30, 2000, and July 1, 2001, the population decreased by an estimated 1.3%.

Of the county's population, 98.2% consider themselves to be one race, while the remaining 1.8% consider themselves multi-racial. The largest percentage (90.7%) of the population is White, with persons of Hispanic or Latino origin comprising 15.8% of the population, similar to the statewide figure of 16.8%. In addition, 4.8% of the county's residents are Black or African American, which is lower than the statewide figure of 14.6%. These percentages are dissimilar to the racial/ethnic composition of the student population. [1]

A small percentage of Monroe County's population (12.8%) is of school age while an additional 4.3% are less than five years old. By contrast, 14.6% of the county's population is 65 years old or older. Approximately 84.9% of the county's residents aged 25 years or older are high school graduates, while 25.5% have graduated from college. These percentages are higher than the statewide figures of 79.9% and 22.3%, respectively. This means that the level of educational attainment in Monroe County is higher than it is across the state.

Monroe County's per capita income in 2000 was $35,423, which was $7,659 above the state average. As shown in Exhibit 1-2, the per capita income of Monroe County residents has been consistently higher than the per capita income of the state as a whole.

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[1] See Chapter 4 for the demographics of the district's student population.

Exhibit 1-2
Per Capita Income of Monroe County Residents
Was $7,659 Above the State Average in 2000
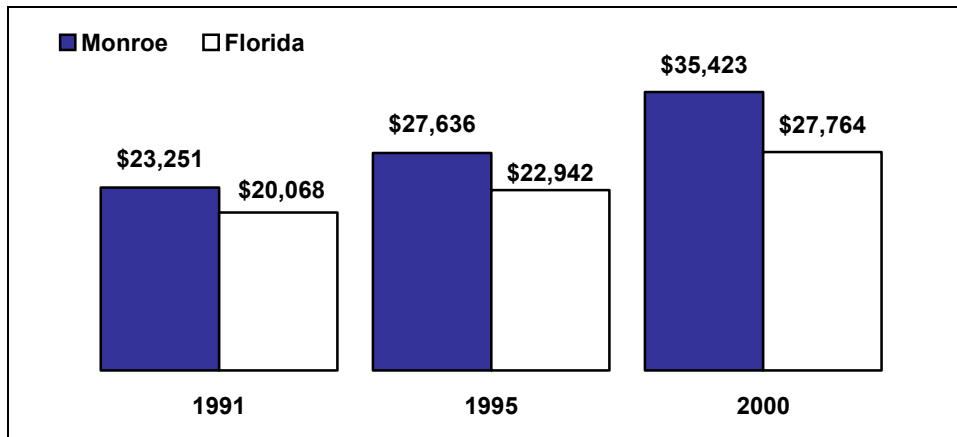
Source: Florida Research and Economic Database, 2002.

While 9.9% of the county's residents live below the poverty level, a larger percentage of the county's children (16.4%) live below the poverty level. These figures are lower than for the state as a whole. This corresponds with the relatively lower percentage of school children that are eligible for a free or reduced price lunch.

The unemployment rate in Monroe 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 Monroe County may have more difficulty finding employment than graduates in other parts of the state. Monroe County has a civilian workforce of 47,690 people. The county's primary sources of employment include the service industries related to retail trade, construction, government (including military), and professional services. The major employers of the school district have an influence on the workforce development programs offered by the district.

School District Profile

The district operates 18 schools, as shown in Exhibit 1-3.

Exhibit 1-3
Monroe County School District Operates 18 Schools

Number and Type of School		
5 - Elementary Schools	1 – PreK to 8 School	3 - Charter Schools
2 - Middle Schools	1 – K to 8 School	3 - Juvenile Justice Facility Schools
2 - High Schools	1 – 7 to 12 School	

Source: Monroe County School District.

With 9,195 students in fall 2002, the School District of Monroe County is the fifty-first largest school district in the state. The student population growth has generally decreased between 1998-99 and

2002-03, for a total net decrease of less than 2.67%, 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 Monroe Has Generally Decreased Over the Past Five Years
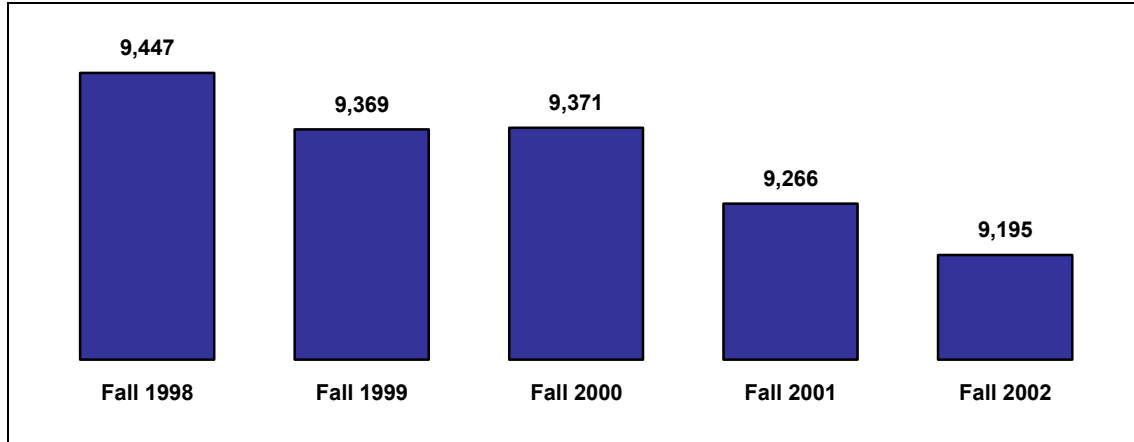
Source: Florida Department of Education (2001-02).

Monroe County School District expended $93 million for the 2000-01 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 2000-01 fiscal year.

Exhibit 1-5
District Funds Include Federal, State, and Local Sources
and Expenditures Are Primarily Related to Instruction

Revenues and Expenditures	Total (Millions)
Revenues	
Federal Direct	$ 2,146,023
Federal Through State	6,833,310
Federal Through Local	641,205
State	14,174,153
Local	70,197,429
Total Revenues	**$93,992,120**
Expenditures	
Instruction	$37,803,456
Pupil Personnel Services	3,522,446
Instructional Media Services	1,282,388
Instruction and Curriculum Development Services	2,590,237
Instructional Staff Training	1,140,128
Board of Education	507,116
General Administration	322,122
School Administration	4,092,526
Facilities Acquisition and Construction	3,552,196
Fiscal Services	823,284
Food Services	3,090,980
Central Services	1,730,136
Pupil Transportation Services	3,190,453
Operation of Plant	5,707,882
Maintenance of Plant	2,240,569
Community Services	955,774
Fixed Capital Outlay:	
Facilities Acquisition and Construction	13,553,668
Other Capital Outlay	3,928,021
Debt Service:	
Principal	1,754,191
Interest and Fiscal Charges	1,478,733
Total Expenditures	**$93,266,306**
Excess (Deficiency) of Revenue Over Expenditures	**$725,814**
Other financing sources:	
Operating Transfers In	$2,846,493
Inception of Capital Leases	602,100
Insurance Loss Recoveries	128,075
Operating Transfers Out	(2,852,993)
Total other financing sources	**$723,675**
Net Change in Fund Balances	**$1,449,489**
Fund Balances July 1, 2000	**58,550,497**
Fund Balances, June 30, 2001	**$59,999,986**

Source: Florida Auditor General Annual Audit, Ending Fiscal Year 2001.

As Exhibit 1-6 illustrates, the percentage of administrators and instructional staff are similar in the Monroe County School District to 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
Staffing Ratios Are Similar to Comparison Districts

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
Flagler	1: 9.29	1: 10.31	1: 22.00	1: 16.38	1: 4.85	1: 550.76
Martin	1: 16.11	1: 18.49	1: 32.71	1: 17.65	1: 3.86	1: 399.80
Nassau	1: 13.11	1: 14.38	1: 28.92	1: 18.94	1: 4.14	1: 474.59
Santa Rosa	1: 14.88	1: 16.64	1: 26.37	1: 17.92	1: 4.69	1: 464.32
Wakulla	1: 9.51	1: 10.37	1: 21.44	1: 18.24	1: 3.38	1: 586.00
Monroe	**1: 10.94**	**1: 12.15**	**1: 26.07**	**1: 16.28**	**1: 2.83**	**1: 617.60**
State	**1: 14.45**	**1: 16.20**	**1: 29.64**	**1: 18.26**	**1: 4.28**	**1: 455.37**

[1] This is not the same as average classroom size. This ratio is calculated by DOE by numbers reported through the EE0-5 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. The OPPAGA team is trying to produce more appropriate ratios at the time of this draft.

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

Exhibit 1-7
Monroe County School District Employed 1,349 Persons in Year 2001-02

Full-Time Employees	Number	Percentage
Administrators	52	3.8%
Instructional	632	46.6%
Support	672	49.6
Total	**1,356**	**100.0%**

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

The Monroe County School District faces a number of distinct challenges. The district's population is spread out along a 125-mile chain of islands, and board members and district employees must travel lengthy distances along a two lane road to reach all of its schools. The islands are environmentally sensitive and subject to frequent tropical storms, which makes facility construction expensive. And land values and housing costs are high, making it difficult for the district to attract and retain teachers and other personnel. Many of these challenges will be discussed in this review.

2 Management Structures

Summary

The Monroe County School District is currently using 12 of 14 best practices in management structures. To use the remaining best practices, the district should adjust district administrative roles and continue to strengthen oversight of operations and site-based management. The district is equipped to do this as the superintendent and all school board members are Master Board trained and certified by the Florida School Board Association, one of only 13 of 67 school districts in Florida to have that distinction. The superintendent and board are attempting to alter some traditional processes in the district to ensure increasingly effective and efficient performance accountability for the Monroe County education system. As a recent example, the board has reviewed and implemented cost savings options that would result from employing contracted legal services this next year rather than maintaining the traditional in-house board attorney position.

Background

The Monroe County School District has five board members and an elected superintendent. The district's board members are elected at large, although they do represent specific districts within the county. Each member is elected for a four-year term. Two members are elected at the time of the presidential general election, and three are elected at the time of the gubernatorial general election.

The district has a very experienced board, all members are Master Board certified and serving in at least their second term. The newest member was elected for his first term in 1998, and three members were recently reelected unopposed in 2002.

The superintendent is the chief executive and administrative officer of the board and is responsible for organizing the district's administration. Experienced in the district, he previously served the district as a high school principal before deciding to run for office.

Exhibit 2-1 illustrates the current district-level administrative structure.

