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Sharpening the Pencil

Best Financial Management Practices Review

Indian River County School District

Sharpening the Pencil

Office of Program Policy Analysis
and Government Accountability

an office of the Florida Legislature

Report 03-44

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 Indian River County School District
The School Board Members of the Indian River County School District

I have directed that a Best Financial Management Practices Review be conducted of the Indian River 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, Indian River 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.

Tom Roth was the project manager for this review, which was supervised by David Summers. Other OPPAGA staff included LeNée Carroll, Dan Cohen-Vogel, Kathleen Del Monte, Shunti Houston, Ron Patrick, Nan Smith, Susan Speck and Vic Williams. Auditor General staff included Jim Kiedinger, Janice Priolo, and Marie Westbrook under the supervision of David Martin.

We wish to express our appreciation to the staff of the Indian River 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
Best Financial Management
Practices Review

Indian River County School District

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 Indian River County School District during Fiscal Year 2002-03. The review determined that the Indian River County School District currently is using 89% (132 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 5 of this report.

Exhibit 1
**The District Is Using 89%
of the Best Practices**

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	13	1
Performance Accountability System (3)	1	2
Educational Service Delivery (12)	11	1
Administrative and Instructional Technology (9)	9	0
Personnel Systems and Benefits (11)	11	0
Facilities Construction (24)	20	4
Facilities Maintenance (22)	20	2
Transportation (20)	19	1
Food Service Operations (11)	9	2
Cost Control Systems (22)	19	3
All Areas (148)	**132**	**16**

As seen in Exhibit 2, the review identified an opportunity to reduce the district's transportation costs. Implementing this opportunity would have a positive impact of $117,500 over a five-year period. 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 uses this opportunity to reduce costs, 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 District Could Further Reduce Transportation Costs

Ways to Save	Projected Five-Year Cost Savings or Increased Revenue
Transportation	
• Review ways to reduce transportation routing costs. (Best Practice 3, Page 9-8)	$117,500
TOTALS	**$117,500**

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.

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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 http://www.oppaga.state.fl.us.

In accordance with the schedule of Best Financial Management Practice Reviews in Florida law, the Legislature directed that OPPAGA review the Indian River County School District during Fiscal Year 2002-03. With 15,980 students in Fiscal Year 2002-03, the district is the 32nd largest of the state's 67 school districts. Located on Florida's Atlantic coast between Brevard and St. Lucie counties, the district operates 26 schools—13 elementary, 3 middle schools, 2 high schools, and 8 other types of schools including 5 charter 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 the best practices the district is not using. 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 Indian River County School Board and district employees who provided information and assistance during the review.

General Overview and District Obligations

Currently, the Indian River County School District is using 89% of the best practices adopted by the Commissioner and at this time is not eligible for a Seal of Best Financial Management. Appendix B 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 Indian River County School District is using 13 of the 14 best practices for management structures. The district has an effective site-based management system in which principals, instructional staff, and parent groups actively participate in major decision making for the schools. In addition, school board meetings are informative and district policies are up to date. To use the remaining best practice standards and ensure the performance, efficiency,

and effectiveness of its management structures, the district should modify its new strategic plan, which is in the development process. The strategic plan should include goals and specific, measurable objectives for the district's instructional and operational programs, and should also provide strategies for attaining the objectives.

Performance Accountability System

The Indian River County School District is using one of the three performance accountability best practices. The district has accountability measures and benchmarks for the instructional area at the school level and uses educational performance data to develop school improvement plans. It effectively reports these data to the school board and public.

To meet all of the best practice standards and help ensure the efficiency and effectiveness of its major instructional and operational programs, the district should develop a districtwide performance accountability system. The accountability system should include measurable objectives and performance data for the district's major instructional and operational programs, and it should regularly review this data to determine if progress is being made in achieving program goals. The district also should develop criteria that can alert it when a program needs to be evaluated in more depth. These criteria could include performance that does not meet expectations or areas of high expenditures. The district should report evaluation results to the board and public and use the evaluations to improve district operations.