Exhibit 2-1
The Monroe County School District's Organizational Structure

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                              ┌─────────────────┐
                              │  School Board   │─────────┐
                              └─────────────────┘    ┌─────────────────┐
                              ┌─────────────────┐    │ Legal Services  │
                              │ Superintendent  │────┴─────────────────┘
                              └─────────────────┘
                         ┌──────────────────────────┐
                         │   Deputy Superintendent   │
                         └──────────────────────────┘
```

Executive Director Business and Fiscal Services		Teaching and Learning Services
Director of Finance	Director of Purchasing	Director of Accountability and Assessment
Employment Benefits Specialist	Assistant Director of Information Services	Director of Elementary and Secondary Education
Payroll Specialist	Assistant Director of Information Technology	Director of Exceptional Student Education
		Director of Vocational Education

Facilities and Construction Program Manager	Operations Services	Principals and Schools (12)

Director of Transportation	Director of Facilities	Director of Construction	Director of Human Resources

Source: Monroe County School District.

Activities of particular interest

The superintendent and board members pursued Master Board training from the Florida School Board Association (FSBA) and achieved certification. Only 13 of 67 districts in Florida have that distinction, and the training helped the district develop its first strategic plan which was approved in June 2003. The board directly attributes its strong professional relationship to the Master Board training. In general, district officials and the board use a team-oriented approach to delivering educational services to the citizens of Monroe County.

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.	Yes	2-4
	2.	The board and superintendent have procedures to ensure that board meetings are efficient and effective.	Yes	2-4
	3.	The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	Yes	2-4
	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.	Yes	2-5
Organization, Staffing and Resource Allocation	5.	The district's formal organizational structure has clearly defined units and lines of authority that minimize administrative costs.	No	2-6
	6.	The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	Yes	2-6
	7.	The superintendent and school board exercise effective oversight of the district's financial resources.	Yes	2-6
	8.	The district has clearly assigned principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.	No	2-7
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	2-7
	10.	The district has a system to accurately project enrollment.	Yes	2-8
	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	2-8
	12.	When necessary, the district considers options to increase revenue.	Yes	2-8
Community Involvement	13.	The district actively involves parents and guardians in the district's decision making and activities.	Yes	2-9
	14.	The district actively involves business partners and community organizations in the district's decision making and activities.	Yes	2-9

BOARD AND SUPERINTENDENT ROLES AND RESPONSIBILITIES

Best Practice 1: Using

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.

The Monroe County School District has policies that are clear and designate the board as the policy-making body and the elected superintendent as the chief administrator. This is a committed and experienced board all members of which, along with the superintendent, are Master Board trained and certified—only 13 of the 67 school districts in Florida have that distinction. There are no formal policies or procedures that address board and staff interaction. The informal interactions in this small district appear to be relatively smooth, and the board members and the superintendent reported that their working relationships work well.

Best Practice 2: Using

The board and superintendent have procedures to ensure that board meetings are efficient and effective.

The Monroe County School District School Board and the superintendent are actively working to improve their business meetings. To provide citizens of this geographically long district the opportunity to participate in monthly meetings, the board has held two meetings each month in different parts of the district. Those meetings began in the early afternoon to accommodate staff travel and generally ran long. This was inconvenient to the public and the district as well as costly.

The board has now moved to a new format of one workshop and one business meeting each month. The business meeting is always held in Key West to reduce staff travel expenses and requirements, and the votes are held after 5 p.m. as a greater convenience for public attendance and input. The meetings are shorter, but the board and district are trying new approaches to reduce the time required. Primarily due to the extreme length of this district, even with these adjustments some parents find accessibility to meetings difficult. Both the city of Key West and the county routinely televise public meetings. The school board would provide a much more accessible and transparent venue for the public to observe and participate in board meetings if it taped its meetings and rebroadcast them on the public access channel it shares with the community college.

> We recommend that the board explore broadcasting its meetings on public television. Because the technology is available, this positive action would bring school board meetings to the entire district and provide a window for the public to obtain information and view board and district proceedings.

Best Practice 3: Using

The board and superintendent have established written policies and procedures that are routinely updated by legal counsel to ensure that they are relevant and complete.

The Monroe County School District had written policies and procedures that in the past were contained in a single volume. In a pro-active move prior to our visit, the district contracted with a professional educational services firm to separate and update the 579-page, combined policy and procedures manual. The district has contracted with that company to continue to update and maintain the district's policies

and procedures annually and as changes occur. This will ensure that the district's policies and procedures will be current and reflect alterations needed due to legislative changes.

Best Practice 4: Using

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.

The Monroe County School District and school board had an in-house attorney since 1986. The attorney recently departed for another position. At his departure, the board reviewed long-term cost and benefit options of using either the district's traditional in-house attorney or by using retained/contracted services. The district's analysis strongly indicated that contracted services would result in cost savings of almost $55,000; however, the monthly compensation the board intends to pay is considerably higher annually than what peer districts pay for contracted services, all requirements remaining unchanged (see Exhibit 2-2). By policy, specialized legal counsel has been, and remains, used when deemed necessary and appropriate by the district in consultation with the board attorney and the superintendent.

Exhibit 2-2
Board Attorney Fee Comparisons [1]

	Monroe Past	Monroe Proposed	Flagler	Martin	Nassau	Santa Rosa	Wakulla
Board Attorney Status	Permanent District Position	Contracted beginning in May 2003	Contracted Services	Permanent District Position	Contracted Services	Contracted Services	Contracted Services
Board Attorney Costs	2001 $121,700	2003 estimated $63,000	2001 $71,770	2001 $122,516	2001 $22,793	2001 $44,868	2001 $20,243
	2002 $136,672		2002 $124,875	2002 $126,953	2002 $40,211	2002 $41,971	2002 $16,057
Retainer	None	$9,000 per month/ 3 days/week	Included in first 20 hours		Annual at $22,793	$419 per month	None
Hourly fee	Not Applicable	$100 per hour for additional	$3,600 (for first 20hrs); $120/hour (for 21-40 hrs); $100/hour (for 41+hrs)	Not Applicable	$125 or $150 for litigation	$75	$180

[1] With the proposed monthly fee, Monroe County will still be paying much more than the majority of its peer districts for basic legal fees. This may be due to requiring an attorney to be present in a district office three days each week.

Source: OPPAGA and the school districts of Monroe, Flagler, Martin, Nassau, Santa Rosa, and Wakulla counties.

ORGANIZATION, STAFFING AND RESOURCE ALLOCATION

Best Practice 5: Not Using

The district's formal organizational structure depicts its units, but recent reductions in administrative staff have resulted in one position having too great of a span of control.

The Monroe County School District's organizational chart generally defines the formal structure and responsibilities of the organizational units (See Exhibit 2-1). The district has undergone three organizational structure changes and reduced its executive director and director positions by two each in recent years to add more instructional positions. It purposely added the responsibilities of the unfilled positions to other district administrators' duties with the intention to evaluate the effectiveness of that arrangement over time, a common practice in organizations trying to conserve limited resources. Although admirable in its intent, the result is that district is without an executive director in the critical area of operations services. One position, the deputy superintendent, also heads the teaching and learning services position and has 11 major units and all school principals reporting to her. This very experienced and effective deputy superintendent is managing all of these areas, but organizationally it is not a sound arrangement for the long term. As discussed later in the facilities maintenance chapter (see Chapter 8), the operational area would operate more efficiently with an executive director.

We recommend that the district reinstate the executive director position for operations services (see Action Plan 8-1 in Chapter 8) and also consider refilling the position of executive director for teaching and learning.

Best Practice 6: Using

The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.

The Monroe County School District reviews its staffing allocation at least annually and upon the departure of individuals. These reviews are comprehensive; e.g., the district has changed its organizational structure and reduced district executive-level positions. The district chose to not fill selected vacant administrative positions and shifted those resources to the classroom instead. Administrative staffing in the schools is consistent with their responsibilities and geographical settings.

Best Practice 7: Using

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

The Monroe County School District has an experienced superintendent and school board in which members are all into their second terms, have been trained through FBSA, and hold Master Board certifications. They study yearly budget expenditures and revenues that are presented in an easy-to-read booklet and they are very comfortable with its format. The budget staff provides frequent workshops and presentations and assists the board with any questions or needed clarifications. The district's executive director for business and fiscal services and the director of finance are both very experienced.

The board monitors expenditures monthly and must approve major district purchases in advance. Both the district and board closely monitor conditions that may potentially affect the district's financial condition; recent examples are the dramatic increases in premiums for health insurance and property insurance for this storm-prone region.

Best Practice 8: Not Using

The district clearly has assigned school principals the authority they need to effectively manage their schools, but adherence to districtwide policies and procedures requires increased oversight.

The Monroe County School District has a long tradition of strong support for site-based management. The district and the board provide principals and other district employees some written guidance on their authority and responsibilities in the district policy manual and job descriptions. Authority and responsibilities are also addressed in informal discussions between principals and the superintendent and deputy superintendent and during formal evaluations. Principals report that they have adequate authority, staffing, and budgetary freedom to do their jobs, and that the board and district officials support site-based management.

District policies and procedures promote legal compliance and equal treatment of students and employees, and both the board and district officials are committed to this. However, according to principals, teachers, and district administrative employees, some schools have had recurring incidences of policy and procedural non-compliance, including missing deadlines for textbook purchases, ESE inclusion and accommodation issues, and inadequate student supervision. The superintendent, who inherited this situation from a previous administration, has taken several actions to correct these problems. These include personnel actions, the creation of ESE inclusion plans, and a new, more centralized textbook purchasing system. However, some district-level administrators still believe that they have no authority to oversee or question school-based actions or decisions.

To clarify these issues, the superintendent and deputy superintendent should work with district and school-based administrators to develop clear, written guidelines on authority of principals and central office directors. Action Plan 2-1 contains the steps needed to strengthen oversight.

Action Plan 2-1

We recommend that oversight measures be strengthened throughout the district.		
Action Needed	Step 1.	The district continues to strengthen efforts at oversight of school operations regarding compliance with district policies and procedures, particularly at those sites which historically have had problems.
	Step 2.	The district records substandard performance of district employees and documents its corrective actions.
	Step 3.	The district reviews past problem areas at schools to ensure corrective actions have been effective and lasting.
	Step 4.	The district continues to use the monthly meetings with principals to emphasize potential problem areas for schools, as well as district policies and procedures that have traditionally been given little attention.
Who Is Responsible	Superintendent	
Time Frame	Procedure should be in place by summer 2003	

PLANNING AND BUDGETING

Best Practice 9: Using

The district has a multi-year strategic plan with annual goals and measurable objectives that are based on identified needs, projected enrollment, and revenues.

The Monroe County School District has recently developed its first strategic plan for major instructional and education services programs. The plan has broad goals and measurable objectives for its major programs. The district must now ensure that departmental plans, particularly in the operational areas, are linked with the strategic plan, and that accountability measures are established at the departmental levels.

The board approved the strategic plan in June 2003, and it will provide the district with a very solid and valuable management tool.

Best Practice 10: Using

The district has a system to accurately project enrollment.

The Monroe County School District has done an admirable job of forecasting enrollments. The district coordinates with local businesses and the military installations' officials to ensure it uses their personnel projections for enrollment data. The district uses the Florida Department of Education model for forecasting and has sent staff members to DOE workshops to ensure they understand the various models and nuances of each. District FTE projections have been excellent, with last year's weighted FTE projection off by less than 1% (see Exhibit 2-3).

Exhibit 2-3
Student Enrollment Projection for Monroe

Fiscal Year	Appropriated	Actual	Actual Over or Under Estimate	Forecast Error Rate
1999-00	11,008.22	11,086.34	+78.12	0.70%
2000-01	9,766.86	9,951.07	+184.21	1.89%
2001-02	9,901.43	9,951.21	-37.22	0.40%
2002-03	9,821.36	9,787.71	-33.65	0.40%

Source: Monroe County School District and the Florida Department of Education.

Best Practice 11: Using

The district's resources are focused on achieving district priority programs' goals and objectives.

The Monroe County School District now has a strategic plan to which district can link its activities and measure progress in meeting long-term goals. In the past, the superintendent and board set the program priorities and directed them at district priorities and objectives—primarily in the instructional area. The district's executive director for business and fiscal services coordinates extensively with the board and principals when financial plans must be adjusted. For example, the recent, unexpected increase in premiums for employee health insurance and insurance on structures required the district to adjust program priorities to account for the increased costs and long-term cost projections.

Best Practice 12: Using

When necessary, the district considers options to increase revenue.

The Monroe County School District seems well attuned to seeking opportunities and taking actions to increase district revenue. The one-half-cent sales tax measure which took effect in 1996 has generated approximately $65 million for the school district for the high-cost construction and technology programs. As a recent example, the district and the board actively discussed a proposal to allow private advertising on district buses as a means of obtaining more operating revenue. The district also maintains strong ties to the business community through the Monroe County Education Foundation and benefits from grants and other contributions such as the recent $25,000 grant from the Edward B. Knight Foundation.

COMMUNITY INVOLVEMENT

Best Practice 13: Using

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

The Monroe County School District provides the opportunity for parents/guardians to receive information about the schools and activities, as well as participate in school activities. School brochures are given to each student for parents, the district has an excellent website for district and school information, and each school has its own website. School board meetings are held once each month in Key West. Workshops are held in the central and northern parts of the district each month. It has been recommended that the district explore televising board meetings to increase the public's access to board and district information (See Best Practice 2 above). The district has recently implemented a new communication plan to encourage information flow. There is a school advisory council (SAC) at each school with parent representation to encourage active involvement in school decision making.

Best Practice 14: Using

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

The Monroe County School District actively involves business partners through the schools, and communication between them is generally informal. The Key West Chamber of Commerce provides recognition and funds to teachers from each school for use in their programs and classes. The Take Stock in Children Program is a very active program in the district and includes community and business leaders, and school district personnel who fund a large number of college scholarships. The Monroe County Sheriff's Department and various other organizations and businesses also provide funds and mentoring opportunities for various schools and projects. The success of these programs is largely a product of the enthusiasm of the community partner and the school principals and teachers.

3 Performance Accountability Systems

Summary

The Monroe County School District is using one of three best practices for performance accountability systems. The district has accountability measures and benchmarks for educational services at the school level and uses educational service performance data to develop school improvement plans. It reports these data to the school board and public. It also has conducted evaluations on some educational services programs and strategies.

The district could improve and meet the remaining best practice standards by developing a formal districtwide performance accountability system that addresses not only educational services, but also educational support programs such as transportation, food service, and maintenance. It should also develop districtwide criteria for determining which educational and support programs need to be evaluated. These criteria could include performance that does not meet expectations, areas of high expenditures, or public discontent. The district should continue to report the results of its accountability system and evaluation to the board and public and use them to continuously improve district operations.

Background

The Monroe County School District officials and school board members have recently developed the district's first strategic plan. The plan contains a mission statement, vision, core values, goals, measurable objectives, and steps to achieve district objectives and goals. It addresses both major operational and instructional programs. The strategic planning process was coupled with the designing of a districtwide performance accountability system that will establish criteria to alert program directors and managers in both the operational and educational areas to the need for a program to be evaluated.

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 linked with the 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, English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security. [1]	No	3-3
	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	3-4
	3. The district reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	Yes	3-5

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[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 needs to link its clearly stated goals and measurable objectives with the budget for each major educational and operational program.

The Monroe County School District has developed an accountability system for educational services at the school level and is using the system in the development of school improvement plans. It also uses informal accountability processes, such as director and executive director meetings to monitor and manage performance. However, it could improve its accountability system and meet this best practice by developing a formal districtwide accountability system that includes measurable objectives the district could use to assess the performance of both its educational and support programs. Appendix A contains examples of some measures the district could use for each of its programs. It should report data on higher-level outcome measures to the board and the public. Data on the remaining measures should be used by program managers to monitor and improve performance.

For each measure, the district also should establish a standard for the performance it would like to achieve. For example, the district could adopt as a standard that 50% of its third graders should be reading at level three or above on the FCAT exam. These standards can be based on past performance or the performance of similar districts or other entities with similar programs. They should be based on the principle of continuous improvement.

In addition, the district should periodically compare data on its performance measures to similar data from other districts, industry standards, or entities with similar programs. This will enable the district to identify areas in which it can improve.

Action Plan 3-1

We recommend that an accountability system be created and used.		
Action Needed	Step 1.	For each educational and support program, adopt a few high level outcome or efficiency measures that reflect the primary purpose of the program and a few supporting measures managers can use to monitor performance. The district may wish to consider adopting measures provided in Appendix A.
	Step 2.	For each performance measure, identify the data needed and determine the information below.
		▪ 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:
		▪ 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.
	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.	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: ▪ 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; and ▪ be measurable and quantifiable; Examples of objectives include: "The food service program will maintain a labor margin of ___% in 2003-04." "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)." "By 2004, the maintenance department will reduce number of custodians per net square foot to _____ which is consistent with the industry standard of 1:_____."
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.	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	Director, assessment/accountability, superintendent, and school board
Time Frame	October 2003

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 has not used a systematic, district wide approach to evaluating operational programs.

The Monroe County School District has a system for evaluating its educational programs. For example, it has evaluated computer-assisted instructional programs in reading and math and presented the results to the board and the public. The district uses the results of these evaluations to close apparent gaps and improve outcomes through workshops and training in the instructional area.

However, the district can improve its evaluation activities in two ways. First, it can establish pre-determined criteria for major programs that will alert it to the need to initiate evaluations. These could include performance that does not meet expectations or benchmarks, increasing costs, or public concern. Second, the district should not limit its evaluations to instructional programs, but should also periodically evaluate support programs when needed. For example, the district likely would have benefited from an evaluation of its food service program to determine how it could operate the program more efficiently and make it self-supporting (see Chapter 10).

Action Plan 3-2

We recommend that the district periodically evaluates educational and support programs using accountability systems criteria.		
Action Needed	Step 1.	The district should establish criteria for when a program or activity may need to be evaluated.
	Step 2.	Operational program performance should be reviewed periodically just as instructional programs are.
	Step 3.	The district should assign the responsibility for periodically reviewing major programs in the operational area to a district administrator, just as there is an administrator responsible for that in the instructional area.
Who Is Responsible	Director, assessment/accountability and superintendent	
Time Frame	October 2003	

Best Practice 3: Using

The district reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.

The Monroe County School District reports the performance of its educational programs to the board, schools, and the public. The district has a new communication plan that is being implemented to increase the opportunity for the public to receive information and provide feedback, and it also uses print media and its fine website to reach the public.

However, the district could enhance its reporting to taxpayers by broadcasting its school board meetings on television. These broadcasts could be live or taped. See the recommendation in Best Practice 2 of Chapter 2.

4 Educational Service Delivery

Summary

The Monroe County School District is using 10 of the 12 educational service delivery best practices. The district uses data to improve student performance, provides effective accelerated and workforce development programs, and ensures that schools use effective planning and evaluation processes. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its educational programs, the district should improve the processes through which students are referred, evaluated, and placed for ESE services and establish mechanisms to ensure that all teachers, including regular education teachers, provide the accommodations and other supports that ESE students need to succeed. In addition, the district should continue the work of the instructional materials task force and implement strategies to improve the mechanisms through which instructional materials are purchased and tracked.

Background

During the 2001-02 school year the Monroe County School District served 9,264 students with an ethnic breakdown of 66% white, non-Hispanic, 9% black, non-Hispanic, 21% Hispanic, 2% multiracial, 1% Asian/Pacific Islander and less than 1% American Indian/Alaskan native. The district has 18 schools, including five elementary schools, 1 PK to school, 1 K-8 school, 2 middle schools, 1 7-12 school, 2 high schools, 3 charter schools, and 3 Department of Juvenile Justice schools. For Fiscal Year 2001-02, the operating costs in the district were $5,923 per pupil, more than the state's average operating cost of $5,180.

As Exhibit 4-1 shows, the Monroe County School District has experienced a decline in student membership over the past five years, the only district among its peers to experience such a trend. The district's percentage of students served in the English for Speakers of Other Languages (ESOL) program is among the highest of its peers and the percentage of students who are eligible for free or reduced priced lunch is the highest among its peer districts, though lower than the state average.

Exhibit 4-1
Monroe County School District Student Demographics

District	Total Students	Percentage Increase, Fall 1998-2002	English for Speakers of Other Languages (ESOL)	Percentage Eligible for Free or Reduce Price Lunch
Flagler	7,160	25%	2%	32%
Martin	16,792	9%	8%	31%
Monroe	**9,264**	**(3)%**	**7%**	**34%**
Nassau	10,441	2%	<1%	34%
Santa Rosa	23,216	7%	<1%	32%
Wakulla	4,688	<1%	<1%	32%
State	**2,499,781**	**9%**	**8%**	**44%**

Source: Florida Department of Education, Profiles of Florida School Districts 2001-02; Statistical Brief, fall 2002.

The Monroe County School District's deputy superintendent supervises the Teaching and Learning Services department which comprises the four departments that provide instructional and support services to the district's schools. Exhibit 4-2 shows the Teaching and Learning Services department. The department currently has no executive director and all four program directors report directly to the deputy superintendent.

Exhibit 4-2
Four District Departments Perform
the District Level Educational Service Delivery Functions
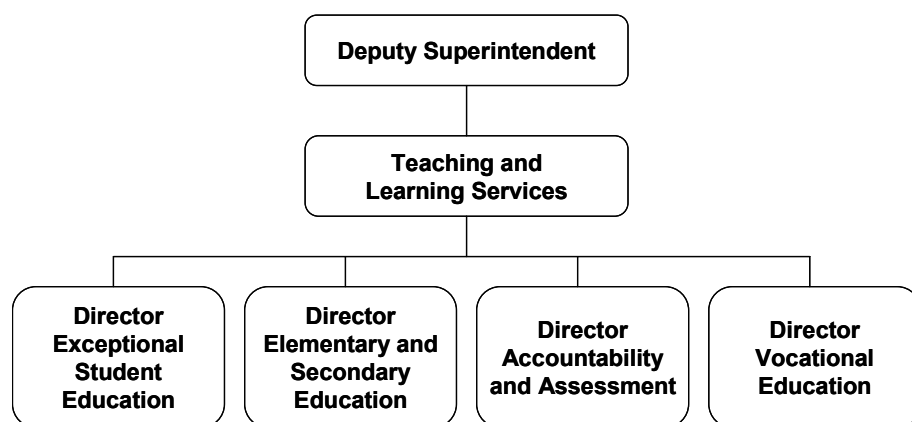
Source: Monroe County School District.

The Monroe County School District serves students through several types of programs. These include the K-12 basic education program, the Exceptional Student Education program (ESE), 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 12[th] grade. In 1996, the State Board of Education approved the Sunshine State Standards (SSS) 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 (SSS) in reading, mathematics, and writing. The FCAT also includes a norm-referenced test (NRT), which reports the performance of Florida students compared to students nationwide. Currently, students in grades 3 to 10 take the FCAT (SSS) and FCAT (NRT) reading and mathematics tests. Students in grades 4, 8, and 10 take the FCAT Writing Test.
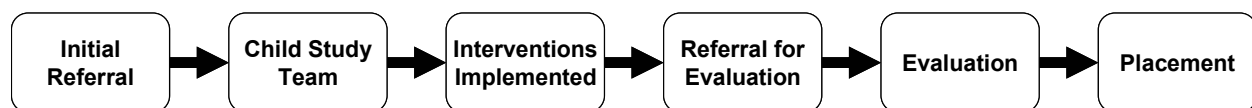
Exceptional Student Education (ESE). Exceptional Student Education is designed for students who meet specific federal and state criteria. In Florida, an "exceptional student" is a student with disabilities or a student who is gifted and is enrolled in (or eligible for enrollment in) a district public 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 Monroe County School District students identified and served in the district's ESE program (21%) is about average compared with its peers and the state. Seventeen percent of the district's students have disabilities while 4% are gifted. Teachers, parents, or guidance counselors begin the ESE process by referring students for assessment. Student Services Teams (comprising the assistant principal, teachers, and guidance counselors) initially screen students at the school level by reviewing the case, assessing the student, and determining appropriate interventions to assist the student to succeed. School personnel then implement at least two interventions over the course of eight weeks. If the interventions are successful, the case is not referred to the psychologist. If the student services team finds that these attempts prove unsuccessful, the team refers the student to a school psychologist for evaluation. The results of this evaluation determine the student's ESE status. If the student requires ESE services, the student services team meets to decide the most appropriate placement for the student. Exhibit 4-3 illustrates this process.

Exhibit 4-3
The Student Services Team Referral Process

| Initial Referral | → | Child Study Team | → | Interventions Implemented | → | Referral for Evaluation | → | Evaluation | → | Placement |

Source: Developed by OPPAGA.

At-Risk Programs. The Monroe County School District provides several programs for students who need academic or social skills interventions to assist them to be successful including Title I, English for Speakers of Other Languages (ESOL), and alternative education programs. Title I programs offer ancillary support services to students who need assistance by providing instruction that reinforces the curriculum and helps students with deficient skills. Title I teachers and teacher assistants help regular classroom teachers by working with students to increase their proficiency in identified skill areas. Title I is funded by federal sources and supplements the state's basic program. It 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 in 2000-01, 50% or more of its students must meet the criteria for free or reduced lunch. In Monroe, no schools receive school-wide assistance. Title 1 provides targeted assistance to students who meet eligibility criteria in seven of the district's schools.

During 2000-01 1,016 or 9% of the students in the Monroe County School District were served in the ESOL program. This is higher than most of its peer districts, though slightly lower than the state average of 11%. The adult who is registering the student completes the home language survey as part of the registration process. Any survey with a "Yes" response is given to the ESOL contact person who arranges for further assessment and appropriate scheduling of the student. Every school has a Language Enriched Pupil (LEP) committee which meets on an as-needed basis (generally more frequently in the beginning of the year than towards the end of the year). In the absence of appropriate standardized test score, the committee evaluates and places students, makes decisions about FCAT exemptions for individual LEP students, and considers whether a student should continue in the program beyond the three years generally allowed by the state. The LEP contact person at each school is responsible for collecting and maintaining LEP student data. The ESOL contact person and the guidance counselor at each school is 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. Most of the elementary and all of the middle and high schools have alternative education programs for at-risk students. These include academic improvement programs, discipline programs, and teen parent programs (for both girls and boys). Instruction in these programs is designed to provide students the means to succeed. For example, the academic improvement program at Sugarloaf/Big Pine Elementary targets those students whose scores fall at or below the 25th percentile (or who score in Level I) in reading or math. District personnel administer the appropriate diagnostic and prescriptive measures and a team (usually guidance counselor, teacher, grade level chair, and appropriate teacher leader) develops an Academic Improvement Plan. Students receive small group instruction, tutoring, and in some cases, summer school. In addition, information on what works best for each student is passed from one grade level to the next to help facilitate a smooth transition.

Accelerated Programs. The Monroe County School District provides students several accelerated opportunities, including access to a fairly wide selection of AP courses as well as Dual Enrollment classes. The district does not have an International Baccalaureate (IB) 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 (DE) 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. Eligible students in Monroe County School District may enroll in DE courses such as English and algebra. Florida Keys Community College instructors teach dual enrollment classes at Key West High School, Marathon High School, and Coral Shores High School. A total of 332 students participated in the DE program in the district during 2001-02.

The Advanced Placement program allows high-achieving and self-motivated students in grades 11 and 12 to enroll in advanced courses of study and earn college credit and/or advanced placement credit while still enrolled in high school. The district offers AP courses in English, calculus, economics, government, art, American history, and biology. During the 2002-03 school year, 647 students are enrolled in AP courses at Marathon, Key West, and Coral Shores High Schools. The district also has a contract whereby Monroe students may participate in the Florida Virtual School. Students who enroll in this on-line 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. School based teachers or district administrators proctor required exams. Enrollment in this program is very small; four students are participating during the 2002-03 school year.

Vocational and Adult Education. The district's secondary vocational and technical education program served approximately 796 students during the 2001-02 school year. The program offers several

tech prep courses of study that include accounting operations, banking, health occupations, marine service technology, construction trades, hospitality, culinary arts, web design, A+ certification, PC support service, computer applications, early childhood, and cosmetology. These courses of study prepare students for postsecondary work as well as assist them in developing job-ready skills.

The district also provides vocational and technical education for postsecondary students. During 2001-02, the district served 98 students in programs such as culinary arts, construction, cosmetology, marine technology, banking, web design, A+ certification, PC support services, computer applications, and hospitality. Through the adult general education program, the district offers instruction to individuals who do not have a high school diploma (or who test below the ninth grade level), whether or not they are enrolled in a regular day school. The district enrolled 671 adult education students in 2001-02.

Student Support Services. In the Monroe County School District, the Student Services Department provides psychological services, health services, and guidance services. The district partners with the Monroe 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, to help students overcome problems that could interfere with their academic success and 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 Monroe County School District, one such program is the collaboration among the school district, Florida Keys marinas, Mercury Marine, and Florida Keys Community College to provide a Marine Service Technology Program for high school students. Through a special agreement, the district provides teaching staff and facilities for the new program while Mercury Marine provides financial and other support such as equipment that includes outboard engines, a digital diagnostic tester, tools and service manuals to repair outboard engines, and curriculum documents. The program is articulated with the Florida Keys Community College program for students who choose to pursue an Associates degree in marine propulsion.

Another program of special interest in Monroe County is a special agreement with the Department of Defense. The district superintendent and the chief officer of the Naval Air Station in Key West have signed a memorandum of understanding to help ease the transition of students of military families who transfer into or out of the Monroe County School District. The program also includes a key contact person who will ensure that school information is accurately communicated to military families. This individual also serves as a conduit for feedback from the families to the school district.

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	4-7
	2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	No	4-10
	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	4-13
	4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	Yes	4-15
	5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	Yes	4-16
	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	4-17
	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	4-18
	8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	Yes	4-19
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.	No	4-19
	10. The district has sufficient school library or media centers to support instruction.	Yes	4-21
	11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	Yes	4-22
	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	4-23

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, but could enhance their operations by implementing strategies to improve student outcomes.

Effective school districts use academic and nonacademic data to drive decisions related to their instructional programs and to improve the performance of all students. Districts should collect, analyze, and use data regularly to monitor the performance of its 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 Monroe County School District has many mechanisms for using academic and nonacademic data to improve K-12 education programs. In Monroe, the school is the functional level of evaluation and improvement. The district disaggregates student assessment data for all students in grades K10 to the student level. Reports also show data disaggregated by ESE, home school, and ESOL. The school improvement team and the building level planning team use these reports to improve programs and student performance. The director of accountability and assessment meets regularly with administrators at each individual school, including the principal, faculty, the building level planning team, and school advisory council chairpersons to discuss the analysis of that school's student data. The district prepares disaggregated performance data report for each school.

The director of accountability and assessment generates the school performance data report which provides an analysis of student level data such as graduation rates and disciplinary data by school to each principal. These data are compiled for all students requiring academic improvement plans (AIPs). These data are broken down by students in each of the five performance levels and are then used by schools when developing their school improvement plans.

The district uses specially designed software to disaggregate FCAT student data for school administrators and teachers. Teachers have access to the data for their own use in instructional planning. This software also has the potential to store nonacademic data, as well. In addition to using software to disaggregate student data, teacher leaders focus on the data for assistance in AIP development and in specific strategies for student achievement at the benchmark level. Finally, teachers use the Learning Styles Inventory for diagnostic/prescriptive teaching. The inventory assesses individual student learning styles across several dimensions, including sound, temperature, motivation, structure, perception, time, light, design, responsibility / persistence, sociological, intake, and mobility. The director of accountability and assessment undertook a construct validation of this particular learning styles model and has found it to be effective with middle and high school students. All teachers in the district have received some level of training in learning styles. Any student with an AIP must be assessed for their learning style and provided individualized instruction based on the results.

Exhibit 4-4
Monroe County Student FCAT Performance is Comparable
to Peers and the State Based on State Performance Levels

School District	Reading			Mathematics		
	Grade 4	Grade 8	Grade 10	Grade 5	Grade 8	Grade 10
Flagler	311/Level 3	312/Level 3	314/Level 2	319/Level 2	319/Level 3	332/Level 3
Martin	319/Level 3	320/Level 3	317/Level 2	335/Level 3	324/Level 3	334/Level 3
Monroe	**311/Level 3**	**311/Level 3**	**309/Level 2**	**327/Level 3**	**319/Level 3**	**328/Level 3**
Nassau	320/Level 3	306/Level 2	307/Level 2	320/Level 2	315/Level 3	322/Level 3
Santa Rosa	330/Level 3	326/Level 3	321/Level 2	330/Level 3	334/Level 3	335/Level 3
Wakulla	327/Level 3	305/Level 2	307/Level 2	343/Level 2	308/Level 2	325/Level 3
State	**305/Level 3**	**301/Level 2**	**302/Level 2**	**320/Level 2**	**310/Level 3**	**320/Level 3**

Source: Florida Department of Education, 2003.

Exhibit 4-4 shows student performance on the spring 2003 administration of the reading and math FCAT in the Monroe County School District. Student performance on FCAT is comparable to peer districts and the state based on the state performance levels. Based on average scale scores, Monroe County students scored better than two of their peer districts and the state average in grades 8 and 10 reading. On the math test, students in Monroe scored higher than students in two of their peer districts and the state in grades 5, 8, and 10. On the grades 4 and 8 FCAT writing tests, 92% of students in Monroe scored a 3 or higher. This compares favorably with peer districts and the state. However, on the grade 10 writing test, the percentage of students who scored 3 or higher was lower than the state and all but one of its peers.

Exhibit 4-5 shows student performance over time. As can be seen in the exhibit, Monroe County student performance has improved in math in grades 5 and 10 over the past five years. However, student performance in grade 8 has remained fairly stable. Similarly, the percentage of students scoring in the lowest levels (levels 1 and 2) in reading for grades 4, 8, and 10 over this same period has generally remained stable.

Exhibit 4-5
Over Time, Monroe County Student Performance Has Improved
in Grades 4 and 10 in Math But Has Largely Remained Stable in Reading

Subject and Year	Grade 4			Grade 8			Grade 10		
	Level 1	Level 2	Levels 1 & 2	Level 1	Level 2	Levels 1 & 2	Level 1	Level 2	Levels 1 & 2
2003 Reading	22%	14%	36%	21%	23%	44%	27%	32%	59%
2002 Reading	25%	17%	42%	21%	26%	47%	27%	34%	61%
2001 Reading	24%	16%	40%	20%	22%	42%	30%	29%	59%
2000 Reading	26%	14%	40%	24%	28%	52%	29%	43%	72%
1999 Reading	26%	13%	39%	20%	28%	48%	24%	38%	62%
	Grade 5			Grade 8			Grade 10		
2003 Math	19%	26%	45%	15%	24%	39%	12%	17%	29%
2002 Math	19%	27%	46%	17%	21%	38%	14%	20%	34%
2001 Math	23%	26%	49%	15%	21%	36%	15%	21%	36%
2000 Math	18%	31%	49%	23%	19%	42%	19%	21%	40%
1999 Math	25%	36%	61%	28%	19%	47%	14%	24%	38%

Prior to 2000 the math portion of the FCAT was given to fifth graders only. In order to be consistent we have used grade 5 scores in math for all years.

Source: Florida Department of Education, Student Assessment Services Section, 1999, 2000, 2001, 2002, 2003.

Other indicators of student success include graduation rate, dropout rate, and student discipline data. As shown in Exhibit 4-6, Monroe County's graduation rate is lower than four of its peers, but is higher than the state average. The district's dropout rate is higher than all but one of its peers, but slightly lower than the state average. The district recognizes this as an area for improvement. To its credit, the district has improved its dropout rate over the past nine years. Administrators have implemented a variety of strategies to bring the dropout rate down, including establishing a mentoring program for students and improving parental and community involvement.

Exhibit 4-6
Monroe County's Graduation Rate Is Higher Than the State Average, But Lower Than Four of Its Peers; the Dropout Rate Is Higher Than All But One of Its Peers

District	Four-Year Graduation Rate	Annual Dropout Rate
Flagler	72.2%	2.0%
Martin	84.4%	0.5%
Monroe	74.2%	3.7%
Nassau	76.7%	3.3%
Santa Rosa	85.5%	1.8%
Wakulla	81.2%	5.1%
State	67.9%	3.9%

Source: Florida Department of Education, 2001-02.

Exhibit 4-7 shows student discipline data for Monroe County and its peer districts. As can be seen from the exhibit, both out of school and in school suspension rates are on par when compared with both peer districts and the state average. During 2001-02 Monroe reported no student expulsions and 1% of students were referred to dropout prevention programs for disciplinary reasons.

Exhibit 4-7
Monroe County Out of School Suspension and In School Suspension Rates Are on Par When Compared With Peer Districts and the State Average

District	Total Number of Students	Out-of-School Suspensions	In-School Suspensions	Expulsions	Referrals to Dropout Prevention for Disciplinary Reasons
Flagler	7,160	6%	25%	0	1%
Martin	16,792	7%	6%	0	0
Monroe	9,264	7%	13%	0	1%
Nassau	10,441	8%	12%	<1%	1%
Santa Rosa	23,216	5%	8%	<1%	8%
Wakulla	4,688	5%	21%	<1%	10%
State	2,499,781	9%	10%	<1%	3%

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

While district administrators use data to make decisions to improve programs, the district could enhance its operations in educational service delivery by continuing to monitor student performance and make adjustments to its programs to help improve student performance, particularly improving reading and writing scores and reducing dropout rates.

> **We recommend that the district continue its efforts to identify and implement effective strategies to improve student outcomes, particularly reading and grade 10 writing scores, and dropout rates.**

Best Practice 2: Not Using

The district has initiated positive actions to improve its exceptional student education (ESE) programs and many aspects of the programs are strong. However, the district needs to improve its monitoring of the process used to refer, evaluate, and place students into ESE programs. It also needs to monitor the accommodations and services they receive in regular classrooms.

The district has taken a number of steps to improve its exceptional student education program, and its students with disabilities generally perform well. It has reorganized its ESE department and is expanding the number of students with disabilities who are served in the regular classroom. It appropriately trains ESE and regular classroom teachers to meet the needs of disabled students. It also obtains Medicaid reimbursement to eligible students. Although the district identifies a disproportionate number of minority students as disabled and a disproportionately low number as gifted, it is monitoring the situation to ensure that placement of these students is not inappropriate. However, it does not meet the best practice standards for two reasons. First, it has not monitored its process to refer, evaluate, and place students in ESE programs long enough to determine whether it has problems with timeliness of placement or inappropriate referrals. Second, it has not developed a mechanism to ensure that regular classroom teachers provide appropriate accommodations for their students with disabilities.

The ESE program has many positive aspects

Students with disabilities in the Monroe County School District perform well on measures such as the standard diploma graduation rate and the retention rate. However, the participation rate of students with disabilities on FCAT tests compared with the state average is mixed. Participation rates in grades 3, 4, and 8 reading are on par with state averages as are the participation rates in grades 3, 5, and 8 math, but considerably fewer students participate in grade 10 math and reading. Students with disabilities receive more out-of-school suspensions than their non-disabled peers (six percentage points) and twice as many in school suspensions than their non-disabled counterparts. To help ensure that students with disabilities are not being suspended for behaviors related to their disability, the district has hired a full time behavior specialist who serves the Upper, Middle, and Lower Keys to collaborate with teachers and staff to develop individual behavior intervention plans as appropriate.

As a result of a 2001-02 external evaluation of selected components of the ESE program conducted by Exceptional Consulting Services, Inc., the ESE department has re-organized and, in addition to the ESE behavior specialist mentioned above, now includes an assistive technology specialist, an ESE resource specialist who focuses on ESE teacher recruitment and retention, and an ESE transition specialist. In addition, the Monroe County School District has an agreement with Bertha Abbess, a private foundation, whereby the foundation provides psychiatric counseling for severely emotionally disturbed students, while the district provides for students' educational and social needs. The director of ESE expressed satisfaction with the arrangement, reporting that it is a "win-win situation."

The district is also working with the Florida Inclusion Network to expand the numbers of students who are served in the regular classroom. One of the primary conclusions of the external evaluation was that, despite efforts from the district level, most schools were making limited use of inclusion models and activities. Now all schools are required to have an inclusion plan as part of their school improvement plans. To its credit, overall, the regular class placement rate of ESE students ages 6-21 in the Monroe County School District exceeds the placement rate of the state and most of its peer districts.

The district holds extensive trainings for both ESE and regular classroom teachers. Based on training logs and interview data, the district has held training in areas such as automated Individualized Education Plans (IEPs), quality IEPs, orientation and mobility/Braille, autism, positive behavior support, and ESE training for new and out of field teachers. In group interviews, teachers generally reported that they receive needed support in providing for their ESE students' needs. Regular education teachers and ESE teachers are in regular communication about their students.

The Monroe County School District has done a good job seeking reimbursement for the services it provides to Medicaid-eligible students. The district has a Medicaid specialist and currently bills Medicaid for administrative claims. The district also bills for direct claims for services such as nursing, psychologist, speech clinicians, and transportation. Cumulative district revenues from Medicaid for administrative claims for 1998 through 2001 were $1,127,395. Revenues from direct claims were $26,072 in 2000, $105,060 in 2001, and $140,908 in 2002 for a total of $272,040.

The district maintains a focus on parental involvement in several ways. The district has a full time parent liaison. There is also an ESE Advisory Council comprising parents and other members of the community (the director of ESE is a non-voting member) which meets once every two months. This group has conducted Parent to Parent workshops (for example, in assistive technology) and has coordinated with Conch Connect transition services and Easter Seals to keep parents informed and provide information and support. In addition, there is a Parent Support Coordinator for each region of the Keys (Upper, Middle, and Lower). The district recently conducted a survey of ESE parents. Based on the results, some of the issues to be addressed by the advisory council include the length of time in evaluating ESE students, the desire for greater inclusion, and the need for more tutoring. The district should continue to make every effort to solicit parent input and respond to parent concerns.

As with many school districts in the state, a disproportionate percentage of minority students in the Monroe County School District are classified as emotionally handicapped/severely emotionally disturbed (EH/SED) and educable mentally handicapped (EMH). According to the Local Education Agency (LEA) profile, 25% of EH/SED students are black (9% of students in the district are black) and 33% of EMH students are black. Although these high placement rates may not by themselves be problematic, they need to be monitored to ensure that all placements are appropriate. The district has implemented procedures to determine which students are referred for evaluation as well as mechanisms to help ensure that its placement processes do not inappropriately identify minority students as EH/SED or EMH.

In addition, as indicated by the LEA profile, 1% of gifted students are black, while 9% of all students in the district are black. Likewise, while 22% of the student body is Hispanic, only 12% of students in the gifted program are Hispanic. The district is aware of this disproportionality. Each year, district ESE administrators speak with principals and the Student Services Team at the school level to discuss ways to identify minority students who might qualify for the gifted program. While this has resulted in teachers referring more students and more students being tested, there continues to be a significant gap in the numbers of minority students in the gifted program. The issue of disproportionality in the gifted program is part of the district's Continuous Monitoring Plan with the state Department of Education.

> **We recommend that the district continue to implement strategies to ensure access of minority students to the gifted program and continue to implement strategies to ensure that minority students are not inappropriately identified as EH/SED and EMH. The district should evaluate the effectiveness of these strategies annually and adjust as needed.**

The district needs to implement some ESE program improvements to meet best practice standards

The district could improve its operations and meet best practice standards in two ways. First, the district needs to monitor its process to refer, evaluate, and place students in ESE programs to determine the

timeliness of the referral process, number of pending referrals between FTE counts, and percentage of students referred who are not found to have disabilities. In addition to providing timely services to ESE students, improving the timeliness of assessments can help the district obtain additional state and federal funding. Districts receive additional state and federal funding for students with disabilities. The guaranteed ESE student allocation that districts receive from the state for special education students is based on the number of ESE students reported in the prior October and February FTE counts. If the referred students' assessments are not completed by October the district loses one-half of the additional state funding for the following year.

The percentage of students referred who are not found to need ESE services is also an important indicator the district should monitor. Referring a high percentage of students who do not need ESE services may make it difficult for a district to meet guidelines for the timely evaluation and placement of students and may also be costly, as a district must pay the full costs of the evaluation regardless of whether students qualify. Some referrals that do not result in ESE placement are appropriate. However, districts that have a high percentage of referred students who do not need services have found that they need to continue to train and support general education teachers and administrators in the pre-referral process as well as in strategies for individualizing instruction, so that they refer fewer students that are unlikely to qualify for special education services.

In anticipation of a new state rule, the district developed and began implementing a referral log in January 2003 that will allow it to monitor the timeliness of placement, the number of pending referrals between FTE counts, and the percentage of referrals that do not result in placement. However, the district does not yet have sufficient data to determine whether the timeliness of its ESE evaluation process or percentage of referrals resulting in placement meet best practice standards. Based on parent and teacher input, it is possible the district is not evaluating students within the recommended 60 days of referral. The district should ensure that all personnel are trained in the use of the log and that referral data is regularly analyzed and evaluated. If data from the tracking logs show that evaluations are not timely or that there is a high rate of inappropriate referrals, the district will need to establish mechanisms to improve these areas.

Action Plan 4-1

We recommend that the district improve the processes through which students are referred, evaluated, and placed for ESE services.		
Action Needed	Step 1.	The director of Exceptional Student Education should continue to carefully track ESE referrals
	Step 2.	The director of Exceptional Student Education should periodically this system to determine the percentage of students who are evaluated within 60 days of student attendance from the date of parent consent.
	Step 3.	The director of Exceptional Student Education should examine and address any systemic problems contributing to delays in the evaluation process and reports progress on this issue to the school board at least annually.
	Step 4.	The director of Exceptional Student Education should monitor the percentage of student referred for an ESE evaluation that are determined to be eligible for services.
	Step 5.	If a high percentage of students referred are not deemed eligible, the district should implement strategies to improve teacher's ability to distinguish students who are likely to be disabled from students with other problems.
	Step 6.	District administrators should establish mechanism to ensure that all schools have implemented Inclusion Plans that are consistent with the intent of federal and state laws.
	Step 7.	District administrators should monitor the effectiveness of the plans, by school, and make changes as needed.
Who Is Responsible	Deputy superintendent and director of Exceptional Student Education	
Time Frame	June 2004; ongoing, thereafter.	

Second, the district should improve its operations by ensuring that all teachers provide ESE students with the accommodations and supports they need to succeed. The Admissions and Placement Manual indicates that the ESE teacher is responsible for communicating with the general education teacher about the accommodations specified in a student's IEP. However, while ESE program specialists monitor ESE teachers, they do not necessarily monitor regular education teachers. The 2001-02 external evaluation of the district's ESE programs indicated that teachers in some of the district's schools identified the provision of accommodations as an area needing improvement. The district should establish mechanisms to ensure that regular classroom teachers are providing appropriate accommodations to help ESE students succeed.

Action Plan 4-2

We recommend that the district establish mechanisms to ensure that all teachers, including regular education teachers, provide the accommodations and other supports that ESE students need to succeed.		
Action Needed	Step 1.	The director of Exceptional Student Education and the deputy superintendent should work together to determine how to ensure all teachers provide accommodations to ESE students.
	Step 2.	District administrators should establish mechanisms to monitor regular education teachers' provision of accommodations to ESE students.
	Step 3.	District administrators should continue to ensure that regular education classroom teachers receive adequate support to implement accommodations for ESE students.
	Step 4.	If regular teachers are not providing accommodations, district administrators should provide them professional development stressing their responsibilities regarding ESE students
Who Is Responsible	Deputy superintendent and director of Exceptional Student Education	
Time Frame	June 2004; ongoing, thereafter.	

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[1], but should actively encourage ESOL parent participation from all regions in the district and provide better support and oversight for teachers of ESOL students.

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 using this best practice 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 parent involvement and provide teachers adequate training and support. Districts also should periodically assess the progress of at-risk students and make any needed adjustments to programs to ensure that students perform to their capacity.

The Title I program in the Monroe County School District serves 1,417 students in seven schools. The Title I plan is based on analysis of student performance and eligibility for free/reduced price lunch. Students are identified for the program through teacher recommendation, checklists, and academic indicators (SAT 9 for grades K-2 and FCAT for grades 3-12). For academic indicators, the district uses the Sunshine State Standards exclusively. School personnel use screening, diagnostic and classroom-

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

based assessments such as STAR Early Literacy, STAR Reading, and STAR Math to ensure that students are provided appropriate assistance.

One elementary and all of the middle and high schools have alternative education programs for at-risk students. These include academic improvement programs, discipline programs, and teen parent programs (for both girls and boys). The district also has two Practical, Academic, Cultural Education (PACE) Centers for Girls. PACE is an alternative education program for girls ages 12 to 18. The program serves 20 girls in the Upper Keys, 22 in the Lower Keys on a full-time basis, and 10 in the Middle Keys on an outreach basis. In addition, girls who exit the program are served in a transition program for up to three years. Personnel evaluate the program annually and make changes to improve outcomes for the students. In group interviews, teachers commented on how successful the PACE program was and pined for a similar program for boys.

The district provides teachers of at-risk students with adequate support and training to assist them to meet the needs of their students. For example, all new teachers in Monroe are ESOL certified or endorsed. In addition, in January 2002, the district provided funding for Title I principals and lead Title I teachers to participate in the National Title I Conference held in Tampa, Florida. Over a four-day period of time, principals and lead Title I teachers participated in a variety of sessions dealing with effective instruction for Title I students. In February 2002, during a districtwide session, the District Title I Program Specialist provided training to Title I principals and Title I teachers in scientifically based research strategies for teaching reading. Each participant in this session received a copy of the USDOE-endorsed publication *Put Reading First: The Research Building Blocks for Teaching Children to Read*. In addition to reviewing the strategies in the booklet, the Title I Program Specialist provided each principal and teacher with a checklist of the key strategies found in Put Reading First as well as instruction in how to use the checklist as a tool to monitor the degree to which each teacher in the core content areas is using these scientifically based research strategies when delivering instruction to students. Title I principals followed up the above training by providing every one of their teachers with a copy of *Put Reading First*. The district placed the checklist of strategies on the district website so that it is readily available to all teachers. In addition, every school in the district has a Reading Teacher Leader and a Math Teacher Leader, as well as teacher leaders in the other core subject areas.

Although the district is using the best practice, it can improve its at-risk programs by strengthening parental involvement. The district maintains a focus on parental involvement for at-risk students, including periodic conferences, parent training, and formal solicitation of satisfaction feedback. For example, there is an active parent group for ESOL students in Marathon. In addition, there is an active group from two schools in Key West. However, other schools do not have active ESOL parent groups, so some parents may not have an avenue for participation. While it is commendable that the district has such strong parent participation from certain schools, the district should establish a parent advisory council which includes representatives from all the schools in the district. Since there is already a very active group serving in this capacity in Marathon, the district may choose to continue to have this group serve as the parent council for the district. If the district chooses this option, however, it needs to ensure that representatives from all schools participate. Given the large geographic distances in the district, administrators may choose alternatively to establish parent advisory groups in each of the three regions: Upper Keys, Middle Keys, and Lower Keys. If the district chooses this option, district and school administrators should actively encourage parents from all schools in the region to participate. The district is considering placing parent advocates at each school that would serve as parent liaisons for parents of ESOL students and who would be responsible for holding at least three meetings during the school year. This position should enhance the communication between parents and the school district and may be also be an avenue through which the district can obtain regular satisfaction feedback from ESOL parents.

> **We recommend that the district establish mechanisms to ensure that parents from all regions of the district are represented on the parent advisory council. One way to accomplish this would be to have an advisory council in each of the three regions with parent representatives from each of the schools in that region.**

In addition, the district should assess the support it provides to teachers of at-risk students. For the most part, the district ensures that teachers of at-risk students assist regular classroom teachers to develop and/or implement strategies for helping at-risk students become more successful academically and socially. However, while the district encourages ESOL teachers to provide assistance to regular teachers and to work with them and keep in touch regarding student progress, based on teacher group interviews, teacher perceptions regarding receiving needed support are mixed. Some teachers did not feel they received enough support to meet the challenges of providing for ESOL students' needs, while others felt they did receive adequate support. In addition, there is currently no effective mechanism between the schools and the district whereby district administrators ensure that both regular education teachers and ESOL teachers are providing ESOL students with the appropriate support they need to succeed. This allows for students to potentially fall through the cracks. The district is considering instituting a teacher leader position for ESOL. If structured appropriately, such a person may be able to provide better support and oversight at the school level. This position should also be responsible for reporting regularly to the director of elementary and secondary education and to the deputy superintendent on items such as the appropriate placement of ESOL students and documenting teacher use of ESOL strategies.

> **We recommend that the district establish mechanisms to ensure that both ESOL and regular education teachers receive adequate support and oversight in providing ESOL students with appropriate instruction. This could be accomplished by ESOL teacher leaders, should the district decide to implement that model for ESOL.**

Best Practice 4: Using

The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment), but should establish mechanisms to help students improve their performance on certain AP 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.

Students in Monroe County schools are informed about accelerated mechanisms through parent conferences, student handbooks, and annual guidance fairs. All tenth grade students are tested on the PSAT to help identify potential candidates for accelerated courses.

The district has strong participation in the Dual Enrollment program. Of the 332 students who participated in Dual Enrollment during 2001-02, 326 (98%) successfully completed their courses (defined as attaining a grade of C or better). The district does not have an International Baccalaureate program and has not explored that possibility. The district should periodically assess the accelerated course needs of

students by conducting a survey or otherwise soliciting feedback from parents, teachers, guidance staff, and students.

The Monroe County School District provides a fairly wide selection of Advanced Placement courses, including English literature and composition, English language and composition, calculus, economics, and American government. Student performance on most of the Advanced Placement exams is comparable to the state average. However, student performance on certain exams, such as American government, is low compared to the state average. The district (or schools) should analyze data by AP exam to identify why students tend to score low these exams develop strategies to help students improve their performance.

> **We recommend that the district identify why students tend to score low on certain AP exams and establish mechanisms to help students improve their performance in these tests.**

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), but should establish mechanisms to help improve student attainment of technical skills.

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 will 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, more productive workforce. The programs also provide a broad variety of services including literacy training, English language skills, and/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 skills/high wages 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.

For the most part, the Monroe County School District provides effective vocational programs. To ensure broad stakeholder input, advisory committees comprised of members from local community and business organizations participate in decisions in a variety of programs. The director of vocational, adult, and community education sits on the High Skills/High Wages committee of the Workforce Development Board. Articulation agreements exist with postsecondary institutions, including Key West Community College. Administrators regularly analyze student data to determine program effectiveness. For example, the district recently eliminated the cosmetology program in the Middle Keys due to low enrollment, though this program is still quite strong in the Lower Keys.

Although the district is using this best practice, it could enhance its vocational programs by improving student attainment of academic skills. While the attainment of technical skills and the placement rate for secondary vocational students are on par with peer districts, as Exhibit 4-8 shows, the percentage of students attaining academic skills is among the lowest of its peers. The completion rate of secondary graduates is also the lowest among the peer districts. The district should identify why students currently in the program are not attaining academic skills and develop strategies to improve the percentage of students attaining these skills. The district should also establish mechanisms to increase the completion rate of its secondary vocational graduates.

Exhibit 4-8
The Percentage of Secondary Students Achieving Technical Skills Is on Par With Peer Districts; The Percentage Achieving Academic Skills Is the Lowest Among Its Peers

District	Academic Skills	Technical Skills	Completion	Placement
Flagler [1]	--	--	--	--
Martin	96%	22%	96%	91%
Monroe	**82%**	**42%**	**82%**	**77%**
Nassau	85%	34%	85%	54%
Santa Rosa	93%	49%	93%	79%
Wakulla	85%	81%	85%	88%

[1] Flagler County School District data was not available.

Source Florida Department of Education, Perkins Performance Report, 2002.

> **We recommend that the district identify why students are not attaining academic skills and are not completing their programs and establish mechanisms to help students improve their performance in these areas.**

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, but should include all SAC members in the annual orientation and in ongoing training activities.

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 (SIP) 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, etc.) and incorporates and integrates to the extent possible other school-level improvement planning processes (Title I, technology, school improvement, Sterling, etc.). To increase the effectiveness of the school improvement process, districts should provide training for school improvement teams that includes using academic and non-academic data to identify areas needing improvement, developing measurable objectives, and evaluating progress in meeting objectives. Districts also should oversee the school improvement planning process and provide additional assistance to schools that do not make adequate progress.

The Monroe County School District has several mechanisms in place to help ensure that schools are using effective planning processes to improve student outcomes. Each school has a board approved school improvement plan (SIP). The director of accountability and assessment provides ongoing data analysis training to each school's administration, building level planning team, and school advisory council (SAC) chairperson. District administrators review each SIP using a checklist of items (for example, measurable objectives, focus on Title I students, etc.) that should be included in the SIP. According to teachers we spoke with, it is rare for a SIP not to be returned to the school for additional changes. Most (94%) of SIPs contained clear, measurable objectives.

Although the district is using the best practice, it could do a better job at ensuring that all schools adequately address the needs of ESE and ESOL students in their SIPs. While all SIPs included a focus on Title I students, few included a focus on ESE or ESOL students. To ensure that the needs of these students are adequately addressed, the district should include these two subgroups of students as specific elements on the checklist district administrators use to review the SIPs.

In addition, the district should establish a mechanism to ensure that all SAC members receive training. The deputy superintendent has 'train the trainer' certification from the Florida Department of Education and conducts an annual training for SAC members. SAC chairpersons and school personnel generally attend this training, but non-school personnel may or may not attend. The parents who served on SAC committees and attended public forums indicated that they needed additional training. The district should take steps to better ensure that SAC members who are not district employees receive training.

> **We recommend that the district identify ways to include all SAC members in the annual orientation and in ongoing training activities.**

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, but should ensure that all teachers have access to effective teaching strategies linked to the benchmarks and the Sunshine State Standards.

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 also should 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 also should periodically assess how well their students progress and use this information to make adjustments as needed.

The Monroe County School District has many mechanisms in place to ensure the effective progression of students form K through grade 12. The curriculum frameworks are on the website and are easily accessible to all teachers. The district uses a teacher leader model which seems to be very effective. The teacher leader model has evolved into one in which there is a teacher leader for each core subject in each school. These teachers meet monthly by region and are the main conduit of information between the school and the district on content and curriculum matters. Teacher leaders assist with the support of classroom teachers in the areas of curriculum, planning, and instruction. In interviews, teachers were generally satisfied with the opportunities and the quality of professional development in the district. Each high school also has a college and career placement counselor (CCAP) who advises students with regard to career and college choices; helps with college applications, letters of recommendation, and college essays; and advises students of scholarship opportunities.

Although the district is using this best practice, it could enhance its performance by systematically compiling strategies teachers could use to improve student performance. The district also has established a curriculum continuum which guides when certain standards and benchmarks are to be covered. However, while district administrators have begun compiling teaching strategies for some benchmarks, they have not done this in a systematic fashion. The district should provide all teachers with access to specific teaching strategies that experienced teachers have found to be successful that are aligned to the benchmarks and Sunshine State Standards. These should include learning strategies for ESOL and ESE

students, examples of cognitive questions teachers can use in their classrooms, and examples of vocabulary the students need to be familiar with to meet the benchmark. This can be done in a variety of ways. For example, the district could provide links on their website to other sites that have specific teaching strategies that are aligned to the Sunshine State Standards. Alternatively, the district could collect effective teaching strategies from experienced teachers and create a database linked to the Sunshine State Standards, accessible via the district website. Both of these options can be accomplished with existing resources.

> **We recommend that the district systematically compile effective teaching strategies linked to the benchmarks and the Sunshine State Standards and ensure that all teachers have access to these strategies.**

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. School districts using this best practice 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.

The Monroe County School District has appropriate staffing levels at both the district and school levels. The deputy superintendent oversees four individuals in the Teaching and Learning unit: the director of elementary and secondary education, the director of accountability and assessment, the director of exceptional student education, and the director of adult and vocational education. All four directors have an appropriate span of control to meet the needs of teachers and students. However, these four positions, in addition to 15 other units, as well as all school principals report to the deputy superintendent. For a discussion of this issue, please refer to Management Structures, chapter 2, page 2-7.

The district compares school level staffing ratios with professional organizations such as the Florida Organization of Instructional Leaders and the Florida Association of School Administrators. Monroe staffing ratios generally compare favorably with the accreditation standards of the Southern Association of Colleges and Schools (SACS), the accrediting body for the region. Staffing of schools is based on a formula applied equally to all schools. However, principals have some flexibility in certain areas. For example, a principal may choose to trade three teacher aides for one teacher.

EFFECTIVE AND EFFICIENT INSTRUCTIONAL SUPPORT

Best Practice 9: Not 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, but should implement strategies to improve the mechanisms through which instructional materials are purchased and tracked.

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.

Schools in Monroe County have the flexibility to choose instructional materials that are on the state-adopted list. Based on documents provided by the district and teacher group interviews, teachers are aware of the textbook selection process and are involved in choosing appropriate instructional materials. In group interviews, teachers noted that teacher leaders provide a conduit through which feedback as to the usefulness of the materials could be provided, though there is no formal solicitation of feedback. The district contracts with a book buyer for purchasing discarded books. The revenues from the sales are deposited back into the school textbook account. Teachers at most schools in the district reported that students have access to current materials in core courses. However, in some instances, teachers reported that because a school had missed the adoption cycle or teachers did not like the new adoption, students were using old textbooks.

The district can improve its operations and meet best practice standards by improving the mechanisms through which instructional materials are purchased and tracked. The district has recently established an Instructional Materials Task Force whose purpose is to review the district's polices and procedures regarding the use of instructional funds. Among the task force's findings was that there were large discrepancies among the balances in the schools' textbook accounts. In addition, not all schools were keeping a comprehensive inventory (preventing the determination of the number of lost/damaged books), and some schools were not ordering books on cycle or within the two year window. The district has purchased software which will enable all schools to maintain accurate inventories, allowing inventories to be more complete than they were in the past. The district is also considering adjusting its instructional materials allocation to schools and possibly placing a cap on the carryover funds at 20% to make the funds more equitable and to encourage schools to spend on cycle.

In addition, district procedures require principals to submit to the superintendent's office funds collected for lost and damaged materials. All schools are able to report how much money they recover, and the recovered funds deposited into the school textbook account. However, the district does not collect information on how much each school is owed for lost and damaged books, this information varies in detail by school. The district should maintain a tracking system to monitor not only how much money is recovered, but how much is not being recovered for lost or damaged textbooks. It appears that most schools already have most of the system in place. By entering the data into a spreadsheet or database, the district should easily be able to access this information at any point in time.

Action Plan 4-3

We recommend that the district continue the work of the task force and implement strategies to improve the mechanisms through which instructional materials are purchased and tracked.	

Action Needed	Step 1.	The director of Elementary and Secondary Education should work with the members of the instructional materials taskforce to establish mechanisms to ensure that schools adopt on cycle.
	Step 2.	The taskforce should develop strategies to ensure schools do not exceed carryover caps.
	Step 3.	The director of Elementary and Secondary Education should require all principals to keep a comprehensive textbook inventory.
	Step 4.	The district should establish mechanisms to allow schools to determine not only how much they are recovering for lost or damaged books, but how much is still outstanding.
	Step 5.	The district should establish mechanisms to ensure all principals communicate more effectively with parents about the use of textbooks.
	Step 6.	The district should consider adopting materials on a district-wide basis to ensure continuity from one school to another.
Who Is Responsible	Director of Elementary and Secondary Education; members of the instructional materials taskforce	
Time Frame	August 2003—June 2004; ongoing, thereafter.	

Best Practice 10: Using

The district has sufficient school library or media centers to support instruction, but should establish a mechanism to ensure that all library collections are weeded regularly.

School districts using this best practice 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.

Administrators in the Monroe County School District ensure that library resources are sufficient to support instruction. Media specialists at each school obtain input from teachers in making decisions about library media purchases. In group interviews, teachers were generally satisfied with their library's collections. All libraries in the district except for one are automated. The district is in the process of automating the remaining library this year. District administrators have pooled some library orders in order to take advantage of bulk order discounts.

Although the district is using this best practice, it could enhance its performance by better ensuring that its library holdings are not outdated. Based on printouts of library inventories, the library collections in most schools for computers, science, and technology are older than the recommended standards. As seen in Exhibit 4-9, a review of the collection age report shows that in 9 of the 12 schools for which a report was provided, the average age of the collections exceeded the generally accepted standards in both science and computers and information. In the area of technology, the average age of the collection exceeded the recommended standard in 7 of the 12 schools, or 58%. The district needs to establish a mechanism to ensure that library holdings in all schools are appropriately weeded.

Exhibit 4-9
Average Age of Library Holdings in Selected Categories

School	Computers and Information (Recommended: 2-10 Years)	Science (Recommended: 5-10 Years)	Technology (Recommended: 5-10 Years)
Coral Shores High School	12	18	9
Gerald Adams Elementary	9	10	9
Glynn Archer School	15	10	9
Horace O'Bryant Middle	12	8	10
Key Largo Elementary	18	17	17
Key Largo Middle	16	20	17
Key West High School	20	31	24
Marathon Middle/High	16	21	15
Plantation Key	4	11	11
Sigsbee Elementary	12	17	17
Stanley Switlik Elementary	10	12	9
Sugarloaf Elementary/Middle	16	16	19

Source Monroe County School District.

> **We recommend that the district establish a mechanism to ensure that all library collections are weeded regularly. The policy should also include a regular reporting mechanism to the deputy superintendent.**

Best Practice 11: Using

The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement, but should establish a mechanism to obtain feedback from teachers and principals as to the usefulness of instructional technology and use this information when selecting future materials.

Technology has the potential to enhance curriculum and instruction, help improve student achievement, and assist students in attaining basic computer skills needed for the 21st 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 learn common basic software packages. To increase student success, districts should ensure that all students have opportunities to use computer software while in school. Districts also should 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 Monroe County School District provides students numerous opportunities to utilize technologies on a regular basis. In addition to diagnostic and assessment software, students learn to use word processing, spreadsheet, and presentation software. Students also have the opportunity to use technology labs and participate in PC service certification training as well as web-based projects and the use of special modules to enhance technology education teaching and learning. In addition to computer labs, most classrooms have some computers for student use. In group interviews, teachers reported that students are given time regularly throughout the week to use computers, either in the classroom or in the computer lab.

In addition to each school's technology plan, every school's school improvement plan also includes a staff development needs assessment which lists staff development needs based on the objectives included

in the plan. This allows an indirect means for teachers and principals to provide feedback to the district as to the usefulness of instructional technology in the classroom.

The district has a technology committee with representatives of all stakeholder groups. In addition, the district uses a special survey tool which provides school personnel with feedback about the current use of instructional technology in their school. However, the information this survey provides does not include teacher satisfaction with specific information about the hardware or software they use in the classroom and therefore is not specific enough to allow the district to use the information when selecting future materials.

The district does have a process in place for piloting and adopting new curriculum software which includes a review of instructional fit, technical fit with Monroe County's technology infrastructure, and user fit for teachers and students. However, the district could enhance its operations by systematically obtaining from teachers and principals feedback on to the usefulness of instructional technology they are using in the classroom and using this information when selecting future materials.

> **We recommend that the district establish a mechanism to periodically obtain feedback from teachers and principals as the usefulness of instructional technology in the classroom and use this information when selecting future materials.**

Best Practice 12: Using

The district provides necessary support services (psychological, social work, and health) to meet student needs and to ensure students are able to learn, but should assess how well guidance departments are meeting the needs of teachers and students and make adjustments as needed.

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.

In the Monroe County School District, the plan for providing for student support services is supported by an analysis of student needs through regular meetings of the School Student Services Team, District Exceptional Student Education Team, Department of Health/District Nursing Services Coordinator and Team, and District School Counselor Leader and Counselors. The district has recently entered into a partnership with the county Department of Health (DOH) for nursing services. DOH provides the district with school nurses and nursing technicians. The district expects this to result in improved attendance rates, as students will now be able to utilize the services of the school nurse for many ailments rather than leaving school to be taken to a doctor.

The district evaluates the effectiveness of its delivery of student support services on an informal basis and via regular meetings. For example, the student services team may refer an individual student because of low performance on test scores, report grades and class work. Alternatively, the team may review available data such as student discipline data to identify students that need to be discussed by the student services team.

Although the district is using this best practice, it could enhance its performance by systematically evaluating the effectiveness of its counseling services. When broken down by school, the district's guidance counselors to student ratios are on par with accepted SAC standards for the majority of its schools. Furthermore, according to the deputy superintendent, schools have additional staff such as life skills counselors and CINS / FINS (Children In Need of Services / Families In Need of Services)

counselors to assist in the counseling functions. However, Monroe County has the highest ratio (1:617.6) of guidance counselors to students of its peers and the state average (1:455.37). The next highest after Monroe is Wakulla with a ratio of 1:586. In group interviews, teachers and guidance counselors spoke of guidance staff being stretched too far, particularly during the testing season. The decision to hire more guidance counselors rests with the principals, who generally prefer to hire additional teachers so as to have smaller classes rather than to hire additional guidance counselors. Nonetheless, the district should assess how well guidance departments are meeting the needs of teachers and students.

> **We recommend that the district assess how well guidance departments in all schools are meeting the needs of teachers and students and make adjustments as needed. This assessment should include an exploration of guidance counselor workload as well as satisfaction with guidance services on the part of teachers and other stakeholders.**

5 Administrative and Instructional Technology

Summary ———————————————————————

The Monroe County School District is using all of the administrative and instructional technology best practices. The district plans for its technology needs and acquires technology in a cost-effective manner. The district supports its technology through a well-developed technical support arrangement. The district also provides training for various technology applications and has written policies that apply safe and appropriate use practices. The district relies on well-developed data systems for delivering accurate financial and student information. In addition, the district's network infrastructure is dependable and district personnel make good use of the Internet and email to support both internal and external communications.

Background ———————————————————————

The instructional and administrative technology resources in the Monroe County School District serve 12 schools, the district office, and a training and conference center. The district also provides technology support to other facilities, such as charter schools. The district provides a wide variety of technology resources throughout the district and has established infrastructure to support networking and telecommunications. Located at the southernmost tip of Florida, the district has a unique geographical location and shape; the district is made up of a series of islands and it is over 100 miles from the district office to the farthest school. This distance causes logistical demands when providing services to employees, students, and the community. Technology has helped overcome some of these obstacles.

Computer and audio-visual equipment, projection systems, televisions, and digital cameras are available to employees at every school. All schools have at least T3 connectivity and all classrooms have computers connected to the network and Internet access. Each school uses computer labs to assist with instruction in a variety of ways including integrated learning systems, drill and practice, business applications, Internet research, and industrial arts. The district uses videoconferencing and has an educational access/instructional television channel that it shares with Florida Keys Community College. The channel provides educational programming, professional development (including integration of technology into the curriculum), and community news.

The district also makes extensive use of wireless technologies for both administrative and instructional purposes. Wireless initiatives have been underway for the last five years, and the district currently links over 39 school, community, and special programs wirelessly to its terrestrial-based gigabyte Ethernet wide area network (WAN). The district has plans to bring technology to the community through its "Community of Learners" initiative and is researching a community wireless link back to district schools for student and parent access from home and other community locations (e.g., public libraries, community centers, supermarkets etc.). The concept is to provide standard wireless access from homes and area centers using current campus antennas and possibly building several wireless towers which will allow

signals to connect to all local homes. The district is working with several community partners, including its local electrical utility companies, to make this happen.

The Monroe County School District uses the Total Educational Resource Management System (TERMS) to track payroll, personnel, finance, and student information. [1] The district also uses administrative systems for attendance and grade reporting, email, food services, professional development, facilities maintenance, and transportation.

The district participates in cooperative agreements with other small districts, which reduces costs by sharing resources. As an instructional member of the North East Florida Educational Consortium (NEFEC), the district uses the consortium's browser-based test reporting system which provides secure and timely access to information used by teachers, administrators, and district personnel. It also uses a staff development management system provided by the consortium. The district also is a member of the AS400 TERMS Users' Group consortium, where it receives application support and user training for its resource management system.

Because of a one-half-cent sales tax implemented in 1996 to be used solely for technology, land acquisition, school construction and maintenance, technology initiatives in the Monroe County School District receive sufficient funding. Exhibit 5-1 shows the district's technology funding sources and expenditures for Fiscal Years 1999-2000 through 2001-02. In Fiscal Year 2001-02, district technology expenditures amounted to $3.5 million which was approximately 2.4% of the total district budget.

Over the last three years, the district received state and federal funds for technology from three sources: Public School Technology Funds, E-rate, and Technology Literacy Challenge Funds. [2,3] During this time period, the Public School Technology Fund was the only technology funding distributed based exclusively on the number of full-time equivalent (FTE) students served. However, the United States Department of Education has replaced Technology Literacy Challenge Funds with the Enhancing Education Through Technology (EETT) initiative, which will result in additional funds being awarded based on the number of FTE students. [4] The Florida Department of Education (FDOE) will award half of the $27 million of its available federal EETT funds to all Florida districts based on FTE students, of which the Monroe County School District is expected to receive $48,426 for 2002-03. FDOE will award the other half of the funds competitively; however, the Monroe County School District is one of ten districts whose high performance and low percentage of free and reduced lunch students make it ineligible to compete independently for additional EETT funding.

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[1] Total Educational Resource Management System (TERMS) is a commercially available resource management software package. OPPAGA's disclosure of the product's name should not be construed as an endorsement of the product.

[2] The Florida Department of Education's Bureau of Educational Technology recommends that districts expend public school technology funds in accordance with the district's educational technology plan. These funds are also referred to as Education Technology Allocation. See Public School Technology Funds for more information.

[3] Recipients of Technology Literacy Challenge Funds were selected for funding through a competitive process (see Technology Literacy Challenge Funds). These federal funds are no longer available, having been replaced with other opportunities through the No Child Left Behind Act – Enhancing Education Through Technology.

[4] See Enhancing Education Through Technology (EETT) for more information.

Exhibit 5-1
Monroe County School District Technology Funding Sources and Expenditures

	Fiscal Year		
	1999-2000	**2000-01**	**2001-02**
Technology Funding			
Public School Technology Funds	$236,021	$232,281	$222,775
E-Rate Savings[1]	124,300	136,000	182,134
State/Federal Grants[2]	355,000	519,421	48,425
Other Funding Sources[3]	2,572,600	2,735,964	3,283423
Total Funding	**$3287921**	**$3623666**	**$$3,736,757.00**
Technology Expenditures			
Contracted Services – Technology	75,000	87,000	95,000
Hardware Acquisitions	1,131,000	1,300,071	1,115,000
Software, Research	950,000	1,245,500	1,321,738
Salaries and Benefits	657,511	697,888	720,791
Technology Training	232,009	230,000	217,009
Communication and Technology	36,000	59,976	59,976
Other[4]	206,401	3,231	207,243
Total Expenditures	**$3,287,921**	**$3,623,666**	**$3,736,757**

[1] See E-rate for further information on the E-rate program.

[2] These grants were Regional/Statewide Impact grants, with 80% of the funds used to support the Instructional Technology Resource Center at the University of Central Florida.

[3] Other funding sources include capital outlay, millage, and one-half-cent sales tax funds.

[4] Other expenditures include curriculum and professional development licensing.

Source: Monroe County School District.

The district is proactive in applying for grants, but unlike other small school districts, it is not as dependent on grants to fund technology initiatives because of its one-half-cent sales tax. The district tends to pursue grants and companies that want partners with infrastructure already in place because it is not typically awarded grants where low socio-economic status is a large part of the grant award consideration. In the last three years, the district was awarded several grants for programs that integrate technology into the curriculum.

As shown in Exhibit 5-2, the district's organizational structure results in shared responsibility for information technology services. There are two information services assistant directors who report to one executive director. One of the assistant directors is responsible for instructional technology and infrastructure, and the other is responsible for administrative systems. The instructional side includes network services, instructional television, website maintenance and support, district technical support, district network operations, and the phone system. The administrative systems side is responsible for all functions related to operational systems, such as student systems, payroll, finance, facilities maintenance, and programming for administrative systems. At the school level, there are technology technicians funded at the district level who report to principals but they can assist in other schools when needed.

Exhibit 5-2
The Monroe County School District's Organizational Structure Results in
Shared Responsibility for Information Technology Services

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                        ┌─────────────────────────┐
                        │   Executive Director,   │
                        │ Business and Fiscal     │
                        │ Services,               │
                        │ Administrative Services │
                        └───────────┬─────────────┘
                                    │
          ┌─────────────────────────┴──────────────────┐                    ┌──────────────┐
┌─────────────────────┐              ┌─────────────────────────┐             │  Principals  │
│ Assistant Director  │              │   Assistant Director    │             └──────┬───────┘
│ Information Services │              │  Information Services   │- - - - -           │
└──────────┬──────────┘              │ (Instructional Technology)│          ┌───────┴──────┐
           │                         └────────────┬────────────┘           │    School    │
┌──────────┴──────────┐              ┌─────────────────────────┐           │ Technicians  │
│      Systems        │              │  Telecommunications     │           │     (12)     │
│ Analyst/Programmer  │              │   /WAN Specialist       │           └──────────────┘
└─────────────────────┘              └─────────────────────────┘
┌─────────────────────┐              ┌─────────────────────────┐
│ Application Support │              │   Instructional TV /    │
│   Specialist (2)    │              │  Distance Learning      │
└─────────────────────┘              │ Teacher on Special      │
                                     │     Assignment          │
                                     └─────────────────────────┘
                                     ┌─────────────────────────┐
                                     │    Administrative       │
                                     │    Technician (4)       │
                                     └─────────────────────────┘
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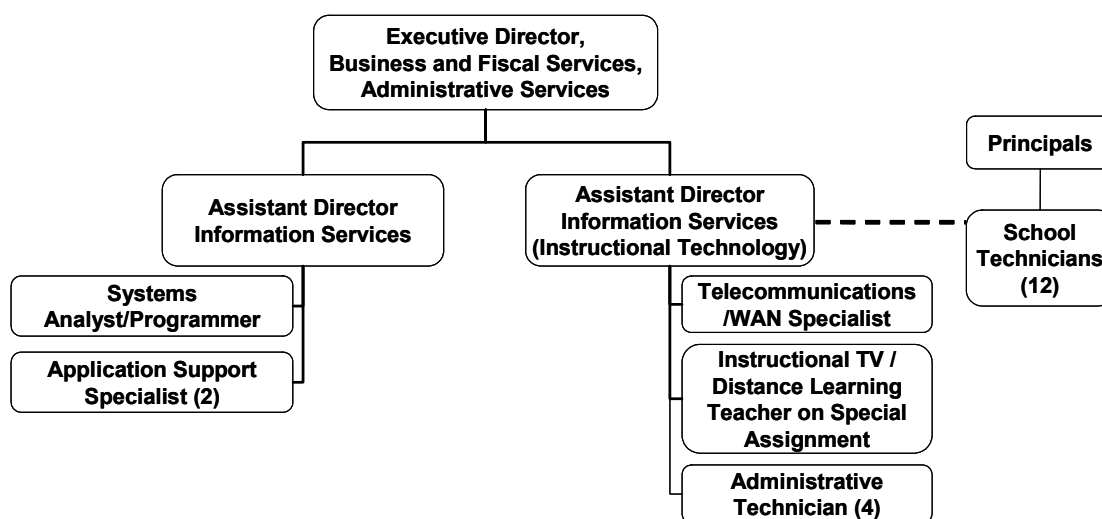
Source: Monroe County School District.

Activities of particular interest

The Monroe County School District has implemented several technology-based initiatives that are especially noteworthy and can serve as a model for other school districts to follow.

- Key Largo School (KLS) received a $250,000 grant from the BellSouth Foundation. KLS has multiple initiatives that were derived from this grant. One of the ways the school is addressing these initiatives is by supplying all 6th grade students with a wireless laptop. These students keep their laptop through their middle school years at KLS and can take their computers home. Also, all KLS middle school buildings, portables and common areas are wireless to support this project. With assistance from a BellSouth Foundation team member, the school is evaluating the affects of this one-to-one computing design on KLS's wireless middle school campus and the impact of technology on student achievement.

- The district received a two-year grant from a computer company for teachers to receive technology integration training and then teach other teachers. The grant provided for each teacher to receive $5,000 for classroom equipment and a laptop and a stipend for each additional teacher taught. This initiative has served as a catalyst for technology integration into the curriculum.

- Teachers streamline their attendance and grade reporting administrative duties by collecting this information electronically. Principals and teachers can then view this information in real time at their desktops. The software includes a web-based parent module where high school parents can go to the district's website, log on, and view their child's attendance and grades to track their child's academic progress. Students also can view their own information on the web. With minimal programming effort, the data entered into this system can be uploaded into the district system used to transmit student data to the Florida Department of Education, thus eliminating double data entry.

- The district recently created a web portal (www.keysschools.com) to better organize the information available on its website. The website is comprehensive and provides a variety of information for district personnel, parents, and the community at large. There are portal areas for teachers, parents, administrators and students. The website is well designed for a small district without a full-time webmaster.

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.	Yes	5-6
Cost-Effective Technology Acquisition	2.	The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs.	Yes	5-7
Technology Professional Development	3.	District and school-based staff receive professional development training for all technologies used in the district.	yes	5-8
Technical Support	4.	The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.	Yes	5-10
Infrastructure and Network Communication	5.	The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	Yes	5-11
	6.	The district uses technology to improve communication.	Yes	5-12
	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 purchasing, developing, and the timing of delivering IT products and services requested.	Yes	5-13

TECHNOLOGY PLANNING

Best Practice 1: Using

The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making. However, the district needs to include in the plan evaluation results and all administrative systems.

The Monroe County School District technology plan meets state reporting requirements and demonstrates that technology is widely used in daily operations. The plan is strongest in the instructional area, including measurable objectives that meet the district goal of high student achievement. It addresses important issues such as technology needs assessment, acquisition, and professional development, as well as user support and network security. The plan describes recurring funds that are allocated to support technology initiatives, and the district proactively pursues grants for additional technology initiatives.

The district's technology planning process begins with the district administering a districtwide needs assessment to teachers and school administrators that covers things such as planning, technology-related professional development, instructional and technical support, community connections, hardware, software, and electronic/online resources. It also asks students about their technology skills and frequency of technology use for learning, as well as student and teacher perspectives about how technology affects their classroom environment. The district also surveys parents and students in certain grades, all employees, and randomly selected business community members and asks them to grade technology, among other things. Some school technology teams conduct surveys that assist them in developing school-level technology plans that the district requires schools to include in the school improvement plans (SIP). [5]

The district has a district technology team, and it includes principals, teachers, school technicians, district personnel (e.g., the purchasing director and the executive director of business and fiscal services), and adult education employees. The team reviews school technology plans to prioritize technology acquisitions and to provide the basis for districtwide technology planning. Principals meet with the instructional technology assistant director once a month to discuss technology issues in their schools and across the district.

Although the district has processes to meet the intent of this best practice, there are two areas in which the Monroe County School District could enhance overall technology planning. First, although the plan includes measurable objectives, the district does not formally evaluate or measure its progress toward the objectives. There is not a reliable way to know if the district met the objectives in past plans, or what happens if the district does not meet the objectives. The District Technology Team discusses the district's progress toward its technology objectives at the end of the year, but there is nothing regarding their discussions included in the plan. By periodically evaluating the initiatives outlined in the plan, and making sure this information is written down, the District Technology Team can determine how well the district is meeting its objectives and modify strategies accordingly.

> **We recommend the district evaluate its progress toward technology plan objectives by writing down its informal discussions and including this information in plan yearly updates.**

Second, although the district's technology plan includes some of the district's administrative systems, it does not include them all. The technology plan should present a comprehensive view of all district systems in order to strengthen the planning process. The plan would be more balanced, representing all technologies in the district. In combination with including progress toward technology objectives in the

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[5] A school improvement plan (SIP) is a strategic plan developed collaboratively at the school level to set annual goals for school growth and to guide school action toward improving student outcomes.

plan, including all systems in the plan would allow it to become a "roadmap" for the district (and the public).

> **We recommend the district include all administrative systems used in the district in its technology plan to better plan for and meet the operational needs of the district.**

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.

The Monroe County School District has an extensive inventory of technology resources. It has standards for hardware, peripherals (e.g., printers), and software. The district bases its technology acquisitions on identified needs and its technology plan, which includes an acquisition plan. The district uses what it calls an acquisition timeline, "…for acquisition of grade-appropriate, up-to-date technologies in sufficient quantities to accommodate student and staff needs for instruction, management, and assessment." [6]

Before purchasing, the District Technology Team evaluates previous decisions and conducts pilot projects. For example, through a grant, the district is conducting a 6[th] grade pilot project at Key Largo School where students have each received wireless laptops for use in school and at home. The district is evaluating the pilot to see how one-to-one computing full time can affect learning, among other things. The district also conducts pilots involving instructional software; until it sees if the product is working well, it will not purchase or "roll out" the product districtwide. Another example is where the district compared and lowered costs is for network switches. The district compared three vendors to see if it could save money. By changing vendors, the district calculated it could save almost half of what it was spending on switches, plus get a better warranty.

The district has acquisition standards that minimize complexity and support costs, but schools can purchase items on their own with their technology funds; this money comes from several sources, including state technology dollars, grants, PTA, etc. Schools use these funds to purchase technology they have determined through their needs assessment process to meet a school need. However, all purchases must go through the district office for better coordination, to make sure they meet the district's standards and are compatible with existing systems (the district does not support "non-approved" software), and to determine if the district can get a better deal through bulk purchasing. Other ways the district saves money is to use contracts negotiated by other schools districts and by taking advantage of purchasing as a member of a consortium.

Because the district has an extensive network in place, it is able to purchase districtwide licensing for both instructional and administrative use. Purchasing licensing to be used on a network provides discounts because the district is not purchasing individual licenses for most software it uses.

The district uses a data-driven process to ensure resources are allocated equitably. Several times a year, the district analyzes inventory figures to see where equipment is located. It assesses which sites need what to ensure that students have equal access to standard technology resources. Exhibit 5-3 shows the district's most recent inventory analysis.

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[6] *Monroe County School District 2002-03 Technology Plan*, page 23.

Exhibit 5-3
The Monroe County School District Analysis of Student
to Computer Ratios Shows a Generally Equitable Distribution

School	Number of Students	Number of Modern Computers [1]	Student to Modern Computer School Ratio
Poinciana Elementary	583	209	2.8
Gerald Adams Elementary	598	250	2.4
Glynn Archer Elementary	386	164	2.4
Key West High	1301	556	2.3
Horace O'Bryant Middle	874	379	2.3
Sugarloaf	901	395	2.3
Coral Shores High	801	355	2.3
Marathon High	700	359	1.9
Stanley Switlik Elementary	714	373	1.9
Plantation Key	671	383	1.8
Key Largo	1043	606	1.7
Sigsbee Elementary	326	194	1.7
TOTALS	**8898**	**4223**	**2.1**

District Average Student to Modern
Computer Ratio   2.1 : 1

[1] The Monroe County School District defines a modern computer as being Internet and multimedia capable, and purchased within the last five years.

Source: The Monroe County School District, April 2003.

TECHNOLOGY PROFESSIONAL DEVELOPMENT

Best Practice 3: Using

District and school-based staff receive professional development training for technologies used in the district. However, the district needs to continue to ensure that teachers are progressing in their technology usage and integration into the curriculum.

In the Monroe County School District, technology professional development and training is a major goal. The district conducts an annual assessment of training needs and provides a variety of technology training opportunities for instructional and administrative personnel based on these needs. Training is both formal and informal offered in a variety of formats; it can range from one-on-one instruction at an employee's computer to formal classroom lab instruction. Distance learning opportunities are available through interactive websites, through the district's educational access/instructional television channel, and through the North East Florida Educational Consortium (NEFEC). The district website includes a training calendar that all employees can view for upcoming technology training opportunities. The website also includes links to online professional development resources. Training agreements are often included in instructional software purchases.

Because the district is small and does not have the personnel to develop elaborate training schedules, training is a team effort. Several groups of district and school-based employees provide technology training to teachers and non-instructional personnel. Each school has an instructional technology/staff development resource teacher or administrator who assists teachers with technology integration. This person also serves as the professional development contact at the school. There are instances of the "train-the-trainer" model in the district, such as an initiative where teachers received extensive training and resources to promote effective technology use in the classroom, and a "teacher leader model" where

designated subject-area teachers model best practices and work with other teachers to integrate technology into instruction.

The district recently implemented a software solution to track training all employees receive. The district has guidelines for what training should be entered into the system; even one-on-one, ad-hoc training opportunities are entered as long as the participant completes a form. All employees will have an identification number and password to access their records. For those employees who do not have access to a computer, their supervisor will enter their information and they can view and print their records.

The district has a comprehensive professional development system for instructional employees partly based on student achievement. Each instructional employee must complete an *Individual Professional Development Plan* and technology is included among the eight plan goals. Teachers set these goals and discuss them with their principal at the end of the year. The district uses the International Society for Technology in Education (ISTE) National Education Technology Standards for its teachers. These standards include areas such as basic computer operations, personal and professional use of technology, and application of technology in instruction. The district also uses the administrator ISTE's National Education Technology Standards for its administrators. [7] District personnel are showing teachers and administrators what they need to do to meet these standards.

Coupled with its efforts to use individual professional development plans and the ISTE standards, the district has begun to use the STaR (School Technology and Readiness) Chart for professional development assessment. The STaR Chart, developed by the Florida Department of Education, is a rubric of technology benchmarks that relate to a variety of education issues. The benchmarks for each issue are presented at stages, providing the opportunity to chart a school or district's progress in educational technology. [8] In addition, some of the benchmarks can be used to chart an individual's progress; that is, it can assist teachers with tracking their progress on a technology continuum. District administrators feel that from year to year teachers need to see if they are moving toward a higher point of technology usage, and the StaR Chart will assist teachers with this assessment.

Even though the Monroe County School District technology training and professional development meets best practice standards, there is one area in which the district could enhance overall technology professional development. The district has the technology infrastructure in place, but it needs to assist more teachers in integrating technology into the curriculum. As in most school districts, there are "pockets" of technology integration, but the district needs to ensure that all teachers are progressing in their technology usage. To their credit, district administrators recognize this need, but there is still much to do to fully integrate technology into the curriculum. By defining technology usage expectations, making assessment tools available to individuals to track their technology progression, and providing training to increase expertise in targeted areas, the district is in a better position to evaluate the success of training initiatives and ensure that the district's technology resources are being used wisely.

> **We recommend the district continue to ensure that all teachers are progressing in their technology usage and integration into the curriculum.**

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[7] See International Society for Technology in Education National Educational Technology Standards (ISTE NETS) for more information.

[8] See Florida STaR Chart for further information on the use of the STaR Chart.

TECHNICAL SUPPORT

Best Practice 4: Using

The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.

The Monroe County School District is committed to technical support. The district's technology plan reflects this commitment and clearly articulates the need to provide technical support for all users. The district's commitment to technical support is also reflected in the fact that it provides ample resources to support this effort. Unlike other small districts, Monroe does not have a problem with financing technology support needs and sustaining its equipment replacement guidelines, due to its one-half-cent sales tax.

The technical support process involves both school-based and district personnel. The district has technology technicians in each school; they report to the principal, but can assist at other schools when needed. They are responsible for a variety of support such as

- school hardware and peripherals;
- administrative and instructional software used at the school;
- school network and security;
- school phone system; and
- some individual and small group technology training.

Also, some of these technicians specialize in particular areas (e.g., hardware certified) and assist other school technicians. The technicians email each other with problems and resolutions on a daily basis and meet once a month.

Schools also have other positions that provide some technical support. They include

- Computer applications managers who are paraprofessionals. They deal with the instructional side of technology, whereas the school technicians deal with the technical side. The computer applications managers perform duties such as

   o run reports and manage instructional data;

   o manage school computer labs; and

   o assist school personnel and students on computer applications.

- Grade and attendance reporting software managers who assists school personnel with all matters pertaining to this software; they can be teachers or administrators.

- Students who assist with technical support issues at two high schools. At one of these high schools, assisting with technical support problems is part of a PC service certification training program.

District-level technical support includes

- A network specialist whose main responsibility is wide area network support, including both wired and wireless. He also assists school technicians with local area network issues.

- Two district administrative technicians whose primary responsibility is to support district office technology needs, but they also perform duties such as

   o monitor school technician email to help resolve problems school technicians cannot resolve;

   o run the help desk;

    o   maintain district servers; and

    o   maintain virus protection.

The district participates in the "self-maintainer program" with its primary computer vendor. Because any computers serviced are under warranty, the vendor pays the district the service fee for performing warranty work. One of the district technicians is certified in this hardware and organizes and is responsible for this program.

▪ An administrative technician for alternative education programs who also assists with wireless technologies because the alternative education sites tend to be wireless.

Since there are technicians in each school, prioritization of support services occurs at the school level. The way school technicians prioritize and track requests for assistance varies. Some school technicians prioritize requests using a web-based form that users complete, while others use a process where school-based personnel email the technicians with problems. OPPAGA found minimal user complaints in interviews and focus groups regarding technical support provided, as did the district. Also, because technicians email each other about problem resolutions and district-level technicians monitor this email, the district feels a tracking system based on email is giving it the information it needs to assess the technical support it is providing.

While there are some inequitable deployment issues regarding school technicians (i.e., some technicians support more computers than other technicians and some technicians support older machines which can make workload higher), the geographical make-up of the district makes regionalized deployment not a practical option as it is in other districts. The district could organize technical support based on its three geographical areas (i.e., upper, middle and lower Keys), but, as mentioned above, when a school needs additional support, school technicians are redeployed to those schools, and/or district-level technicians step in to help. Timely technical support is crucial to facilitating technology integration into the curriculum and having a technology technician at each school assists in this effort.

INFRASTRUCTURE AND NETWORK COMMUNICATION

Best Practice 5: Using

The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.

The Monroe County School District has extensive infrastructure to support both administrative and instructional technology needs. The district is "forward thinking" when it comes to network operations—flexible with an eye to the future, yet making sure the current network configuration is dependable, reliable, and cost-effective. The district recently upgraded to gigabit Ethernet, allowing for faster speeds and more bandwidth, which will facilitate growth and expansion for future technology.

The district's network configuration exceeds the standards of most other school districts. The district's infrastructure includes a wide area network (WAN) that combines data, voice-capable, and video conferencing services over a high-speed fiber optic network. It also includes a combination of leased T3 lines and fiber optic cable to almost all facilities. Each school has its own local area network (LAN) that connects to the district's WAN. School technicians at each site are responsible for maintaining their school's LAN. By having technical support and the servers onsite at each location, the downtime for a school is minimal if something minor goes wrong. Also, these school technicians have access to their school's servers from remote locations if something should go wrong.

In addition to traditional wired connections, the district uses wireless solutions extensively due to its unique geographical challenges. Wireless resources exist at almost all district facilities, and the district is building new facilities with wireless access points. The district also uses wireless solutions when it is cost effective, such as in portables and leased buildings; where fiber is not located; and where it is too expensive to wire because of constraints such as bridges. At most locations, there are redundant wired networks in place to accommodate a failure of the primary wireless network. However, the district recognizes that wireless networks can pose a security threat and stays apprised of these issues.

The district has several additional ways it maintains a cost-effective, efficient network environment. The district purchases all servers used at schools and the district office so these servers meet a standard. The same is true for network equipment such as routers and switchers, and wireless equipment. The district uses web-based applications to check and monitor network traffic and sets thresholds to alert personnel to network problems. Virus protection software is centrally based, with the software "pushed" down all layers of the network right down to the desktop. By managing virus protection from a central location, the district is able to monitor virus alerts and warnings districtwide so that viruses can be more easily tracked and contained. This strategy is cost-effective because it not only ensures virus protection, but also reduces the demand for technical support services.

Best Practice 6: Using

The district uses technology to improve communication.

Because of its geographical and logistical challenges, the Monroe County School District has embraced email, web technologies, and video conferencing as alternative means of communication. The district uses one email system, making email use easier than in districts where there are multiple email systems in place. All teachers, administrators, and students have access to email and use it for things such as communicating policies and sharing ideas with their peers. As mentioned in best practice 4, the district information systems personnel and the school-based technology technicians use email extensively to correspond regarding technical support needs and solutions. The district has a high-speed video and audio network that uses Internet Protocol (IP), which supports video conferencing between the three geographic areas of the Keys (i.e., upper, middle and lower Keys). Four sites have video conferencing equipment; this equipment can be moved to any location with an active network connection. (There are plans for all schools to have video conferencing capabilities by the end of the next school year.) The district uses video conferencing on a regular basis for meetings to avoid travel costs and to save the time it would take to drive. The district hopes to use videoconferencing in the future for expanded professional development and distance learning.

Although the district does not have a full-time person to maintain its website (www.keysschools.com), the website is comprehensive and provides a variety of information for both district personnel, parents, and the community. The district recently created a portal to better organize the information available on the site. There are portal sections for teachers, parents, administrators and students. Each school is required to have a website, and the district provides a small stipend to school webmasters to maintain school sites.

Best Practice 7: Using

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

In the Monroe County School District, all students and their parents and district personnel must review and sign an *Acceptable Use Policy* (AUP) that outlines the acceptable uses of the district network, the Internet, email and copyrighted materials. Students and parents sign the AUP every year, while district personnel sign it when they are hired. The AUP also appears on the computer screen when users try to log in to the network; the user must click okay to the AUP to get a logon screen. The AUPs for both students and district personnel are located on the district's website as well as in its technology plan. Legal services also conducts presentations for all district employees on email liability.

Whether in the classroom or computer lab setting, students are always supervised while using the Internet for class work. As the district's Internet provider, the Florida Information Resource Network (FIRN) filters access to websites that have been identified as providing inappropriate content. School technicians can contact FIRN to have sites filtered or taken off the filter list. FIRN is setting up a system that will allow more control at the school level to block sites at schools. District personnel will be able to filter at the district or school level rather than contact FIRN.

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.

In general, Monroe County School District personnel are well informed and sensitive to the confidentiality of the information contained in district databases. Even though the information services director reports to the same individual as the payroll services specialist and financial services director, appropriate segregation of duties exist. The district was one of only 25 (of 67) school districts that had no information technology findings in state Auditor General reports issued last year.

Several pages of the district's technology plan address security. The district protects systems from unauthorized users by using room locks, firewalls, encryption systems, and passwords. District personnel create passwords for administrative systems, but school-based technicians are responsible for LAN passwords at their schools (with some assistance from other school personnel) and can maintain administrative passwords. Depending upon which systems new employees need access to, they fill out a password form for access. The principal signs off on this form for school-based personnel before it is goes to the district office. When employees terminate employment, they complete a password termination form and district personnel terminate their user privileges.

The district has disaster recovery procedures included in its technology plan, which is important for a district like Monroe given the weather conditions it sometimes faces.

Best Practice 9: Using

The information needs of administrative and instructional personnel are met by applying appropriate project management techniques to define, schedule, track, and evaluate the implementation of requested IT products and services.

The Monroe County School District has good processes in place to manage its technology resources. The district investigates alternatives to providing functions at a lower cost, and reviews options of technologies it already uses. The district uses consultants when it does not have the expertise on staff to complete a task or when it would be more cost-effective to contract for a service. It made a cost-effective decision to participate in consortia, as districts reduce computing costs by sharing resources.

District technology administrators are in touch with their users. They use surveys and other mechanisms to gauge information technology satisfaction. These surveys have shown, for the most part, that users are satisfied with the information technology products and services they receive from the district. The district has a way to prioritize user requests. Administrators are able to receive and use data in formats that will allow them to make data-driven decisions.

6 Personnel Systems and Benefits

Summary

The Monroe County School District is using 10 of the 11 personnel systems and benefits best practices. The district recruits and hires qualified employees, provides a comprehensive staff development program, and uses cost-containment methods for its worker's compensation and employee benefits programs. To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its personnel function, the district should improve its personnel record keeping processes and use the records to monitor its employee performance evaluation system.

Background

The Monroe County School District employed 1,356 full-time persons during school year 2001-02, of whom approximately 46.61% were instructional personnel. (See Exhibit 6-1.)

Exhibit 6-1
During 2001-02, the Monroe County School District Employed 1,356 Persons

Categories of Employees		Numbers of Employees
Administrative Employees	District Level	21
	School Level	31
	Total Administrative	**52**
Instructional Employees	Elementary	228
	Secondary	216
	Exceptional Student	97
	Other Teachers	28
	Other Instructional Staff	63
	Total Instructional	**632**
Non-Instructional Employees	Professional	31
	Non-Professional	641
	Total Non-Instructional	**672**
Total Employees		**1,356**

Source: Department of Education.

The district has assigned responsibility for personnel records, application and hiring processes, personnel orientation, and evaluation procedures and coordination to the director of Human Resources. The director has four full-time employees, a secretary, certification specialist, personnel clerk, and clerk typist who are dedicated to personnel issues. Other aspects of personnel are managed through other departments as noted below.

- The district's instructional staff development programs are distributed among district administrative staff by department.

- Benefit packages and workers compensation are the primary responsibility of the executive director of Business and Fiscal Services.

The district's human resource budget is $386,752.85. This amount covers only personnel responsibilities.

The United Teachers of Monroe (UTM) represents the district's teacher in collective bargaining. UTM is the only employee union active among Monroe County School District employees. As of December 2002, approximately 65% of the district's instructional employees and 60% of the district's non-instructional employees were members of the union.

Activities of particular interest

The district has implemented some activities of particular interest included below.

- The district has created a Wellness Program, which is a volunteer-based program for employees to obtain health assessment screenings and free or low cost community medical and health services. Nursing personnel at school sites provide district employees with free blood pressure checks, weigh-ins, vision and hearing screenings. District employees can also obtain copies of a health self-assessment questionnaire.

- The district has obtained a computer program that will allow employees to access their personal inservice records and search for and register for all activities online. This system has the potential to considerably improve the accuracy of employee training records and improve the information concerning class offerings.

- The district has recently implemented a security identification system. Each employee is provided a badge that allows the district to collect, store, and manage labor data.

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	6-4
	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.	Yes	6-4
	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.	Yes	6-5
	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.	Yes	6-6
	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	6-6
	6.	The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	Yes	6-7
	7.	The district maintains personnel records in an efficient and readily accessible manner.	No	6-7
	8.	The district uses cost containment practices for its Workers' Compensation Program.	Yes	6-8
	9.	The district uses cost containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	Yes	6-9
	10.	The district's human resource program is managed effectively and efficiently.	Yes	6-9
	11.	For classes of employees that are unionized, the district maintains an effective collective bargaining process.	Yes	6-9

HUMAN RESOURCE MANAGEMENT

Best Practice 1: Using

The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.

The Monroe County School Districts maintains a reasonably efficient and effective process for recruiting potential employees, reviewing applications for employment, and hiring new employees. The district maintains clearly defined position descriptions for all positions within the district and has 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 has begun to make comparisons of entry-level salaries and to identify other key factors related to recruitment.

The district is experiencing the problems that most small districts experience with recruiting and keeping employees. These problems are coupled with the high cost of housing and the high cost of traveling out of the Keys for recruitment, making it particularly difficult to recruit, hire, and keep employees. The district has taken some steps to alleviate these problems such as by offering more money in the beginning of the teacher's employment, offering alternative certification options, and creating an award-winning recruitment compact disc. The district also partners with some of the state's universities and maintains contacts with their career offices. Also, to improve its hiring processes, the district is planning is to purchase an automated applicant tracking system that could be viewed by supervisors throughout the district. Currently, an applicant must go to the district office to fill out an application, which is then faxed back to the supervisor. Action Plan 6-1 includes steps regarding the purchase of a system for sharing and tracking applications.

Best Practice 2: Using

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.

The Monroe County School District is seeking to create a working environment that enhances worker satisfaction and minimizes employee turnover due to factors within the control of the district. The primary reason for high turnover is not within the control of the district. The high cost of housing in the county makes it difficult for employees to maintain a good quality of life.[1] The district has been exploring ideas for finding affordable housing for its teachers.

The district tracks many of the indicators of a satisfying work environment. The district maintains data on turnover rates for teachers and on approaching retirements. The district also conducts exit interviews with instructional personnel who separate from the district and provides the data from those interviews to the state Department of Education. In addition, the district maintains channels of communication with its employees through its comprehensive website, climate survey, and through video conferencing. Video conferencing allows the district's different departments to communicate concerning personnel issues and to communicate with employees throughout the district.

Although the district uses this best practice, the district could further enhance its operations by further assessing turnover issues. Since the district does not track the turnover rate for its non-instructional employees it cannot identify groups of non-instructional employees with turnover problems. The district should begin to track turnover for all employees to determine areas in which it has turnover problems and develop strategies to address these problems.

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[1] In 2000, the cost of housing index was 121 in the Keys, while the Florida average was 100.

> We recommend that the district comprehensively review the information it has regarding workplace climate such as through employee exit interviews, employee surveys, and turnover data to provide it with information regarding the district's overall work environment. The district should continue its efforts to remedy the high cost of housing issue. The district should also track turnover data for non-instructional personnel to use in evaluating the work environment for these employees. This will help the district identify factors within its control that may be affecting its ability to maintain a good employee climate.

Best Practice 3: Using

The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain sufficient levels of productivity and employee performance among non-instructional, instructional, and administrative employees.

The Monroe County School District provides a comprehensive professional development program for its instructional employees that include orientation, mentoring, and job-related training. The district uses the Instructional Services Program established by the North East Florida Educational Consortium (NEFEC). NEFEC helps the district in planning, coordinating and implementing a comprehensive program of in-service staff development training. The Master In-service Plan components describe the types of training and professional development opportunities available for certificated and non-certificated personnel. NEFEC instructional services staff annually updates the plan. Teachers report that the professional development provided by the district is extensive and meets their needs. The district has a leadership-training program that prepares future principals. The district has a strong showing of 30 National Board Certified Teachers.

NEFEC and the Florida Learning Alliance are developing a new resource management system. This new system will allow teachers to view their certification and accreditation information, as well as view the number of professional development points they have. In addition, teachers can also use the system to search through and register for courses offered throughout the state. This system will also be used to track in-service training for non-instructional employees. This system has the potential to greatly enhance employee in-service training coordination.

Although the district uses this best practice, there are three areas in which the district could enhance its operations. First, the district needs to make sure that all of the teachers in the district are aware of the need for mentors because principals we spoke to said they often have difficulty finding mentors for new teachers. Many teachers reported that they were not aware of the district's teacher mentor problem. As a result, new teachers and mentor teachers are sometimes at different schools or a mentor is assigned two new teachers. Thus, the mentor's time to assist each new teacher individually is significantly limited.

Second, while the district provides some training classes for its non-instructional employees, it does not have an orientation or mentoring program for these employees. Non-instructional employees may not be aware of particular district policies concerning issues such as workers compensation. Furthermore, the information they do receive may be inconsistent because it is coming from varying sources.

Third, the responsibility for implementation/coordination of in-service activities needs to be given to one person. Currently, it is divided between several different administrators. Teacher in-service responsibility is divided between two district-level administrators with other primary job responsibilities. Non-instructional training needs are the responsibility of the district's department directors. This fractured system presents a problem when employees cannot figure out whom to call for information or to resolve training related problems. In an effort to coordinate these needs, the district has recently begun to hold department head meetings. These meetings should improve non-instructional in-service offerings because department directors will be able to coordinate the classes. Classes that are useful to more than one employee group will be available to all employee groups.

> **We recommend that the district**
> - **create a committee to coordinate and implement professional development for all employees and designate the human resource director to head the committee;**
> - **create an orientation for non-instructional staff; and**
> - **ensure that all teachers are aware of the mentoring program so that the district will have more volunteers for mentor responsibilities.**

Best Practice 4: Using

The district's system for formally evaluating employees improves and rewards performance and productivity and identifies and addresses performance that does not meet the district's expectations for the employee.

The Monroe County School District has a system for formally evaluating the performance of its instructional and non-instructional employees. The system includes components that provide for the improvement and growth of employee performance in that the evaluation forms consider professional development completed by the employee. The system rewards good performance, and identifies those areas of performance that do not meet the district's expectations for the employee. The district uses student achievement growth data to assess its teachers. The evaluation of district administrators is made after feedback has been solicited and received from non-administrative personnel and from parents.

Although the district has developed an effective system, it does not have a system for monitoring evaluation to ensure that all supervisors are using the system as it was intended. Our review of personnel files and interviews suggest that not all supervisors are effectively using the system.

> **We recommend the district track the results for each evaluation category (commendable, satisfactory, needs improvement, and unsatisfactory) to determine if supervisors are consistent in their employee ratings.**

Best Practice 5: Using

The district ensures that employees who repeatedly fail to meet 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.

Monroe County School 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, the district has established 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. District administrators receive training and district level support in dealing with poorly performing employees. When it is necessary for the district to terminate an employee, termination decisions are defensible in judicial review.

While the district gave us documentation that shows that it took action to improve performance or terminate employment, some employees and parents complained that not all principals are dealing effectively with unsatisfactory employee performance. Therefore the district should monitor the situation as described in Action Plan 6-1.

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.

The Monroe County School District monitors rates of absenteeism and the costs associated with the use of substitutes for instructional and non-instructional personnel. To discourage absenteeism, the district limits the days used for professional development to only certain Fridays determined ahead of time and has an incentive program. [2] These strategies have helped to alleviate teacher absenteeism; nonetheless, many teachers still miss their classes if they are coaches for the district's many sports teams or if they are asked to help with student Individual Evaluation Plans.

The district has had considerable difficulty maintaining an adequate substitute pool. To help remedy this problem, the district purchased an automated calling system in Spring 2003 for managing the assignment of substitutes. Substitutes and teachers can now effectively coordinate coverage of classes through the new system. The system will also help to ensure equity, generate many types of reports, and create more time for office secretaries previously assigned the task of calling substitutes. This system has the potential to alleviate many of the problems the district has had in maintaining an adequate pool of substitutes.

Also, an article in the local newspaper concerning the lack of substitutes in the Keys brought several people out to apply for substitute positions. The district needs to maintain this contact with the community to help ensure that the district maintains a consistently adequate pool of substitute teachers.

Although the district uses this best practice, there are two areas in which the district could further enhance its operations. One, the district should continue with its plans to develop an orientation and training program for substitutes because the teachers we spoke to reported that substitutes probably do not return due to the lack of orientation and support they receive.

Second, the district should screen its choice of substitute applicants. The district currently does not interview substitutes for positions, nor does it monitor the performance of the substitutes it uses. The district could improve this system by being more selective in its choice of hires and in its retention of substitute teachers.

> **We recommend that the district continue its efforts to create a substitute orientation and training program. We also recommend that the district improve the documentation of poorly performing substitutes so they can be removed from the list of available substitutes.**

Best Practice 7: Not Using

The district needs to improve its organization of personnel records to improve efficiency and accessibility.

The Monroe County School District maintains effective records maintenance practices in that its inactive files are effectively and efficiently stored with its Optidisk system and with microfilm. The district is also planning to use its security ID system to create an automated leave system to improve efficiency in tracking employee leave time.

However, the district is not using this best practice for two reasons. First, the district needs to improve the organization of its personnel records so that the information included in each file is timely and more readily accessible. In our file review, we found many employee files were out of order and/or missing information. If the district and the employee disagree on issues such as those involving pay disputes,

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[2] If a teacher does not use any sick leave or personal leave with pay during the first 90 student days of the regular school year, she or he will receive the $125 incentive in the following February. If the teacher takes one sick leave day, the teacher will receive $125 in the following June.

accurate records would be a necessity to resolve the issue. This disorganization may be due to turnover in the district's personnel office.

The district should continue to consider options for record-keeping automation, including an on-line application system. This would facilitate the ready exchange of personnel information with school sites and other departments. Because the district is so spread out geographically, a system that would allow managers to sort through files without having to go to the district office or asking for applications to be faxed would greatly enhance to efficiency of the hiring system, thus allowing the district to be in a better position to hire the most qualified applicants before they are hired in other districts.

Second, as indicated on page 6-6 above, the district does not have a process for monitoring performance evaluation results. Current procedures for tracking and filing employee evaluations do not facilitate district administrators' oversight of the evaluation process. A more efficient record keeping system would enable district officials to monitor the performance appraisal process and review aggregated results of those appraisals to ensure that principals and other managers are effectively evaluating employees and addressing poor performance.

The district has recently hired a new director of personnel who has begun to address these issues. The district should continue its efforts to improve in this area.

Action Plan 6-1

We recommend that the district improve its personnel record keeping processes and systems, including the training of personnel clerks, the management of employment applications so that these can be more efficiently shared throughout the district, and the management of employee performance appraisal data.	
Action Needed	Step 1. Develop a clear, well-defined order and process for the organization of personnel files and for keeping paper files up to date.
	Step 2. Develop a clear process to manage employee applications so they can be easily shared throughout the district.
	Step 3. Develop a formal process to monitor employee performance appraisal data to ensure that administrators are using the appraisal system correctly.
	Step 4. Provide training to personnel who are involved in filing to ensure that they understand the expectations for the district's record keeping system.
	Step 5. Plan and implement a system for the upgrading of the record keeping system (personnel files, performance appraisal data, employment applications) including the automation of as many records as can be feasibly and cost effectively done.
Who Is Responsible	Director of Human Resources
Time Frame	June 2004

Best Practice 8: Using

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

The Monroe County School District effectively manages to minimize its worker's compensation claims frequency and costs by conducting routine evaluations of its claims and expenses. The district's third party administrator (TPA) compares the district's claims and expenses to those of other comparable entities and then reports these findings to the board. The TPA also provides the board with comprehensive reports each quarter describing actions that could help lessen the occurrence of injuries and therefore reduce costs. The TPA also provides recommendations to increase safety and to develop training services. While the district does not have a formal light duty program for injured employees, employees are encouraged to return to their positions with modifications to accommodate the employee's injury.

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.

The Monroe County School District uses cost containment practices to limit increases in the district's costs for employee benefits and to provide optimum employee benefits for the costs incurred. Since health care costs have been increasing, especially in the Keys, the district created a health insurance committee that meets monthly to consider alternatives. The district has made several changes as a result of the health insurance committee reviews. As of January 1, 2002, the district switched its third party administrator, its prescription drug program, and its provider network. The third party administrator handles the district's section 125-cafeteria plan in addition to its health insurance plan. The health insurance committee also reviews dental, vision, and life insurance benefits.

The district has established a staff wellness program to encourage employees to maintain healthy lives. Some activities of this program include a health self assessment questionnaire, blood pressure, weigh-ins, vision and hearing screenings, free or low cost community medical and health services, and health fairs. This is done through volunteers and donations so the district does not pay for this program.

Best Practice 10: Using

The district's human resource program is managed effectively and efficiently.

The Monroe County School District has established a goal statement and objectives for its human resources office through the human resource director's evaluation form. Although these goals are not explicitly for the entire human resource department, this goal identification system is adequate for a small district such as Monroe. The human resource office has taken advantage of some automation efficiencies such as the district's new certification tracking system, its ID system, and its new substitute calling system. The district's human resource web page provides employees several forms and directions often needed by employees. Some examples of these forms include leave forms, evaluation forms, conference forms, and personal information forms. This site also includes district policies concerning harassment and the appointment process for principals and assistant principals.

The creation of a committee to determine the use of automation in human resources (see Action Plan 6-1) may lead to more systematic identification and implementation of potential automation efficiencies, such as automated record and application system purchases.

Best Practice 11: Using

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

The Monroe County School District identifies and reviews issues to be considered during the negotiation process and determines the estimated fiscal impact as well as the advantages and disadvantages of each proposal. The district's negotiating team has access to an attorney trained in collective bargaining law and procedure, and records of negotiations are maintained for a time set by the district.

The United Teachers of Monroe (UTM) is the only union representing employees of the school district. UTM represents both instructional and non-instructional staff. [3] The process and district staff roles for bargaining are well defined. The deputy superintendent (chief negotiator) and the human resources director are responsible for labor relations. District negotiation team members attend the annual Florida Educational Negotiators' training conference as well as receive training from the district's chief negotiator.

The relationship between the district and the union has been described as collaborative by both sides.

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[3] Non-administrative office employees are not represented by UTM.

7 Facilities Construction

Summary ———————————————————

The Monroe County School District is using 21 of the 24 facilities construction best practices. The district operates a well managed, mostly privatized construction program that delivers projects on time and within budget. After passage of the one-half cent sales surtax in October 1995, the district recognized it did not have the expertise in house to manage a multi-million dollar, multi-site construction program so the district wisely decided to contract for an in-house construction program manager to provide expert advice on facilities assessment, contracting, pricing and value engineering. [1] The district also used a smart financing strategy to make the most of taxpayer dollars. By phasing the construction program, the district was able to finance schools on a pay-as-you go basis and earn interest on sales tax dollars rather than pay interest to bondholders. As a result the district systematically modernized and replaced outdated schools, many of which were more than 45 years old and far behind in the technology required to educate students in the 21st century.

The district can further improve an otherwise good construction program by adopting a formal post occupancy building evaluation process and implementing measures to evaluate the construction program as part of the district's overall accountability system. These measures should be based on established benchmarks from the construction industry, cost data the district collects and comparisons to peer districts.

Background ———————————————————

The district operates 1.7 million square feet of space consisting of 12 schools, administrative and support facilities, and two other facilities on loan to community groups. As the organization chart in Exhibit 7-3 shows, the district construction program manager serves under the supervision of the deputy superintendent and coordinates all the activities of the construction program. Prior to the passage of the one-half cent sales surtax in October 1995 the district had not undertaken almost any new construction in the district for more than 20 years. Seven or more schools were more than 45 years old, and as one local newspaper editorial put it, many district schools were fit more for the wrecking ball than the twenty-first century. In addition, Key West High School sustained substantial damage in 1998 during Hurricane Georges.

The facilities construction and maintenance programs are greatly influenced by the geography, climate, and governmental regulation of the Florida Keys. District schools serve a student population spread over 125 miles of islands connected by a single main thoroughfare. In addition, the Florida Keys are

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[1] The district construction program manager is under contract to the district and is not a district employee. He supervises the activities of the construction firm hired to build and renovate district facilities.

designated as an area of critical state concern so government regulation on many levels affects what and where facilities can be built. It took the district 12 years to satisfy all the federal, state, and local environmental requirements to build an addition to Sugarloaf School. Consequently, the district has found it faster and more cost effective to rebuild or expand on site rather than acquire new sites for schools such as Key West and Coral Shores High Schools and Sugarloaf School. In addition, all new schools are built to Category 5 windstorm (156+ mph) standards which greatly increase construction costs when compared to peer districts. School facilities also do double duty as community facilities for recreation, higher education, and performing arts.

The district has determined that the construction management "at risk" method of constructing large projects is the most cost-effective means of building schools. The "at risk" part of the contract transfers responsibility for meeting deadlines and staying within budget to the construction management firm since it is responsible for cost overruns. As Exhibit 7–1 shows the district has already completed several projects and has or will spend $112 million from a variety of sources on modernizing schools with new technology and media centers, enlarging outdated cafeterias, adding performing arts centers, building athletic facilities and playgrounds, and adding classrooms. Currently the district is in the process of replacing both Key West and Coral Shores high schools at a cost in excess of $70 million.

Exhibit 7-1
Monroe County Construction Program

	1994		1995				1996				1997				1998				1999				2000				2001				2002			
	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Gerald Adams Elementary																																		
Design Period	▓	▓	▓	▓	▓	▓																												
Construction							█	█	█																									
Marathon High School																																		
Design Period	▓	▓	▓	▓	▓	▓																												
Construction							█	█	█	█	█																							
Switlik Classroom Bldg																																		
Design Period	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓																							
Construction											█	█	█	█	█	█																		
Horace O'Bryant Middle School																																		
Design Period	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓																						
Construction											█	█	█	█	█	█																		
Sugarloaf Middle School																																		
Design Period	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓																					
Construction														█	█	█	█	█	█	█	█	█	█	█	█	█								
Switlik Cafeteria Building																																		
Design Period																				▓	▓													
Construction																					█	█	█	█										
Coral Shores High School																																		
Design Period																				▓	▓	▓	▓	▓										
Construction (Estimated)																									█	█	█	█	█	█	█	█	█	█
Key West High School																																		
Design Period																								▓	▓	▓	▓	▓						
Construction (2003)																									█	█	█	█	█	█	█	█		

Project Statistics			
Project Name	**COPs Funding**	**½-Cent Funding**	**Other Funding**
Gerald Adams Elementary	$ 1,300,000		$ 400,000
Marathon High School	2,700,000		600,000
Stanley Switlik Classroom Bldg.	4,300,000		
Horace O'Brian Classroom Bldg.	1,300,000		2,400,000
Sugarloaf Middle School	18,500,000		7,500,000 [1]
Switlik Cafeteria Bldg.		$ 5,000,000	
Coral Shores High School		23,000,000	14,300,000 [2]
Key West High School		30,000,000	
	$28,100,000	$58,300,000	$25,200,000

[1] Approximate cost of insurance repairs at Sugarloaf Middle School.

[2] Includes funding from Florida Keys Community College, COBI bonds, PECO funds, and Classroom First dollars.

Source: FISH Report, Monroe County Public Schools.

Exhibit 7-2
Age of Monroe County Public School Buildings

Net Square Footage of Inventory by Year Built

131,445	1886-1940
730,287	1941-1960
930,069	1961-1980
7,349	1981-2000
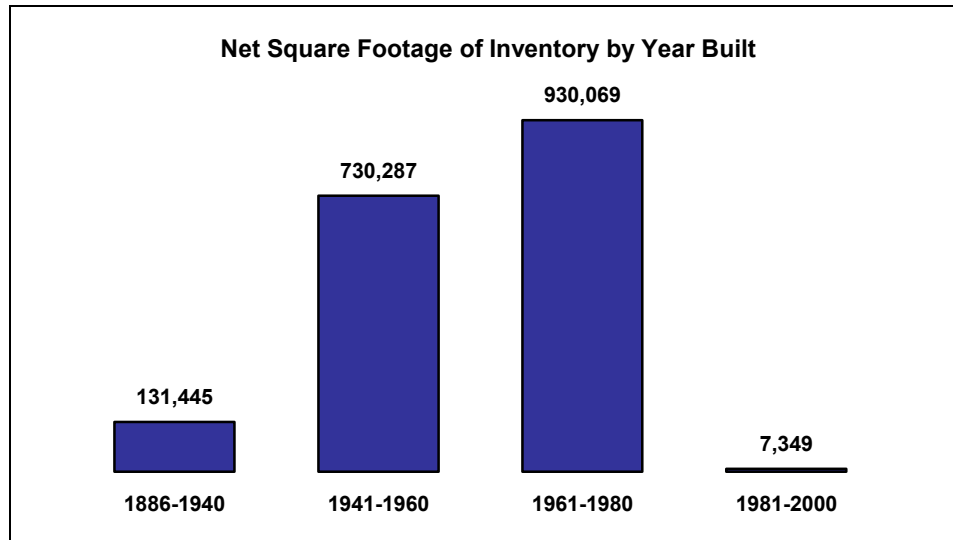
Source: FISH Report, Monroe County Public Schools.

Exhibit 7-3
The Monroe County School District Construction Program Is Coordinated by a
Construction Program Manager Under the Supervision of the Deputy Superintendent

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                    ┌─────────────────────────────┐
                    │   Deputy Superintendent     │
                    └──────────────┬──────────────┘
                                   │
                    ┌──────────────┴──────────────┐
                    │  Construction Program       │
                    │         Manager             │
                    └──────────────┬──────────────┘
         ┌──────────────┬──────────┴──────┬──────────────┐
  ┌──────┴──────┐ ┌─────┴──────┐ ┌────────┴────┐ ┌───────┴────────┐
  │  District   │ │Inspection /│ │   Project   │ │Project         │
  │Construction │ │  Review    │ │Architectural│ │Construction    │
  │    Team     │ │  Services  │ │    Firm     │ │   Manager      │
  └─────────────┘ └────────────┘ └─────────────┘ └────────────────┘
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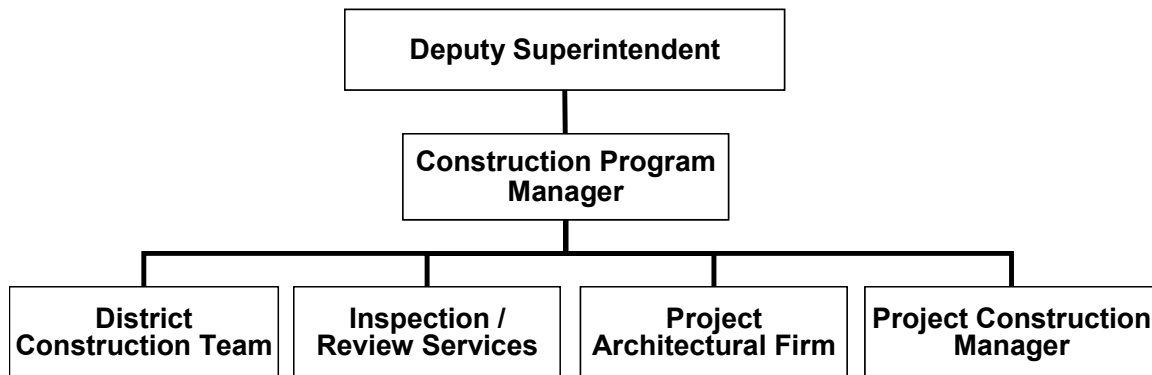
Source: Monroe County School District, revised June 26,2003.

Activities of particular interest

- The district contracted for a construction program manager to provide expert advice on all matters relating to its construction program.

- The district minimized debt by using a phased construction program to finance schools on a pay-as-you go basis that earned interest on taxpayer dollars rather than paying interest to bondholders.

Conclusion and Recommendations

Summary of Conclusions for Facilities Construction Best Practices

Practice Area		Best Practice	Using the Best Practice?	Page No.
Construction Planning	1.	The district has effective long-range planning processes.	Yes	7-7
	2.	When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	Yes	7-7
	3.	The five-year facilities work plan establishes budgetary plans and priorities.	Yes	7-8
	4.	The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	Yes	7-8
	5.	The district has an effective site selection process based on expected growth patterns.	Yes	7-9
	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	7-10
Construction Funding	7.	Funds collected for school projects were raised appropriately.	Yes	7-10
	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, but needs to increase the monitoring of fund expenditures and better evaluate the cost effectiveness of smaller construction projects.	Yes	7-11
Construction Design	9.	The district develops thorough descriptions and educational specifications for each construction project.	Yes	7-12
	10.	The architectural design fulfills the building specification needs as determined by the district.	Yes	7-13
	11.	New construction, remodeling, and renovations incorporate effective safety features.	Yes	7-13
	12.	The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	Yes	7-14
	13.	The district has effective management processes for construction projects.	Yes	7-14
New Construction, Renovation and Remodeling	14.	District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	Yes	7-15
	15.	All projects started after March 1, 2002, comply with the Florida Building Code.	Yes	7-15
	16.	The district requires appropriate inspection of all school construction projects.	Yes	7-16

Practice Area	Best Practice	Using the Best Practice?	Page No.
	17. The district retains appropriate professionals to assist in facility planning, design, and construction.	Yes	7-16
	18. The district follows generally accepted and legal contracting practices to control costs.	Yes	7-17
	19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	Yes	7-17
	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	7-18
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	7-18
	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	7-19
	23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	No	7-20
	24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	No	7-21

CONSTRUCTION PLANNING

Best Practice 1: Using

The district has an effective planning process but needs to designate a single person responsible for facilities planning.

Facilities' planning in Monroe County School District is accomplished through a committee consisting of the district's executive directors, the construction team including maintenance, and hired consultants. The school board also has input in the planning process. The district does a good job of involving the community, school advisory committees, and other stakeholders in the planning process for specific school construction projects. However, since the retirement of the executive director for Support Services in August, no single person has been assigned the responsibility for planning.

Planning is greatly influenced by the geography of the Monroe County School District, a series of islands covering 125 miles connected by a single main thoroughfare. The district's 12 schools (approximately 1.6 square feet) are concentrated in three population centers 50 miles apart; therefore, each area is viewed as a separate K-12 entity for facility planning purposes. These planning areas coincide with Monroe County's three service areas. Because of the competition for resources among population centers, the district planning committee prefers to develop a facility plan based on assessed needs first and then present the facility plan at public meetings for community input.

The district is also aware that it is experiencing declining population growth which is creating excess capacity in Key West elementary schools. Florida Department of Education projections show a decline in student population from 8,750 in 2002-03 to 8,043 in 2002-08. Maintaining more space than is needed for the student population contributes to higher operations and maintenance costs. At $868.30 per CO-FTE, the district has the highest per-student cost among its peer districts. See Exhibit 8-3 in Chapter 8, Facilities Maintenance.

To address this problem and make better use of school capacity and reduce overall operating costs, the district presented a plan in January to create a new elementary school center built on the Poinciana Elementary site to consolidate one or more of the elementary schools in Key West. The district is also considering selling Harris School which is currently used for adult education, the Florida Keys Employment & Training Council, and other community groups. The district may, however, consider an innovative plan to use Harris to provide living quarters for teachers because the high cost of living in Monroe County is affecting teacher retention and recruitment.

Although the district is using this best practice, it can enhance district planning by implementing the following recommendation.

> **Although the district has an effective planning process, we recommend a single person be designated as responsible for facilities planning.**

Best Practice 2: Using

When developing the annual five-year facilities work plan, the district evaluates alternatives to minimize the need for new construction.

Monroe County School District came to the conclusion that there are no alternatives to new construction for outdated schools that do not meet stricter codes for windstorm and flooding. As Exhibit 7-4 illustrates, many district schools were 40 or more years old at the time the one-half-cent sales tax passed in October 1995.

Exhibit 7-4
Many District Schools Are More Than 40 Years Old

Construction dates for district schools	
1908 Harris Learning Center	1957 Marathon High School
1923 Glynn Archer Elementary	1959 Sigsbee Elementary
1927 Reynolds School	1964 Horace O'Bryant Middle School
1943 May Sands School	1969 Sugarloaf School
1945 Poinciana Elementary	1971 Key Largo School
1946 Sue Moore	1972 Stanley Switlik School
1951 Coral Shores High School	1976 Plantation Key School
1957 Key West High School	1977 Gerald Adams Elementary

Source: The Monroe County School District.

In addition, no real investment had been made in the district's infrastructure for 20 years prior to the passage of the surtax; consequently, many district schools are/were in very poor condition and in dire need of technological modernization. Some schools such as Key West High School and Coral Shores High School suffered from initial poor quality construction aggravated by years of neglect in a salt air environment. The district currently has 11% of its student population in portable classrooms. As stated earlier, the district is not experiencing growth and is systematically replacing portables with permanent classrooms.

To reduce the need for new construction, the district does a very good job of sharing facilities and operating costs through joint use agreements with the county, cities and the community college. District schools serve as community centers for cultural events, athletic activities and adult education. Key West Community College has a joint use agreement with the district to conduct classes at Coral Shores High School, and contributes toward operating costs. The performing arts center at Coral Shores High School will serve as a community resource for cultural events and activities for all area schools, the community college and the community at large. In addition, the district has inter-local agreements with Monroe County, the City of Marathon, the City of Key West, and Village of Islands, Islamorada for sharing use and upkeep of six recreational facilities.

Best Practice 3: Using

The five-year facilities work plan establishes budgetary plans and priorities.

The district's five-year plan lays out the district's capital projects needs, priorities, and sources of revenue by year. New construction priorities are focused on replacing and modernizing older, outdated facilities such as Coral Shores and Key West high schools. The five-year projected costs for major construction projects through 2005-06 is projected at $97 million dollars. The district places a priority on life safety projects when budgeting for smaller repair, renovation and construction projects. Other projects include HVAC, electrical and plumbing upgrades, roofing, painting and other miscellaneous projects at budgeted costs of $3.3 million for 2001-02. All district facility needs appear to be equitably addressed in the five-year plan.

Best Practice 4: Using

The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.

The Monroe County School District promotes open communication regarding the construction program. Capital projects are advertised in the capital budget annually, discussed at board meetings and at school advisory committee meetings, and posted on the district website.

In order to gain approval for the one-half-cent sales surtax passed in 1995, which would last 10 years, the district had to come up with a plan for equitably addressing the district's infrastructure needs. Planned projects were presented at board meetings and widely advertised in newspaper articles. District priorities include modernization and replacement of schools over 40 years and updating the technological capabilities of the all schools. The 1998 storm damage to Key West High School affected those priorities, but all schools have benefited from the construction program. Completed projects or projects under construction include those below.

- 1998—$4.2 M Stanley Switlik School Addition
- 1998—$3.5 M Horace B. O'Bryant Middle School Expansion
- 1999—$112,000 Marathon Storm Damage Repair
- 2000—$4.4 M Stanley Switlik Elementary School Cafeteria and Parking Lot
- 2004—$9 M Key West High School Auditorium
- 2004—$32.9 M Coral Shores High School Replacement

Best Practice 5: Using

The district has an effective site selection process based on expected growth patterns.

Because Monroe County School District does not have a need to acquire sites for expansion due to declining student enrollment, the district has not seen a need to formalize its site selection process. Further, district site selection options are hampered by land scarcity, high land costs, and environmental restrictions on development. The district has chosen instead to rebuild or expand schools on existing sites and consolidate sites in Key West to lower operating costs. Some examples of this strategy include those described below.

- The district paid the City of Key West $173,795 for an encroachment on the city's right-of-way for the new classroom wing at Horace O'Bryant Middle School.

- The district swapped the Sue Moore School site for the Florida Department of Transportation's property adjacent to Switlik School to solve a safety problem for first and second graders crossing a maintenance yard.

- The district acquired the Crane Boulevard property adjacent to Sugarloaf School for $160,000 in a court settlement with environmentalist to build the Sugarloaf School addition. Most of this undeveloped area is classified as valuable habitat, either wetlands or upland hammock. The adjacent property to the existing school reduced the impact on wetlands and satisfied the environmental community that this site produced the least impact.

- The facility planning group released a plan at its November board meeting to close one or more elementary schools in Key West to create an elementary school center on the present site of Poinciana Elementary School, one of the district's oldest schools. Poinciana would be demolished and rebuilt on site.

The district is not planning to acquire additional sites in the near future, but may consider selling sites as part of its consolidation plan.

Best Practice 6: Using

The board considers the most economical and practical sites for current and anticipated needs, including such factors as the need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.

As stated earlier, Monroe County School District's declining enrollment limits the need for new sites. The district has concentrated on acquiring sites adjacent to existing schools or rebuilding on the same site because of land scarcity, high cost, and environmental restrictions on development. Site selection is dependent on what is available at the desired location that can be used for the intended purpose. Since choices are so limited, this serves as the site selection criteria. While the district has not promulgated formal site selection criteria, it is using the most economical and practical criteria for site planning.

The district requires two independent appraisals for sites, and then negotiates a price that does not exceed the average of both appraisals. The district provided two appraisals completed for a parcel located at Crane Boulevard and Highway 1 adjacent to Sugarloaf School. Both appraisals arrived at a market value of $200,000 for the subject property. The district paid $160,000 for the property.

CONSTRUCTION FUNDING

Best Practice 7: Using

Funds collected for school projects were raised appropriately.

The district raises funds appropriately, avoids long term debt, and as Exhibit 7-5 shows, makes effective use of local funding to finance construction projects. The district took advantage of the new legislation authorized in s. 212.055, *Florida Statutes,* to begin a 10-year construction program financed with the passage of the one-half-cent sales surtax on October 3, 1995. Construction priorities were divided into phases to coincide with the projected income stream from the sales surtax to finance projects on a pay-as-you-go basis. Limiting district debt to finance Phase I projects with certificates of participation as the district accumulated sales tax revenue for the larger construction projects allowed the district to earn interest rather than pay out interest on bond issues. During Phase I construction, PECO funds were also used to offset some of the construction soft costs such as design and management fees. In addition, phasing of projects accommodated the availability of skilled labor and materials. This smart financing strategy has allowed the district to remain relatively debt free.

Exhibit 7-5
2002-03 Capital Outlay Fund Revenues and Expenditures

Estimated Revenues	Actual 2001-2002	Proposed 2002-2003	Estimated Expenditures	Actual 2001-2002	Proposed 2002-2003
Federal	$3,500,000	$ 0	Facility Acquisition/ Construction	$32,496,206	$38,339,122
State Sources	2,128,524	960,601	Debt Service	844,505	691,617
Local Sources	21,518,376	23,106,314			
Total Sources	**27,146,901**	**24,066,915**	**Total Expenditures**	**33,340,711**	**39,030,739**
Transfers In	0	0	Transfers Out	4,357,497	4,911,246
Fund Balance – July 1	49,998,112	39,446,805	Fund Balance -- June 30	39,446,805	19,571,735
Total Revenue and Balances	**$77,145,013**	**$63,513,720**	**Total Expenditures and Balances**	**$77,145,013**	**$63,513,720**

Totals may not add due to rounding.

Source: Capital Projects Funds, 2002-2003 Budget, Monroe County School District, July 22, 2002.

So far sales tax collections have averaged more than $10 million per year, far above the original estimate of $6.7 million annually. Higher collections than expected have allowed the district to replace rather than modernize schools, add large additions and replace cafeterias and media centers and construct two state of the art performing art centers. Budgeted sales tax collection for 2003 is projected to be $10,782,686.42.

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. But the district needs to increase the monitoring of fund expenditures and better evaluate the cost effectiveness for smaller construction projects.

The Monroe School District finance director administers capital projects funds according to the guidelines published in the Department of Education's *Fixed Capital Outlay Public School Finance Manual* (2001 Edition) and statutes governing use of Public Education Capital Outlay (PECO) funds, Capital Outlay Bond Issue Funds, Capital Outlay and Debt Service (CO & DS) funds, and capital outlay millage and loans. To account for capital projects funds, the finance director uses the fund names and number prescribed in the *Financial and Program Cost Accounting and Reporting for Florida Schools* (Red Book). Expenditures are tracked by project. The finance director, the executive director of business and fiscal services, and the district construction project manager share responsibility for administering, monitoring, and assuring compliance with fund and expenditure rules and regulations.

The district's use of district capital funds is listed in detail in the Capital Outlay Fund section of the district's budget. The sources of revenue and proposed expenditures for all funds are listed by project and by school. These projects include new construction, air conditioning upgrades, technology and communication upgrades, roof replacements, renovation and repairs by school, and painting projects. The projected costs of projects are taken from the five-year facilities work plan and all relate to facilities improvements.

Although the district uses cost-efficient processes and complies with the lawful use of capital funds for larger projects, it is not adequately monitoring the expenditure of funds and sufficiently evaluating the cost efficiency of smaller construction projects. The Auditor General's report for the period ending June 30, 2002 questioned expenditures the district made from Public Education Capital Outlay (PECO) funds for $77,885 in construction costs for the Founders Park Baseball Field and Concession Stand and $10,126 for the renovation of the Key West High School Auditorium. Section 235.435(5)(b), *Florida Statutes*, prohibits the use of PECO funds for construction of football fields, bleachers, site lighting for athletic facilities not required for the physical education curriculum. The Auditor General recommended that the district restore expenditures totaling $88,011. The district responded that it had inadvertently charged the PECO funds instead of 2 mill local capital funds, and that the entire amount would be restored to the PECO funds.

The same report questioned the use of the district's in-house construction team to construct a joint use recreational facility with the Islamorada Village of the Islands in violation of Section 235.211, *Florida Statutes*, and Section 4.1 of the *State Requirements of Education Facilities*. The estimated costs of the project at $596,875 exceeded the $200,000 threshold for projects that districts are allowed to undertake as day labor projects. The district is required to use a competitive bid process or other allowed construction process such as construction management or design-build for projects that exceed $200,000. The district countered that it used its in-house construction team because it often does not get responses to bids.

In addition to not competitively bidding the project, the district should have evaluated the overall cost effectiveness of using the in-house construction team to construct this facility. The district construction team is based out of Key West and the project is in the Upper Keys. As of June 30, 2002, the district had spent $410,226 in construction costs for the recreational facility. According to district records, the district

paid $145,197 in overtime costs to employees from July 2000 to November 2002. The district must consider the cost of overtime in addition to the construction costs when deciding whether it is more cost-effective to outsource construction projects.

The district can enhance oversight of fund expenditures and the cost-effectiveness of smaller projects by implementing the following recommendation.

> **We recommend that the district analyze the cost effectiveness of smaller construction projects undertaken by the Division of Construction and increase supervision and monitoring of overtime and fund expenditures.**

New construction costs are higher in the Florida Keys.

New construction costs are higher in the Florida Keys because of the higher labor and materials costs and construction standards imposed by FEMA and other regulatory agencies. In addition, the cost of demolition and site work, location and phased construction and alternative staging for students and administrators on site while a school is rebuilt takes an incremental toll on construction costs. However, some of these costs were offset at Coral Shores by avoiding the expense of acquiring a new site and at Key West High School by FEMA's $4.5 million contribution to the rebuilding of the auditorium.

Because the district has financed the bulk of its construction program with local revenues, it is exempt from the limits of costs per student station imposed in 1997 by ss. 235.435(6)(b)1.and 236.25(2), *Florida Statutes*.

CONSTRUCTION DESIGN

Best Practice 9: Using

The district develops thorough descriptions and educational specifications for each construction project.

The Monroe County School District develops thorough educational specifications for specific projects with the aid of professionals and district staff. The district has not developed general specifications for each type of school. However, because of the small building program, general specifications for elementary, middle and high schools would become outdated and therefore appear unnecessary.

The educational specifications for the replacement of Coral Shores High School were created by a design team in conjunction with the staff and stakeholders at Coral Shores. According to the district, the same educational specification process was used for the planned replacement of Key West High School. The specifications for Coral Shores High School emphasize flexibility and adaptability to accommodate different teaching and learning styles, technology-based instruction and distance learning, as well as hands on experience for vocational programs such as automotive and marine repair and science and computer laboratories. The plan stresses the use of technology to connect the school with the home and to the larger world through the use of the Internet. Learning spaces are both organized in the traditional self-contained classes and around the more collaborative and integrated model of teaching where teachers work together to design and deliver common courses. The design team believed that Coral Shores High School should be flexible enough to function in the future as a community college, K–12 facility or adult education facility, if needed.

The school design also takes into consideration the special needs of students with physical, emotional and learning disabilities as well as gifted students. The design team stressed "inclusion" for the greatest number of these students within the general population. The entire building would be handicapped

accessible and meet the minimum legal requirements for accessibility. Spaces that maximized participation of the physically handicapped would be a priority in the design of the gym.

Best Practice 10: Using

The architectural design fulfills the building specification needs as determined by the district.

The Monroe County School District construction program successfully incorporates educational specifications into building design. The designs for Coral Shores High and Key West high schools serve as good examples of incorporating educational specifications into the design process. The final building designs developed by the architect for both Coral Shores and Key West high schools successfully incorporate the educational specification developed by the design team in conjunction with staff and stakeholders. Both schools were developed with a vision of schools that must be flexible to adapt to changes during its 40+ years of life expectancy. The principals guiding the design of both schools include

- individualization and high standards,
- equity and inclusion,
- continuous improvement,
- community involvement,
- active and applied learning, and
- high tech and high touch.

Individual learning styles, teaching strategies, environmental issues including the influences of light, sound and air quality on student learning were considered for the various programs offered. The use of technology to support the efficient uses of resources by students, teachers, administrators, and support staff was evident in all design considerations ranging from the special education, athletic programs to arts and music. The courtyard, two-story design of Coral Shores High School and Key West High School successfully incorporate the design features of the educational specifications. The design also makes efficient use of the existing site.

To ensure that the final design met staff and stakeholders expectations, the principal of Coral Shores High School reported that the architects presented the design for comment to faculty and staff, and then were available for several days for faculty review and comments. School staff, the school advisory committee, and the community were very involved in the final design for Coral Shores. At Key West High School, staff was less involved in after-hours planning activities, but that the plan was presented to staff, and the architects were available for input. In our interviews, school personnel at Coral Shores High School, Sugarloaf School, and Horace O'Bryant Middle School gave the construction program high marks for meeting needs with the finished product.

Best Practice 11: Using

New construction, remodeling, and renovations incorporate effective safety features.

Modernization of Monroe County School District facilities includes incorporating safety needs and accessibility standards not in effect 45 or more years ago when some school facilities were originally built. Since district school facilities serve as hurricane shelters, all buildings are built to strict codes governing windstorm (Category 5) and flooding. The design contract requires that all architect/engineering plans must adhere to the requirements of Ch. 235, *Florida Statutes,* and all standards found in the State Requirements for Educational Facilities (SREF). The SREF is a two-volume

document containing the standards for all state educational facilities including the revised Florida Building Code effective March 1, 2002.

Some of the safety design criteria included in new schools:

- clear sight lines to allow for teacher supervision of students;

- a campus secure from intrusions during the day with instructional spaces securable during the day and "zoneable" during evening and weekend uses;

- use of technology such as "smart cards" or other management system to control access to outdoor restrooms, for example; and

- buildings designed with ample circulation and safe egress.

In keeping with the district security plan, new construction is moving toward electronic monitoring and away from staffed monitoring of facilities.

Best Practice 12: Using

The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.

The Monroe County School District uses life cycle costing to select the most durable and lasting equipment and finishes appropriate for the climate in the Florida Keys. It also considers energy efficiency and maintenance and operations costs when designing schools. However, since schools are designed to serve as hurricane shelters and withstand up to Category 5 windstorm (156+ mph), the district is limited in its use of prototypical construction designs. However, it does incorporate the frugal construction principles of adaptability, flexibility and durability into its designs for new construction.

In addition, the district's architectural services contract (Article 4, Scope of the Architect/Engineer's Basic Services, Section 4.24 and 4.25) requires the architect to submit three alternative design solutions depending on the district's budget to solve a particular construction problem. The architect is also required to prepare life-cycle cost data and discuss energy-saving schemes for all projects.

NEW CONSTRUCTION, RENOVATION, AND REMODELING

Best Practice 13: Using

The district has effective management processes for construction projects.

The Monroe County School District realized that it did not have the in-house expertise to manage a multi-million dollar, multi-site construction program stretching over 125 miles. It wisely contracted for an experienced construction program management consultant to manage, monitor and coordinate the activities of the architect, construction company, and inspectors for its 10-year phased construction program.

The district advertised and interviewed several candidates experienced in large scale construction to act as the district's representative. The consultant provides cost-cutting advice to the district in all matters relating to the construction program and is responsible for project schedules and budget monitoring. The construction program manager is in charge of the district's construction management team and the reporting lines of authority are as illustrated in the organization chart, Exhibit 7- 3.

The district has chosen construction management "at risk" with a guaranteed maximum price (GMP) as the most cost effective method for new construction. The construction management firm is required to come up with a guaranteed maximum price for each capital construction project. The price is based on the architectural drawings and estimated cost of construction. The guaranteed maximum price for the Key West Auditorium was $10,760,368 which included $1,535,820 in site work to raise the floor to comply with FEMA base flood elevation requirements. (The auditorium was extensively damaged by flooding during Hurricane Georges in 1998.) The guaranteed maximum price and scope of work includes a cost breakdown, schedule of unit prices and documents listing. Incorporated in the GMP is value engineering alternates and allowances available to the district to lower project cost. The district has 30 days to accept or reject the GMP. The district construction manager reviews the GMP and presents the entire package to the board for approval. By contract, the construction management firm is responsible for any costs that exceed the GMP, hence the contractor is "at risk" for cost overruns.

Project history shows on time, under budget performance.

Project Name	Square Footage	GMP Amount	Final Costs
Marathon High School	24,600	$2,938,531	$2,938,531
Horace O'Bryant Middle	28,400	3,537,845	3,392,452
Switlik Cafeteria	17,000	4,454,340	4,019,183
Switlik Classrooms	30,000	4,178,700	3,924,694
KWHS Auditorium/Music	30,000	8,994,121	9,133,796

Best Practice 14: Using

District planning provides realistic time frames for implementation that are coordinated with the opening of schools.

The Monroe County School District attempts to coordinate construction with the opening of school. Our interview with the principal at Coral Shores High School confirmed that everyone pulled together and worked overtime to open the new classroom building on August 8, 2002. In addition, construction was scheduled to commence on the Key West auditorium replacement on July 22, 2000, in an effort to allow parents, teachers and students to return to school with all safety measures in place since the campus would be in use during the construction of the auditorium.

The construction management "at risk" method of construction has accountability built into the contract. The construction company must present a construction schedule acceptable to the district for all phases of construction. Liquidated damages are set at $1,000 per day for failure to achieve substantial completion of the building within the stated construction schedule. Contingency savings cannot be used to offset liquidated damages.

Best Practice 15: Using

All new construction projects started after March 1, 2002, comply with the Florida Building Code; however, the district needs to establish formal procedures for permitting and inspections of smaller in-house construction projects.

The Monroe County School District complies with the revised building code on larger construction projects. The district has elected to outsource inspections for large new construction, renovation and remodeling projects. The consultant is a licensed uniform building code inspector. The district requires the consultant to file weekly in-progress inspection reports. However, the district is not in compliance with the some of the permitting requirements of the revised building code for smaller in-house construction projects although it has several licensed building code inspectors.

The Auditor General's Report No. 02-187 ending June 30, 2001 had a finding relating to inadequate inspections, plans and specifications for capital outlay day-labor (smaller) projects. The report found that

the district did not require day-labor projects performed by district personnel to have plans and specifications and documentation of approval or compliance with the Uniform Building Code and life safety codes.

At the beginning of our review, the district was not in compliance with the requirements of the revised Florida Building Code. The district had not implemented procedures to ensure that day labor projects have plans and specifications, as appropriate, and permits as required by the revised Florida Building Code. The district has several trained inspectors, but cannot issue permits because it has not created a building department or hired a building official.

Since our site visit, the district has made arrangements with the Florida Department of Education, Office of Educational Facilities, to perform plans review and issue permits for smaller construction and capital maintenance projects. It may be more cost-effective for the district to continue to have DOE review plans and issue permits in lieu of creating a building department.

Best Practice 16: Using

The district requires appropriate inspection of all school construction projects.

As stated above, the district has outsourced inspections to a licensed UBCI inspector. The district requires the inspector to provide it with weekly inspection and progress reports, which are reviewed by the district's construction program manager. All construction projects reviewed passed the required inspections. The district regularly updates FISH data to reflect new construction with the Office of Education, Office of Educational Facilities.

Best Practice 17: Using

The district retains appropriate professionals to assist in facility planning, design, and construction.

The Monroe County School District uses best practices when securing professionals for planning, design and construction. The district selects professionals in accordance with ss. 287.055 and 235.211, *Florida Statutes*. The Facilities Department uses the Request for Proposal process to select construction professionals. The notice, including a capital projects listing, is advertised in the *Key West Citizen* and mailed to a construction bid list consisting of 41 firms, both local and out-of-state. The district selection committee, which is composed of the construction team, purchasing director and other key employees, evaluates the qualifications of construction managers and schedules presentations with qualified applicants. The committee considers the following qualifications when interviewing and ranking prospective firms:

▪ ability and demonstrated experience at managing construction projects;

▪ ability and demonstrated experience at managing construction schedules;

▪ in-house experience building schools in Florida;

▪ in-county and in-state references;

▪ experience with projects of a similar size as Monroe County;

▪ experience in the role of a construction manager; and

▪ experience with phasing projects and working on an occupied site.

In addition, prospective firms must be licensed Florida contractors and present evidence of bondability, insurability (general, workers' compensation and auto) and financial responsibility including bank statements, references, and current financial statements. References are checked to verify past experience (particularly K-12), adequate personnel, and current work load.

Once the list is narrowed, a legal notice is advertised to invite the public to a meeting in the district office to rank applicants. These same procedures are followed to procure design services, roof replacement architects, mechanical, electrical, plumbing engineers, and any other service required by the district. A similar process was used to select the in-house consultant for construction program management services in 1994 and a roof replacement architect on January 29, 2002.

Best Practice 18: Using

The district follows generally accepted and legal contracting practices to control costs.

The Monroe County School District construction contract is a well-written document that covers all aspects of the construction program. The contract outlines the relationship and responsibilities of program participants (architect, construction firm and district) in the construction project, lists the project(s), and proscribes penalties, compensation and remedies for breach. Document requirements, fees, expected warranties, procedures for change orders, safety and payment for work are clearly outlined. The GMP discourages overbuilt projects since cost overruns are the responsibility of the construction firm.

Although the district is using this best practice, it could enhance its contracting practices by implementing the recommendation below.

> **We recommend that the construction contract include a provision relating to management of the sales tax savings program which allows the district to save the sales tax when paying for materials directly. In addition, responsibility for building orientation and supplying all warranty information needs to be addressed in greater detail.**

Best Practice 19: Using

The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.

The Monroe County School District discourages change orders, but approves them to upgrade systems, account for unforeseen circumstances, and increase the scope of work. Change orders require written justification with cost estimates and board approval.

The change order amending the construction contract for Coral Shores High School is an example of a deliberate change approved by the board to upgrade systems and account for errors and omissions. Executed on September 19, 2002, for $4,888,627, the change order was initiated primarily to increase the scope of the project and account for increased construction costs caused by errors and omissions on the part of the architect. Increasing the size of the auditorium and air conditioning the new gym accounted for $3.4 million of the costs. Architect errors and omissions accounted for an $884,969 increase in construction costs according to the detail provided by the construction firm. The architect is insured and the district is pursuing recovery of the increased costs of the project caused by these deficiencies. Other increased costs can be attributed to the district's decision to upgrade the roofing membrane and purchase a more durable rubberized walkway topping for the exterior hallways.

None of these changes came about as the result of poor management. These were conscious decisions by the board and stakeholders to increase the scope of the project, upgrade finishes and recover costs. The infrastructure to air condition the gym had been put in place during the initial construction in anticipation of the possible later decision to add air conditioning. The district determined that an auditorium with seating capacity for 750 was the correct size after a series of public meetings during the design process that included representatives from the performing arts community. No large facility is available in the Upper Keys to serve as a community performing arts center or to accommodate graduation with attendance of 1000 or more.

The construction firm is contractually required to prepare and submit estimates of the probable cost of the changes proposed by the district and secure formal written change order proposals from the subcontractor so that the district has a reliable estimate of costs to present to the board. The construction manager is not allowed to make any changes without prior approval and authorization by the district through the construction program manager (consultant).

A change order is prepared by the architect/engineer and signed by the district construction program manager and the architect/engineer stating their agreement to the following:

- change in the work;
- the amount of the adjustment in the contract sum, if any; and
- the extent of the adjustment in the contract time, if any.

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.

The Monroe County School District has adequate procedures for ensuring project work has been performed by the construction manager prior to payment. The application for payment must have supporting documentation, be verified by both the architect and district program manager, and reviewed by the finance department before being placed on the agenda for approval by the school board. The district holds a 5% to 10% retainage in addition to a contingency fund until completion of a project.

Final payment for any retainage is not made until the construction manager submits to the architect proof that all bills for which the owner may become responsible are paid. This proof includes an affidavit that payrolls, and bills for materials and equipment have been paid. The architect certifies that the work has been completed and the district's construction program manager performs on-site verification of completed work prior to payment.

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.

The Monroe County School District requires district facilities directors, maintenance personnel, educational administrators, staff, and contractors to participate in an orientation to new facilities. The construction contract requires the construction manager to coordinate building orientation with all users prior to occupancy to train district personnel in the understanding of building systems. In addition, the architect, program manager, and school administrator share in the responsibility to orient staff to the new facility.

Sign-in sheets for district employees showed that training was conducted at the new Coral Shores classroom building for the communication system, library security system, fire and smoke detection system, direct digital controls and HVAC units. Additional training was provided to cafeteria staff on use of equipment and to school staff on the use of intercom equipment. The district technology coordinator organized staff training for the following classroom technology enhancements:

- best practices using LCD projectors in classrooms;
- best practices using document camera in the classrooms;
- best practices using CCTV system in the classrooms; and

- best practices on use of POD movable doors.

School and maintenance staff were provided similar systems training in lighting, intercom, sound and stage rigging for the Key West High School Auditorium.

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.

The Monroe County School district does not have a written post-occupancy building evaluation process. 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. According to the district construction manager, the district informally evaluates projects thorough discussion with the district construction team at construction meetings. The district does not keep written records of these informal evaluations, nor did the district provide surveys of users or other evidence of the evaluation process. Several large projects such as the expansion of Sugarloaf School and the addition to Horace O'Bryant Middle School have been completed for some time and should be formally evaluated by users. Since both Coral Shores High School and Key West High School are under construction, it is too early to conduct user surveys.

The district's construction manager also reports that the results of informal evaluations that occur in ongoing construction team meetings are incorporated in planning process for improving the next facility. However, he did not provide any specific examples of applying changes to the next project. This process is especially important since the classroom building at Key West High School follows the newly constructed model of Coral Shores High School and the Coral Shores High School auditorium follows the construction of the Key West High School auditorium.

In addition, the district does not have a system to collect the cost of maintenance and operations data for each facility, but as stated above relies on the informal construction meeting process to identify and make improvements. Because recommended improvements are not recorded, the district is vulnerable to institutional memory loss as staff, planners, and contractors change.

The district has not developed a manual of preferred design and systems criteria based on input from staff. To the extent that design criteria manual represents the sum of what the district has learned from evaluating electrical, mechanical and plumbing systems, HVAC equipment and roofing, moisture protection for humid climates and preferred fire alarm and security systems, a manual would prevent future design professionals from having to reinvent the wheel for each construction project.

The Department of Education, Office of Educational Facilities, has developed a process for post-occupancy building evaluation, including sample surveys that can serve as a model for the district. In addition, managers may also elect to conduct interviews with school staff and make site visits to observe how the facility is being used. The collected data can then be analyzed to suggest improvements in existing and future facilities.

The district can improve and meet best practice standards by implementing Action Plan 7-1.

Action Plan 7-1

We recommend that the district develop a post-occupancy building evaluation process.		
Action Needed	Step 1.	Develop procedures to ensure that post occupancy evaluations regularly occur. The review process should focus on building performance from the point of view of school-based staff, students, custodians and maintenance staff. The evaluation should include ▪ a survey of users, ▪ an operation cost analysis, ▪ comparison of the finished product with the educational and construction specifications, ▪ recommendations for future improvements, and ▪ an analysis of the educational program improvements for consideration by future educational specification committees.
Who Is Responsible	Construction manager	
Time Frame	January 1, 2004	

Best Practice 23: Not Using

The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.

The Monroe County School District is systematically realizing its goal of modernizing outdated school facilities. However, it has not established a way to measure the overall performance and cost efficiency of its construction program. Although the district hired an outside construction consultant and established contracting procedures that ensure projects remain within budget and on schedule, it has not established an overall accountability system to measure the performance, efficiency and effectiveness of its construction program. The district has not established benchmarks, goals, and measurable objectives for the construction program or established a data collection system to measure its progress in meeting performance, effectiveness, and efficiency goals to reduce costs.

Action Plan 7-2

We recommend that the district develop accountability measures to evaluate the overall effectiveness of its construction program.		
Action Needed	Step 1.	Develop effectiveness measures that include ▪ target cost per square foot or cost per student station; ▪ percentage of projects completed on time; ▪ percentage of projects completed within the original budget; and ▪ percentage of customers satisfied with the outcome of a construction project.
	Step 2.	Establish a data collection system to capture costs.
	Step 3.	Compare costs to past performance and industry standards
	Step 4.	Report results on an annual basis to the superintendent and school board
Who Is Responsible	Construction manager	
Time Frame	January 1, 2004	

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

Best Practice 24: Not Using

The district regularly evaluates facilities construction operations based on established benchmarks and implements 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 towards 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.

As stated above, the district does not collect performance data and has not established benchmarks such as those listed above or based on its own past performance to assess facilities operations. Although we agree with district facility staff that establishing comparisons to peer districts is difficult because construction in the Florida Keys presents unique problems not encountered by many other Florida school districts, the district needs to establish performance and efficiency benchmarks based on industry standards and historical costs similar to those listed in Action Plan 7–2 above for comparison or evaluation of its construction costs.

8 Facilities Maintenance

Summary

The Monroe County School District is adequately maintaining its schools. The district uses 16 of the 22 facilities maintenance best practices. The district sets priorities and adequately funds the operations and maintenance programs. It also effectively uses its energy management control system to lower energy costs. To meet the remaining best practice standards, the district should develop a maintenance plan, work order control procedures, and implement an accountability system to evaluate program performance.

The district's maintenance and operations costs are the highest of its peer districts even though its salaries for most of its skilled trades' workers are below the state average. These higher costs can be partially attributed to maintaining and operating more space than is needed for the student population and to higher than average maintenance staffing according to the Department of Education staffing guidelines. In addition, the district should improve supervision and monitoring procedures for employees' use of overtime to ensure the hours claimed are reasonable and cost effective for small construction projects and some maintenance services.

Despite its generous staffing, the maintenance department suffers from low performance. The results of the districtwide climate survey evaluation of maintenance and custodial functions showed that 60% of respondents gave the department a "C" rating, so room for improvement exists. The district should develop employee performance standards and effectively supervise employees to increase performance and efficiency.

Too often, the maintenance department relies on informal processes rather than written procedures to direct its work flow. The district should develop a maintenance plan with outcome-oriented goals and objectives to give employees a sense of direction and purpose. Since the district has not developed work control procedures including the use of overtime, standards or benchmarks to evaluate performance, its ability to hold staff accountable for work tasks is limited. In addition, the district should develop an overall set of accountability measures to evaluate program performance against its standards for maintenance and operations costs, productivity, and customer satisfaction to actual performance.

WAYS TO $ SAVE
Sharpening the Pencil

As seen in Exhibit 8-1, the district has opportunities to reduce facilities maintenance costs. 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
**Our Review Identified Several Ways the District Could Reduce Costs
and Increase Revenues in the Area of Facilities Maintenance**

	Fiscal Impact: Savings					
Best Practice Number	**Year 2002-03**	**Year 2003-04**	**Year 2004-05**	**Year 2005-06**	**Year 2006-07**	**Total**
6 Reduce maintenance staff and increase supervision of maintenance and in-house construction employees.	$535,530	$535,530	$535,530	$535,530	$535,530	$2,677,650

Background

The Monroe County School District's facilities maintenance and operations program is greatly influenced by the geography of the district, a series of islands covering 125 miles connected by a single main thoroughfare. The district's 12 schools (approximately 1.5 million square feet) are concentrated in three population centers 50 miles apart; therefore, each area has historically been viewed as a separate K-12 entity for facility maintenance purposes.

The district Facilities Department operates with a board approved organizational chart. The department has 54 maintenance positions including skilled trades, supervisory and clerical support and 84 custodial employees including one districtwide custodial supervisor. However, the organizational chart does not indicate that the Upper Keys maintenance group and lower Keys maintenance group operate very independently of each other. Until the January 2003 reorganization, maintenance employees north of the Seven Mile Bridge were assigned to schools rather than a central office, rarely met as a group, and worked under the direction of the assistant director of Facilities Maintenance. Consequently, the maintenance workers do not think of themselves in terms of a single department with a mission, goals and objectives to define its purpose and work tasks. Since January, these employees have been assigned to the newly established north maintenance office.
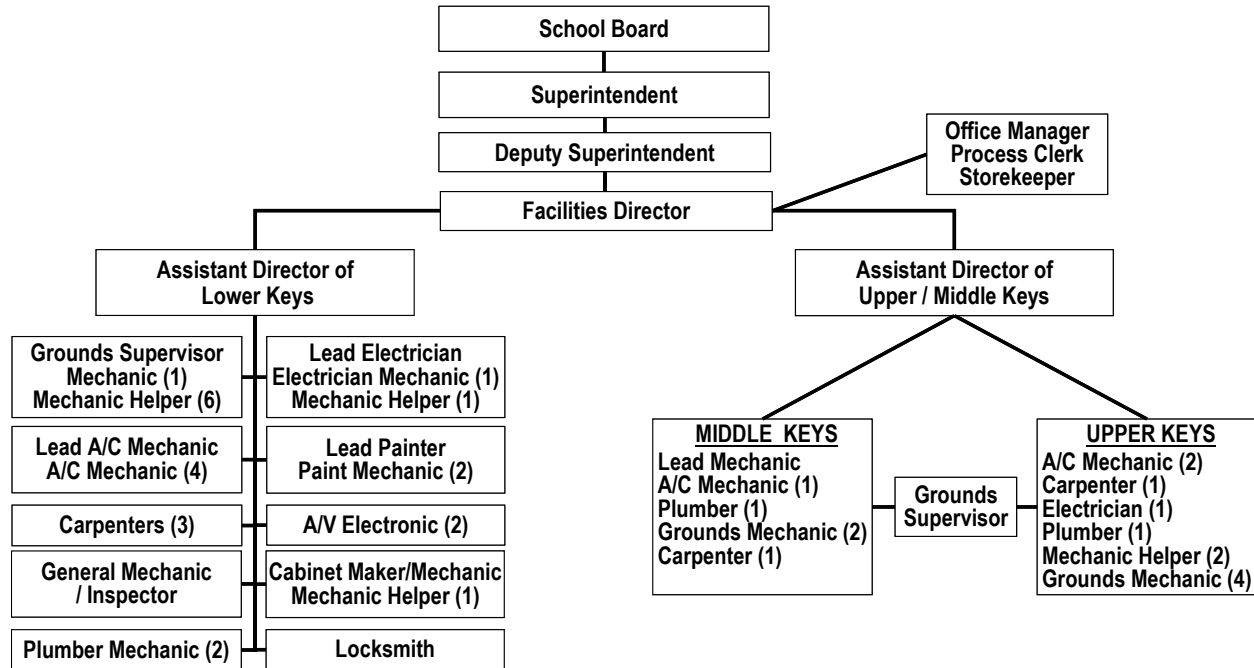
Custodial employees work under the supervision of both the Facilities Department and school principals. Training and inspection of custodial work are the primary responsibility of a district wide custodial supervisor.

The department is responsible for all aspects of preventative, routine, and emergency upkeep for the district's 12 school sites and several other district facilities, some on loan to community groups. In total, the department maintains approximately 1.7 million square feet of building space. Additional responsibilities include the maintenance of all grounds and athletic fields; however, small construction projects, those generally under $200,000, are assigned to a nine member in-house construction team in the construction division.

The district reported to the Department of Education that it spent $5.5 million on operations and $2.2 million on maintenance for 2001-02 the fiscal year.

Organization and management. As shown in Exhibit 8-2, all operations services fall under the supervision of the deputy superintendent since the elimination of the executive director of Operations Services position last August.

Exhibit 8-2
The Monroe County School District's Organizational Structure

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                              ┌─────────────────┐
                              │  School Board   │
                              └─────────────────┘
                              ┌─────────────────┐
                              │ Superintendent  │
                              └─────────────────┘
                              ┌─────────────────┐        ┌──────────────────┐
                              │Deputy Superint. │        │  Office Manager  │
                              └─────────────────┘        │  Process Clerk   │
                              ┌─────────────────┐        │   Storekeeper    │
                              │Facilities Dir.  │        └──────────────────┘
                              └─────────────────┘
      ┌──────────────────────┐                    ┌──────────────────────┐
      │ Assistant Director of│                    │ Assistant Director of│
      │     Lower Keys       │                    │  Upper / Middle Keys │
      └──────────────────────┘                    └──────────────────────┘
```