Educational Service Delivery

The Indian River County School District is using 11 of the 12 educational service delivery best practices. The district generally provides effective and efficient educational programs that meet the needs of its students and the intent of the best practices, including basic education, Exceptional Student Education, migrant and other at-risk, and workforce development programs. To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its educational programs, the district should ensure that schools develop clear, measurable, improvement objectives and include them in their school improvement plans; ensure that each school regularly evaluates its progress in accomplishing its improvement plan's goals and objectives; and have the schools periodically report their progress to district administrators and the board.

Administrative and Instructional Technology

The Indian River County School District is using all nine of the administrative and instructional technology best practices. The district acquires technology in a cost-effective manner, maintains a dependable standards-based infrastructure, uses technology to improve

communications, and has policies and procedures outlining the appropriate use of technology.

Personnel Systems and Benefits

The Indian River County School District is using all 11 personnel systems and benefits best practices. The district has an effective process for recruiting and hiring qualified personnel, and has an efficient and cost-effective system for managing absenteeism and substitute personnel.

Facilities Construction

The Indian River County School District is using 20 of the 24 facilities construction best practices. The district operates a well-managed, cost-effective facilities construction program that delivers facilities on time and within budget. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities, the district should create a long-range facilities planning committee that will consider new growth projections, projected revenues, and the cost to acquire new sites and renovate and construct facilities. In addition, the district should develop and implement a post-occupancy design evaluation, as well as develop program goals and measurable objectives.

Facilities Maintenance

The Indian River County School District is using 20 of 22 of the facilities maintenance best practices. The district regularly reviews the maintenance organizational structure, has complete job descriptions and appropriate hiring and retention practices, has an annual budget with spending limits, and regularly assesses the potential for contracting and privatization. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should develop goals and measurable objectives for the facilities maintenance program and complete development of a customer feedback system.

Transportation

The Indian River County School District is using 19 of the 20 transportation best practices. The district has appropriately organized and staffed the transportation department, uses effective and efficient processes to recruit bus drivers, efficiently supplies buses and other district vehicles with fuel, and maintains secure facilities and a sufficient parts inventory for vehicle maintenance. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should establish an accountability system to evaluate the performance of its transportation program and report its performance to the school board.

Food Service Operations

The Indian River County School District is using 9 of the 11 food service operations best practices. The district is organized to succeed and has a training program for employees. It also has done well in its official inspections and uses customer information to develop its program. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should establish a food service strategic plan and a performance measurement system.

Cost Control Systems

The Indian River County School District is using 19 of the 22 cost control systems best practices. In order to use all of the best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should perform a risk assessment of its operations, establish budget planning processes that tie the district's strategic plan objectives to the development of the budget, and establish written procedures that promote ethical financial management practices and provide for confidential reporting of suspected improprieties. Although the district has established a strategic plan, it should also tie financial objectives to strategic plan goals.

Indian River County School District
Best Financial Management Practices

Currently, the Indian River County School District is using 89% (132 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.	✓		2-5
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.	✓		2-9
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

Digest: Best Financial Management Practices Review

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. [2]		✓	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.		✓	3-5
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.	✓		4-6
2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. [3]	✓		4-6
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]. [4]	✓		4-7
4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	✓		4-7
5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	✓		4-7
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.		✓	4-8
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	✓		4-9
8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	✓		4-10
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.	✓		4-10
10. The district has sufficient school library or media centers to support instruction.	✓		4-10

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[2] 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.

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

[4] 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.	✓		4-11
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.	✓		4-11

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.	✓		5-7
2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs. [5]	✓		5-7
3. District and school-based staff receive professional development training for all technologies used in the district.	✓		5-7
4. The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.	✓		5-8
5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	✓		5-8
6. The district uses technology to improve communication.	✓		5-9
7. The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	✓		5-9
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.	✓		5-9
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.	✓		5-10

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. [6]	✓		6-4

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

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

FACILITIES CONSTRUCTION	*YES*	*NO*	*PAGE*
1. The district has effective long-range planning processes. [9]		✓	7-7
2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	✓		7-8
3. The five-year facilities work plan establishes budgetary plans and	✓		7-8

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[7] 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.

[8] 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.