Grounds Supervisor Mechanic (1) Mechanic Helper (6)	Lead Electrician Electrician Mechanic (1) Mechanic Helper (1)
Lead A/C Mechanic A/C Mechanic (4)	Lead Painter Paint Mechanic (2)
Carpenters (3)	A/V Electronic (2)
General Mechanic / Inspector	Cabinet Maker/Mechanic Mechanic Helper (1)
Plumber Mechanic (2)	Locksmith

MIDDLE KEYS
Lead Mechanic
A/C Mechanic (1)
Plumber (1)
Grounds Mechanic (2)
Carpenter (1)

Grounds Supervisor

UPPER KEYS
A/C Mechanic (2)
Carpenter (1)
Electrician (1)
Plumber (1)
Mechanic Helper (2)
Grounds Mechanic (4)

The facilities Department also includes 84 custodial employees not shown in this exhibit.
Source: Monroe County School District.

Activities of particular interest

The district has implemented effective energy management practices that are worthy of special notice. For example, the district invested early on in a districtwide energy management system to control energy costs. It also implemented several effective energy conservation strategies to save on energy consumption, such as uniform temperature settings, and replacing lighting with energy saving T8 lights and fixtures. In newer buildings the district is using separate air units that can be completely turned off when the high people load leaves. As a result of implementing these cost saving strategies, the district is below the state average in its per square foot energy costs.

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, but needs to improve steps for achieving these goals and objectives.	No	8-6
	2. The district has not established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	No	8-7
	3. The district does not systematically obtain and use customer feedback to identify and implement program improvements.	No	8-9
	4. The district has not established procedures and staff performance standards to ensure efficient operations.	No	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; however, staffing levels need to be reduced and supervision improved.	No	8-12
	7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	Yes	8-15
	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	8-16
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	8-17
	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	8-17
	12. The district minimizes equipment costs through purchasing practices.	Yes	8-17
	13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	Yes	8-18
	14. The district uses proactive maintenance practices to reduce maintenance costs; however, the preventative maintenance program is not implemented uniformly throughout the district.	Yes	8-18
	15. The maintenance and operations department identifies and implements strategies to contain energy costs.	Yes	8-19
	16. The district has an energy management system, and maintains the system at original specifications for maximum effectiveness.	Yes	8-20
	17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	Yes	8-20

Practice Area	Best Practice	Using the Best Practice?	Page No.
Information Management	18. A computerized control and tracking system is used to accurately track work orders and inventory; however, it is not used as a management tool to improve effectiveness, efficiency and reduce costs.	No	8-21
	19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	Yes	8-22
Health and Safety	20. District policies and procedures clearly address the health and safety conditions of facilities.	Yes	8-23
	21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	Yes	8-23
	22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	Yes	8-23

PROGRAM DIRECTION AND ACCOUNTABILITY

Best Practice 1: Not Using

The maintenance and operations department has a mission statement and goals and objectives that are established in writing, but needs to improve steps for achieving these goals and objectives.

The Monroe County Facilities Department has articulated its mission statement and its maintenance and operations goals and strategies for achieving these goals in the Facilities Department Management Plan. The department mission states: "The Facilities Department will maintain a clean, healthy, and attractive learning environment for our customers and employees by establishing a safe, productive work place through an efficient, cost-effective operation."

Departmental goals include the following:

- maintaining a clean, safe, learning environment for our children;

- providing procedures to report, track and follow-up work and reports;

- providing qualified personnel in all areas;

- establishing open communication with schools;

- providing efficient, cost effective operations;

- developing an on-going training programs;

- establishing a safe, productive working environment; and

- providing staff with the proper equipment to do the job.

Strategies for achieving the above goals, however, are sometimes vague and are not outcome oriented. The department has no measurable objectives or real steps for reaching its goals and no timeframe for accomplishment. Therefore, it is difficult for workers to have a sense of purpose or know what is expected of them.

Currently the district is relying on the five-year facilities work plan to serve as its master plan. It attempts to translate the Facilities Department's goals and objectives into a budget for renovation, maintenance and major repair by school projected over five years. The work plan is updated annually based on needs identified by staff, school administrators and other professionals. Projects include HVAC replacement and repair, roof replacement and repair, painting, paving and resurfacing, flooring, electrical and plumbing upgrades, and other miscellaneous maintenance projects. The 2002-03 budget lists $2,696,291 in capital outlay repairs and replacement projects and miscellaneous projects. State appropriated PECO and CO & DS allocation funds will cover $960,601 of these costs. Local revenue funds the remaining projects.

The five-year facilities work plan does not adequately articulate what the Facilities Department plans to achieve over the next five years. The district can meet best practice standards by developing a master plan with specific steps to achieve goals which are measurable and outcome oriented. For example,

- reduce the percentage of emergency work orders by 10% through better HVAC preventative maintenance;

- reduce utility costs by 5% by requiring principals to pay utility bills; and

- reduce overtime costs by 50% through better planning and scheduling of work orders.

To be meaningful, goals and objectives must be reasonable, achievable and embraced by employees. In addition, program performance needs to be regularly evaluated to assess its progress toward meeting

goals and objectives and to determine if adjustments are needed in what the department plans to accomplish.

Action Plan 8-1

We recommend that the district develop a master plan with specific goals and objectives that outlines what the district plans to accomplish over the next five years including what budget and manpower resources are needed to accomplish these work tasks.		
Action Needed	Step 1.	Work with maintenance employees to create a districtwide maintenance plan that incorporates the district's goals and objectives for maintaining district facilities.
	Step 2.	Develop maintenance and operations criteria that address the broad facility goals listed below. ▪ Safety – environmental and occupational risks ▪ Sanitation – frequency of cleaning ▪ Security – protection of occupants and property ▪ Functional performance – operating efficiently and economically ▪ Physical condition – sound condition ▪ Appearance – desired level of appearance
	Step 3.	Include in the plan manpower projections, equipment replacement estimates, budget projections, and maintenance and facility standards.
	Step 4.	Present the maintenance plan to the assistant superintendent for approval.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

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.

The Facilities Department has not developed a comprehensive set of measures to evaluate the overall effectiveness of the maintenance program. Although the district facilities management plan addresses accountability in terms of weekly inspections, preventative maintenance schedules, corrective maintenance actions, monthly meetings and surveys of employees and customers, many of these oversight activities have not been put in place. Cost-effectiveness of operations is not measurable.

In order to meet this best practice, the district needs to develop a set of accountability measures based on industry standards, comparisons with peer districts, past performance and customer satisfaction surveys to evaluate actual program performance. Although the district reports its operations and maintenance costs and energy costs to the Department of Education, it does not seem to use these reports to benchmark itself against peer districts or to guide decision making. As the chart below shows, the district's maintenance and operations costs are higher than those of its five peer districts per square foot and per capital outlay full-time equivalent (CO-FTE). [1]

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[1] The CO-FTE is determined by averaging the unweighted full-time equivalent student membership for the second and third surveys and comparing the results on a school-by-school basis with the Florida Inventory for School Houses.

Exhibit 8-3
2001-02 Operations and Maintenance Costs per Gross Square Foot

School District	F.I.S.H.Gross Square Feet	Operations Cost per Gross Square Foot	Maintenance Cost per Gross Square Foot	Total Costs	CO-FTE	Total Costs per CO-FTE
Monroe	1,710,076	$3.22	$1.28	$4.50	8,855	$868.20
Flagler	1,264,276	3.16	0.99	4.15	6,928	756.70
Martin	2,884,304	3.00	0.91	3.92	16,297	692.92
Santa Rosa	3,447,073	2.67	1.13	3.80	22,325	586.81
Nassau	1,723,189	2.60	0.95	3.55	10,174	600.79
Wakulla	971,801	2.54	0.76	3.30	4,328	740.22
Average	**2,000,120**	**2.87**	**1.00**	**3.87**	**11,485**	**707.61**

Source: Department of Education, 2001-2002 District Financial Report.

The district's much higher than average cost per CO-FTE can be attributed to maintaining more square footage than is needed by the district. According to the five-year facilities work plan, the 2000-01 FISH capacity for both permanent and relocatable facilities is 11,384 for a student population of 9,098 resulting in a utilization rate of 80% for its 12 schools. The student population is continuing to decline. In an attempt to address the excess capacity problem in Key West schools, the district presented a plan to the board in January that called for consolidating one or more schools into an elementary school center.

The higher than average maintenance and operations costs can partially be attributed to a higher staffing ratio per gross square foot (GSF) maintained for maintenance personnel and a higher overall costs of living in the Florida Keys. The district also needs to reduce the use of maintenance overtime through better work scheduling.

Action Plan 8-2 provides the steps to implement accountability measures to evaluate the maintenance program. Action Plan 3-1 in the Performance Accountability chapter provides further information on developing a districtwide performance accountability system.

Action Plan 8-2

We recommend that the district develop accountability measures for maintenance and custodial operations based on recognized industry benchmarks, internal data and comparisons with peer districts.	

Action Needed	Step 1.	Develop effectiveness measures based on the following:
		▪ maintenance cost per square foot;
		▪ maintenance cost per student;
		▪ custodial costs per square foot;
		▪ square feet of building per FTE custodian;
		▪ square feet of building maintained per FTE maintenance staff; and
		▪ customer satisfaction.
	Step 2.	Set goals and objectives that articulate what the department plans to accomplish within certain timeframes.
	Step 3.	Contact peer districts to identify information sharing opportunities on comparable maintenance and operations costs and staffing levels.
	Step 4.	Obtain historical data from the budget and work order system.
	Step 5.	Calculate and verify measures.
	Step 6.	Evaluate costs per square foot/per student annually for cost-efficiency.
	Step 7.	Review customer satisfaction surveys annually to identify areas for improvement.
	Step 8.	Select a few critical performance and cost efficiency measures that should be reported annually to the school board and superintendent.

Who Is Responsible	Facilities director
Time Frame	January 1, 2004

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

Best Practice 3: Not Using

The district does not systematically obtain and use customer feedback to identify and implement program improvements.

The Monroe County School District Facilities Department relies on informal feedback from school administrators to gauge customer satisfaction and make program improvements. Our interviews confirmed that the director and assistant director of facilities routinely visit schools and discuss problems with administrators. However, the Facilities Department Management Plan calls for development of a Monroe County Schools Customer Satisfaction Survey to establish a baseline for performance and job satisfaction. This survey has not been developed. Currently, the Facilities Department uses the district wide climate survey for written evaluation of its performance. This survey is a 16-item list of instructional and operational questions given to school administrators and others to rate their satisfaction with programs from A to F. The survey results show that 60% of respondents gave the department a "C" rating for custodial and maintenance services, so room for improvement exists. However, the few questions relating to maintenance and custodial services are too general to identify specific problem areas; hence the climate survey is not an effective tool for identifying areas in need of improvement.

In order to meet best practice standards, the district needs to conduct its own expanded survey to identify areas for improvement and develop corrective action plans to address problem areas. Action Plan 8-3 provides the steps to implement this recommendation.

Action Plan 8-3

We recommend the Facilities Department develop the customer satisfaction survey called for in the Facilities Department Management Plan to evaluate the strengths and weaknesses of the maintenance program.		
Action Needed	Step 1.	Develop a survey instrument with input from maintenance staff. Ask users to rank services provided on a 1-5 point scale.
	Step 2.	Include questions relating to quality, timeliness, and cost of services.
	Step 3.	Survey principals and a random sample of teachers.
	Step 4.	Summarize and evaluate responses.
	Step 5.	Use results to evaluate the use of maintenance resources and make adjustments accordingly.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Best Practice 4: Not Using

The district has not established some critical policies and operating procedures and staff performance standards to ensure efficient operations.

The Monroe County School District has not developed critical operating procedures or developed policies relating to selection of equipment, materials and supplies, personnel staffing, and facility standards. Instead the Facilities Department relies on informal processes rather than written procedures to direct the work flow of employees. Up-to-date procedures, when coupled with appropriate district policies, ensure that maintenance activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws.

The Auditor General's financial and operational audit of the district for the period ending June 30, 2002 criticized the district for not establishing monitoring procedures and guidelines requiring justification of overtime by employees. Procedures and guidelines for justifying use of overtime should be developed and included in the Facilities Department Management Plan.

In addition, the Facilities Department has not developed performance standards for either maintenance or custodial staff. 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 to consistently evaluate employees. The district attempts to track maintenance employee performance through productivity reports generated by the computerized work order system. The system records data on the time spent on work orders and the cost of labor and materials. Although this information is important in making workers accountable for their time on tasks, we found in our interviews with maintenance workers that this information is not being shared with them. Work tasks are generally performed at the discretion of the employee, particularly in north maintenance operations, rather than planned and scheduled for efficient use of personnel. This practice leads to over reliance on overtime to accomplish tasks. In addition, the reports do not appear to be analyzed to evaluate the time spent on planned maintenance as compared to unplanned maintenance or to evaluate worker time spent on tasks compared to established benchmarks. The department tracks the number of closed work orders and performs some cost comparisons based on collected data, but the data system is not being used as an effective management tool to improve and evaluate overall efficiency and performance.

To meet best practice standards the district needs to develop performance standards that emphasize planning and scheduling of work tasks and takes into consideration worker time spent on work tasks compared to time worked. The district should also work toward developing timeframes for accomplishing specific tasks based on industry benchmarks. In addition, the district needs to develop additional policies and operating procedures for maintenance and custodial services. Action Plans 8-4 and 8-5 provide the steps for implementing these recommendations.

Action Plan 8-4

We recommend the Facilities Department develop additional operating procedures and policies for the operations and maintenance program.		
Action Needed	Step 1.	Develop operating procedures and policies that include guidelines for ▪ management of facilities; ▪ maintenance budgeting; ▪ selection and replacement of equipment; ▪ personnel staffing; ▪ use and justification of overtime; and ▪ preventative maintenance.
	Step 2.	Present operating procedures and policies to the deputy superintendent for approval.
	Step 3.	Present approved policies to the board for adoption.
	Step 4.	Incorporate new operating procedures and policies into the Facilities Department Management Plan
	Step 5.	Provide training to employees on policies and procedures.
Who Is Responsible	Facilities Director	
Time Frame	January 1, 2004	

Action Plan 8-5

We recommend that, at a minimum, the district establish performance standards based on internal or industry standards for commonly repeated tasks. Performance standards and expectation should be in writing and clearly communicated to employees.		
Action Needed	Step 1.	Develop a method for evaluating maintenance and custodial performance based on standards.
	Step 2.	Assign responsibility for creating maintenance and custodial performance standards.
	Step 3.	Develop work standards for each task that may include ▪ frequency of task, ▪ duration of task, ▪ materials cost of task ▪ labor cost of task, and ▪ comparisons to applicable professional standards and peer districts.
	Step 4.	Inform maintenance and custodial personnel of the work performance standards.
	Step 5.	Track the implementation of work performance standards and how employees meet those standards.
	Step 6.	Evaluate employee performance based on the standards.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Best Practice 5: Using

The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.

District schools from Key Largo to Key West are adequately and equitably maintained. However, some were in much better overall condition because of recent renovations or additions as part of the 10-year construction program.

Our interviews with school administrators in Key Largo and at the Marathon parent meeting indicated that some school staff and parents in the northern part of the county do not feel they get a fair share of resources when compared to Key West and those schools south of the Seven Mile Bridge. However, personal observation and budgeting for schools did not bear out this belief. Based on our observations, school needs are equitably addressed.

ORGANIZATIONAL STRUCTURE AND STAFFING

Best Practice 6: Not Using

The district regularly reviews the organizational structure of the maintenance and operations program; however, staffing levels need to be reduced and supervision improved.

The facilities director states he reviews staffing levels on an annual basis, and makes adjustments based on the workload and budget. The district has 54 maintenance employees and 84 custodial employees including the custodial supervisor for approximately 1.7 million gross square feet of space. According to the facilities director, staffing for both maintenance and custodial workers are based on Department of Education (DOE) recommended guidelines. However, as shown below, our staff analysis does not support this assertion for maintenance employees.

Custodial staffing levels meet industry standards

The district's overall custodial staffing is appropriate based on the *American School and University* magazine-recommended standard of 21,429 square feet per custodian. Taking into account additional responsibilities, such as lawn care, bus duty or cafeteria duty, of many custodial employees, the standard can be adjusted down to 20,000 square feet per custodian. The district's 84 custodians are responsible for 20,014 net square feet per custodian.

Although the district is appropriately staffed with custodial workers, our site visits revealed that high schools need an additional custodial employee during the day to keep up with trash and cleaning. The high schools are assigned one full-time custodial employee during the day. This employee spends the lunch period in the cafeteria, and those costs are charged to the food service budget. However, the time spent in the cafeteria does not allow the worker to keep up with other work. To improve the overall appearance of the high schools and to keep up with the heavier work load during the day, the district may want to shift one custodial worker from the elementary schools to high schools.

In addition, the custodial supervisor's position in the Lower Keys has been recently eliminated, leaving one supervisor for 84 employees stretching over 106 miles. The span of supervision is great for one custodial supervisor to supervise and train 84 employees.

Maintenance staffing level exceed the Department of Education guidelines

District maintenance staffing is above DOE recommended guidelines for maintenance staff, particularly in the lower Keys. The *Maintenance and Operations Guidelines for School Districts and Community Colleges* recommends a 45,000 square foot ratio to 1 worker. Based on 54 maintenance staff and 1.7 million gross square feet, the district has an overall staffing ratio of 31,668 square foot to 1 maintenance worker. [2]

As Exhibit 8-4 shows most of the peer districts do not enjoy such a generous ratio.

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[2] The maintenance staff employees do not include the in-house construction crew.

Exhibit 8-4
2001-02 Monroe County School District
Maintenance Department Staffing Levels Exceed Peer Districts

School District	F.I.S.H. GSF	Maintenance Staff	GSF per Employee
Wakulla	971,801	11	88,346
Santa Rosa	3,447,073	43	80,164
Martin	2,884,304	37	77,954
Flagler	1,264,276	26	48,626
Nassau	1,723,189	44	39,163
Monroe	**1,710,076**	**54**	**31,668**
Average	**2,000,120**	**36**	**55,559**

Source: Wakulla County School District, Santa Rosa School District, Martin County School District, Flagler County School District; Monroe County School District.

As the exhibit below shows, the ratio is even lower in the Lower Keys.

Exhibit 8-5
Lower Keys Maintenance Staffing Is Much Higher
Than Florida Department of Education Guidelines

School	Square Footage
Harris	50,888
Key West High School	187,126
Horace O'Bryant	116,791
May Sands	32,645
Glen Archer	67,936
Reynolds	12,091
Poinciana	47,282
Sigsbee	54,082
Sugarloaf	183,421
	7,349
Gerald Adams	65,076
Administrative Building	72,449
Maintenance Building	31,022
Total	**928,158 square foot / 31 staff = 1/29,941 square feet**

Source: Florida Department of Education Florida Inventory of School Houses.

In addition to more generous staffing than peer districts, the construction division has a nine-member construction crew to handle smaller construction projects, those generally under $200,000. These projects include ball field construction, concrete and masonry work and some infrastructure work related to new construction.

The district needs more supervisory positions and support for the north maintenance office.

Despite the generous staffing ratios, the maintenance staff had accumulated approximately $18,664 in overtime compensation from July-November 2002. The construction crew had accumulated more than $52,000 during the same time frame. The director of facilities attributed the overtime for maintenance staff to work that cannot be accomplished during the regular work day such as fire alarm testing, use of noisy equipment and some mowing operations. Overtime for the construction crew was attributed more to driving time to the Upper Keys for work assignments because most staff lived in Key West.

Facilities Maintenance

Despite more workers, the Facilities Department overall productivity is relatively low. This lack of productivity can be partially attributed to inadequate supervision and the lack of performance standards. The district needs to increase oversight over the Facilities Department and the construction division to ensure that work planning and scheduling reduces the reliance on overtime. Reinstating the position of executive director of Operations Services, deleted in August 2002, would allow the district better supervision and monitoring of maintenance and in-house construction activities. This individual could also assist in creating work standards to increase productivity, monitoring overtime and serving also as the facilities planning director.

Another factor that could be affecting low employee productivity is inadequate supervision in the field particularly for the north maintenance employees. The district has not established supervisor/employee ratios based on standards or benchmarks; consequently, maintenance employees generally perform work at their discretion. Maintenance employees in our focus groups complained that lead positions were not being filled, and Key West managers spent too much time in the office and did not supervise or review completed work in the field. To increase productivity, the district needs to invest in creating lead positions to supervise workers in the north maintenance area and provide training on effective supervision skills for the lead positions assigned to the Key West office.

As stated earlier, the north maintenance group until January was assigned to schools and did not report to a central office. Work orders were faxed to school sites. The workers complained that they did not have the support of a central office to assist in locating and ordering parts. Each worker had to be totally self sufficient. The creation of the north maintenance satellite office may provide more support to maintenance staff; however, the district did not indicate that it planned to provide any support staff for this office.

In order to meet best practice standards and bring staffing more in line with the Department of Education guidelines, we recommend that the district consider reducing maintenance/construction staffing by 16 positions. However, the district may want to retain two positions to create a district wide custodial supervisor and transfer one maintenance position from Key West to the north maintenance office to serve as support staff. The net reduction in maintenance staff would be 14 positions. Deleting 14 positions, reassigning the functions of two employees, reinstating the Executive Director of Operations Services and upgrading two existing maintenance positions to lead positions to provide better supervision could save the district approximately $535,530 annually, or $2.7 million over five years if the district makes the staffing adjustment within the first year. [3] However, the district may choose to implement this recommendation through attrition by not replacing maintenance employees who voluntarily leave their positions. Action Plan 8-6 lists the steps to be taken to implement these recommendations.

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[3] Delete 14 positions (net) at an average annual salary of $31,153 + 34% benefits, or $584,430 per year for 14 positions. Reduce overtime by 50%, or $71,000. Create 2 lead positions by upgrading existing maintenance positions at an estimated increase in salary costs of $6,000. Reinstate the Executive Director of Operations Services position at an estimated cost of $113,900 (salary of $85,000 + 34% benefits). ($584,430 + $71,000 = $655,430 - $6,000 = $649,430 – $113,900 = $535,530 annual savings).

Action Plan 8-6

We recommend that the district analyze its current staffing level based on Florida Department of Education guidelines, and make adjustments to decrease maintenance/construction staff, increase supervision and provide staff support for the north maintenance office.		
Action Needed	Step 1.	Reduce maintenance/construction staff by 14 positions to bring the ratio of staff to gross square footage closer to the DOE recommended ratio of 45,000 gross square feet to one maintenance worker. This can be accomplished through attrition.
	Step 2.	Consider transferring one of the remaining maintenance positions to the upper Keys to serve as office staff support and assigning another position to serve as custodial supervisor in the lower Keys.
	Step 3.	With some of the savings realized from maintenance/construction staff reductions, reinstate the position of Executive Director of Operations Services to increase supervision of operations, maintenance and in-house construction activities.
	Step 4.	Analyze historical data, workload requirements, and current personnel utilization to identify trades positions in the most demand and to determine appropriate supervisory lead positions.
	Step 5.	Consider upgrading 2 existing maintenance positions to leads to help supervise field staff work in the north maintenance area.
	Step 6.	Reduce overtime for both the Division of Construction and the Facilities Department by 50%.
	Step 7.	Present the staffing plan to the board for approval.
Who Is Responsible	Deputy superintendent	
Time Frame	January 1, 2004	

Best Practice 7: Using

Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.

The Monroe County School District personnel department uses appropriate hiring and retention practices. Within the past year, the personnel director has updated all district job descriptions with the help of maintenance staff. Job descriptions are readily available to district employees on the district website. Our review of job descriptions revealed that they contained all pertinent information relating to essential duties and responsibilities and minimum qualifications in terms of education and experience. In addition, the district website spells out special requirements, tools and equipment used, and physical demands of the job. Selection guidelines for the particular job are also provided.

Job vacancies are posted every Friday on the website and at job sites. The notices list the required responsibilities, qualifications, and preferred education, certification and experience. Lifting or other physical capabilities and experience with certain tools and equipment are also included. Salary and benefits are not listed.

The personnel officer confirmed that reference checks are made on all support staff. According to the personnel director, the criteria for hiring those with problems include the following:

- remoteness in time of offense;

- type and severity of crime;

- access to children; and

- discrepancy between the application and public record.

Although the district has personnel procedures for hiring support staff, the district personnel officer stated that the district has difficulty attracting and keeping qualified support staff because of the high cost of living in the Florida Keys and from competition for labor from a strong local construction market. The

district offers some salary supplements to custodial and maintenance employees for longevity, and recognizes outstanding employees with small bonuses. The district relies mainly on the benefits package such as health insurance and retirement to attract and keep employees.

The facilities director confirmed that the department had difficulty attracting qualified HVAC certified technicians. The district is also looking into sponsoring a HVAC certification program with the local community college. The district should continue to assess ways to attract qualified technicians. Best Practices 1 and 2 in Chapter 6 (Personnel Systems and Benefits) discusses recruitment and retention issues confronting the district in more depth and provides recommendations for addressing those issues. If the district determines that salary is the main reason for its difficulty in attracting qualified HVAC technicians, it may want to consider raising the salary level for this position to be more in line with its chief competitor, Miami-Dade County. Currently, a Miami-Dade HVAC technician is paid $49,589 annually.

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.

The district offers training opportunities based on need and the limits of what is available in the Florida Keys. The district conducts training on custodial cleaning methods, forklift operating procedures, ladder safety training, and maintenance of custodial equipment. Safety training including the handling and use of hazardous chemicals is provided to all employees on an ongoing basis.

The Facilities Department has not developed a training program based on specific written goals or curriculum developed in coordination with the personnel office. The personnel office has very limited staff to keep up with the day-to-day operations of hiring. Consequently, it cannot offer assistance with curriculum development. There is no indication that training is provided on district maintenance policies or maintenance operating procedures although personnel policies are made available in the Facilities Department Management Plan.

Our interviews with school based maintenance employees revealed that skill development training is generally not available in the Keys. As stated earlier, the district is working on getting HVAC training and certification at the community college. The district is willing to pay for out of area training but it is up to the employees to find the appropriate training for his specialty. The district supports membership in professional associations such as the Florida Facilities Plant Managers Association and the grounds supervisor had attended turf management training. However, distribution of periodicals such as *Building Magazine* and *Housekeeping* to line workers is restricted to the maintenance office. Custodial workers do not appear to have access to publications.

Although the district meets this best practice, staff development can be enhanced by implementing the following recommendation.

> **We recommend that the district, at a minimum, provide training on district policies and procedures and establish goals for its training program. The Facilities Department should increase circulation of publications to school-based staff.**

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.

The Monroe School District's maintenance budget adequately funds district needs in compliance with the lawful purpose for each category of facilities maintenance and operations. The district bases budget requests primarily on historical data and generally does not take professional standards or benchmarking into consideration. The facilities director states that the needs and priorities identified by school administrators and maintenance staff are prioritized and translate into a budget based on the general goals for facilities identified in the Facilities Department Management Plan. Work papers for 2002-03 capital outlay projects itemize projects by school, project, cost, fund source, and architectural design requirement. The 2002-03 budget shows $2,696,291 in capital outlay maintenance, renovation and repair projects.

Based on our review, the maintenance program is adequately funded for ongoing and recurring maintenance needs. The recommended transfer from the 2-mill budget for 2002-03 to the operating fund for the maintenance and repair of the educational plant is $2.2 million.

Best Practice 10: Using

The district accurately projects cost estimates of major maintenance projects.

The district uses the *Architect, Contractor and Engineers Guide to Construction Cost*, past project cost, and historical data in the work order system to develop project cost estimates. Once they prioritize school capital requests and review safety reports, maintenance administrators actually price the costs of some projects through competitive quotes or bids when historical data or other cost data is not available. Current market conditions are taken into consideration. Generally, since the five-year work plan primarily serves as a one-year budget that is updated annually, the cost of inflation is not taken into consideration. The facilities director routinely evaluates actual versus planned expenditures, and excess funds are reassigned or redirected to other projects.

Best Practice 11: Using

The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.

The Monroe County School District earmarks reserve funds that are not used for recurring expenses for emergencies. The district has $719,734 in contingency funds for roof replacement and HVAC repair or other emergencies. In addition, the district's budgetary policy is flexible enough to ensure funding for unforeseen emergency maintenance needs.

Best Practice 12: Using

The district minimizes equipment costs through purchasing practices.

The Monroe County School District uses several methods to secure the best price for goods and services. It uses the formal bid process for making volume purchases of frequently used parts and supplies, such as air conditioning filters, custodial cleaning supplies, paper products, vinyl flooring and carpet. The department has also negotiated price breaks for routine maintenance supplies with several area vendors. To expedite purchasing, the district uses purchasing cards and open end purchase orders with local vendors. In addition, routinely used parts for certain trades such as plumbing and electrical are stocked on maintenance vehicles so repairs can be made on the first trip to a site.

The facilities team considers both operations and maintenance costs and standardization of equipment when purchasing new equipment. Based on years of experience with various equipment and finishes, the team has standardized paint selection, HVAC units, fire alarm panels, tile, carpet, and plumbing valves. Standardization allows the district to store fewer parts. In addition, the electronic work order system allows the district to track equipment repair costs. When repairs reach 50% of the replacement value, the equipment is replaced. The district does not take inflationary costs for equipment replacement into consideration since the five year work plan is updated annually with current prices.

In a report released March 20, 2002, the Auditor General stated that internal controls over the ordering, receiving, and payment approval for some capital outlay expenditures were not adequate. [4] In some instances, the same district employee ordered goods or services, certified their receipt, and authorized payment. An earlier audit report, No. 01-130 for the period ending June 30, 2000, identified a similar finding relating to roof replacement. In response to these findings, the district has revised procedures for capital outlay expenditures requiring different employees for purchasing, receiving and paying for goods and services. All roofing projects are required to be bid. The Auditor General will be evaluating the effectiveness of these new procedures in its future audits of the district.

Best Practice 13: Using

The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.

Workers have adequate tools to accomplish tasks. Tools used on an infrequent basis are available from rental companies in each of the maintenance areas. Monroe County School District maintenance employees are required to provide basic tools at the time of hire. Interviews with north maintenance employees indicated some dissatisfaction with policies relating to small power tools. They believed the district should provide small power tools and batteries. The south maintenance employees stated that a checkout system for tools was only recently implemented. However, the district has policies relating to tool usage.

The district makes use of purchasing cards to acquire parts, but technicians generally rely more on open purchase orders with area vendors for supplies and parts. The department also has a buyer in the Key West office for parts not available locally.

The Upper Keys maintenance employees complained that coordinating purchasing through the Key West office was sometimes inconvenient. Parts were sometimes inadvertently delivered to Key West causing delays, and they have to take time out from work to locate and obtain price quotes for parts. They want staff support for managing work flow and locating and purchasing parts in the new upper Keys maintenance office. As recommended in Action Plan 8-6, the district should relocate support staff to the north maintenance office to assist with purchasing and coordinating work tasks.

Best Practice 14: Using

The district uses proactive maintenance practices to reduce maintenance costs; however, the preventative maintenance program is not implemented uniformly throughout the district.

The Monroe County School district has a structured preventative maintenance program in the lower Keys, but in the north maintenance zone preventative maintenance is generally performed at the discretion of maintenance employees. A proactive maintenance program is important because it can reduce maintenance and operations costs, service outages, and extend the useful life of expensive building systems. The Key West office assigns an employee to preventative maintenance as a primary

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[4] Report 02-187 for report period ending June 30, 2001.

responsibility and keeps detailed logs of preventative maintenance activities. Program components include

- recording, logging and filing of all pertinent information concerning the HVAC systems from Big Pine to Key West;

- scheduling all preventative maintenance for HVAC units, exhaust fans, ice machines and cafeteria kitchen equipment and dining areas; and

- maintaining sufficient inventory of parts and filters to expedite service calls and preventative maintenance.

Our interviews with north maintenance staff indicated no structured preventative maintenance program exists for facilities in the Upper Keys. Each technician is responsible for ensuring preventative maintenance is taken care of, but preventative maintenance is not scheduled using the electronic work order system.

The Facilities Department attempts to lower overall maintenance costs through standardization of systems such as those identified in Best Practice 12 of this chapter. The construction team consisting of the construction program manager, facilities director, assistant directors of facilities and the district technology coordinator meet on a regular basis to share information and coordinate efforts to reduce costs based on their collective experience with cost effective equipment and systems. The district's investment in a districtwide energy management control system is an example of standardization of systems to control costs. The district has done an above average job of managing energy costs through the purchase of district wide EMS equipment. The district wisely invested in an energy management system early on for all schools that allows centralized remote control and monitoring of the HVAC system.

> **We recommend that the district implement a formal preventative maintenance program in the Upper Keys. The Facilities Department needs to assign responsibility for program oversight and use the electronic work order system to schedule preventative maintenance on an ongoing basis.**

Best Practice 15: Using

The maintenance and operations department identifies and implements strategies to contain energy costs.

The Monroe County School District does not have a written energy management plan; however, it does use effective energy conservation strategies to lower energy costs. Administrators routinely monitor energy usage though a district wide energy management system and reports are produced and analyzed for usage and variances. District conservation strategies include

- districtwide upgrade to T8 lighting (90% complete);

- occupancy sensors to turn off lights when people are not present;

- use of hot gas for reheat in dehumidification cycles at new schools;

- use of gas for heating water;

- installation of perforated barrier hurricane screens to reduce heat transfer through windows; and

- decoupling the outside air systems to limit run time.

The utility cost information the district reports to the Department of Education shows that it is below the state average for energy costs per square foot; however, energy costs per CO-FTE are higher than average. As stated earlier, the higher than average costs per student can be attributed to the district maintaining more space than is needed for the student population.

Exhibit 8-6
2001-2002 School District Annual Utility Cost Information

District	FISH GSF	All Energy Costs	Cost per GSF All Energy	Costs per GSF Electric Only	CO-FTE	Costs per CO-FTE All Energy
Flagler	1,264,276	$1,387,035	$1.10	$1.09	6,928	$200.21
Martin	2,884,304	3,094,330	1.07	1.06	16,297	189.87
Monroe	**1,710,076**	**1,551,310**	**0.91**	**0.89**	**8,855**	**175.19**
Santa Rosa	3,447,073	2,788,635	0.81	0.75	22,325	124.91
Wakulla	971,801	677,143	0.70	0.69	4,328	156.46
Nassau	1,723,189	1,197,130	0.69	0.01	10,174	117.67
State Average			**0.97**	**0.94**		**144.02**

Source: 2001-02 District Financial Report.

Although the district effectively manages energy consumption with its energy management system, the facilities director stated that he believes that making users responsible for paying utility bills would save the district additional money. He would be interested in implementing an incentive energy program where schools, rather than the Facilities Department, are responsible for paying utility bills.

The district is using this best practice, but could enhance energy management and perhaps further reduce costs through implementation of a comprehensive energy management program.

> **We recommend that the district implement a comprehensive energy management program that includes monetary incentives to schools to reduce energy costs, provides for the sharing of energy reports, and takes advantage of any energy rebates or lower rates offered by the utility providers.**

Best Practice 16: Using

The district has an energy management system, and maintains the system at original specifications for maximum effectiveness.

The Monroe County School District has purchased and maintains the equipment and infrastructure to operate its air conditioning equipment via a computerized control system. With this equipment, the district is able to monitor usage and implement energy saving strategies such as raising control set points to 80 degrees when the building is unoccupied, and then using an optimized start program to bring the building back to occupied set points. The district has adopted an occupied cooling set point of 76 degrees.

In addition, the district has changed most of its lighting over to energy saving T8 lights and fixtures. In newer buildings and with air conditioning replacement, the district is using separate air units that can be completely turned off when the high people load decreases.

The EMS system allows the district administrators to monitor usage, note differences in usage, and follows up on variances. Our only criticism of an otherwise good monitoring and control system is that reports are not shared with schools as part of a total energy management plan to reduce costs further.

Best Practice 17: Using

District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.

The Monroe County School District uses outside contracting to outsource some operations and maintenance services; however, competition with the private sector for labor and services limits opportunities. The district presented several bids to demonstrate that it has solicited bids to compare costs

for mechanical labor, moving furniture and equipment, carpentry work, and electrical contractor hourly labor. In all cases, the district could perform the work in-house at a significantly lower hourly rate. Several district staff stated that there is keen competition for skilled labor in the Florida Keys because of the scarcity of skilled workers due to the high cost of living and a strong residential housing market.

The facilities director has, however, been able to cost-effectively contract out some maintenance work such as replacement of large HVAC systems, carpet and tile installation, chain link fence installation, and some painting and carpentry work. The department attempts to contract out both large jobs that take longer, and therefore takes time away from routine maintenance work, and services that tend to be job specific or recurring in nature such as testing and recertification of the RPZ valves.

INFORMATION MANAGEMENT

Best Practice 18: Not Using

A computerized control and tracking system is used to accurately track work orders and inventory; however, it is not used as a management tool to increase efficiency, effectiveness and lower costs.

The Monroe County School District uses an electronic work order system primarily as an order entry system for maintenance work. The system tracks materials and labor costs and charges the appropriate entity for supplies. It is not used to automatically reorder for the warehouse operation.

The district is not using this best practice because its work order system is not being used effectively to increase worker productivity. Based on our review, district management does not adequately analyze staff hours worked compared to time spent on work orders and share this information with employees. Although the director of facilities provided system generated "productivity reports" that are supposed to account for employees' use of time, our interviews with maintenance employees revealed that these reports are not shared with them, so it is not evident how the reports are used to improve productivity. This is particularly true in the north maintenance area where work orders are faxed to managers for distribution to school-based personnel. The north maintenance area does not conduct regularly scheduled staff meetings to share information on work load, the ratio of planned maintenance vs. unplanned maintenance, hours worked vs. hours spent on work order issues or any other issues relating to productivity. In addition, worker productivity is not tied to industry based benchmarks such as RS Means nor has the district developed standards based on its own data.

The district can meet best practice standards by more effectively using the work order system as a management tool to improve operations. The following action plan provides the steps for implementing this recommendation.

Action Plan 8-7

We recommend that the district set up procedures to systematically collect and analyze performance and cost data in the work order system to identify opportunities to increase effectiveness, efficiency and reduce costs.		
Action Needed	Step 1.	Meet with supervisors to identify what data needs to be collected, how often and what report format is needed to determine progress toward cost-efficiency goals.
	Step 2.	Set up a procedure to routinely generate work orders for analysis.
	Step 3.	Analyze reports to identify trends and opportunities to reduce costs.
	Step 4.	Meet with staff to identify strategies to increase productivity and lower costs.
	Step 5.	Use data/operational information to make operational improvements; establish timeframes for routine tasks.
	Step 6.	Discuss expectations with maintenance staff on ways to work more efficiently and effectively.
	Step 7.	Routinely report performance and cost-efficiency results to staff.
	Step 8.	Use data to make routine comparative analysis between actual and budgeted costs.
	Step 9.	Evaluate performance and costs to include potential for cost saving alternatives for providing services.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Best Practice 19: Using

The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.

The Monroe County School District has established a system for establishing priorities for maintenance projects uniformly throughout the district. The priority levels shown below have been established in the electronic work order system.

1 Emergency

2 High

3 Medium

4 Low

Emergency response applies to life/safety issues that need to be taken care of immediately, such as flooding, smoke and trip and fall hazards; high priority is give to short-term risk and sanitation issues that need to be taken care of that day such as toilet stoppage; medium priority is more routine response such as lights out; low priority generally requires coordination and planning such as graduation setup, removing and installing the orchestra pit cover.

Capital projects are also evaluated and prioritized based on a high to low priority rating. Each school summits a list of its priority projects to the maintenance department. These requests are evaluated by the Facilities Department and then prioritized based on funding, safety concerns and need. Overall, site administrators gave maintenance staff good marks for quick response and equitable treatment.

HEALTH AND SAFETY

Best Practice 20: Using

District policies and procedures clearly address the health and safety conditions of facilities.

The Monroe County School District routinely conducts safety inspections and has written safety rules, policies and procedures published in the *Employee Safety Handbook*. The safety plan has been approved by the Division of Workers' Compensation and meets the requirements of Florida law. The five-year work plan shows $283,500 planned for life safety projects for 2002-03. These projects are identified by school administrators, annual safety inspections, risk management, and annual equipment condition assessments, which includes playgrounds.

Although the district does not have a written plan that addresses indoor air quality, the facilities department has procedures in place to respond to air quality complaints. These include checking the EMS for temperature and humidity readings and inspecting the site for evidence of moisture. The district uses a checklist to identify other possible sources of the complaint including housekeeping practices, pest control, dirty air filters, air ducts and coils, non-operating exhaust fans, and outside fresh air intakes. If the district cannot determine the source of the problem, experts are brought in to do air sampling and testing. All school locations have the indoor air quality tools for schools action kits packets that explain procedures for reporting indoor air quality complaints. Our interviews did not reveal a problem with indoor air quality.

Best Practice 21: Using

The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.

The Monroe County School District complies with federal and state health and safety regulations. The district's safety inspection reports are routinely followed up on and district employees receive safety training on the use of equipment and appropriate OSHA training.

In addition, the district attempts to lower costs relating to safety conditions by contracting for risk management services to perform hazard surveys at various schools. The facilities department uses these reports with recommendations to issue work orders and plan future work priorities in the five-year facilities work plan.

Best Practice 22: Using

The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.

At the beginning of our review, our interviews with district facilities staff revealed that the Monroe County School District was not prepared for the revised building code although several staff members were licensed building code inspectors. The district originally planned to hire a building code official to review plans and issue permits for smaller projects, but had not advertised the position. The district assigned responsibility for developing permitting guidelines to the north facilities director, but the guidelines had not been developed.

The Auditor General has criticized the district in its last two reviews for failure to develop plans and secure inspections of small construction projects. District facilities administrators complained that they could not use Monroe County to secure permits because the county is not interested in securing permits for the school districts and is already understaffed for its current mission.

Since our visits, the district has established contact with DOE, Office of Educational Facilities, regarding plans review and permitting for smaller projects. Having DOE issue permits and perform plans review is probably the district's most cost effective means of complying with the revised Florida Building Code. The district still needs to develop procedures to guide district staff on securing plans review, permitting and inspection of smaller projects.

9 Transportation

Conclusion

The Monroe County School District is using 14 of the 20 transportation operations best practices. The district effectively recruits and trains bus drivers, makes cost-effective fuel purchases, and ensures that bus routes operate in accordance with established routines. However, to meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should improve its bus routing, vehicle servicing, and spare parts operations. The district also should do more to discourage vehicle vandalism and evaluate to potential for privatizing some transportation functions. In addition, it should develop an accountability system for transportation.

As seen in Exhibit 2-1, the district has an opportunity to reduce transportation expenditures by implementing a recommendation in this report. 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 problem areas identified in this report.

Exhibit 9-1
Our Review Identified an Opportunity for the District to
Increase Revenues in the Area of Transportation Operations

| Best Practice Number | Fiscal Impact: Savings | | | | | |
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Total
3 Improve bus routing to reduce the number of buses and drivers needed along with reductions in the number of courtesy bus riders.	$0	$70,000	$70,000	$70,000	$70,000	$280,000

Background

Monroe County is a small county located at the extreme southern end of Florida. The county is experiencing a slowly declining student population. The county has 564 miles of paved and 100 miles of

non-paved roads serving an area of 1,034 square miles. For the school year 2000-01, the district reported it provided transportation to 3,875 of its of 9,371 (41.35%) students. The district served 599 students in exceptional student education programs that require special transportation arrangements because of disabilities or the need for specialized classes.

The northern part of Monroe County comprises the western half of the Everglades National Park and the southern tip of Big Cypress National Preserve and is largely uninhabited. The remainder of the county consists of islands connected by an overseas highway (U.S. 1) that was built by the state using 42 defunct railroad bridges between Key Largo (the northernmost island) and Key West (the southernmost island). The Florida Keys are separated from the mainland by Biscayne Bay, Barnes Sound, Blackwater Sound, and Florida Bay. The long distances between the three main population centers in the county (Key West, Marathon, and Key Largo) present some unique problems for district student transportation. For example, the distance between Key West and Key Largo is in excess of 100 miles.

Florida's smaller rural school districts have the same functional operating responsibilities as larger school districts. However, small districts must accomplish these required tasks with significantly fewer personnel. The Monroe County School District is typical of a small Florida district in that its lowest and mid-level administrators have a larger range of activities to administer and supervise.

All facets of district student transportation are under the supervision of the transportation director. The department is subdivided into operations and maintenance sections with area supervisors directly supervising all of the bus drivers and attendants while the lead mechanic supervises mechanics and mechanic's helpers (see Exhibit 9-2). The area supervisors also perform functions such as routing and dispatching buses, acting as back-up drivers, investigating accidents, and handling parental complaints. The transportation director performs a number of duties besides general supervision of the transportation department including representing the department to the district and the community, preparing and monitoring the department budget, and fielding complaints and suggestions from other district employees.

Exhibit 9-2
Monroe County School District Transportation Department Organization
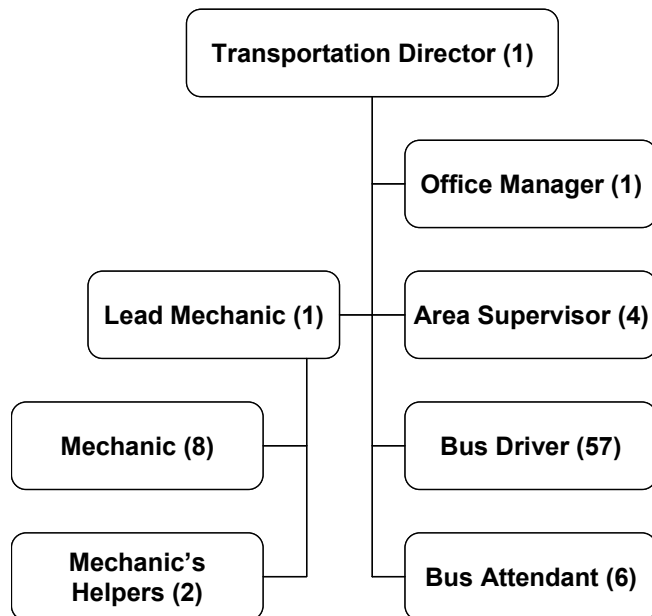
Source: Monroe County School District.

During the 2000-01 year, district school buses traveled 1,094,671 miles, of which 159,662 (14.6%) were for extracurricular activity trips. Of the 82 buses in current service, 60 are in daily service and the remaining 22 (27%) are spares. Most buses operate on two routes each morning and afternoon, with one route typically serving elementary schools and the other route serving a combination of middle and high school students. Multiple routes per bus with staggered school times helps maximize efficient use of the district's school buses.

For the 2002-03 school year, the district employed 52 bus drivers along with 5 substitute drivers and 4 transportation employees (area supervisors) who also drive buses. Additionally, seven coaches have received training to allow them to drive school buses for activities such as field trips.

Activities of particular interest

The district has an innovative oil recovery system in the Key West garage that allows mechanics to "vacuum" used oil from buses and transfer it via pipes to a waste oil tank. This district-created system significantly reduces the time necessary for oil changes while reducing the risk of an accidental oil spill.

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.	Yes	9-6
	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	9-6
	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. [1]	No	9-7
	4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.	Yes	9-8
	5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	Yes	9-9
	6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	Yes	9-9
	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.	Yes	9-9
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.	Yes	9-10
	9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	No	9-12
	10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	Yes	9-14
	11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	Yes	9-15
	12. The district maintains an inventory of parts, supplies, and equipment needed to support transportation functions that balance the concerns of immediate need and inventory costs.	No	9-16
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	9-17
	14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	Yes	9-18

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

Practice Area	Best Practice	Using the Best Practice?	Page No.
	15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.	Yes	9-19
	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	9-19
	17. The district provides appropriate technological and computer support for transportation functions and operations.	Yes	9-20
	18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	Yes	9-21
	19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	No	9-21
	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	9-22

PLANNING, ORGANIZATION AND STAFFING

Best Practice 1: Using

The district coordinates long-term planning and budgeting for student transportation within the school district and the community.

The Monroe County School District is using this best practice. District transportation personnel are participants in the long-term planning and budgeting process involving student transportation within the district. The transportation director is a member of the district planning team. Although the district does not plan on building any new schools in the foreseeable future because of low student population growth and high land costs, the transportation director is actively involved with the planning for a future bus maintenance shop in the Upper Keys area. The transportation director and his employees make informal assessments of transportation needs including staffing reviews and present the results to district managers during the budgeting process. The transportation director is also involved in the development and presentation of information to senior district staff on issues that can impact school transportation such as school start times, transportation for a charter school, and transportation for certain after-school student activities. He is currently involved in the selection of locations for ESE programs in the district.

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.

The Monroe County School District is using this best practice. The Auditor General report dealing with the district's compliance with provisions of the Florida Education Finance Program for Fiscal Year 1998-99 cited only one discrepancy that did not materially affect the district's performance. [2] This discrepancy resulted in the reduction in one full-time equivalent (FTE) student from the transportation count. Because of the minor nature of the discrepancy, the auditors did not recommend any corrective actions.

However, in the review for Fiscal Year 2001-02, the Auditor General found instances of material non-compliance involving the classification of transported students in ridership categories including special education and those students living less than two mile from their assigned schools. [3] The auditors found that the student count eligible for funding would have to be reduced by 62 FTEs. In response to these findings, the district transportation director implemented procedures to collect and file current individual education plans (IEPs) within the transportation office for each exceptional education student documenting student transportation needs. This should help ensure more accurate counts of exceptional education students.

> **We recommend that the district implement recommendations in the recent Auditor General report on the district's compliance with provisions of the Florida Education Finance Program. These recommendations included ensuring the eligibility of students being verified prior to the reporting of the student in the various ridership categories and reporting only students who were in attendance, their ridership category, and that ride a bus at least one day during the survey period.**

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[2] *Report on Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation For the Fiscal Year Ended June 30, 1999* (Auditor General Report No. 01-052).

[3] *Report on Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation For the Fiscal Year Ended June 30, 2002* (Auditor General Report No. 03-160).

Best Practice 3: Not Using

The transportation office plans, reviews, and establishes bus routes and stops to provide student transportation services for students in the district. However, the transportation office can improve the cost-efficiency of services by adjusting school bell schedules, conducting annual route audits, creating unsafe walking condition criteria, and no longer transporting students who can safely walk to school.

The Monroe County School District relies on manual processes to route its buses. The area supervisors informally evaluate routes annually to determine if changes will reduce the need for buses and drivers. Although the district has a computerized routing program, it is not currently operational. The transportation director estimates that it would cost $8,850 to fully implement computerized routing system. A computerized system would probably improve the efficiency of the routing process but, given the small size and elongated shape of the district, such a system would not be needed to improve routing efficiency.

Nevertheless the district can improve routing efficiency and meet best practice standards by addressing several issues. First, the district could enhance its operations by adjusting the bell schedule and revising bus routes. The district staggers its school start times, but transportation employees believe that adjustments to the current bell schedule would increase the on-time performance of buses dropping off and picking up students while eliminating five or six bus routes. Elimination of unneeded routes and improvements to remaining routes through an annual route audit could improve the transportation's efficiency as measured by average bus occupancy (69 in school year 2000-01) and reduce operating costs ($807 per student in school year 2000-01). Such changes could include increasing the distances between bus stops (current policy requires stops be at least two-tenths of a mile apart) up to one-half mile apart to increase the efficiency of the routes. [4]

Second, the district could also improve transportation operations by addressing hazardous walking conditions. The district currently reports that 150 district students at one location (Stock Island) are eligible to receive district transportation to and from school based on hazardous walking conditions as defined in Florida statutes. The determination of the hazardous walking condition was made and filed with the Florida Department of Education on September 26, 1988. In the fourteen years since this determination was made, the transportation department has not reviewed or taken any actions to eliminate hazardous walking areas in the county. In 2000, the district stated in a letter to the Florida Department of Education that it could not survey hazardous walking areas because it did not have $3,000 in funds to complete the survey. Although the transportation director believes that additional hazardous walking areas will not be found in the district, completion of a districtwide survey of hazardous walking conditions will ensure the district claims for state transportation funding for hazardous walking students have merit.

Third, the district can improve its operations by discontinuing transportation services to students who can safely walk to school. District policy is to offer transportation to students who reside within two miles of their designated school only if they are elementary school students who traverse or cross U.S. Highway 1 to reach their assigned school of attendance or who live outside the city limits of Key West. There are some problems with these unsafe walking criteria. For example, some parts of U.S. Highway 1 in Key West may be relatively safe for students to cross due to a relatively slow speed limit (30 miles per hour), traffic lights, pedestrian crossing areas, and crossing lights. In theory, these criteria also mandate the district provide transportation to elementary school students who live next to school. These criteria also do not address situations where it would be unsafe for middle and high school students to walk to school. For example, it might be unsafe for middle school students to cross narrow bridges without adequate

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[4] We would expect the school board to allow the transportation department to make exceptions to one-half mile-between-bus-stops policy to prevent bus stops from being in unsafe locations or having bus stops that would require students to walk in hazardous conditions described in s. 1006.23, *F.S.*

walkways to separate them from automobile traffic. The district has not established written criteria to evaluate areas for unsafe walking conditions or evaluated these areas on a systematic basis.

Savings are possible through improved bus routing and discontinuing transportation services to students who can safely walk to school. The district transportation director estimates that improvements in these areas could save the district approximately $70,000 annually.