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

Best Practices	Is the District Using Best Practices?		
FACILITIES CONSTRUCTION	*YES*	*NO*	*PAGE*
priorities.			
4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	✓		7-9
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.	✓		7-9
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.	✓		7-10
9. The district develops thorough descriptions and educational specifications for each construction project. [10]	✓		7-10
10. The architectural design fulfills the building specification needs as determined by the district.	✓		7-11
11. New construction, remodeling, and renovations incorporate effective safety features.	✓		7-11
12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	✓		7-11
13. The district has effective management processes for construction projects.	✓		7-12
14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	✓		7-12
15. All projects started after March 1, 2002, comply with the Florida Building Code.	✓		7-12
16. The district requires appropriate inspection of all school construction projects.	✓		7-13
17. The district retains appropriate professionals to assist in facility planning, design, and construction.	✓		7-13
18. The district follows generally accepted and legal contracting practices to control costs.	✓		7-13
19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	✓		7-13
20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	✓		7-14
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.	✓		7-14

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[10] 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.		✓	7-15
23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.		✓	7-16
24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.		✓	7-16

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.		✓	8-4
2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	✓		8-4
3. The district obtains and uses customer feedback to identify and implement program improvements.		✓	8-5
4. The district has established procedures and staff performance standards to ensure efficient operations.	✓		8-5
5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	✓		8-6
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.	✓		8-6
7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	✓		8-6
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.	✓		8-7
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.	✓		8-7
10. The district accurately projects cost estimates of major maintenance projects.	✓		8-8
11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	✓		8-8
12. The district minimizes equipment costs through purchasing practices.	✓		8-8
13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	✓		8-8
14. The district uses proactive maintenance practices to reduce maintenance costs.	✓		8-9
15. The maintenance and operations department identifies and implements strategies to contain energy costs.	✓		8-9
16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	✓		8-10

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.	✓		8-10
18. A computerized control and tracking system is used to accurately track work orders and inventory.	✓		8-10
19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	✓		8-11
20. District policies and procedures clearly address the health and safety conditions of facilities.	✓		8-11
21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	✓		8-11
22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	✓		8-12

TRANSPORTATION	**YES**	**NO**	**PAGE**
1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	✓		9-7
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.	✓		9-7
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. [11]	✓		9-8
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.	✓		9-11
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		9-11
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	✓		9-11
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.	✓		9-12

[11] 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.	✓		9-12
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	✓		9-13
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns	✓		9-13
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.	✓		9-13
17. The district provides appropriate technological and computer support for transportation functions and operations.	✓		9-14
18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	✓		9-14
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	✓		9-14
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.		✓	9-15

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.	✓		10-7
3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	✓		10-8
4. Program management has developed comprehensive procedures manuals that are kept current.	✓		10-8
5. The district performs sound cash and account management.	✓		10-9
6. District and program management optimizes its financial opportunities.	✓		10-9
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.	✓		10-9
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.	✓		10-10
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.		✓	10-10
10. The food service program and district complies with federal state and district policy.	✓		10-11

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.	✓		10-11

Best Practices	Is the District Using Best Practices?		
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.	✓		11-10
4. District financial staff analyzes significant expenditure processes to ensure they are appropriately controlled.	✓		11-11
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.		✓	11-12
8. Management analyzes strategic plans for measurable objectives or measurable results.	✓		11-13
9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	✓		11-13
10. The district has an effective internal audit function and uses the audits to improve its operations. [12]		✓	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.	✓		11-15
13. The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets.	✓		11-16
14. The district ensures significant capital outlay purchases meet strategic plan objectives.	✓		11-16
15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	✓		11-17
16. The district ensures that significant debt financings meet strategic plan objectives.	✓		11-17
17. The district has established written policies and procedures and periodically updates them to provide for effective risk management	✓		11-18
18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	✓		11-18
19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	✓		11-19

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[12] 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.	✓		11-19
21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	✓		11-20
22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	✓		11-20

The Florida Legislature

Office of Program Policy Analysis and Government Accountability

Visit the *Florida Monitor*, OPPAGA's online service. See http://www.oppaga.state.fl.us. This site monitors the performance and accountability of Florida government by making OPPAGA's four primary products available online.

OPPAGA publications and contracted reviews, such as policy analyses and performance reviews, assess the efficiency and effectiveness of state policies and programs and recommend improvements for Florida government.