Action Plan 9-1

We recommend that the district assess the safety of walking conditions within the district, adjust bell schedules, and conduct annual route audits to improve the efficiency and effectiveness of the district's transportation system.		
Action Needed	Step 1.	The transportation director, with the assistance of the Florida Department of Transportation, the Monroe County road department, and the Monroe County Sheriff's Department, should formulate unsafe walking criteria for the district.
	Step 2.	The transportation director should submit the proposed unsafe walking criteria to the superintendent who, in turn, will submit the proposed criteria to the school board for approval.
	Step 3.	Upon approval of the criteria, the transportation department should use the criteria to determine the location of hazardous and unsafe walking conditions to potential bus stops and schools within the district. Using this information, the transportation department should determine what students will need district transportation and appropriate locations for bus stops. This evaluation should take place on an annual basis.
	Step 4.	To reduce the number of hazardous and unsafe student walking areas in the district, the transportation director should work with state and local agencies to eliminate these hazardous and unsafe student walking areas.
	Step 5.	Based on the determination of the need for district transportation and appropriate locations for bus stops, the transportation director with the assistance of area supervisors should develop school bell schedule options for the district along with associated advantages/disadvantages/costs/etc. These options should be developed on an annual basis.
	Step 6.	The transportation director should annually submit the school bell schedule options to the superintendent who, in turn, should submit the options to the school board for selection and approval.
	Step 7.	Using the school board selected school bell schedule option, the transportation director (with the assistance of area supervisors) should annually develop cost-efficient bus routes for the district.
	Step 8.	The transportation director should annually submit the list of cost-efficient bus routes to the superintendent who, in turn, should submit the routes to the school board for approval.
	Step 9.	Upon approval by the school board, the district should implement the approved routes.
Who is Responsible	Director of transportation and school board.	
Time Frame	April 2004	

Best Practice 4: Using

The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.

The Monroe County School District uses this best practice. The organizational structure of district's transportation department is relatively flat. Such a structure emphasizes personal responsibility and accountability of individuals in the program as management is reduced to a minimal level. The district assesses the transportation department's organizational structure and staffing levels annually as part of the budgeting process.

Best Practice 5: Using

The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills

The Monroe County School District uses this best practice. The district maintains sufficient vehicle maintenance employees to service district-owned vehicles. It annually evaluates staffing levels as part of the budgeting process. District employees recently completed a Florida Department of Education-distributed spreadsheet that shows that the district has a small surplus of staffing (under one-quarter of a full-time equivalent mechanic) within the vehicle maintenance area.

The district provides training its mechanics. The district sends mechanics to state workshops when offered to improve their skills. [5] Other training for mechanics is conducted in-house on an "as-needed" basis.

Best Practice 6: Using

The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.

The Monroe County School District uses several techniques to recruit and retain bus drivers. It places ads in the local newspaper and lists job openings for bus drivers on the district's web page. The transportation director believes that the newspaper ads are more effective than the district's web page in attracting driver applicants. To retain drivers, the district recently began to pay drivers who complete driver training a $200 stipend. Drivers receive an additional $250 stipend they complete six months of work.

Although the district is using this best practice, it could enhance its operations in this area by systematically determining why it has difficulties in retaining drivers. Like many Florida school districts, the Monroe County School District has difficulty in keeping drivers to meet its needs. The district experienced a 23% turnover rate for bus drivers in school year 2001-02 and a 20% turnover in school year 2002-03. The district believes that turnover rates this high are a problem; however, the district does not have comprehensive information concerning why bus drivers leave district employment because it does not conduct formal exit interviews. The district has just begun to collect information on wages and benefits offered by adjacent school districts and the Key West City government, but needs to obtain information on wages and benefits offered by local employers that are competing for the same pool of applicants. Lack of this information prevents the district from accurately determining if it offers competitive salary, benefits, and hours of work to enable it to recruit and retain bus drivers.

> **We recommend that the district periodically collect information on wages, benefits, and hours of work of local employers who compete for persons interested in driving school buses and systematically conduct and document exit interviews of bus drivers who are leaving district employment to assist in devising effective strategies for retaining drivers.**

Best Practice 7: Using

The district trains, supervises, and assists bus drivers to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus.

The Monroe County School District uses this best practice. The district offers driver training, physical examinations, and drug testing for its bus drivers. Prospective bus drivers attend a training class that allows them to receive a class "B" (school bus) commercial driver's license. The district provides

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[5] Training normally conducted in the summer for mechanics was not offered in the summer of 2002 due to budgetary cutbacks.

training and testing for current bus drivers and monitors their driving performance. School district policy requires drivers pass an annual physical examination, for which the district pays, to ensure that the drivers are medically capable of safely operating buses. The drivers also receive annual dexterity tests. Each driver receives eight hours of paid annual in-service training prior to the start of the school year.

The district monitors its drivers through reviews of the state's traffic violation database for convictions or involvement in traffic accidents at least twice a year. Drivers who violate the district's safe driving policy are subject to discipline ranging from suspension to termination of employment. Drivers' records include documentation of their current physical examinations, driver licenses, and traffic violations.

Although the district is using this best practice, it can enhance its operations by instituting a training cost reimbursement policy. According to district transportation employees, drivers could leave district employment shortly after completing district-funded commercial driver training. The district would thus have paid for the cost of training for drivers without receiving full benefit from the investment. The district transportation director is proposing a policy that bus drivers the district trains for commercial driver's licenses but either do not become or remain district employees for at least six months shall be required to repay the direct and indirect costs of their training. The district estimates that the cost of training, assuming five trainees per class and 200 miles of bus usage, is $430 per person.

> **We recommend that the district negotiate with the drivers' union and implement the proposed policy to obligate new bus drivers to reimburse the district for training costs if they fail to complete six months of service as a district bus driver.**

VEHICLE ACQUISITION AND MAINTENANCE

Best Practice 8: Using

The 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.

The Monroe County School District uses this best practice. It generally orders new buses via the Florida Department of Education's pool purchase but most recently purchased buses using a contract originated by the Brevard County School District. This was done so the district could continue to obtain buses made by the manufacturer of the majority of buses in its fleet. The district inspects all newly purchased buses prior to placing in service and usually assigns them to the longest routes. Buses that are replaced are placed in a salvage status and turned over to district purchasing for sale at auction. The district has auctioned off 19 buses in the last two years for prices ranging from $1,830 to $5,855 per bus ($3,436 average price received per bus). The district's bus fleet currently stands at 82 buses.

The district also owns and operates other on-road vehicles. The district's on-road "white fleet" of vehicles consists of 109 vehicles (mostly pick-up trucks assigned to the district's maintenance department) that range in age from 1 to 33 years old (average age 7 years old). The most recently purchased white fleet vehicles were obtained via a purchase off the Florida Sheriff Association's vehicle purchase contract.

Although the district uses this best practice, it could enhance its operations in two areas. First, it can periodically determine how many buses it needs to efficiently and effectively transport its students and keep its bus fleet to this number. The number of buses a district needs generally can be determined by adding the number of buses needed on regular bus routes to the highest number of spare buses needed per day to replace those that are out of service for inspections, routine maintenance, and repair or are needed

for field trips that cannot be cost-effectively handled by regular route buses or charter bus service. [6] The district has not determined how many buses it needs to provide transportation for field trips. Such a determination can be made by looking at the previous school year's experience. [7] The district is likely to operate more field trips during regular route hours than most other districts because of the long distances some students have to travel to reach trip destinations. For example, the Key West High School athletic teams have to travel up to Melbourne (a distance of 322 miles) for some games.

> **We recommend that the district acquire and retain only the number of buses necessary to meet its student transportation requirements. An analysis to determine the number of buses needed should include calculation of the number of school buses needed for field trips that can not be met using buses available for regular route service or charter bus service.**

Second, the district could revise its vehicle replacement policy. As seen in Exhibit 9-4, as of February 2003, the district has two buses that are more than 12 years old. Overall, 23% of Monroe County School District's bus fleet is 10 years old or older.

Exhibit 9-4
Monroe County School District's Bus Fleet
Has 19 of 82 Buses 10 Years Old or Older [1]

Age in Years	Number of Buses	Percentage of Total
13	2	2.4%
12	5	6.1%
11	3	3.7%
10	9	11.0%
9	15	18.3%
7	12	14.6%
6	6	7.3%
5	6	7.3%
3	6	7.3%
2	6	7.3%
1	6	7.3%
>1	6	7.3%
TOTAL	**82**	**100%**

[1] Bus number 74 is used exclusively for transportation to and from the Boys and Girls Club and is not counted as part of the school district bus fleet.

Source: Monroe County School District.

The State of Florida has not adopted a policy on how often districts should replace their buses. In the past, the Florida Department of Education (FDOE) recommended a planned 10-year replacement cycle for school buses, but it no longer does so. Florida school districts are successfully using bus replacement schedules that range from 12 to 15 years. Districts should use district-specific data and practices followed by exemplar districts to establish school bus life cycles and periodically replace older buses that become unreliable and are more costly to maintain than newer buses.

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[6] For the purposes of this review, "field trips" are considered all trips taken by students taken for athletic competitions, extracurricular, and educational-enhancing purposes in which the individual schools are responsible for scheduling and supervising,

[7] When comparing the cost of school bus transportation versus charter bus transportation, the cost of school bus transportation needs to include all direct operational cost of operating field trip buses including fuel, driver's salary, maintenance, and scheduling costs.

The Monroe County School District's written policy on the periodic replacement of vehicles provides only general guidance. The district's current policy requires the district to maintain an appropriate bus replacement programs using criteria such as bus age, mileage, and replacement verses maintenance costs. This policy does not include breakdown history of the vehicle or apply to white fleet vehicles. In addition, the district has not developed the written guidelines on how it would apply these criteria.

> **We recommend that the district establish more specific vehicle replacement guidelines based on district-specific data and practices used by exemplar districts to cover all on-road vehicles it purchases.**

Best Practice 9: Not Using

While the district provides responds promptly to breakdowns and other unforeseen contingencies, it does not routinely service buses and other district vehicles in a timely manner.

The Monroe County School District services district vehicles (both buses and "white fleet" vehicles) at the Key West transportation facility and upper Keys transportation facility. For example, state law requires the district to inspect buses every 20 days. [8] District mechanics repair serious deficiencies found during these inspections prior to the returning the bus to service. Minor deficiencies that do not impact the safety of the bus are repaired as soon as possible. The district has recently established an internal transportation policy that requires the lead mechanic or service manager to consult with the director of transportation when estimated bus repair costs exceed $5,000 or other vehicle repairs exceed $2,000. This enables the district to determine if making the repairs would be cost-effective using criteria such as vehicle mileage, previous repairs to the vehicle, replacement costs, and liquidation value. The final decision on such expensive repairs will be made by the head of the district department who controls the vehicle.

However, the district can improve its operations and meet best practice standards by addressing several issues. A review of vehicle maintenance operations shows the district is

- not inspecting buses in a timely manner;
- not ensuring pre-trip bus inspections are properly conducted;
- not performing routine vehicle maintenance in a timely manner; and
- not repairing all identified vehicle problems.

Documentation shows that the district does not always perform required inspections in a timely manner. A spreadsheet of 20-day bus inspections conducted during the period September through December 2002 showed that some buses were not inspected or that others were inspected up to 6 days late. In recognition of this problem, the district recently established internal procedures that will significantly increase the lead mechanic's and transportation director's oversight responsibilities for 20-day inspections thereby reducing the possibility of buses not receiving timely 20-day inspections.

In addition, the district's area supervisors are not monitoring the pre-trip inspections drivers are to conduct before making bus runs. Area supervisors are collect completed pre-trip inspection forms from drivers on a regular basis. However, they need to periodically observe the inspection process. Even though all buses are compounded nightly, most area supervisors cannot easily observe the pre-trip inspections because they are busy with office duties such as dispatching and their offices do not have windows that directly overlook bus parking areas.

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[8] Effective April 21, 2003, the State Board of Education rules now require the inspection of school buses to be scheduled at a maximum interval of 30 school days.

The district also is not routinely maintaining buses and other vehicles in a timely manner. District policy requires that all district vehicles be maintained in a safe operating condition, and makes the transportation department responsible for a planned maintenance program to keep all vehicles running safely and efficiently. District preventative maintenance procedures require mileage-based servicing on buses (e.g., change bus oil and oil filters every 10,000 miles) and white fleet vehicles (change car/truck oil and oil filters every 5,000 miles). A review of the maintenance records for 9 buses shows this schedule is not being followed and some buses are not being serviced in a timely manner.

To correct this problem, the district transportation director recently implemented a policy having certain mileage-based servicing performed on school buses as part of the 20-day inspection process. The inspector now performs needed fluid servicing (oil changes, transmission fluid replacement, etc.) while conducting the 20-day inspections.

Finally, the district is not monitoring bus repairs to ensure that all items are addressed. For example, a bus driver found that her assigned bus that had been in the garage and was supposedly ready to transport students was missing screws securing a mirror, needed more than a gallon of water to be added to the radiator, and had a bottom light out on a student stop light. The transportation director reports that there has been a significant decrease in quality control complaints since recent implementation of the policy having certain mileage-based servicing performed on school buses as part of the 20-day inspection process.

The lack timely and thorough inspections and routine servicing coupled with the failure to repair all identified problems can lead to bus breakdowns. The district experiences frequent bus breakdowns with daily bus breakdowns averaging two in Key West (six highest daily), one at Sugarloaf (three highest daily), one in Marathon (five highest daily), and one at Upper Keys (five highest daily).

Action Plan 9-2

We recommend that the district transportation department establish and implement procedures that ensure district vehicles receive appropriate inspections, repairs and mileage-based servicing.		
Action Needed	Step 1.	The transportation director and lead mechanic should continue to implement and monitor transportation procedures designed to improve the timeliness of the bus inspection process.
	Step 2.	The transportation director, with the assistance of area supervisors, should establish transportation procedures and practices that ensures area supervisors periodically monitor and document all bus drivers conducting required pre-trip inspections required by state and district policies.
	Step 3.	The transportation director should establish procedures for the district that will ensure that all district vehicles (including buses, pickups, minivans, and other district owned on-road vehicles) receive appropriate mileage-based servicing. Such procedures should include notification to the heads of district departments on when their vehicles should receive servicing.
	Step 4.	The transportation director should issue a monthly report to the deputy superintendent with copies to district department heads that control district on-road vehicles showing vehicles that have not been turned in for timely servicing.
	Step 5.	If the transportation director observes that certain district vehicles are chronically not turned in for timely servicing on a timely basis, the transportation director should issue a memo to the deputy superintendent with a copy to the affected head of district department detailing the chronic failure to turn in these vehicles for timely servicing and requesting the control of said vehicles be taken and placed within the transportation department.
	Step 6.	The transportation director should establish and implement procedures ensuring an appropriate quality control review proc4ess for vehicle servicing and repair work. These procedures should ensure that vehicle released from servicing are safe, that the work performed meets district standards, and that unfinished repairs to non-safety essential items (such as leaking door seals) are documented with the vehicle subsequently scheduled for expedited repair.
Who is Responsible	Director of transportation.	
Time Frame	August 2003	

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.

The Monroe County School District operates an automated fueling system with computerized software to supply buses and other school vehicles with fuel. The district operates three convenient fueling locations in Key West, Sugarloaf Key, and Key Largo. The district obtains its fuel through a joint contract with the Monroe County Board of County Commissioners. The agreement allows the district to use county fueling facilities and the county to use district facilities. The district refills fuel tanks twice a week. The district transportation office determines fuel levels through either the use of gauges on the tanks or manual dip sticks. The fueling system is automated with both a vehicle and a personal key required to activate fuel pumps and creates a report of the number of gallons and cost of fuel being charged to the receiving vehicle. The transportation director reviews fuel system reports to ensure that fuel is properly being dispensed and to identify any buses with excessive fuel consumption. When the district uses the county's fuel pumps or vice versa, the gallons and cost of the fuel is billed to the entity controlling the vehicle receiving the fuel.

Until January 2003, the district received premium gasoline under its contract with Monroe County Board of County Commissioners. During our review of district fueling practices including its use of premium

gasoline, the district began purchasing regular gasoline for its gas powered vehicles. The district estimates that this will save it $6,000 annually.

Although the district is using this best practice, it can enhance its operations in this area by ensuring regular environmental inspections of its fueling facilities, corrections of problems found, and retention of the subsequent reports. Records of a Florida Department of Environmental Protection inspection in November 2001 indicate that the district fuel facilities are in compliance with environmental regulations, but the district needs to color code the fill ports of the fuel tanks and strap them down. The fill ports have since been color coded but the tanks have not been strapped down. The district is not able to locate a copy of the environmental inspection conducted since November 2001 and district transportation employees cannot recall an inspection being conducted since that date.

> **We recommend that the district ensure regular environmental inspections of its fueling facilities and retention of subsequent reports.**

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.

The Monroe County School District operates two vehicle repair facilities in the county. The main repair facility is located in Key West. The Key West garage consists of four service bays, one bay for tires, and one bay for storage and shop facilities. The facility contains specialized bus repair tools for use by district mechanics. The district also has a small facility located in the Key Largo for the maintenance of vehicles in that part of the district. This facility currently consists of a concrete slab, a tool storage shed, and part of a trailer used as an office. Repairs conducted at the Upper Keys facility are primarily minor in nature (e.g., oil changes, replacement of lights, etc.); major repairs (e.g., transmission work) are conducted only at the Key West facility. The district is in the process of drawing up plans for a covered repair facility at the Key Largo site.

The district appropriately handles hazardous waste generated through the servicing of buses (e.g., used oil and antifreeze) through contracts for collection and disposal of these items. The district has an innovated oil recovery system in the Key West garage that significantly reduces the time necessary for oil changes while reducing the risk of an accidental oil spill. Both vehicle repair facilities are fenced with security lights in place.

The parts room in the Key West vehicle repair facility is relatively small but adequate for the storage of most spare parts such as light bulbs, alternators, and radios. The mechanics stationed at the Upper Keys facility store parts in a maintenance pickup truck.

Although the district is using this best practice, it can enhance its operations by ensuring the security of parked buses. The district has four compounds for bus parking. The Key West, Marathon, and Upper Keys compounds are fenced and lighted. However, the Sugarloaf Key bus compound is not. According to transportation employees, this facility has not been fenced to allow county vehicles to access the fuel pumps located in the rear of the compound. Lack of a secure facility at this location has resulted in numerous incidents of vandalism such as broken windows and destroyed stop arms on buses. Further discussions of bus vandalism are contained in Best Practice 16 of this chapter.

> **We recommend that the district enhance the security of buses parked at the Sugarloaf Key facility to prevent damage to the vehicles by fencing the rear of the Sugarloaf facility while establishing a separate fenced and lighted bus parking compound at the facility.**

Best Practice 12: Not Using

The district needs to maintain an inventory of parts, supplies, and equipment that supports transportation functions while balancing the concerns of immediate need and inventory costs.

The Monroe County School District obtains parts and supplies through a number of methods including discounted purchase orders from local vendors and competitive bids. Transportation employees compare parts coming into the district parts room to invoices prior to placing the items on a computerized perpetual inventory system.

However, the district can improve its operations and use this best practice by addressing two issues. First, the district's is not using cost-effective parts inventory practices. A review of district purchasing by the Office of the Auditor General shows that the transportation department kept approximately 10.5 months of inventory on hand (inventory turnover ratio of 1.13). The transportation employees of the Florida Department of Education recommend that the inventory turnover ratio should be at least 1.4 (an average of 3 months of inventory on hand). According to district employees, the district needs a large parts inventory because of the long distance between Key West to bus parts depots and the lack of uniformity in the manufacturer and models of buses the district uses. While the Key West transportation maintenance garage is a considerable distance from the mainland of Florida (approximately 150 miles), parts can be ordered and received in two weeks or less in most cases. The district is attempting to reduce the size of its parts and supply inventory as evidenced by increasing standardization of additions to its bus fleet.

The district could also improve its operations in this area by conducting independent audits of its vehicle parts inventory on an annual basis. To ensure the accuracy of perpetual inventory systems, periodic and independent audits of the inventory need to be conducted. Currently transportation employees who are responsible for the receiving and distribution of vehicle parts are also conduct the inventory audits. A better practice is for such audits to be conducted by persons not directly involved in the receiving and distribution of parts such as district finance department or internal auditor employees. Audits conducted by independent parties increase the confidence of the district in the reliability of audit results.

Action Plan 9-3

We recommend that the district maintain an inventory of vehicle parts that supports transportation functions while balancing the concerns of immediate need and inventory costs. We also recommend that the district annually conduct an independent audit of its vehicle parts inventory.		
Action Needed	Step 1.	The transportation director, with the assistance of the district finance director and the lead mechanic, should conduct a review of district vehicle parts. This review should examine the current vehicle parts operations and propose recommendations to reduce the size of the average vehicle parts inventory while balancing the need for parts to repair vehicles.
	Step 2.	The transportation director should implement the proposed recommendations to reduce the size of the district's vehicle parts inventory. The transportation director should monitor size of the inventory by periodically reviewing the inventory turnover ratio and incidents of lack of parts significantly impacting the ability of the district to repair vehicles to operating condition.
	Step 3.	The district finance director or his representative should conduct annual audits of the district's vehicle parts inventory. This information should be presented to the transportation director for actions as necessary.
Who is Responsible	Director of transportation and district finance officer.	
Time Frame	August 2003	

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 that any unexpected contingencies affecting vehicle operations are handled safely and promptly.

Bus routes in the Monroe County School District generally function well with few problems. District area supervisors indicate that they do not have a problem with absentee drivers. The district's absenteeism rate for its bus drivers averaged 9% with a high absenteeism rate of 23% in school year 2001-02. Overcrowding on buses is rare and usually occurs at the beginning of the school year. When this happens, the transportation department will allow the bus to continue its run if it can proceed safely or will split the run into to runs. The drivers of vehicles that experience breakdowns can communicate with area supervisors via two-way radios. District mechanics respond to breakdowns with equipped pick-up trucks. The district does not track the effects of driver absenteeism or bus breakdowns have on the on-time performance of its buses

The district presently (school year 2002-03) has 7 elementary students and 24 middle and high school students who ride buses for longer time periods than recommended by the state. [9] This occurs because these students live long distances from school and the sparsity of student population, especially in the case of exceptional education students requiring specialized transportation.

District policy states that no students shall leave the school buses on their way to or from school without the parents and a principal's written authorization unless it is either at the school or regular bus stop. During field work, there was one incident in which a bus driver let out a student at a bus stop other than the student's regular stop. The bus driver was disciplined for this action.

Although the district is using this best practice, it could enhance its operations in this area by recovering the full costs of field trips. District school buses were driven 134,507 on field trips during school year 2001-02. The district field trip manual says costs associated with the field trip should be billed to the sponsoring school or organization. According to the transportation director, schools pay the transportation department for the salary costs of field trip drivers and non-profit groups like the Boys and Girls Club directly employ the drivers for the trips they make. However, the district bills schools and non-profit groups only $.15 per mile when the true cost per mile between $1.50 and $1.60. The district estimates approximately $188,300 (using mileage cost of $1.55) in field trip costs were not charged to schools and non-profit groups in school year 2001-02. Having schools fully pay for field trips encourages principals to ensure that the trips are cost-effective, while having non-profit groups fully pay increases the resources the district can use elsewhere.

> **We recommend that the district charge schools and other organizations using district buses for field trips the full cost of such trips. Such costs should include driver costs (salaries and benefits), operational costs (fuel, maintenance, etc.), and administrative costs (costs to schedule field trips, etc.) If the district wishes to continue subsidizing school field trips, the transportation department should report to the school board on an annual basis the full cost of such trips by school and activity and the cost impact on the transportation department's budget.**

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[9] The state recommends that elementary student bus route times to limited to no more than 50 minutes with secondary student bus routes to no more than 60 minutes.

Best Practice 14: Using

The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.

The Monroe County School District identifies specialized student transportation needs in staffing meetings in which an Individual Education Plan (IEP) is drawn up for each exceptional education student. Upon notification of specialized transportation requirements, transportation employees will adjust bus routes to provide needed services. The district transported a total of 599 of these students in school year 2000-01. Generally, only students whose IEPs require special transportation ride ESE buses. All other ESE students ride regular buses. The district makes claims for the reimbursement of transportation of Medicaid-eligible students who receive transportation for certain services. A Medicaid program summary report dated September 24, 2002, shows that the district collected $31,244 in reimbursement for specialized transportation.

Although the district meets this best practice, it could enhance its operations in two areas. First, the district should ensure that the reason for providing specialized transportation to students is adequately documented. Failure to do so can result in inappropriate transportation, additional expense to the district, and possible reduction in available funds when audited. Specialized transportation should be provided only to those students who need such services. A review of 19 exceptional students' individual educational plans (IEPs) showed that 6 of the plans did not adequately document why the students were receiving specialized transportation. Florida Department of Education Technical Assistance Paper ESE 311094 (Fiscal Year 2001-13) states that the IEP team must describe in specific detail the need for an aide on a bus for particular student(s). The district's own manual for the admission and placement of exceptional students states that the staffing team is to be specific on the IEP about the type of specialized transportation needed such as the medical condition the student has and specialized equipment needed. Without such documentation, it is possible for students to be inappropriately assigned to receive specialized transportation that is more expensive than regular school transportation.

> **We recommend that the district adequately document the need for specialized transportation in the individual education plans (IEPs) for exceptional education students. We further recommend the Exceptional Student Education department establish and implement quality control procedures ensure that IEPs contain appropriate documentation.**

Second, the district should improve guidance to IEP staffing participants on when it is appropriate to assign students to specialized transportation. Improved district guidance to IEP staffing participants will assist these participants in appropriately determining the need for specialized transportation. District transportation employees do not participate in IEP staffings. This is contrary to Florida Department of Education guidance which recommends that transportation employees participate in staffings whenever decisions regarding special transportation provisions as a related service are being made. Such participation can often be accomplished via telephone (conference call).

> **We recommend that the district improve its guidance to IEP staffing participants when making specialized transportation decisions. We further recommend that the district ensure that transportation employees participate (such as by conference call) in staffings for IEPs whenever decisions regarding the need for specialized transportation services are made.**

Best Practice 15: Using

The district ensures that transportation staff acts promptly and appropriately in response to any accidents or breakdowns.

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 complies with federal and state laws. [10]

The Monroe County School District uses this best practice. It has taken various steps in order to minimize problems arising from accidents. The district had seven accidents involving its school buses during school year 2000-01 (latest reporting year). School bus drivers were reported as the causal factor in four of these accidents. All buses on routes are equipped with two-way radios that are monitored by the transportation personnel during normal bus operating times. Bus drivers are given phone numbers of designated transportation personnel to call in the case of an emergency while on out-of-county trips.

Best Practice 16: Not Using

The district needs to ensure that appropriate student behavior is maintained on the bus, with students being held accountable for financial consequences of misbehavior related to transportation.

The Monroe County School District has a policy that allows the principal of a school to delegate to any bus driver transporting students responsibility for the control and direction of students as deemed necessary and in accordance with state and local rules. Bus drivers drop off written disciplinary reports to principals or other designated school staff. School staff then inform bus drivers either verbally (for drivers in the Key Largo area) or by e-mail what disciplinary actions were taken.

The district can improve its operations and meet best practice standards by establishing and implementing additional policies and procedures to detect vandalism on school buses and increase reimbursements for damages. A review of bus files along with fieldwork observations found a number of incidents of vandalism on school buses such as damage to bus seats. The district transportation office does not know how much damage was caused by vandalism in school year 2001-02 as this information was not tracked. Recently the district transportation director has instructed mechanics to note on work orders any vandalism being repaired.

Although district policy states that students or their parents must reimburse the district for repair costs for vehicles resulting from negligent actions, student misconduct, or vandalism, the district is not able to determine how much money was assessed and collected to reimburse the district in school year 2001-02. The district should establish and implement additional policies and procedures that will increase the detection of vandalism on school buses and increase reimbursements for damages. These policies and procedures should require students to use assigned seats and drivers to check buses for vandalism after completing each bus route. The district should hold students responsible for any damage to their assigned seats unless it has evidence that the damage to the seat was caused by another student.

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[10] 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.

Action Plan 9-4

We recommend that the district should establish and implement policies and procedures that will increase the detection of vandalism on school buses and increase reimbursements for damages.		
Action Needed	Step 1.	The transportation director, with the assistance of the district legal counsel, should draft school district policies that will increase the detection of vandalism on school buses and increase reimbursement for damages. Such policies should include requiring use of assigned seats, checking buses for vandalism after each bus route, and holding students responsible for damage to assigned seats unless there is evidence that the damage to the seat was caused by a non-assigned student.
	Step 2.	The transportation director should submit the draft school district policies to the district superintendent who should, in turn, submit the draft school district policies to the school board for approval.
	Step 3.	The school board should approve the draft school district policies.
	Step 4.	The district superintendent should implement the policies including taking actions to collect for vandalism damage such as using third party collection agents, making claims against the responsible parties in small claims court, and suspending responsible parties from district-provided transportation until damage claims have been paid.
	Step 5.	The transportation director should periodically report on the effectiveness of the adopted vandalism district policies to the superintendent and school board. This report should include changes in the amount of vandalism on school district buses (as measured in cost of repairs), amount of restitution collected, and proposed changes in district policies and procedures that would reduce the cost of vandalism occurring on school buses.
Who is Responsible	Director of transportation.	
Time Frame	August 2003	

Best Practice 17: Using

The district provides additional technological and computer support for transportation functions and operations.

The Monroe County School District transportation department uses a management information system for capital inventory and budgeting purposes. This system is used by all departments in the district. The district includes the transportation department in its plan for the replacement and upgrading of computer equipment. The transportation department, in consultation with the information systems department, makes decisions about the software and training the district needs to acquire to meet transportation needs. The district personnel office is currently computerizing staff training, physicals, and driver license records. The transportation department has a separate but limited computerized management information system for performance information. Other transportation functions are performed manually.

Although the district is using this best practice, it could enhance its operations by improving its transportation performance management information system. The transportation director would like his performance management information system to be able to list repair records and cost by vehicle, perform analyses of common or frequent causes of vehicle breakdowns, produce records of hours spent on repairs, produce data on field trip requests, driver assignments, and billings for field trips, and the automated importing of mileages of vehicle into maintenance records. The current transportation performance management information system does not provide this information needed to help the transportation manager evaluate his department as not all transportation-related work performed in the district is entered onto the system. For example, work orders for the Upper Keys and field trip information are not entered into the system. The district is currently evaluating possible acquisition of a commercially available computerized system to better meet management needs. Another option available to the district to improve its computer support to transportation is the adoption of another maintenance management

information system, such as the system developed by the Hernando County School District. This system is being offered to other school districts free of charge.

> **We recommend that the district evaluate and acquire additional management information system resources to provide additional performance information to the transportation department.**

Best Practice 18: Using

The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.

The Monroe County School District meets this best practice. The district's transportation department monitors its expenditures in an adequate manner. The transportation director coordinator reviews transportation expenditures at least once a month. These expenditures include items such as bus repair parts and bus towing. As a result of these reviews, the district is increasing standardization of bus bodies and engines to improve the efficiency of its operations.

The district is in the process of improving information used to conduct transportation budget review. Presently, small repairs such as light bulb replacements are often not documented resulting in incomplete maintenance records. The transportation director is in the process of correcting this situation. Proposed improvements to the department's performance management information system coupled with complete maintenance records will permit the transportation director and others in the transportation department to easily identify cost concerns within the department.

Best Practice 19: Not Using

The district has not reviewed the prospect for privatizing transportation functions, as a whole or in part.

The Monroe County School District has not privatized any of its transportation functions. District employees do not believe that private vendors are available to perform transportation functions. During fieldwork for this report, the transportation director for Monroe County School District met with the transportation director for Miami-Dade County School District and selected employees. The meeting was held to discuss the possibility of Monroe County School District buses needing major repairs and located in the Upper Keys area being repaired at the south Miami-Dade bus compound or by vendors located near the bus compound. Repairing Upper Keys-stationed buses in Florida City (located 25 miles away) instead of in the Key West garage (located more than 100 miles away) has the potential of saving the district time and money.

However, the district can improve its operations and meet best practice standards by formally reviewing the potential for having other private or governmental entities perform various district functions such as maintenance work on district buses and white fleet vehicles. Districts often find that having specialized functions such as rebuilding bus transmissions, engine overhauls, and window and seat repairs performed by either private firms or government agencies can save them money by avoiding the need to buy and maintain equipment and skills for a job that will only be used a few times a year. In some cases, districts have achieved cost-savings by having their entire school bus operations run by private firms while other districts have all maintenance work (such as paint and body work and oil changes) on white fleet vehicles performed by outside vendors. There are vendors within the district that can perform some district transportation functions such as changing oil in white fleet vehicles and changing and mounting tires on

buses. Only after a systematic analysis can the district accurately evaluate if privatization would reduce district costs and/or improve quality. [11]

Action Plan 9-5

We recommend that the district systematically evaluate if privatization of some or all of the district transportation functions would reduce district costs and/or improve quality.		
Action Needed	Step 1.	The transportation director, with the assistance of district purchasing employees, should canvas private vendors and governmental agencies in the district and those in nearby counties to determine costs and quality of transportation functions that private vendors and governmental agencies can provide to the district.
	Step 2.	The transportation director, with the assistance of district accounting employees, should then determine the unit costs (both direct and indirect) and quality for the district to provide these functions on an in-house basis.
	Step 3.	The transportation director, with the assistance of the district finance officer, should compare unit costs and quality of district transportation functions performed on an in-house basis to the costs and quality of similar functions that can be performed either by private firms or other governmental entities. In cases when such privatization can reduce district transportation costs and/or improve quality, the district transportation director should notify the superintendent of the cost savings/improvement in quality and request permission from the superintendent to privatize these functions.
	Step 4.	The superintendent should then approve privatization of these functions and notify the school board of such.
	Step 5.	In cases when privatization can reduce district transportation costs and/or improve quality, the district should privatize the function. The district should explore options of having certain repairs for buses in the Upper Keys area performed either by the Miami-Dade County School District or its private contractors.
Who is Responsible	Director of transportation	
Time Frame	December 2003	

Best Practice 20: Not Using

The district needs to improve its accountability system for transportation by regularly tracking and making public reports on its performance in comparison with established benchmarks.

The Monroe County School District transportation department does not have selected performance or cost-efficiency measures that are presented to either the district administration or the school board. The district also does not compare its performance to "peer" districts. It currently does not believe that it has any peer districts because of Monroe County's geographic distance from the mainland of Florida.

The district can meet best practice standards by establishing an accountability system for its transportation department. The transportation department should develop a set of measures that allows it to routinely monitor and evaluate performance. The measurement set should include both short-term internal measures to evaluate day-to-day transportation operations, such as driver absentee rates, and long-term measures for major aspects of the transportation department, such as the operating costs per student, age of its bus fleet, and the on-time performance of buses. The transportation department should also use the performance information to provide district management and the board with an annual report summarizing program results and making comparisons to peer districts and past performance. Action Plan 3-1 provides steps the district should follow to establish a accountability system for each of its programs and use performance information to improve operations.

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[11] See our *Review of the Potential for Privatizing Student Transportation,* Report No. 97-44, published February 1998 for additional information on this subject.

10 Food Service Operations

Summary

The Monroe County School District is using 8 of the 11 food service operations best practices. The district has a well-organized food service department, food service policies and procedures, and a training program for employees. It performs sound cash and account management and optimizes its financial opportunities. The district has begun to implement performance measures and is developing benchmarking practices for food services. It also generally meets its program compliance requirements and uses customer information to develop its program.

However, to meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should develop better food service program goals and objectives. The district also should establish a mechanism to document annual operational assessments and manage overall food service program costs, meal costs, and meal prices using effective performance measures and benchmarks.

As seen in Exhibit 10-1, the district has opportunities to reduce costs 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 recommendations, it could reduce the cost of operating the food service program by $176,854 annually, or $884,270 over five years, and use the savings to rebuild the food services fund, as shown in Exhibit 10-1.

Exhibit 10-1
The District Could Reduce Food Service Operating Costs by Reducing Labor Hours

		Fiscal Impact: Savings					
Best Practice Number		Year 2002-03	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Total
2	Reduce labor hours	$176,854	$176,854	$176,854	$176,854	$176,854	$884,270

Background

The Monroe County School District's food service department provided 1,154,665 meals and meal equivalents during 2001-02 school year. In doing so, the program produced 234,148 breakfasts, 796,287 lunches, and sold the equivalent of 115,012 meals in the form of a la carte and 9,218 equivalent meals in the form of snack items. The program provided meal services at 12 schools and 4 contracted locations.
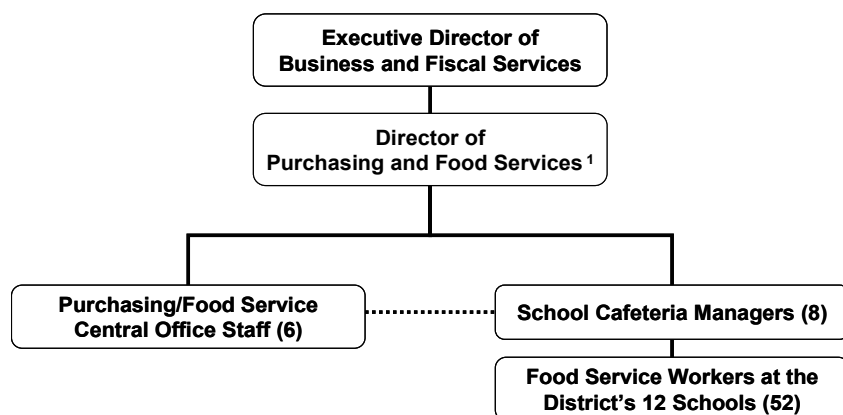
The district employs 60 food service employees at 12 school locations plus 7 employees at the district central office. Most of the employees in the central office perform district level functions, and fewer than 2.25 full-time equivalent employees perform food service functions. [1] The food service budget for the 2002-03 school year was $3,013,590.

The district's food service director manages all aspects of the food service program, including managing food service employees on-site at each school. The current food service director has been overseeing the program for 21 years.

Program organization

The director of Purchasing and Food Services works for the district's executive director of Business and Fiscal Services and directly oversees all of the cafeteria managers. District-level purchasing and food service program employees include the director, an office manager, a secretary/buyer, an accounting clerk, a property control clerk, a warehouse manager, and a mailroom clerk. The director, office manager, buyer, and warehouse manager perform both food service functions and district-level purchasing or administrative functions. The warehouse manager spends approximately 10% of his time delivering USDA Donated Food items to school sites, and the buyer/secretary spends 4% of her time on food services functions. The property manager and mailroom clerk spend 100% of their time on district-level duties. Exhibit 10-2 shows the food service program's organizational structure.

Exhibit 10-2
Food Service Organizational Chart

[1] The food service director and some central office employees also perform the district's purchasing functions. Fewer than 2.25 full-time equivalent central office employees administer the food service program.
Source: Monroe County School District.

National School Lunch Program participation

The district participates in the National School Lunch Program and National Breakfast Program, which are regulated by the United States Department of Agriculture (USDA). The purpose of these programs is to safeguard the health and well-being of the nation's children as well as provide and encourage the

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[1] The food service director has additional duties as the district's purchasing director and spends half of her time on food service functions and the other half on district purchasing functions. The district employs one full time *food service* accounting clerk and an office manager who spends half of her time on food service functions and the other half on district purchasing functions. The district also employs a warehouse manager and buyer/secretary who spend 10% or less of their time on food service functions and the remainder of their time on purchasing functions. There are also one district mailroom clerk and one property control clerk that are supervised by the purchasing/food service director and who spend all of their time performing district level functions other than food service.

consumption of nutritious domestic agricultural commodities (USDA Donated Foods). The school districts receive monthly federal reimbursements and state funds for the free, reduced, and paid meals it serves. Exhibit 10-3 shows the federal reimbursement rates that apply to Monroe County for the 2002-03 school year.

Exhibit 10-3
Per Meal USDA Reimbursement Rates and Fees for School Year 2002-03

Meal	Federal Assistance	Fees Paid by Student	Program Total Revenue
Elementary Schools—Monroe County			
Full price paid			
Breakfast	$0.22	$1.25	$1.47[2]
Lunch	$0.20	$1.75	$1.95[1]
Reduced price			
Breakfast	$0.87	$0.30	$1.17
Lunch	$1.74	$0.40	$2.14[1]
Free			
Breakfast	$1.17	$0	$1.17
Lunch	$2.14	$0	$2.14[1]
Middle and High Schools—Monroe County			
Full price paid			
Breakfast	$0.22	$1.25	$1.47
Lunch	$0.20	$2.00	$2.20[1]
Reduced price			
Breakfast	$0.87	$0.30	$1.17
Lunch	$1.74	$0.40	$2.14[1]
Free			
Breakfast	$1.17	$0	$1.17
Lunch	$2.14	$0	$2.14[1]

[1] In addition, the state quarterly pays 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.

Financial History

Typical 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. As Exhibit 10-4 illustrates, the Monroe County's food service fund balance has decreased over the past four years because of operational loses, and the program has received annual supplementing transfers from the general fund.

Exhibit 10-4
The Monroe Food Service Program
Has Lost Money from Operations Over the Last Four Years

	Fiscal Year			
	1998-99	**1999-00**	**2000-01**	**2001-02**
Revenue				
Food Sales Revenue				
Federal Meals Program	$1,351,870	$1,384,405	$1,474,778	$1,481,981
State Supplement	57,971	57,013	50,997	54,405
Meal Sales	1,138,699	1,249,054	1,166,761	1,098,447
Other Revenue				
USDA Donated Food	48,936	31,806	24,283	31,261
Interest	6,018	1,827	2,559	1,466
Other Revenue	83	9,706	1,222	120
Total Revenue	**$2,603,577**	**$2,733,811**	**$2,720,600**	**$2,667,680**
Expenditures				
Salaries	$1,116,123	$1,177,926	$1,277,702	$1,133,532
Employee Benefits	482,816	446,813	493,183	458,992
Purchased Services	103,126	103,846	99,900	106,145
Energy Services	16,976	17,489	19,124	19,013
Material and supplies	1,248,454	1,206,449	1,182,828	1,004,367
Capital Outlay	425	375	0	0
Other Expenses	27,422	18,187	18,242	12,610
Total Expenditures	**$2,995,342**	**$2,971,085**	**$3,090,979**	**$2,734,659**
Net Income (Loss)	(391,765)	(237,274)	(370,379)	(66,979)
Transfer In from General Fund	209,899	233,499	370,379	66,979
Beginning Food Service Fund Balance	**$185,641**	**$3,775**	**0**	**0**
Ending Food Service Fund Balance	**$3,775**	**0**	**0**	**0**

Source: Monroe County School District.

Food Service Program Operating Losses and Revenue from Meal Prices. Over the last four years from 1998 to 2002 the food service's expenses have exceeded revenues by $1,066,397. Expenses include meal costs that comprise primarily labor costs and food costs. The district's reported labor costs rank second in the state while food costs rank seventh. However, the district's cost of living ranks number one in the state. The food service program provided 1,154,665 meals and meal equivalents during the 2001-02 school year. In doing so, the program produced 234,148 breakfasts, 796,287 lunches, and sold the equivalent of 115,012 meals in the form of a la carte and 9,218 equivalent meals in the form of snacks. Exhibit 10-5 shows the district's loss on an overall per meal basis.

Exhibit 10-5
Monroe County School District's Reported Overall Average
Cost Per Meal Exceeds Revenue Per Meal for Year 2001-02 [1]

	Revenue from Students	Revenue from State	Revenue from USDA	Total Revenue per Meal	Average Cost per Meal [2]	Gain (Loss) per Meal
Full price elementary school lunch	$ 1.75	$ .03	$ .20	$ 1.98	$ 2.71	$ (.73)
Full price middle and high school lunch	2.00	.03	.20	2.23	2.71	(.48)
Free lunch	0	.03	2.14	2.17	2.71	(.54)
Reduced price lunch	.40	.03	1.74	2.17	2.71	(.54)
Full price elementary, middle, and high school breakfast	1.25	0	.22	1.47	1.76	(.29)
Free breakfast	0	0	1.17	1.17	1.76	(.59)
Reduced price breakfast	.30	0	.87	1.17	1.76	(.59)

[1] The discussion for Best Practice 5 shows that the district's cost-sharing methodology does not assure that the food service program pays an accurate share of districtwide attributable expenses. Weaknesses in the district's cost allocation methodology would affect the district's reported cost per meal shown in this table and may render these costs inaccurate. Modifications in the district's allocation methodology could cause the cost per meal and loss per meal to go up or go down.

[2] Based on the district's best available data with possible weaknesses in cost sharing methodology, as noted in footnote 1.

Source: National School Lunch Program reimbursement rate report and Monroe County School District Annual Food Service Special Revenue Report.

Conclusion and Recommendations ———

Monroe County School District is Using Eight 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.	No	10-7
	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.	Yes	10-8
	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.	Yes	10-12
	5. The district performs sound cash and account management.	Yes	10-14
	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.	Yes	10-15
	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.	No	10-17
	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.	No	10-18
	10. The food service program and district complies with federal, state, and district policy.	Yes	10-19
	11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	Yes	10-19

PLANNING, ORGANIZING, AND STAFFING

Best Practice 1: Not Using

The food service program has developed strategic or operational plans that are consistent with district plans and the program budget, and approved by the district.

The Monroe County School District food services program does not have its own mission statement that emphasizes core school food-related issues, such as nutrition, safety, sanitation, efficiency, and students served. Instead, the program has adopted the district's mission statement which reads "*Our mission is to prepare all students with the skills and experiences needed to become lifelong learners and productive citizens in a stimulating, nurturing, safe, and enriching environment.*" A more specific food service mission statement would show how the food service program supports the district's larger mission.

The district has 13 goal statements and food services adopted district statements 7, 8, and 11 as overall goals for the program. The food service department has three goals and three accompanying objectives. However, the three food services objectives are actually tasks rather than measurable objectives that could be used to show progress toward accomplishing program goals. Exhibit 10-6 shows the food service department's goals and objectives.