Performance-based program budgeting (PB²) reports and information offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.

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.

Subscribe to OPPAGA's electronic newsletter, Florida Monitor Weekly, a free source for brief e-mail announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.

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 are 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 Indian River County School District and public schools. The evaluators interviewed district administrators and personnel, held a public forum, and conducted focus groups with principals and teachers. Evaluators also gathered and reviewed many program documents, district financial data, data on program activities, and data on student performance.

To put Indian River's programs and activities in context with other Florida school districts, OPPAGA and the Auditor General gathered information from five peer districts around the state: Charlotte, Citrus, Hernando, Martin, and Nassau. 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 Indian River County was 116,488. The county's population increased by 25.2% between 1990 and 2000, which was faster than the state's growth rate of 23.5% during that same time period. The county's major population centers include Vero Beach (the county seat), Sebastian, and Fellsmere.

Of the county's population, 98.8% consider themselves to be one race, while the remaining 1.2% consider themselves multi-racial. The largest proportion of the population is white (87.4%), with persons of Hispanic or Latino origin comprising 6.5% of the population compared to the statewide figure of 16.8%. In addition, 8.2% of the county's residents are Black or African American, which is lower than the statewide figure of 14.6%.

Approximately 14% of Indian River County's population is of school age (5 to 18 years old) while an additional 4.7% are less than five years old. By contrast, 29.2% of the county's population is 65 years old or older. Approximately 81.6% of the county's residents aged 25 years or older are high school graduates, while 23.1% have graduated from college. These percentages are slightly higher than the statewide figures of 79.9% and 22.3%, respectively.

Indian River County's per capita income in 2000 was $35,623, which was $7,859 above the state average. As shown in Exhibit 1-2, the per capita income of Indian River County residents has been consistently higher than the per capita income of the state as a whole.

Exhibit 1-2
Per Capita Income of Indian River County Residents
Was $7,859 Above the State Average in 2000

■ Indian River ☐ Florida

	1991	1995	2000
Indian River	$26,480	$30,356	$35,623
Florida	$20,068	$22,942	$27,764
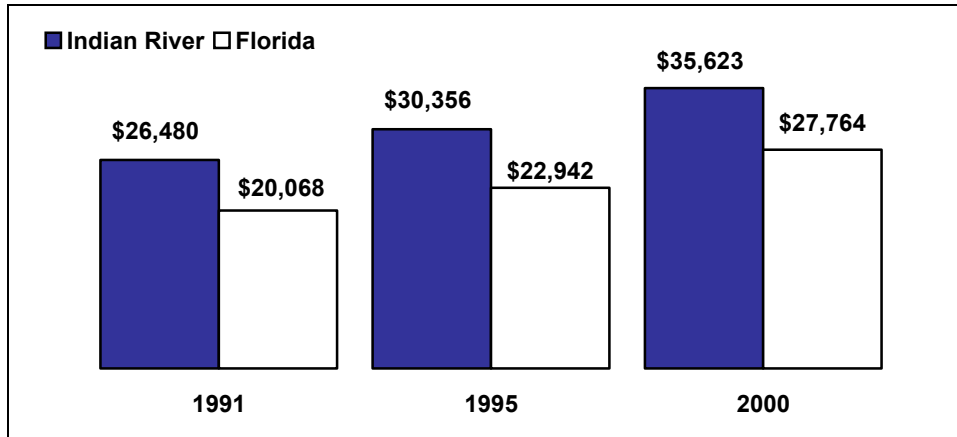
Source: Florida Research and Economic Database, 2002.

While 9.3% of the county's residents live below the poverty level, a larger percentage of its children (17.3%) live below the poverty level. These figures are lower than for the state as a whole. A large percentage of students in the county are eligible for a free or reduced price lunch (44.1%) which is slightly lower than the statewide average (45.2%).

The unemployment rate in Indian River County has been higher than the state's rate for the past five years. This suggests that students who graduate from high school in Indian River County may have more difficulty finding employment in their county of residence than graduates in other parts of the state. Indian River County has a civilian workforce of 49,195 people. The county's primary sources of employment include the service industries related to retail trade, health care, professional and business services, construction and real estate, manufacturing, government, and agriculture. The major employers in the county have an influence on the workforce development programs offered by the district.