Exhibit 10-6
Food Service Department Goals and Objectives

Food Service Goals	Accompanying Objectives
Food services will maintain a pro-active approach to the safety and welfare of students, staff, and community.	E-mail a safety tip of the week to all cafeteria managers. Cafeteria managers will review the tip in their weekly staff meeting.
The climate of the food services department will reflect its mission and provide an atmosphere that is orderly, purposeful, conducive to learning, and respectful of diversity.	The acronym SMART (Smile, Motivated, Appreciate, Respect, Team) will be communicated to all staff to communicate an atmosphere for food service that is conducive to learning.
The food service staff will act as role models and guide student behavior. Training programs will provide food service staff with the skills needed to advance the district's mission.	Food service staff will be trained in the dietary guidelines for Americans. Applying the guidelines to their daily life will prepare to be better role models for students.

Source: Monroe County School District.

As an example of changes needed, the program's first objective is to e-mail a safety tip of the week to all cafeteria managers and the managers will review the tip in their weekly staff meeting. This is useful for advancing the awareness of safety issues, but it is not totally supportive of the concept of measurable objectives. A more meaningful objective would be that 100% of the meals cafeterias provide be free from any illness-producing food-borne bacteria. Strategies then might be to e-mail a safety tip of the week, and conduct weekly HACCP inspections to achieve a stated measurable level (percentage) of inspection compliance within a stated time frame.

The Monroe County School District generally has done a good job of planning its food services budget and integrating automation and renovation into its budget process. The food services director reviews past year-to-date revenues and expenditures and develops a proposed budget for the coming year based on projected revenues and expenditures. The director considers program-related factors, meal costs, and proposed renovations needs when developing the food service budget. The 2002-03 budget includes renovation line items related to or affecting school kitchens.

The district does not use this best practice because it has not developed a mission statement and operational plan for the food service program. An effective operational plan should contain measurable objectives and strategies food service employees will implement to carry out the food service program's

mission. Such a plan is particularly important as the food service program faces a number of challenges including improving its operational efficiency and restoring its reserve fund. Action Plan 10-1 illustrates steps the district needs to take to meet this best practice.

Action Plan 10-1

We recommend that the district develop a strategic or operational food service plan.		
Action Needed	Step 1.	Develop a food service mission statement that emphasizes core school food-related issues, such as nutrition, safety, sanitation, efficiency, and students served.
	Step 2.	Develop food service goals that describe what the program is supposed to accomplish to meet its mission.
	Step 3.	Develop objectives that are action statements that describe how goals will be achieved. Objectives should be measurable as an output (how many) or an outcome (how much) and should have a time period associated for measurement
	Step 4.	Develop strategies that describe the tasks necessary to accomplish the objectives.
	Step 5.	Periodically assess the food service program's progress in implementing its strategies and attaining its objectives. If necessary, revise the food service plan.
Who Is Responsible	Food service director and executive director of Business and Fiscal Services.	
Time Frame	June 30, 2004.	

Best Practice 2: Using

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.

The Monroe County School District food services program is located under the direct authority of the executive director of Business and Fiscal Services, who is under the direct authority of the deputy superintendent who is directly answerable to the superintendent. School board policies provide sufficient authority for the food service department to fulfill its responsibilities. The organization chart shows that the cafeteria managers report to the food service director but does not show that they are located at school campuses under the jurisdiction of the school principals.

The district has minimized administrative layers at food services units located at the district's 12 schools. The district has one director who supervises 66 employees, including 8 cafeteria managers and 6 employees in the district's central food service office. [2] One of the eight cafeteria managers is in charge of full-service cafeterias at two schools. Nine schools have kitchens that serve meals at those schools and at three satellite school meal service locations. School administrators are supportive of the food services program, and all district program managers and employees understand that the kitchens and cafeterias are the food service department's responsibility. Further, the food services director has the responsibility for hiring, training, evaluating, and dismissing food services employees.

Although the food service program has an appropriate organizational structure and therefore meets best practice standards, it could improve the efficiency of school cafeteria staffing. School food service industry staffing guidelines suggest using meals per labor hour (MPLH) benchmarks to assess kitchen efficiency (see Appendix A). The district has established MPLH benchmarks that are consistent with the industry suggested conventional guidelines. [3] Exhibit 10-7 shows the industry guideline and the district's benchmarks.

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[2] As explained on page 10-2, the director supervises one full-time and one half-time food service employee. The other employees spend the majority of their time in district purchasing and other district-level functions and small amounts of time in food services functions.

[3] The district set its MPLH standards to take into consideration the more labor intensive conventional food preparation system necessary when USDA bonus commodities are sometimes available, such as ground beef.

Exhibit 10-7
Industry Meal Per Labor Hour Standards
and Food Service Benchmarks Fiscal Year 2001-02

Meals Served	Industry MPLH Conventional Guidelines	District MPLH Benchmarks
0 to 599	17	17
600 to 699	18	19
700 or more	19 to 21	21

Source: *Cost Control for School Foodservices*, Third Edition, by Dorothy Pannell-Martin, Revised July 2000 and Monroe County School District benchmark data.

The district's staffing patterns at school cafeterias are contributing to some schools not meeting meal per labor hour performance standards. Historically, the district has used a 15 MPLH standard and all cafeterias met this standard. In school year 2001-02, the district adopted the higher industry standard as show in Exhibit 10-7. As a result, only four school cafeterias met the new standard, one school missed the standard by a point, and seven schools missed the standard by an average of three points. Exhibit 10-8 shows the food service's staffing pattern by school facility.

Exhibit 10-8
Some Schools Did Not Meet Performance Standards
in Year 2001-02 Due to High Meal Service Labor Hours [1]

School Facility [2]	Staffing Pattern [3]	Avg Meals Served per Day [4]	Hours Worked Per Day	Average Hours Worked Per Emp [5]	District's MPLH Standard [6]	Actual MPLH	Meets the District's MPLH Standard? Y/N
Coral Shores High/Plantation Key Elem/Mid [7]	9	643	50.5	5.6	19	13	No
Glynn Archer Elem/Sigsbee Elem [7]	8	705	48	6	21	15	No
Horace O'Bryant Middle/Gerald Adams Elem	10	1,176	58.5	5.9	21	20	No
Key Largo Elementary	6	729	35.5	5.9	21	21	Yes
Key West High	6	538	42.25	7	17	13	No
Marathon High (shared manager)	5	518	30	6	17	17	Yes
Switlik Elementary (shared manager)	5	588	28.75	5.8	17	20	Yes
Ponciana Elementary	4	387	25.5	6.4	17	15	No
Sugarloaf Elementary/Middle	7	673	34.75	5	19	19	Yes
District Totals	**60**	**661**	**353.75**	**5.90**			

[1] We analyzed the district's staffing pattern taking into consideration the hours worked per day and the district's meal per labor hour (MPLH) benchmarks along with enrollment, meals served, number of serving periods, and participation.

[2] Satellite schools have been combined with their base kitchen schools to be consistent with the districts method of basing staffing on combined satellite and base schools.

[3] Includes eight cafeteria managers.

[4] Meals served include breakfast, lunch, and a la carte. One lunch equals one meal and two breakfasts equal one meal equivalent. A la carte sales of $3 equal one meal. The district has subsequently increased the meal equivalency for breakfast from two to three breakfasts. Consequently, the number of meals served will be less in future calculations and will reduce actual MPLH.

[5] Average hours worked per employee include managers. The district's 8 managers worked 8 hours per day, and the remaining 52 employees worked hours averaging from 4.5 hours per day to 6.9 hours per day during year 2001-02.

[6] MPLH hour benchmarks are those the district selected for year 2001-2002, as shown in Exhibit 10-15.

[7] Coral Shores has an open campus with a small free and reduced population. Glynn Archer has the highest free and reduced population in the district.

Source: OPPAGA analysis of Monroe County School District Staffing Pattern, Staffing Formula, and % of Eligible Meals Served Report.

The district has not set a daily average labor hour standard. School food service industry guidelines suggest 23 total labor hours for four employees and a manager per day (an average of 4.6 hours per employee per day) for a kitchen producing 350 lunches and 40 breakfasts per day (see Appendix A). As shown by Exhibit 10-8, cafeteria employees (including managers) are working an average of 5.9 hours per day each. [4] Consequently, some schools have levels of labor hours that reduce the district's ability to MPLH performance standards when considering the level of student overall meal participation and/or the average daily hours worked per employee. For example, reducing labor hours in the eight schools not

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[4] Industry staffing guidelines suggest 23 total daily labor hours for four employees and a manager per day (an average of 4.6 hours per employee) for a kitchen producing 350 lunches and 40 breakfasts per day (see Appendix A). The district's typical food service hourly pattern is 8 hours for managers, 6 hours for cooks and bakers and from 1 ½ to 6 hours for other food services employees who work only when they are needed. Some employees, such as school bus drivers, work in the cafeterias only during serving hours then leave to drive the school bus.

meeting the MPLH standard to the average labor hour standard of 4.6 hours would help the program succeed in meeting its MPLH standard and reduce labor costs by $884,270 over five years ($176,854 annually). Lowering labor hours to 5.25 hours would reduce labor costs by $499,850 over five years ($99,970 annually). Exhibit 10-9 shows the cost reduction from decreasing labor hours.

Exhibit 10-9
District Could Reduce Kitchen Production
Labor Hour Costs from $99,970 to $176, 854 per Year

School 1	Cost Reduction Using 4.6 Hour Standard	Cost Reduction Using 5.25 Hour Standard
Coral Shores High/Plantation Key Elem/Mid [1]	$ 26,926	$ 9,424
Glynn Archer Elem/Sigsbee Elem [1]	36,654	19,636
Horace O'Bryant Middle/Gerald Adams Elem [1]	42,108	21,054
Key West High	48,608	35,444
Poinciana Elementary	22,558	14,412
Total Annual Labor Cost Reduction	**$176,854**	**$99,970**

[1] These six schools are combined because three are satellite meal locations served by a base kitchen.

Source: OPPAGA analysis based on district and National School Lunch Program data.

> **We recommend that the district take steps to lower the labor hours in some kitchens in order to better meet MPLH standards and potentially save $884,270 over five years. We recommend that the district more closely align its meal per labor hour benchmarks with the industry standards. The district has already adjusted its breakfast meal equivalency from 2 to 3 which will result in fewer meals being counted toward meeting the meal per labor hour standard but needs to adjust its meal per labor hour standard to industry standards. We also recommend that the district design a standard for average hours per day per employee as outlined in the industry staffing guidelines in Appendix A.**

Best Practice 3: Using

The district has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.

The Monroe County School District provided food services employees with module-based training during August 2002 and October 2002. The training documentation shows that the district used ten training modules that covered some of the program's essential functions. Eight of the ten modules covered serving portions, food safety tips, food-borne illness, and Food Pyramid Guidelines. [5] The modules did not cover other of the program's essential functions, such as cashiering, production control, special diets, inventory, meal count procedures, receiving and storing food and supplies, emergency procedures, customer service, and "Offer versus Serve". However, the district provided documentation of past dates of training and future dates planned for training on these subjects. "Offer versus Serve" and cashier training are required for all employees, and the food service program provides some additional training at monthly managers meetings.

The district uses this best practice, but the food service training program could be enhanced if the district develops a training plan that incorporates training on all essential food service elements over short and long-term three- to five-year periods. The district's training does not specifically address the training needs of new employees. However, the food services director and the managers work together to identify new employee training needs. The director explained that because food service employee turnover is low,

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[5] The USDA children's Food Guide Pyramid emphasizes balanced meals, moderation, and variety in food choices, with special emphasis on grain products, fruits, and vegetables. The pyramid also emphasizes the importance of physical activity for good health.

the number of employees the individual managers have to deal with is small and easily manageable. This allows food service managers sufficient time to perform on-the-job training for new employees.

The district does not have a manager intern development program. The Florida Department of Education offered food service employees an opportunity to attend management training, but limited participation to one person from each district. The Monroe County School District was one of 16 districts to send an employee to the training. The district has no food services employees who are professionally certified by the American School Food Service Association's ASFSA Certification Program. The ASFSA has home study courses for certification, but employees are not involved in these study courses.

> **We recommend that the district develop a comprehensive training plan that includes all the elements of essential food service training and that tracks essential training over a three- and five-year period. We also recommend that the training plan include the components for new employee required food service training, management intern training, and training that qualifies for professional certification.**

MANAGEMENT

Best Practice 4: Using

The district has developed comprehensive procedures manuals that are kept current.

The Monroe County School District has the School Food Service Manager's Manual for cafeterias and plans to establish a manual for the central food services office by August 30, 2003. The food services director updates the school cafeteria manager's manual as needed. The last update was on April 30, 2003. The School Food Service Manager's Manual covers essential areas of responsibility, such as cash control, sanitation, food safety, workplace safety, and food storage.

At the beginning of this review, two procedures for using shared computer drives are not included or referenced in the school cafeteria managers' procedures manual.

- ***Commodity Ordering Process***. The food services director established an electronic commodity order form for cafeteria managers to see new USDA commodities coming available and to place orders using internal shared drives. The director keeps the commodity form up to date as new commodities become available and reviews the commodity inventory every month to add items to the order form. The cafeteria managers access the commodity form on the shared computer drive and place orders every other week. Food services employees post the orders to the cafeteria cost center and give the orders to the central warehouse manager who delivers the commodities to the school cafeterias every two weeks.

- ***Food Ordering Process***. The food services director and the cafeteria managers recently redesigned the district's school food order form. The director informed us that the supplier's original order form was unworkable and difficult to administer because items would disappear from the form and prices would change. The cafeteria managers assisted the food services director in correcting and creating a new form. The director placed an electronic version of the form on a shared computer drive for the managers to record the food and grocery items they need. The managers enter their orders on the form and email it to a district food services office employee, who prints the orders for the food suppliers. The supplier's representative visits the district office weekly to pick up the orders. The managers order their own milk and bread from other suppliers. The managers receive their goods, sign the receiving, and send the necessary paperwork to the central food services office for processing.

However, on April 30, 2003, these procedures were included in a separate district-level manual for inventory and order processing.

The district uses this best practice, but could make some changes in the School Food Service Manager's Manual to make it more complete, clear, and integrated. Also, the procedures could be indexed or cross-referenced for easy access to other policy and procedural subject matter material and manuals. Exhibit 10-10 illustrates a few examples of areas that could be improved.

Exhibit 10-10
Some Area's of the School Food Service Manager's Manual Could Be Improved

Procedure	Area of Potential Improvement
Accountability performance elements are in the manual but need to be better organized.	The manual would better describe the district's accountability system if accountability-related items and procedures were better organized and a general explanation of accountability made a part of the procedures manual. The district measures performance and accountability using a staffing formula (located in manual section 6.5), a monthly balance sheet of plate cost (section 4.8), a feedback report (section 4.7), a % of eligible meals served report (not in manual), and a % of expense to revenue by school report (not in manual).
1.21 Receiving Instructions for Filing Records	The final distribution, handling, and filing of receiving paperwork are not included in the procedures. The procedures manual sections do not address responsibilities for maintaining records and receiving USDA commodities. There is no reference to either the School Food Service Manager's Manual section 1.13, or School Board Policy page 138, USDA Commodities, which states that the food service director must maintain records and receipts when USDA commodities are received.
1.37 Inventory	Inventory procedures do not cover all aspects of the inventorying process. For example, the procedures do not describe who is responsible for conducting inventory counts, supervising, pricing, reconciling, recounting, and resolving counting differences. The procedures do not detail the counting forms to be used and how these forms are to be controlled to assure accurate and complete counts. The procedures address monthly inventories but do not address the annual inventory.
4.28 Food Production Report	Production report instructions lack a general statement of the purpose of the food production report.
1.19 Commodity Storage	The procedures manual section does not address maintaining records and receipts of USDA commodities received. There is no reference to either the School Food Service Manager's Manual section 1.13, or School Board Policy page 138, USDA Commodities, which states that the food service director must maintain records and receipts when USDA commodities are received.
1.3 Employee Evaluation 4.2 Evaluation Form	The procedures manual sections do not reference either the School Food Service Manager's Manual section 1.13, or School Board Policy page 281, Assessment of Non-instructional Personnel, which states that each staff member shall be evaluated and rated annually by his/her immediate supervisor or designee. The administrative supervisor who is responsible for evaluating the employee shall discuss the evaluation and rating with the employee. The purpose of the rating is to improve the services provided by non-instructional staff.
Meal Count and Collections 1.17 Deposit and Check Collections	The procedures manual sections do not address or include School Board Policy page 42, School Food Service Funds, which states that Revenue from the sale of all items handled by the food service program shall be considered school food service income. All payments from school food service funds shall be made by check to pay regular operating costs and losses reported immediately.

Source: OPPAGA review of School Board Policies and the School Food Service Manager's Manual.

> **We recommend including in future updates to the manual all procedures which pertain to sensitive matters such as accessing shared drives relative to food ordering and commodity availability. We recommend grouping all accountability-related information together and clarifying management's intent in this regard to make the manual more useful as a best practice for guiding cafeteria employees and operations. We also recommend referencing procedures to their authority. We further recommend that the manual include Ch. 64E-11, *Florida Administrative Code*, Food Hygiene, which addresses a wide variety of state food service regulations.**

Best Practice 5: Using

The district performs sound cash and account management.

From 1995 to 2002, the district transferred $1,404,837 of general funds into the food services fund and drew down the 1996 food service's highest fund balance of $402,226 to pay for the program. The end-of-year food services fund balance was reduced to zero by the year 2000, having been erased by expenses that exceeded revenues since 1997. The Monroe County School District requires the food service 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. Although the food service operation has not been self-sufficient, it has significantly reduced its annual operating deficit and is projecting a fund balance for year 2002-03 with no transfers from general funds.

The district is using this best practice, but could take steps to identify the food service program's full operating cost on an on-going basis. The food services fund has been paying for some expenses that should have been paid from district general funds. Conversely, the general fund has been paying for some expenses that should have been paid by the food services fund.   During the course of OPPAGA's review, the district adjusted its allocation method so that each fund will pay directly or be allocated its proper share of costs beginning with Fiscal Year 2003-04 for three categories of expenses: 1) Salaries and Benefits of Central Office Employees, 2) Custodial Salaries and Benefits, and 3) Other Expenses.

- *Salaries and Benefits of Central Office Employees.* Food service program expenditures have been understated while the general fund's expenditures have been overstated. For example, in 1998 the food services fund paid 50% of the director's salary and benefits and the general fund paid 50%. However, the food services fund has not paid a share of the director's salary and benefits since 1999. The general fund has paying 100% of those costs as purchasing costs since 1999. Similarly, the general fund has been paying 100% of the salaries and benefits for the warehouse manager and buyer. The food service program should have been paying part of these costs because the warehouse manager delivers USDA commodities to the schools and the buyer handles the food services food bids, yet the district has not been charging the food services program with a share of these costs. The district has made corrections in its allocation effective for Fiscal Year 2003-04.

- *Custodial Salaries and Benefits.* Food service program expenditures have been overstated because the district was charging the food service program too much for custodial services. The district has made corrections in its allocation methodology effective for Fiscal Year 2003-04.

- *Other Expenses.* The district has not been charging the food service operation with its share of the costs for water, sewage, and electrical services. Beginning with Fiscal Year 2003-03, the district plans will allocate 5% of these expenses to the food service program based on square footage located in the school kitchens and cafeterias. Square footage is generally a sound methodology for allocating these kinds of charges. However, the district should make modifications for kitchens without air conditioning or dining rooms that are not air conditioned when not in use, since these areas will consume smaller amounts of electricity than other areas.

The net fiscal impact of these allocation modifications was insignificant when taken as a whole. However, the district should periodically review its cost allocation methodology to make sure that it is as accurate as possible. This will allow food service managers to better understand and manage program costs.

> **We recommend that the district proceed with its plans to modify its methodology for allocating the cost of shared resources to the food service program. We also recommend that the district annually review its allocation methodology in detail to assess changing conditions and circumstances that could affect the proper allocation of costs and make changes when appropriate.**

Best Practice 6: Using

District and program management optimizes its financial opportunities.

The Monroe County School District has optimized its financial opportunities by annually reviewing meal prices and a la carte prices and providing food services under contractual agreements to several non-district schools. The district last raised prices in 1999. The district has lowered its food costs over the last few years. The district also receives bonus commodities from the United States Department of Agriculture (USDA) and cash-in-lieu of commodities but does not receive other available USDA commodities. The district has been recently reviewing its core functions and is reducing its operating deficits but may periodically want to reassess its major core functions.

The district is using this best practice, but the district could take steps to assure that previous core function decisions remain viable and in the best interests of the program.

> **We recommend that the district periodically include major past decisions, such as those affecting warehousing and procurement core functions, in its periodic assessment of core functions on a rotating basis. This is necessary to assure that program assumptions and cost structures remain viable and cost-effective.**

PERFORMANCE AND ACCOUNTABILITY

Best Practice 7: Using

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.

School districts should have a performance measurement system that allows district and program managers to evaluate performance and make informed decisions regarding the use of limited resources. A comprehensive set of program measures should include output, outcome, and cost-efficiency measures and benchmarks developed using a sound methodology, such as historical performance and comparison with peers. Districts need to periodically verify that their performance measures and benchmarks remain based on information that is accuracy and valid in its usefulness.

The Monroe County School District has defined five performance measures for the food services program. The measures are expense to revenue ratio, inventory turnover rates, percentage of students participating in the food service program, percent of meals eligible for Federal funding, and meals per labor hour (MPLH). The district began tracking data for the measures in year 2001-02. The food services director established benchmarks for three of the five performance measures in August 2002 (MPLH, % of expense to revenue, inventory turnover rate). The district has not established benchmarks participation rates and percent of meals eligible for federal funding. Exhibit 10-11 shows the food services established benchmarks.

Exhibit 10-11
Benchmarks and Performance Fiscal Year 2001-02

Measure	Benchmark [1]	Number of Schools (12)	
		Meeting Benchmark	Not Meeting Benchmark
MPLH 0-599 meals	17	2	2
MPLH 600-699 meals	19	1	2
MPLH 700+ meals	21	1	4
Number of Days Inventory	7 or less	10	2
Inventory Turnover Rate/month	2.9 times +	8	4
Food Cost per Meal Equivalent	$.90 or less	3	9
Percentage of expense to revenue (labor)	45%	1	11
Percentage of expense to revenue (food)	35%	3	9

[1] Benchmarks were established in August 2002 and applied to Fiscal Year 2001-02.

Source: Monroe County School District.

OPPAGA compared the Monroe County School District food service program with the programs in Flagler, Nassau, Wakulla, Martin, and Santa Rosa county school districts on several key performance measures. The Monroe County School District food service program is serving more lunches per student than most of its peers and has about the same ratio of free and reduced price eligible students. Exhibit 10-12 shows the general comparison of peer districts for Fiscal Year 2001-02.

Exhibit 10-12
General Comparison of Peer Districts for Fiscal Year 2001-02

Districts	Reported Student Population[1]	Total School in District Serving NSLP Lunches	Total NSLP Claimed Lunches Served	Lunches Served per Student for the Year	Free and Reduce Eligibility Percentage (Elementary)
Monroe	8,978	14	796,287	89	38.2%
Flagler	7,368	6	520,245	71	34.3%
Martin	17,192	19	1,386,251	81	39.7%
Nassau	10,293	15	1,081,648	105	44.2%
Santa Rosa	22,547	33	1,822,737	81	39.6%
Wakulla	4,445	8	333,183	75	39.3%

1 Unweighted FTE, all programs.

Source: Florida Department of Education data sources.

The district uses this best practice, but could strengthen its accountability system by continuing to evaluate its performance by measuring and comparing its food service program performance to that of its peers. The district has only recently (August 2002) defined performance measures and benchmarks. Consequently, the food services program does not yet have a history of using performance benchmarks to evaluate program performance. The food services director is continuing to refine measures and benchmarks and plans to use them on a quarterly basis to measure program performance.

> We recommend that the district include annual peer comparison benchmarks, such as meal cost, labor cost, net income, and peer district meal participation. We recommend that it develop benchmarks for all defined performance measures, such as school meal participation and percent of eligible meals served. We recommend that the district establish an additional performance measure and benchmark for "average daily labor hours per employee", subsequent to conditions noted under Best Practice 2 related to cafeteria staffing patterns. We also recommend that the food service program establish a standardized performance reporting mechanism for discussion with the cafeteria managers and for reporting performance and benchmark information to the school board on a regular basis.

Best Practice 8: Not Using

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.

School districts 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. As part of overall operational efficiency and to assist in budgeting and planning, the district should have a long-range equipment replacement plan and preventive maintenance program.

The Monroe County School District is generally meeting public health standards and protecting its food services assets, such as cash, equipment, and inventories. It has planned improvements to strengthen inventory control by installing a perpetual inventory system. The food services director conducts an annual review at each school using the State DOE form NSLP-A030-Rev, *National School Lunch Program On-site Review*. The review form covers National School Lunch Program application approvals, lunch meal counting systems and procedures, meal count recording and edit checks, reimbursable meal and production records, related corrective action needed, and follow-up. The review is to determine the accuracy of the student's free and reduced application files and data collected to support claims for reimbursement.

However, the district can improve its performance and meet this best practice standard if it makes its inspections more comprehensive. Although the food service director conducts annual reviews using the State DOE form NSLP-A030-Rev, *National School Lunch Program On-site Review*, the annual review form does not cover performance in the areas of program assets, safety, food preparation, training, procurement and accountability. The district has assigned the food service director the responsibility to conduct ongoing monitoring visits, inspections, and oversight at the individual schools in areas such as food storage and warehousing, cafeteria safety procedures, procurement, and planning for equipment replacement and preventative maintenance. However, the district has not established an inspection process that documents the assurance that cafeteria managers and employees consistently follow prescribed procedures.

Also, the district has not established a food service preventative maintenance or long-range equipment replacement plan but instead relies on equipment malfunction incidents to assess equipment replacement issues. Action Plan 10-2 includes the steps necessary to meet Best Practice 8.

Action Plan 10-2

We recommend that the district design a mechanism to document annual inspections to assess food service operational components and initiate needed change.		
Action Needed	Step 1.	Complete a risk assessment of food service operational components.
	Step 2.	Design review procedures for conducting annual assessments according to risk factors (i.e., loss of assets, safety, cost control, benchmark performance, training needs, equipment maintenance and replacement, etc).
	Step 3.	Document annual operational assessments.
	Step 4.	Include results of annual operational assessments in reports to upper management and the school board.
	Step 5.	Present recommendations for action and improvement to the school board.
Who Is Responsible	Food service director and executive director of Business and Fiscal Services.	
Time Frame	June 30, 2005.	

Best Practice 9: Not 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 make informed management decisions based on a goal driven, performance measurement system that is linked to the district's overall mission and strategic plan. The previous Best Practice 7 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 districts should keep upper management informed with some form of performance reporting and analysis of operations.

The Monroe County School District manages its food service costs using data from two automated systems. The district uses an automated cafeteria point-of-sale system to record revenue from meal sales and to track the extent to which revenues cover costs. The district uses the Total Education Resources Management System (TERMS) to record expenditures and track its available budget. Together, these two systems and related monitoring efforts allow the district to develop financial feedback reports to manage the food service program's meal costs and overall program costs.

However, the district can improve its performance and meet best practice standards by periodically using its performance data and benchmarks to evaluate the performance of its food service program. The district has only recently (August 2002) defined performance measures and benchmarks (see discussion of Best Practice 7 of this chapter) and is in the final stages of developing those mechanisms to better manage the food service program's costs and assess its performance. Consequently, the program does not yet have a history of analyzing performance data and benchmarks to identify deficiencies and make improvements. Also, as recommended in Best Practice 7, the district needs additional benchmarks and should first refine its methodology for allocating the cost of shared resources to the food service program, as recommended in Best Practice 5. Action Plan 10-3 provides the steps the district should take to use performance data to manage the food service program.

Action Plan 10-3

We recommend that the district establish a goal driven cost management system.		
Action Needed	Step 1.	Set goals and objectives to achieve and/or maintain specified cost levels, fund balance levels, and net profit margins by school and program-wide.
	Step 2.	Set performance measures and benchmarks to monitor performance towards achieving and/or maintaining goals and objectives.
	Step 3.	Establish a review process to periodically analyze and review cost performance results with appropriate operational employees and upper management.
Who Is Responsible	Food services director and executive director of Business and Fiscal Services	
Time Frame	June 30, 2004.	

Best Practice 10: Using

The district complies with federal, state, and district policy for the NSLP, nutrition, and competitive foods.

The district uses this best practice. The food services program has a process for identifying applicable federal, state, and district policies and performing the activities necessary for compliance. Reports of findings and corrective action issued by the Florida Department of Education and the United States Department of Agriculture show that the Monroe County School District is doing a good job of meeting National School Lunch Program requirements. Questionable matters noted in the reports were relatively insignificant and the district took corrective action to resolve these items.

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.

The Monroe County School District takes steps to try and improve services to customers. For instance, the district recently installed an automated system that is able to identify students who eat free lunch but not breakfast. Using this information, the district will be able to notify parents when students are not taking advantage of their benefits. This will very likely have positive effects on meal participation. The food service program also has a process to test new food products by having students conduct taste tests. The food services office also responds to calls from parents; however parents who attended scheduled public forums discussed concerns over food quality and expressed some frustration over district responsiveness to parental concerns.

The district uses this best practice but could strengthen its mechanisms to respond to suggestions and concerns of parents, students, and others with a stake in the district's food service program.

> **We recommend that the district establish a formalized system to obtain customer feedback and suggestions from teachers, principals, parents, and students and make the system widely available and easy to access. The district can use a variety of mechanisms to obtain this information, such as individual cafeteria evaluations, regular customer surveys, suggestion boxes, customer taste tests, and website access. We also recommend that the food services office establish an initiative to raise the awareness of good food choices in the classroom setting. If the district blends information on good food choices with the schools' classroom curriculum, then the district might see a positive effect on meal participation.**

11 Cost Control Systems

Summary ———————————————————

Monroe County School District is using 18 of the 22 cost control systems best practices. The district has adequate financial information systems that provide timely, useful, and accurate information. It has adequate internal controls. It also receives an annual external audit and uses the results to improve operations. However, to use all the best practice standards and enhance its cost control systems, the district should establish comprehensive procedures manuals that address all critical financial and accounting processes and the self-insurance programs, develop a process for the reporting of suspected improprieties, and perform a risk assessment of its operations.

Auditor General's Scope, Objectives, and Methodology for Cost Controls ———————

Pursuant to s. 1008.35, *Florida Statutes*, the Auditor General assists the Office of Program Policy Analysis and Government Accountability (OPPAGA) in examining district operations to determine whether they meet best financial management practices. The Auditor General provides this assistance by performing the review of the cost control systems area (one of ten areas) as defined in s. 1008.35(2)(j), *Florida Statutes*. We conducted the best practices review of the Monroe County School District's cost control systems in accordance with generally accepted government auditing standards as they apply to performance audits. We reviewed cost control systems in the areas of financial management, internal controls, external and internal auditing, cash management, capital asset management, debt management, risk management, purchasing, and inventory management. We reviewed the district's operations relating to cost control systems primarily for the 2001-02 fiscal year and gathered information by using the following methods:

- Reviewed and tested compliance with state laws and rules applicable to cost control systems.
- Examined and tested compliance with district policies and procedures applicable to cost control systems.
- Reviewed district prepared preliminary survey documents regarding best practice standards and indicators applicable to cost control systems.
- Examined operational reports and records as they relate to cost control systems.
- Interviewed district officials and employees.
- Reviewed other financial and compliance related audits and monitoring reviews of the district.

Background

The Monroe County School District's cost control activities are primarily managed by the business and fiscal services function. Operational units of the business and fiscal services function include food services/purchasing, risk management/employee benefits, financial services, payroll services, and information services. The financial services operational unit consists of one administrative/professional staff, one professional staff accountant, two assistant finance specialists, and six accounting clerks. The payroll services operational unit consists of one payroll specialist and three accounting clerks. The financial services and the payroll services budgets for the 2001-02 fiscal year were $476,385.23 and $191,041.18, respectively, while actual expenditures totaled $410,404.11 and $177,638.24, respectively. The food service accounting is performed primarily by the food service office manager who has estimated that approximately 75 percent of her time is spent on food service accounting.

Finance and accounting functions are centralized. The current executive director of business and fiscal services has been with the district for 10 years, holding the position of information services director for the first 8 years and the current position for the last 2 years. The executive director is supported by the financial services director who is a certified public accountant and has approximately 23 years of previous experience in accounting and auditing with private and governmental employers, including 4 years of experience with the Auditor General. The business and fiscal services function's current organizational structure is shown in Exhibit 11-1 below:

Exhibit 11-1
Organizational Structure for the District's Business and Finance Activities
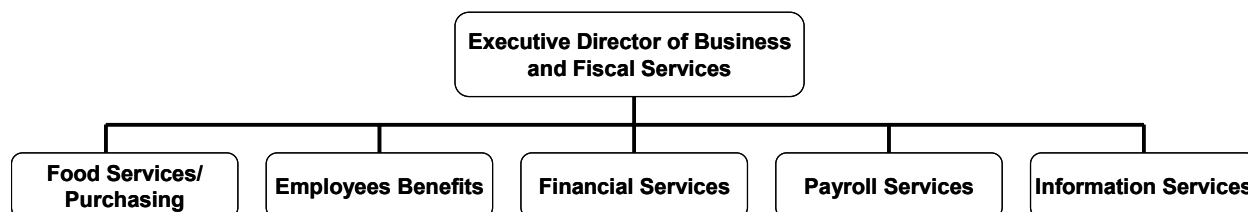
Source: Monroe County School District.

The district uses governmental accounting to report its financial position and results of operations. Governmental accounting segregates a governmental entity's operations and activities into funds based on the nature and restrictions placed on the revenue sources of each fund. The district's governmental funds include the general fund, special revenue funds, debt service funds, and capital projects funds. The district also reports fiduciary funds (agency and pension trust funds) and proprietary funds (internal service funds that account for the district's self-insurance programs). Substantially all of the district's resources are accounted for in the governmental funds. Exhibit 11-2 shows that the district reported revenues of $95.9 million in its governmental funds during the 2001-02 fiscal year.

Exhibit 11-2
Governmental Funds Revenues—2001-02 Fiscal Year

General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
$57,933,294	$9,602,267	$284,570	$28,157,043	$95,977,174

Source: Audited financial statements.

Certain governmental funds account for non-operating activities of the district. For example, debt service and capital projects funds are used to account for resources restricted specifically for the

payment of debt and for the acquisition of real property and the construction, renovation, remodeling, and maintenance of district facilities. These resources are not used to finance ongoing operating activities of the district.

The general fund accounts for most of the operating resources and expenditures of the district and provides most of the operating resources for K-12 education programs. Exhibit 11-3 shows federal, state, and local sources reported in the general fund for the 2001-02 fiscal year.

Exhibit 11-3
General Fund Revenues—2001-02 Fiscal Year

Federal	State	Local	Total
$1,004,664	$9,166,395	$47,762,235	$57,933,294

Source: Audited financial statements.

Local revenues are primarily from ad valorem (property) taxes which provided 82 percent of the district's general fund resources during the 2001-02 fiscal year.

State revenues represented 16 percent of the district's general fund resources. Four sources administered by the Florida Department of Education comprise the majority of state revenue accounted for in the district's general fund. First is the categorical education programs which are earmarked for certain programs such as supplemental academic instruction, instructional materials, and transportation. Second is the Florida Education Finance Program (FEFP) funding which is used for current operations. Third is workforce development funds used for adult and other vocational educational services. Fourth is lottery funds earmarked for educational enhancement and school advisory council activities.

As is characteristic of governmental accounting, the district presents expenditures by character or functional purpose. Within the governmental funds, functional expenditures are segregated into current and non-current capital outlay and debt service categories. General fund current expenditures comprise the largest portion, representing approximately 56 percent of the total 2001-02 fiscal year governmental funds expenditures. Current expenditures are broken down into three major functional classifications; instruction, instructional support services, and general support services. Exhibit 11-4 shows general fund current expenditures on a functional basis.

Exhibit 11-4
General Fund Current Functional Expenditures—2001-02 Fiscal Year

Instruction	Instructional Support Services	General Support Services	Fixed Capital Outlay	Total
$34,135,433	$6,181,554	$18,462,502	$215,883	$58,995,372

Source: Audited financial statements.

In addition to the revenues and expenditures shown above, the general fund also had other financing sources from a $2,110,484 transfer in from the capital projects funds to pay for budgeted maintenance activities and proceeds totaling $130,077 from the sale of capital assets. The general fund also had transfers out (other financing uses) to help restore a favorable retained earnings balance in the health insurance internal service fund ($3,100,000), to provide for debt repayments by the debt service fund ($223,250), and for subsidies ($66,979) of the food service program of the special revenue fund—food service. These transfers resulted in expenditures and other financing uses exceeding revenues and other financing sources. The district used unreserved fund balance resources to cover the excess of expenditures and other financing uses.

Instruction and instructional support expenditures represented approximately 68 percent of total general fund expenditures for the 2001-02 fiscal year. Expenditures for instruction include activities directly related to teaching students, including the interaction between teachers and students. Instruction expenditures include those for basic K-12 programs, exceptional student instruction, vocational-

technical instruction, adult general instruction, and other instruction, such as pre-kindergarten, lifelong learning, and workforce development. Instructional support services include those activities related to administrative, technical, and logistical support for the instruction program. It includes such activities as attendance, guidance, health, and psychological services. General support services expenditures represented approximately 31 percent of total general fund expenditures for the 2001-02 fiscal year. Although technically not a part of general support services, community services are included in this category because they represent a very small portion of the overall general fund expenditures. General support services include expenditures related to the functional categories of board activities, general administration (superintendent's office), school administration (principal's office), fiscal services (financial accounting, payroll, etc.), central services (information technology, staff services, inventories, etc.), pupil transportation services (school buses), operation of plant (utilities, insurance, etc.), and maintenance of plant (grounds keeping, repairs, preventative maintenance, etc.).

Exhibit 11-5 shows the district's general fund expenditures by natural classification (object) for the 2001-02 fiscal year. This schedule shows the expenditures in Exhibit 11-4 by type of expenditure in broad categories.

Exhibit 11-5
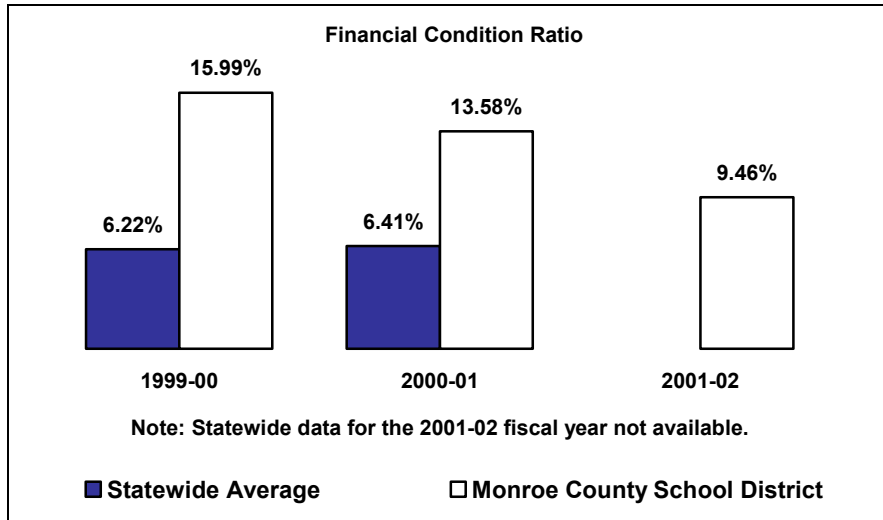**General Fund Object Expenditures—2001-02 Fiscal Year**

Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	Total
$38,858,262	$10,064,649	$4,778,467	$1,713,242	$2,296,457	$461,206	$823,089	$58,995,372

Source: Audited financial statements.

As primarily a service organization, the school district's major expenditure objects are salaries and employee benefits which comprise approximately 83 percent of total expenditures. Purchased services, energy services, materials and supplies, capital outlay, and other expenses were consistent with that of previous years.

We analyzed the fund balance in the general fund to determine if the district's efforts to control costs have had a beneficial impact on its financial position. The most common measure of financial position is the ratio of fund balance to operating activity. The fund balance of most school districts includes reserved and unreserved portions. Fund balances are often reserved for legal and other commitments of the entity. Common examples of reserves in Florida school districts include amounts reserved for outstanding purchase orders and contracts (encumbrances) and amounts reserved for restricted purposes (categorical programs). As a result, only the unreserved portion of the fund balance is actually available to offset unexpected needs and this portion is often referred to as the "rainy day" fund. For the purposes of our analysis, we used a common financial condition ratio that compares the general fund unreserved fund balance with operating revenues. Exhibit 11-6 compares the financial condition ratio for the district with statewide averages for the three-year period ending June 30, 2002.

Exhibit 11-6
The District's General Fund Financial Condition Ratio
Is Higher than the Statewide Average

Financial Condition Ratio

	1999-00	2000-01	2001-02
Statewide Average	6.22%	6.41%	
Monroe County School District	15.99%	13.58%	9.46%

Note: Statewide data for the 2001-02 fiscal year not available.

■ Statewide Average   □ Monroe County School District

Source: Audited financial statements.

As can be seen in Exhibit 11-6, the district's ratio of unreserved fund balance to revenues has exceeded the statewide average during the past three years.

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 encourages reporting of improprieties.	No	11-8
	3.	The district has adequate financial information systems that provide useful, timely, and accurate information.	Yes	11-9
	4.	District financial staff analyzes significant expenditure processes to ensure that they are appropriately controlled.	Yes	11-10
Internal Controls	5.	The district has established adequate internal controls.	Yes	11-11
	6.	Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	Yes	11-11
	7.	The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	Yes	11-11
	8.	Management analyzes strategic plans for measurable objectives and results.	Yes	11-12
External and Internal Auditing	9.	The district ensures that it receives an annual external audit and uses the audit to improve its operations.	Yes	11-12
	10.	The district has an effective internal audit function and uses the audits to improve its operations.	No	11-13
	11.	The district ensures that audits of internal funds and its discretely presented component units (foundations and charter schools) are performed timely.	Yes	11-14
Cash Management	12.	The district periodically reviews cash management activities, banking relationships, investment performance, and considers alternatives.	Yes	11-14
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	11-15
	14.	The district ensures that significant capital outlay purchases meet strategic plan objectives.	Yes	11-15
Debt Management	15.	The district has established written policies and procedures and periodically updates them to provide for effective debt management.	Yes	11-16
	16.	The district ensures that significant debt financings meet strategic plan objectives.	Yes	11-16
Risk Management	17.	The district has established written policies and procedures and periodically updates them to provide for effective risk management.	No	11-17
	18.	District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	Yes	11-17

Practice Area	Best Practice	Using the Best Practice?	Page No.
	19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	Yes	11-18
Purchasing	20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements.	Yes	11-18
Inventory Management	21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	No	11-19
	22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	Yes	11-19

FINANCIAL MANAGEMENT

Best Practice 1: Using

The district periodically analyzes the structure and staffing of its financial services organization.

In recent years, a variety of external factors have had direct and indirect effects on school district finances. Some school districts have experienced significant changes in student population size—mostly 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 this, 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 receive timely and relevant training to ensure that the services they provide comply with current laws and reporting requirements.

The Monroe County School District's organizational chart, which includes the business and fiscal services organization, is current and position descriptions exist for all positions included in the organizational chart. Our review of position descriptions showed that educational and experience requirements for established positions were commensurate with the responsibilities for each position. Because of budgetary constraints, the financial services director and other management staff frequently and as positions become vacant due to employee retirements and terminations evaluate the services provided by the business and fiscal services organization with a view towards minimizing the number of positions to effectively and efficiently perform the responsibilities for this function. Business and fiscal services staff receive training in the use of the accounting system when hired and also receive training updates. Also, the financial services director and other selected staff members attend state finance officers' association meetings and receive training for school finance-related emerging issues.

Best Practice 2: Not Using

The district does not have a comprehensive procedures manual and has not developed a process that encourages the reporting of improprieties without fear of reprisal.

It is critical that districts be able to continue day-to-day financial operations. Even small school districts must 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 documenting the intent of those policies;

- Protect the institutional knowledge of an organization, so that as experienced employees leave, new employees will benefit from the experience of prior employees;

- Provide the basis for training new employees; and

- Offer a tool for evaluating employee performance based on their 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 finance processes and ensure that written procedures are maintained for these processes. For example, if a key accounting employee that has responsibility for generating a payroll leaves the district, are there sufficient written

procedures that someone else can follow to generate a payroll? Other critical processes can include bank reconciliations, processing of accounts payable checks, 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.

To use this best practice, the Monroe County School District needs to improve in two areas. The first area relates to comprehensive procedures manuals. Although the Monroe County School District does not have comprehensive procedures manuals, the district has developed written procedures for some critical financial and accounting processes such as the receipt of cash and checks, journal entries, travel expenses, budget amendments, purchase requisitions, and some payroll processing procedures that were generally distributed to accounting personnel by memorandum. However, those procedures do not include all financial and accounting processes, such as the disbursement process, bank reconciliation process, or the process for the cutoff and closing of all accounts at fiscal year-end.

Action Plan 11-1

We recommend that the district establish comprehensive procedures manuals that address all critical financial and accounting processes.		
Action Needed	Step 1:	Develop procedures manuals for all critical financial and accounting processes.
	Step 2:	Standardize and index these manuals into comprehensive procedures manuals.
	Step 3:	Develop a methodology for revising and updating the manuals.
Who Is Responsible	Financial Services Director	
Time Frame	December 2004	

Second, the district has not developed policies for the confidential reporting of suspected improprieties.

Action Plan 11-2

We recommend that the district develop a policy for the reporting of suspected improprieties. This process should encourage individuals to report such improprieties without fear of reprisal.		
Action Needed	Step 1:	Develop a policy for the confidential reporting of suspected improprieties and present the policy to the board for approval.
	Step 2:	Subsequent to board approval and adoption of the policy, distribute the newly developed policy to all employees and post at all work sites.
Who Is Responsible	Executive Director of Business & Fiscal Services	
Time Frame	December 2003	

Best Practice 3: Using

The district has adequate financial information systems that provide useful, timely, and accurate information; however, it should promote greater participation in its payroll direct deposit program.

Florida school districts are subject to significant federal, state, and local (board) oversight of their financial activities. Also, given the limited financial resources provided to school districts, it is important that 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.

The Monroe County School District uses an integrated accounting system that has various subsystem modules (such as accounts payable, fixed asset accounting, and payroll accounting) that interface

seamlessly with the general ledger module. This system permits the users to make entries at the subsidiary level and these entries automatically update the general ledger. As a result, the degree of manual reconciliations required between subsidiary ledgers and the general ledger are minimized. The reporting features of the system allow users to easily create user-defined reports at any time. Also, system-generated detail reports (such as accounts payable details) created in this manner agree with general ledger balances. The district's business and fiscal services staff works with users, including the board, to identify financial reporting needs. As these needs become known, business and fiscal services staff develop report products to meet user needs. Our interview with the superintendent and other administrative staff showed that these users are satisfied with monthly financial report products they receive and they believe that they receive these reports in a timely fashion. The district's fiscal services staff are satisfied with the systems reporting package and believe that its ease of use permits them to have the required Superintendent's Annual Financial Report completed well before the required report date.

Currently, approximately 77 percent of district employees permit the district to direct deposit their payroll checks. The district could achieve greater payroll processing and accounting efficiencies if it achieved 100 percent participation. District staff must account for payroll checks and track them from the time the district issues them through the time the checks are presented for payment at the bank. Also, district personnel must perform bank reconciliations and file and safeguard payroll checks and follow appropriate public record retention periods and requirements. Many of these time-consuming processes could be eliminated or greatly reduced when using direct deposit. Although the district may not derive cost savings from using direct deposit, the increased control over payroll processing would add greater efficiencies to the overall payroll transaction process. The efficiencies gained will allow the district to reallocate resources to other district priorities.

> **We recommend that the district try to achieve 100 percent participation in the direct deposit of payroll checks.**

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 and/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. It is important that employees approving such bills for payment are 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 Monroe County School District assigns payment monitoring for specific high cost and complex contracts to department heads and project directors. These individuals review all bills and invoices related to these contracts and must approve them prior to payment. They are responsible for understanding contract terms and they discuss any questionable issues related to payment and contract terms with the executive director of business and fiscal services, financial services director, and the district's legal counsel. The district will pay bills and invoices containing these questionable issues only after the issues have been resolved to the district's satisfaction.

Specific expenditure categories, such as utility payments and travel expenditures are assigned to specific accounts payable employees who are knowledgeable about payment patterns and legal requirements for these payments. We noted that utility payments were monitored by location to identify unusual fluctuations. District employees investigated any unusual changes that were noticed. The financial services director reviews all significant payments and all utility and travel expenditure payments.

INTERNAL CONTROLS

Best Practice 5: Using

The district has established adequate internal controls.

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.

In addition to its annual external audit, the Monroe County School District is also subject to monitoring reviews by federal and state grant monitors. Our review of these reports issued for the past three fiscal years disclosed that, with the exception of minor internal control weaknesses, the auditors and monitors found that internal controls were generally adequate. Also, our review of critical revenue and expenditure classes, such as collection cycles, payroll processing, and disbursement processing showed adequate internal control processes and that the processes appeared to be operating as intended.

Best Practice 6: Using

Management proactively responds to identified internal control weaknesses and takes 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.

We reviewed the Monroe County School District's efforts to resolve internal control weaknesses identified in the external financial audits and other monitoring reviews made over the past three years. Our review disclosed that district staff responded promptly to the findings in the reports and corrected them in a timely manner.

Best Practice 7: Using

The district produces an annual budget which provides useful and understandable information for users; however, the district could enhance its budgetary process by linking the budget to its long-term strategic goals and objectives.

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 Monroe County School System has produced an annual budget that was developed and adopted pursuant to applicable state laws and rules. The development and preparation of the budget was guided by the district's mission statement and long-range goals. District staff uses appropriate revenue-estimating practices when developing estimated budget sources for appropriation, including comparisons to prior years and consideration of projected student enrollments. The district has also established a budget planning process and timeline that is clearly communicated to appropriate district staff, and includes the input of school principals and the school advisory councils.

As noted in Chapter 2—Management Structures, the district has a formal strategic plan that contains measurable goals and objectives. Such a plan should also include a prioritization of long-term financial and budgetary goals with established links between strategic plan objectives and the district's budget planning process. Now that the district has developed its strategic plan, it should enhance its budgetary process by linking the budget to long-term strategic goals and objectives.

> **We recommend that the district enhance its budgetary process by linking the budget to long-term strategic goals and objectives.**

Best Practice 8: Using

The district has developed a strategic plan that has measurable goals and 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 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.

As described in greater detail in Chapter 2—Management Structures, the Monroe County School District has developed a strategic plan that has measurable goals and objectives.

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. Financial audits must be conducted in accordance with generally accepted auditing standards and government auditing standards as adopted by the Board of Accountancy.

The Monroe County School District has received annual financial audits for each of the last three years. These audits were performed in accordance with generally accepted auditing standards and government audit standards. The audit reports show that the district makes reasonable efforts to resolve findings noted in annual audits.

Best Practice 10: Not Using

The district does not have an internal audit function and it has not conducted annual risk assessments of its operations.

Section 230.23(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 the annual risk assessments in private sector businesses.

The Monroe County School District does not have an internal audit function as anticipated by this best practice and the district does not conduct annual risk assessments of its financial operations and activities. As with many school districts, the district believes that it cannot afford the cost of establishing an internal audit function.

The district is responsible for having internal controls in place to provide reasonable assurance regarding the achievement of the following objectives:

- Safeguarding of assets;

- The reliability of financial reporting;

- The effectiveness and efficiency of operations; and

- Compliance with applicable laws and regulations.

In order to meet these objectives, the district should identify and analyze relevant risks using a risk assessment as a basis for determining how identified risks should be managed.

Some recurring risks are already addressed by various departments within the district. For example, the district monitors student full-time equivalent counts to ensure that significant errors in reporting are detected and corrected before the counts are reported to the state. The district has established procedures for ensuring that inventories and tangible personal property are counted annually and correctly to ensure stewardship for these assets. Fee audits of after school day care collections and verifications of free and reduced price meal applications are also performed by district personnel. The district ensures that the required audits of the school internal accounts are completed on an annual basis.

These activities, along with performing the annual risk assessment, are those that would typically be performed by an internal audit function. Although, as noted above, the district believes that it cannot afford the cost of establishing an internal audit function, it should still conduct annual financial risk assessments of operations and activities. The district believes it could effectively conduct its own first year risk assessment with existing staff.

Action Plan 11-3

We recommend that the district conduct annual risk assessments.		
Action Needed	Step 1:	Develop a risk assessment methodology.
	Step 2:	Assign risk assessment responsibilities to selected district staff.
	Step 3:	Review the results of the risk assessment and prioritize high-risk activities.
	Step 4:	Assign responsibility for addressing and resolving prioritized risks.
	Step 5:	Implement procedures to provide for annual risk assessments.
Who Is Responsible	Financial Services Director	
Time Frame	December 2004	

Best Practice 11: Using

The district ensures that audits of internal funds and its discretely presented component units (foundation and charter schools) are performed timely.

The financial transactions of individual school activities and organizations are accounted for in the school internal accounts (funds). Florida law requires that the school districts provide for the annual audits of the school internal funds. Also, 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. 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 monitor these related organizations' activity by reviewing the 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 Monroe County School District has one foundation, the Monroe County Education Foundation, Inc., and three charter schools, the Montessori Island Charter School, Inc., the Montessori Elementary Charter School, Inc., and the Big Pine Neighborhood Charter School, Inc. State law provisions require that the foundation provide for its own annual financial audits. Since the charter schools are required to provide for their own audits, the district's contract with the charter schools require that the charter schools be audited annually in a manner similar to that of, and at the same time as, the auditing of the financial records of the district and pursuant to s. 1002.33(9)(i), *Florida Statutes*. Each fiscal year, audits of the foundation and the charter schools are conducted, as required by law, and the district receives and maintains copies of these audit reports.

Similarly, law provisions require that the district provide for the audit of the district's school internal accounts. Each fiscal year, an audit of the school internal accounts is conducted by the district's financial services staff. The audit reports are presented to the board upon completion and copies of the reports are maintained by the district.

CASH MANAGEMENT

Best Practice 12: Using

The district periodically reviews cash management activities, banking relationships, 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 which 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 Monroe County School District currently uses two local banks for its banking services. The district uses its investment account with a local bank to reimburse two zero balance accounts (payroll and general disbursements). The district also maintains separate stand alone accounts with this local bank for the district's self-insurance funds, after school day care collections, and food service funds. One account is maintained at a different bank for federal grant funds; however, pursuant to a competitive request for banking services, this account will be closed and a new account will be opened at the other bank to facilitate the consolidation of all banking services with one local bank.

The district's policy manual includes policies for petty cash and change funds and investment activities. The district receives the majority of its cash from the state or from the local tax collector by direct wire transfer or by checks which are both deposited into the district's investment account. The Financial

Services Department has sufficient personnel to provide segregation of duties for the cash receipt and disbursement functions. District staff that prepares bank reconciliations does not update the accounting records and all bank reconciliations are reviewed and signed by the financial services director and presented to the board for their review monthly.

District financial services staff monitor cash balances on a daily basis and forecast cash needs based on payroll and accounts payable runs. Based on this analysis, excess funds being held in the district's investment account (a money market account) are sent to the State Board of Administration for investment. The district places all of its investments with the State Board of Administration's Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool. This fund offers highly liquid investments with competitive rates, and provides a simple conservative investment approach allowing deposits to remain invested and withdrawals to be made as needed without penalty.

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.

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;

- 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 Monroe County School District has developed detailed procedures for accounting for capital assets. These procedures are supplemented by state law and *Rules of the Auditor General*, which govern school district responsibilities relative to fixed assets. The district's Financial Services Department is responsible for purchasing and accounting for tangible personal property. School principals and department managers have custodial responsibilities for property charged to and under their area of responsibility.

To ensure that the property is being properly accounted for in the property records, an annual inventory is usually performed during the last two months of each fiscal year by teams of two district employees other than the custodian. District accounting staff reconciles the results of the inventory with the district's fixed asset subsidiary ledgers. The financial services director reviews the results of these reconciliations and ensures that unusual discrepancies, if any, are satisfactorily resolved.

Best Practice 14: Using

The district ensures that significant capital outlay purchases meet the long-range goals of its five-year facilities work program.

As mentioned previously, districts that make the best use of their resources and consistently have high student performance generally practice some form of strategic planning that addresses district operations,

including the capital acquisition program, and links operational functions to the achievement of institutional goals.

The Monroe County School District has prepared annual capital projects budgets which are consistent with the long-range goals of the district's five-year facilities work program. The five-year facilities work program is updated annually and, pursuant to state law, the district's annual capital projects budget is developed concurrently with and is based upon the first year of the five-year facilities work program. The district has also developed approval processes that ensure only appropriate expenditures are charged to capital project budgets.

DEBT MANAGEMENT

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. There are specific provisions of state law that 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 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 Monroe County School District does not enter into long-term financing arrangements on a regular or frequent basis. As such, written policies and detailed procedures are not required. When needed, the district contracts with an experienced financial advisor in evaluating the best financing alternatives given the district's specific needs, and uses the financial advisor or, when appropriate, the State Board of Education to assist in the issuance of debt instruments.

The district does have some bonded debt; however, it is managed through the State Board of Education and the district's responsibility is limited to properly recording the transactions in its financial accounting records. The district has also entered into a financing arrangement characterized as a lease-purchase agreement for the financing of various educational facilities that was accomplished through the issuance of certificates of participation. The district makes semiannual lease payments to a trustee who is responsible for making the principal and interest payments to the related certificate holders. The district has adequate accounting procedures in place to ensure tracking of existing liabilities and the timely payment of those liabilities.

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 Monroe County School District does not anticipate additional debt financing for capital asset acquisition at the present time. As capital project needs are identified, prioritized, and given a value, the district will evaluate revenue streams and fund balance resources as well as optional revenue streams such as the capital outlay millage levy and financing options. When evaluating financing options, the district will use a financial advisor. Based on the advice of the financial advisor, the board will be presented with the best financing alternative given the district's specific needs for approval.

RISK MANAGEMENT

Best Practice 17: Not Using

Although the district has established effective policies for risk management, it needs to develop written procedures to provide guidance for risk management staff.

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 risk management involves:

- Evaluating insurance alternatives such as self-insurance and other current industry trends;

- Evaluating current insurance programs for deductible amounts, co-insurance 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.[1]

The Monroe County School District's current risk management policy provides that the superintendent shall recommend annually to the board the insurance program that is in the best interest of the district. The executive director of business and fiscal services is responsible for management of the district's insurance program and for ensuring compliance with applicable federal, state, district, and contractual requirements for insurance coverage. However, written procedures have not been established to provide guidance for district staff responsible for developing and managing the district's insurance program. We recommend that the district enhance its risk management policy by developing and adopting written procedures that will provide guidance to district staff responsible for implementing and managing the insurance program. Action Plan 11-1 provides a methodology for developing procedures manuals.

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.

To meet these law requirements, the Monroe County School District covers most risks through its self-insurance programs for property and casualty, including workers' compensation. A mix of self-insurance and commercial insurance is used to cost-effectively manage district risks. The district has entered into agreements with various insurance companies to provide coverage in excess of specified amounts. The executive director of business and fiscal services with the help of the district's insurance agent/broker, third-party administrator, and board attorney reviews the district's self-insurance programs annually to ensure compliance with various laws and regulations related to risk management.

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[1] 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.

Best Practice 19: Using

The district prepares appropriate written cost and benefit analyses for insurance coverage.

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 and compare their costs with their peers and continually evaluate new risk management products to determine the cost benefit.

The Monroe County School District's risk management function has established processes to determine current valuations of district assets to ensure that purchased insurance policies cover recent changes in assets. Annually, the board with the assistance of the executive director of business and fiscal services and the district's insurance agent/broker, reviews the various insurance coverage options, including loss limits, deductibles, and premium costs together with industry ratings of the insurance companies providing premium quotations. The purchased insurance policies are selected and approved by the board on the basis of the cost and benefit analysis provided by the insurance agent/broker for the various insurance coverage options.

PURCHASING

Best Practice 20: Using

The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements.

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 Monroe County School District consolidates and bids recurring purchases when feasible. When practical, the district also uses various state purchasing contracts and piggybacks on the bids of other districts. The district generally follows its purchasing policy, which provides that purchases of items or groups of items exceeding $10,000 shall be made on the basis of competitive bids and that informal quotations shall be obtained on purchases of $1,000 to $10,000. An internet purchasing network is used by the district for requesting bid proposals and providing bid documents to interested vendors. The district also uses a web-based purchasing system that provides an on-line aggregated catalog containing most commonly purchased items. A purchasing card program has been used by the district during the past three years.

Formal competitive bid processes are generally time and resource consuming. The district is currently in the process of revising its written purchasing policies and procedures to raise the bid threshold from $10,000 to the statutorily established maximum (currently $25,000) and to provide for more detailed and comprehensive written purchasing procedures for use by district staff. These changes should enhance the district's purchasing processes and could possibly allow the district to achieve resource efficiencies that could be reallocated to other essential district needs.

INVENTORY MANAGEMENT

Best Practice 21: Not Using

The district has not established written policies and procedures to provide for the effective management of inventories.

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 that the inventory assets are appropriately controlled, safeguarded, and accounted for.

The Monroe County School District currently maintains inventories for maintenance supplies, vehicle and bus parts and supplies, gasoline, and federal surplus food commodities. Perpetual inventory records are maintained for these inventories. During the current fiscal year, the district discontinued the general ledger recording of purchases and issues for the maintenance supplies inventory and the vehicle and bus parts and supplies inventory. The district's financial statements will reflect inventory values based on actual year-end physical counts.

While the district has implemented written procedures for annual physical inventories, the district has not developed and adopted written policies or additional written procedures for the accountability and safeguarding of these assets. We recommend that the district enhance controls by developing and adopting an inventory policy and additional written procedures setting forth the responsibilities for the accountability and safeguarding of these assets. Action Plan 11-1 provides a methodology for developing procedures manuals.

Best Practice 22: Using

The district has periodically evaluated the warehousing function to determine its cost-effectiveness.

School districts that have centralized warehousing functions can meet this best practice by evaluating the total cost of its warehousing operation and comparing 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 some 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.

Several years ago, the district evaluated its central warehouse inventories of school and office supplies, custodial supplies, and non-food cafeteria supplies and determined that it would be more cost effective to eliminate these inventories. The supply items are now obtained from inventory vendors providing next-day or similar delivery services and through the use of purchasing cards.

As noted above, the district currently maintains inventories for maintenance supplies (maintenance) and for vehicle and bus parts and supplies (transportation). Our review found that the district has not conducted a formal analysis to determine the cost-effectiveness of maintaining these inventories. As shown below, during the 2001-02 fiscal year, these inventories had only a small number of daily issues and a low inventory turnover.

During the 2001-02 fiscal year, total purchases and issues for the maintenance and transportation inventories were as shown in Exhibit 11-7.

Exhibit 11-7
Summary of 2001-02 Fiscal Year Maintenance and Transportation Inventory Activity

Inventories	Balance July 1, 2001	Purchases	Issues	Adjustments	Balance June 30, 2002
Maintenance	$43,111	$27,290	$18,137	$(2,167)	$50,097
Transportation	$39,913	$41,777	$43,902	$(36)	$37,752

The maintenance inventory custodian completed approximately three issue slips each day and the transportation inventory custodian completed approximately one issue slip every other day during the 2001-02 fiscal year.

> **We recommend that the district prepare an analysis of costs (staff salaries, equipment, facility, overhead cost, other) associated with maintaining the maintenance and transportation inventories and compare those costs to the costs and benefits of maintenance and transportation parts and supplies obtained directly from vendors when needed. The district could assign appropriate maintenance and transportation employees purchasing cards so they could purchase the items when needed.**

A Appendix A

Educational Services—Basic Education and Disaggregate for all special student populations (ESE, ESOL, At-Risk, Title 1, Low SES, etc.) of sufficient numbers who expected to receive a regular diploma

School Board and Management Level	Program Level
School Grades	Suspension rates
FCAT Scores	Interim test scores (district choice of test)
Graduation rates	Retention rates
College placement test scores (SAT/ACT)	Absenteeism
Remediation rates (post graduation for students going to higher education)	

Educational Services—ESE1 (in addition to measures given above)

School Board and Management Level	Program Level
	Average time from referral to provision of services
	Percentage of referrals found in need of services
	Percentage of time ESE students spend in regular classes
	SEC characteristics of ESE students compared to regular students or state averages

Educational Services—ESOL1 (in addition to measures given above)

School Board and Management Level	Program Level
	Average time from referral to provision of services
	Average time in program

Educational Services—Vocational/Technical

School Board and Management Level	Program Level
Placement rates	Technical skill acquisition rates
Post-placement wages	Academic skill acquisition rate

Technology

School Board and Management Level	Program Level
Percentage of students with desired technology skills (ISTE standards)	Percentage of teachers using technology for instruction
	Percentage of teachers using technology for administration
	Percentage of teachers using technology for communication
	Percentage of teachers using technology to assess student performance
	Percentage of principals with desired technology skills (ISTE standards)
	User satisfaction with tech support (teachers/administrators/other staff)

Construction

School Board and Management Level	Program Level
Cost per square foot (new projects, renovations, remodeling)	Average number and dollar amount of change orders per contract
Cost per student station	Percentage of project cost due to change orders

Maintenance

School Board and Management Level	Program Level
Maintenance/operation cost per gross square foot	Customer satisfaction with maintenance services
	Customer satisfaction with custodial services
	Energy cost per gross square foot
	Cost of custodial operations per net square foot
	Number of custodians per net square foot
	Number of maintenance crafts persons per gross square foot
	Number of maintenance crafts persons per gross square foot

Note: Because Franklin County's schools are operating below capacity, maintenance performance measures based on square footage do not provide a true picture of district operations. We recommend that the district consider the performance measures in Action Plan 8-1, as they more accurately measure and reflect current district conditions.

Transportation

School Board and Management Level	Program Level
Cost per student (operational only)	Cost per mile
Percentage of buses arriving/departing on time	Average bus occupancy
	Vehicle breakdowns per 100,000 mile
	Accidents per million miles
	Driver absentee rate

Food Service

School Board and Management Level	Program Level
Gross margin (revenue less expenses)	Labor margin (percentage of total expenses comprising labor and benefits
Participation rates (regular and free and reduced lunch)	Materials margin (percentage of total expenses comprising food and materials
	Average meals served per labor hour

Safety and Security

School Board and Management Level	Program Level
Property damage due to accidents/incidents.	
Personal injury requiring physician care due to accidents/incidents.	

B Appendix B

As automation of preparing and serving food and use of prepared foods are increased, the staffing standards should be changed to reflect an increase in productivity. The staffing guidelines in this appendix provide for on-site production and the average automated equipment that was common in the late 1980s, 1990s, and 2000s.

Table B-1
Staffing Standards for On-site Production

| Number of Meal Equivalents [1] | Meals Per Labor Hour (MPLH) for Low and High Production | | | |
| | Conventional System [2] MPLH | | Convenience System [3] MPLH | |
	Low	High	Low	High
Up to 100	8	10	10	12
101-150	9	11	11	13
151-200	10-11	12	12	14
201-250	12	14	14	15
251-300	13	15	15	16
301-400	14	16	16	18
401-500	14	17	18	19
501-600	15	17	18	19
601-700	16	18	19	20
701-800	17	19	20	22
801-900	18	20	21	23
901 up	19	21	22	23

[1] Meal equivalents include breakfast and a la carte sales. Three breakfasts equal to one lunch. A la carte sales of $3 equate to one lunch.

[2] Conventional system is preparation of some foods from raw ingredients on premises (using some bakery breads and prepared pizza and washing dishes).

[3] Convenience system is using maximum amount of processed foods (for example, using all bakery breads, pre-fried chicken, and proportioned condiments and washing only trays or using disposable dinnerware).

Source: Cost Control for School Foodservices, Third Edition, by Dorothy Pannell-Martin, Revised July 2000.

Table B-2
Staffing For an Elementary School With On-Site Production, Convenience System

The following exhibit shows the desired productivity rate at an on-site production kitchen producing 350 lunches.	
Number serving	350 lunches, 40 breakfasts
Staffed at	16 meals per labor hour
Labor hours	23 labor hours
Manager	7 hours
Staff employee (bakes, salads, serve)	5 hours
Staff employee (cooks, backs line)	5 hours
Staff employee (cashiers)	3 hours
Staff employee (washes dishes)	3 hours
Total Labor Hours	**23 Hours**

Source: Cost Control For School Foodservices, Third Edition, by Dorothy Pannell-Martin, Revised July 2000.
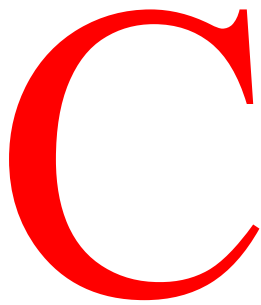
C Action Plan

Management Structures

Action Plan 2-1

We recommend that oversight measures be strengthened throughout the district.		
Action Needed	Step 1.	The district continues to strengthen efforts at oversight of school operations regarding compliance with district policies and procedures, particularly at those sites which historically have had problems.
	Step 2.	The district records substandard performance of district employees and documents its corrective actions.
	Step 3.	The district reviews past problem areas at schools to ensure corrective actions have been effective and lasting.
	Step 4.	The district continues to use the monthly meetings with principals to emphasize potential problem areas for schools, as well as district policies and procedures that have traditionally been given little attention.
Who Is Responsible	Superintendent	
Time Frame	Procedure should be in place by summer 2003	

Performance Accountability Systems

Action Plan 3-1

We recommend that an accountability system be created and used.		
Action Needed	Step 1.	For each educational and support program, adopt a few high level outcome or efficiency measures that reflect the primary purpose of the program and a few supporting measures managers can use to monitor performance. The district may wish to consider adopting measures provided in Appendix A.
	Step 2.	For each performance measure, identify the data needed and determine the information below.
		▪ 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:
		▪ 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.

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. 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:

- 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; and

- be measurable and quantifiable.

Examples of objectives include:

"The food service program will maintain a labor margin of ___% in 2003-04."

"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)."

"By 2004, the maintenance department will reduce number of custodians per net square foot to _____ which is consistent with the industry standard of 1:_____."

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. 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	Director, assessment/accountability, superintendent, and school board
Time Frame	October 2003

Action Plan 3-2

We recommend that the district periodically evaluates educational and support programs using accountability systems criteria.

Action Needed	Step 1.	The district should establish criteria for when a program or activity may need to be evaluated.
	Step 2.	Operational program performance should be reviewed periodically just as instructional programs are.
	Step 3.	The district should assign the responsibility for periodically reviewing major programs in the operational area to a district administrator, just as there is an administrator responsible for that in the instructional area.

Who Is Responsible	Director, assessment/accountability and superintendent
Time Frame	October 2003

Administrative and Instructional Technology

Action Plan 4-1

We recommend that the district improve the processes through which students are referred, evaluated, and placed for ESE services.		
Action Needed	Step 1.	The director of Exceptional Student Education should continue to carefully track ESE referrals
	Step 2.	The director of Exceptional Student Education should periodically this system to determine the percentage of students who are evaluated within 60 days of student attendance from the date of parent consent.
	Step 3.	The director of Exceptional Student Education should examine and address any systemic problems contributing to delays in the evaluation process and reports progress on this issue to the school board at least annually.
	Step 4.	The director of Exceptional Student Education should monitor the percentage of student referred for an ESE evaluation that are determined to be eligible for services.
	Step 5.	If a high percentage of students referred are not deemed eligible, the district should implement strategies to improve teacher's ability to distinguish students who are likely to be disabled from students with other problems.
	Step 6.	District administrators should establish mechanism to ensure that all schools have implemented Inclusion Plans that are consistent with the intent of federal and state laws.
	Step 7.	District administrators should monitor the effectiveness of the plans, by school, and make changes as needed.
Who Is Responsible	Deputy superintendent and director of Exceptional Student Education	
Time Frame	June 2004; ongoing, thereafter.	

Action Plan 4-2

We recommend that the district establish mechanisms to ensure that all teachers, including regular education teachers, provide the accommodations and other supports that ESE students need to succeed.		
Action Needed	Step 1.	The director of Exceptional Student Education and the deputy superintendent should work together to determine how to ensure all teachers provide accommodations to ESE students.
	Step 2.	District administrators should establish mechanisms to monitor regular education teachers' provision of accommodations to ESE students.
	Step 3.	District administrators should continue to ensure that regular education classroom teachers receive adequate support to implement accommodations for ESE students.
	Step 4.	If regular teachers are not providing accommodations, district administrators should provide them professional development stressing their responsibilities regarding ESE students
Who Is Responsible	Deputy superintendent and director of Exceptional Student Education	
Time Frame	June 2004; ongoing, thereafter.	

Action Plan 4-3

We recommend that the district continue the work of the task force and implement strategies to improve the mechanisms through which instructional materials are purchased and tracked.		
Action Needed	Step 1.	The director of Elementary and Secondary Education should work with the members of the instructional materials taskforce to establish mechanisms to ensure that schools adopt on cycle.
	Step 2.	The taskforce should develop strategies to ensure schools do not exceed carryover caps.
	Step 3.	The director of Elementary and Secondary Education should require all principals to keep a comprehensive textbook inventory.
	Step 4.	The district should establish mechanisms to allow schools to determine not only how much they are recovering for lost or damaged books, but how much is still outstanding.
	Step 5.	The district should establish mechanisms to ensure all principals communicate more effectively with parents about the use of textbooks.
	Step 6.	The district should consider adopting materials on a district-wide basis to ensure continuity from one school to another.
Who Is Responsible	Director of Elementary and Secondary Education; members of the instructional materials taskforce	
Time Frame	August 2003—June 2004; ongoing, thereafter.	

Personnel Systems and Benefits

Action Plan 6-1

We recommend that the district improve its personnel record keeping processes and systems, including the training of personnel clerks, the management of employment applications so that these can be more efficiently shared throughout the district, and the management of employee performance appraisal data.		
Action Needed	Step 1.	Develop a clear, well-defined order and process for the organization of personnel files and for keeping paper files up to date.
	Step 2.	Develop a clear process to manage employee applications so they can be easily shared throughout the district.
	Step 3.	Develop a formal process to monitor employee performance appraisal data to ensure that administrators are using the appraisal system correctly.
	Step 4.	Provide training to personnel who are involved in filing to ensure that they understand the expectations for the district's record keeping system.
	Step 5.	Plan and implement a system for the upgrading of the record keeping system (personnel files, performance appraisal data, employment applications) including the automation of as many records as can be feasibly and cost effectively done.
Who Is Responsible	Director of Human Resources	
Time Frame	June 2004	

Facilities Construction

Action Plan 7-1

We recommend that the district develop a post-occupancy building evaluation process.		
Action Needed	Step 1.	Develop procedures to ensure that post occupancy evaluations regularly occur. The review process should focus on building performance from the point of view of school-based staff, students, custodians and maintenance staff. The evaluation should include
		▪ a survey of users,
		▪ an operation cost analysis,
		▪ comparison of the finished product with the educational and construction specifications,
		▪ recommendations for future improvements, and
		▪ an analysis of the educational program improvements for consideration by future educational specification committees.
Who Is Responsible	Construction manager	
Time Frame	January 1, 2004	

Action Plan 7-2

We recommend that the district develop accountability measures to evaluate the overall effectiveness of its construction program.		
Action Needed	Step 1.	Develop effectiveness measures that include
		▪ target cost per square foot or cost per student station;
		▪ percentage of projects completed on time;
		▪ percentage of projects completed within the original budget; and
		▪ percentage of customers satisfied with the outcome of a construction project.
	Step 2.	Establish a data collection system to capture costs.
	Step 3.	Compare costs to past performance and industry standards
	Step 4.	Report results on an annual basis to the superintendent and school board
Who Is Responsible	Construction manager	
Time Frame	January 1, 2004	

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

Facilities Maintenance

Action Plan 8-1

We recommend that the district develop a master plan with specific goals and objectives that outlines what the district plans to accomplish over the next five years including what budget and manpower resources are needed to accomplish these work tasks.

Action Needed	Step 1.	Work with maintenance employees to create a districtwide maintenance plan that incorporates the district's goals and objectives for maintaining district facilities.
	Step 2.	Develop maintenance and operations criteria that address the broad facility goals listed below.
		▪ Safety – environmental and occupational risks
		▪ Sanitation – frequency of cleaning
		▪ Security – protection of occupants and property
		▪ Functional performance – operating efficiently and economically
		▪ Physical condition – sound condition
		▪ Appearance – desired level of appearance
	Step 3.	Include in the plan manpower projections, equipment replacement estimates, budget projections, and maintenance and facility standards.
	Step 4.	Present the maintenance plan to the assistant superintendent for approval.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

Action Plan 8-2

We recommend that the district develop accountability measures for maintenance and custodial operations based on recognized industry benchmarks, internal data and comparisons with peer districts.

Action Needed	Step 1.	Develop effectiveness measures based on the following:
		▪ maintenance cost per square foot;
		▪ maintenance cost per student;
		▪ custodial costs per square foot;
		▪ square feet of building per FTE custodian;
		▪ square feet of building maintained per FTE maintenance staff; and
		▪ customer satisfaction.
	Step 2.	Set goals and objectives that articulate what the department plans to accomplish within certain timeframes.
	Step 3.	Contact peer districts to identify information sharing opportunities on comparable maintenance and operations costs and staffing levels.
	Step 4.	Obtain historical data from the budget and work order system.
	Step 5.	Calculate and verify measures.
	Step 6.	Evaluate costs per square foot/per student annually for cost-efficiency.
	Step 7.	Review customer satisfaction surveys annually to identify areas for improvement.
	Step 8.	Select a few critical performance and cost efficiency measures that should be reported annually to the school board and superintendent.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Note: This action plan should be implemented in conjunction with Action Plan 3-1 in the Performance Accountability chapter.

Action Plan 8-3

We recommend the Facilities Department develop the customer satisfaction survey called for in the Facilities Department Management Plan to evaluate the strengths and weaknesses of the maintenance program.

Action Needed	Step 1.	Develop a survey instrument with input from maintenance staff. Ask users to rank services provided on a 1-5 point scale.
	Step 2.	Include questions relating to quality, timeliness, and cost of services.
	Step 3.	Survey principals and a random sample of teachers.
	Step 4.	Summarize and evaluate responses.
	Step 5.	Use results to evaluate the use of maintenance resources and make adjustments accordingly.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Action Plan 8-4

We recommend the Facilities Department develop additional operating procedures and policies for the operations and maintenance program.		
Action Needed	Step 1.	Develop operating procedures and policies that include guidelines for
		▪ management of facilities;
		▪ maintenance budgeting;
		▪ selection and replacement of equipment;
		▪ personnel staffing;
		▪ use and justification of overtime; and
		▪ preventative maintenance.
	Step 2.	Present operating procedures and policies to the deputy superintendent for approval.
	Step 3.	Present approved policies to the board for adoption.
	Step 4.	Incorporate new operating procedures and policies into the Facilities Department Management Plan
	Step 5.	Provide training to employees on policies and procedures.
Who Is Responsible	Facilities Director	
Time Frame	January 1, 2004	

Action Plan 8-5

We recommend that, at a minimum, the district establish performance standards based on internal or industry standards for commonly repeated tasks. Performance standards and expectation should be in writing and clearly communicated to employees.		
Action Needed	Step 1.	Develop a method for evaluating maintenance and custodial performance based on standards.
	Step 2.	Assign responsibility for creating maintenance and custodial performance standards.
	Step 3.	Develop work standards for each task that may include
		▪ frequency of task,
		▪ duration of task,
		▪ materials cost of task
		▪ labor cost of task, and
		▪ comparisons to applicable professional standards and peer districts.
	Step 4.	Inform maintenance and custodial personnel of the work performance standards.
	Step 5.	Track the implementation of work performance standards and how employees meet those standards.
	Step 6.	Evaluate employee performance based on the standards.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Action Plan 8-6

We recommend that the district analyze its current staffing level based on Florida Department of Education guidelines, and make adjustments to decrease maintenance/construction staff, increase supervision and provide staff support for the north maintenance office.		
Action Needed	Step 1.	Reduce maintenance/construction staff by 14 positions to bring the ratio of staff to gross square footage closer to the DOE recommended ratio of 45,000 gross square feet to one maintenance worker. This can be accomplished through attrition.
	Step 2.	Consider transferring one of the remaining maintenance positions to the upper Keys to serve as office staff support and assigning another position to serve as custodial supervisor in the lower Keys.
	Step 3.	With some of the savings realized from maintenance/construction staff reductions, reinstate the position of Executive Director of Operations Services to increase supervision of operations, maintenance and in-house construction activities.
	Step 4.	Analyze historical data, workload requirements, and current personnel utilization to identify trades positions in the most demand and to determine appropriate supervisory lead positions.
	Step 5.	Consider upgrading 2 existing maintenance positions to leads to help supervise field staff work in the north maintenance area.
	Step 6.	Reduce overtime for both the Division of Construction and the Facilities Department by 50%.
	Step 7.	Present the staffing plan to the board for approval.
Who Is Responsible	Deputy superintendent	
Time Frame	January 1, 2004	

Action Plan 8-7

We recommend that the district set up procedures to systematically collect and analyze performance and cost data in the work order system to identify opportunities to increase effectiveness, efficiency and reduce costs.		
Action Needed	Step 1.	Meet with supervisors to identify what data needs to be collected, how often and what report format is needed to determine progress toward cost-efficiency goals.
	Step 2.	Set up a procedure to routinely generate work orders for analysis.
	Step 3.	Analyze reports to identify trends and opportunities to reduce costs.
	Step 4.	Meet with staff to identify strategies to increase productivity and lower costs.
	Step 5.	Use data/operational information to make operational improvements; establish timeframes for routine tasks.
	Step 6.	Discuss expectations with maintenance staff on ways to work more efficiently and effectively.
	Step 7.	Routinely report performance and cost-efficiency results to staff.
	Step 8.	Use data to make routine comparative analysis between actual and budgeted costs.
	Step 9.	Evaluate performance and costs to include potential for cost saving alternatives for providing services.
Who Is Responsible	Facilities director	
Time Frame	January 1, 2004	

Transportation

Action Plan 9-1

We recommend that the district assess the safety of walking conditions within the district, adjust bell schedules, and conduct annual route audits to improve the efficiency and effectiveness of the district's transportation system.	

Action Needed		
	Step 1.	The transportation director, with the assistance of the Florida Department of Transportation, the Monroe County road department, and the Monroe County Sheriff's Department, should formulate unsafe walking criteria for the district.
	Step 2.	The transportation director should submit the proposed unsafe walking criteria to the superintendent who, in turn, will submit the proposed criteria to the school board for approval.
	Step 3.	Upon approval of the criteria, the transportation department should use the criteria to determine the location of hazardous and unsafe walking conditions to potential bus stops and schools within the district. Using this information, the transportation department should determine what students will need district transportation and appropriate locations for bus stops. This evaluation should take place on an annual basis.
	Step 4.	To reduce the number of hazardous and unsafe student walking areas in the district, the transportation director should work with state and local agencies to eliminate these hazardous and unsafe student walking areas.
	Step 5.	Based on the determination of the need for district transportation and appropriate locations for bus stops, the transportation director with the assistance of area supervisors should develop school bell schedule options for the district along with associated advantages/disadvantages/costs/etc. These options should be developed on an annual basis.
	Step 6.	The transportation director should annually submit the school bell schedule options to the superintendent who, in turn, should submit the options to the school board for selection and approval.
	Step 7.	Using the school board selected school bell schedule option, the transportation director (with the assistance of area supervisors) should annually develop cost-efficient bus routes for the district.
	Step 8.	The transportation director should annually submit the list of cost-efficient bus routes to the superintendent who, in turn, should submit the routes to the school board for approval.
	Step 9.	Upon approval by the school board, the district should implement the approved routes.
Who is Responsible	Director of transportation and school board.	
Time Frame	April 2004	

Action Plan 9-2

We recommend that the district transportation department establish and implement procedures that ensure district vehicles receive appropriate inspections, repairs and mileage-based servicing.		
Action Needed	Step 1.	The transportation director and lead mechanic should continue to implement and monitor transportation procedures designed to improve the timeliness of the bus inspection process.
	Step 2.	The transportation director, with the assistance of area supervisors, should establish transportation procedures and practices that ensures area supervisors periodically monitor and document all bus drivers conducting required pre-trip inspections required by state and district policies.
	Step 3.	The transportation director should establish procedures for the district that will ensure that all district vehicles (including buses, pickups, minivans, and other district owned on-road vehicles) receive appropriate mileage-based servicing. Such procedures should include notification to the heads of district departments on when their vehicles should receive servicing.
	Step 4.	The transportation director should issue a monthly report to the deputy superintendent with copies to district department heads that control district on-road vehicles showing vehicles that have not been turned in for timely servicing.
	Step 5.	If the transportation director observes that certain district vehicles are chronically not turned in for timely servicing on a timely basis, the transportation director should issue a memo to the deputy superintendent with a copy to the affected head of district department detailing the chronic failure to turn in these vehicles for timely servicing and requesting the control of said vehicles be taken and placed within the transportation department.
	Step 6.	The transportation director should establish and implement procedures ensuring an appropriate quality control review proc4ess for vehicle servicing and repair work. These procedures should ensure that vehicle released from servicing are safe, that the work performed meets district standards, and that unfinished repairs to non-safety essential items (such as leaking door seals) are documented with the vehicle subsequently scheduled for expedited repair.
Who is Responsible	Director of transportation.	
Time Frame	August 2003	

Action Plan 9-3

We recommend that the district maintain an inventory of vehicle parts that supports transportation functions while balancing the concerns of immediate need and inventory costs. We also recommend that the district annually conduct an independent audit of its vehicle parts inventory.	

Action Needed	Step 1.	The transportation director, with the assistance of the district finance director and the lead mechanic, should conduct a review of district vehicle parts. This review should examine the current vehicle parts operations and propose recommendations to reduce the size of the average vehicle parts inventory while balancing the need for parts to repair vehicles.
	Step 2.	The transportation director should implement the proposed recommendations to reduce the size of the district's vehicle parts inventory. The transportation director should monitor size of the inventory by periodically reviewing the inventory turnover ratio and incidents of lack of parts significantly impacting the ability of the district to repair vehicles to operating condition.
	Step 3.	The district finance director or his representative should conduct annual audits of the district's vehicle parts inventory. This information should be presented to the transportation director for actions as necessary.
Who is Responsible	Director of transportation and district finance officer.	
Time Frame	August 2003	

Action Plan 9-4

We recommend that the district should establish and implement policies and procedures that will increase the detection of vandalism on school buses and increase reimbursements for damages.	

Action Needed	Step 1.	The transportation director, with the assistance of the district legal counsel, should draft school district policies that will increase the detection of vandalism on school buses and increase reimbursement for damages. Such policies should include requiring use of assigned seats, checking buses for vandalism after each bus route, and holding students responsible for damage to assigned seats unless there is evidence that the damage to the seat was caused by a non-assigned student.
	Step 2.	The transportation director should submit the draft school district policies to the district superintendent who should, in turn, submit the draft school district policies to the school board for approval.
	Step 3.	The school board should approve the draft school district policies.
	Step 4.	The district superintendent should implement the policies including taking actions to collect for vandalism damage such as using third party collection agents, making claims against the responsible parties in small claims court, and suspending responsible parties from district-provided transportation until damage claims have been paid.
	Step 5.	The transportation director should periodically report on the effectiveness of the adopted vandalism district policies to the superintendent and school board. This report should include changes in the amount of vandalism on school district buses (as measured in cost of repairs), amount of restitution collected, and proposed changes in district policies and procedures that would reduce the cost of vandalism occurring on school buses.
Who is Responsible	Director of transportation.	
Time Frame	August 2003	

Action Plan 9-5

We recommend that the district systematically evaluate if privatization of some or all of the district transportation functions would reduce district costs and/or improve quality.	
Action Needed	The transportation director, with the assistance of district purchasing employees, should canvas private vendors and governmental agencies in the district and those in nearby counties to determine costs and quality of transportation functions that private vendors and governmental agencies can provide to the district.
	The transportation director, with the assistance of district accounting employees, should then determine the unit costs (both direct and indirect) and quality for the district to provide these functions on an in-house basis.
	The transportation director, with the assistance of the district finance officer, should compare unit costs and quality of district transportation functions performed on an in-house basis to the costs and quality of similar functions that can be performed either by private firms or other governmental entities. In cases when such privatization can reduce district transportation costs and/or improve quality, the district transportation director should notify the superintendent of the cost savings/improvement in quality and request permission from the superintendent to privatize these functions.
	The superintendent should then approve privatization of these functions and notify the school board of such.
	In cases when privatization can reduce district transportation costs and/or improve quality, the district should privatize the function. The district should explore options of having certain repairs for buses in the Upper Keys area performed either by the Miami-Dade County School District or its private contractors.
Who is Responsible	Director of transportation
Time Frame	December 2003

Food Service Operations

Action Plan 10-1

We recommend that the district develop a strategic or operational food service plan.		
Action Needed	Step 1.	Develop a food service mission statement that emphasizes core school food-related issues, such as nutrition, safety, sanitation, efficiency, and students served.
	Step 2.	Develop food service goals that describe what the program is supposed to accomplish to meet its mission.
	Step 3.	Develop objectives that are action statements that describe how goals will be achieved. Objectives should be measurable as an output (how many) or an outcome (how much) and should have a time period associated for measurement
	Step 4.	Develop strategies that describe the tasks necessary to accomplish the objectives.
	Step 5.	Periodically assess the food service program's progress in implementing its strategies and attaining its objectives. If necessary, revise the food service plan.
Who Is Responsible	Food service director and executive director of Business and Fiscal Services.	
Time Frame	June 30, 2004.	

Action Plan 10-2

We recommend that the district design a mechanism to document annual inspections to assess food service operational components and initiate needed change.		
Action Needed	Step 1.	Complete a risk assessment of food service operational components.
	Step 2.	Design review procedures for conducting annual assessments according to risk factors (i.e., loss of assets, safety, cost control, benchmark performance, training needs, equipment maintenance and replacement, etc).
	Step 3.	Document annual operational assessments.
	Step 4.	Include results of annual operational assessments in reports to upper management and the school board.
	Step 5.	Present recommendations for action and improvement to the school board.
Who Is Responsible	Food service director and executive director of Business and Fiscal Services.	
Time Frame	June 30, 2005.	

Action Plan 10-3

We recommend that the district establish a goal driven cost management system.		
Action Needed	Step 1.	Set goals and objectives to achieve and/or maintain specified cost levels, fund balance levels, and net profit margins by school and program-wide.
	Step 2.	Set performance measures and benchmarks to monitor performance towards achieving and/or maintaining goals and objectives.
	Step 3.	Establish a review process to periodically analyze and review cost performance results with appropriate operational employees and upper management.
Who Is Responsible	Food services director and executive director of Business and Fiscal Services	
Time Frame	June 30, 2004.	

Cost Control Systems

Action Plan 11-1

We recommend that the district establish comprehensive procedures manuals that address all critical financial and accounting processes.		
Action Needed	Step 1.	Develop procedures manuals for all critical financial and accounting processes.
	Step 2.	Standardize and index these manuals into comprehensive procedures manuals.
	Step 3.	Develop a methodology for revising and updating the manuals.
Who Is Responsible	Financial Services Director	
Time Frame	December 2004	

Action Plan 11-2

We recommend that the district develop a policy for the reporting of suspected improprieties. This process should encourage individuals to report such improprieties without fear of reprisal.		
Action Needed	Step 1.	Develop a policy for the confidential reporting of suspected improprieties and present the policy to the board for approval.
	Step 2.	Subsequent to board approval and adoption of the policy, distribute the newly developed policy to all employees and post at all work sites.
Who Is Responsible	Executive Director of Business & Fiscal Services	
Time Frame	December 2003	

Action Plan 11-3

We recommend that the district conduct annual risk assessments.		
Action Needed	Step 1.	Develop a risk assessment methodology.
	Step 2.	Assign risk assessment responsibilities to selected district staff.
	Step 3.	Review the results of the risk assessment and prioritize high-risk activities.
	Step 4.	Assign responsibility for addressing and resolving prioritized risks.
	Step 5.	Implement procedures to provide for annual risk assessments.
Who Is Responsible	Financial Services Director	
Time Frame	December 2004	