School District Profile

The district operates 26 schools, as shown in Exhibit 1-3.

Exhibit 1-3
Indian River County Operates 26 Schools

Number and Type of School		
13 - Elementary Schools	1 – Alternative Education School	5 - Charter Schools
3 - Middle Schools	0 - Vocational Schools	1 - Exceptional Student Education Schools
2 - High Schools	1 - Adult School	0 - Juvenile Justice Facility Schools

Source: Indian River County School District.

With 15,980 students in 2002-03, the Indian River County School District is the 32nd largest of the state's 67 school districts. The student population growth has increased between 1997-98 and 2001-02, for a

total net increase of 9.4%, as shown in Exhibit 1-4. This rate was greater than the 8.72% increase in enrollment across the state.

Exhibit 1-4
Enrollment Growth in Indian River County Has Increased Over the Past Five Years
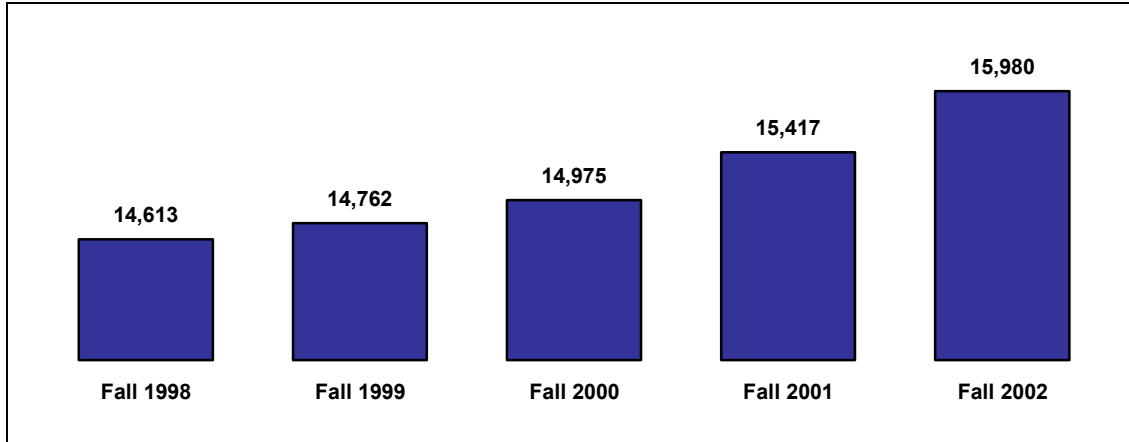
Source: Florida Department of Education (2000-01).

The Indian River County School District expended $126.28 million for Fiscal Year 2001-02. It 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 Fiscal Year 2001-02.

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	$ 1.03
Federal Through State	10.23
State	30.31
Local	79.26
Other	0.06
Total Revenues	**$120.89**
Expenditures	
Instruction	$52.85
Pupil Personnel Services	3.58
Instructional Media Services	1.50
Instruction and Curriculum Development Services	4.83
Instructional Staff Training	1.07
Board of Education	1.33
General Administration	0.54
School Administration	5.38
Facilities Acquisition and Construction	4.06
Fiscal Services	0.89
Food Services	5.84
Central Services	2.75
Pupil Transportation Services	3.19
Operation of Plant	7.52
Maintenance of Plant	2.70
Community Services	0.90
Fixed Capital Outlay:	
Facilities Acquisition and Construction	17.01
Other Capital Outlay	4.11
Debt Service:	
Principal	3.52
Interest and Fiscal Charges	2.71
Total Expenditures	**$126.28**
Excess (Deficiency) of Revenue Over Expenditure	**$-5.39**
Other financing sources:	
Operating Transfers In	2.25
Insurance Loss Recoveries	0.07
Operating Transfers Out	0.05
Operating Transfers Out	-2.38
Total Other Financing Sources	**-0.01**
Net Change in Fund Balance	**-5.40**
Fund Balances, July 1, 2001	30.37
Fund Balances, June 30, 2002	**$24.97**

Source: Florida Auditor General Annual Audit, Fiscal Year Ending June 30, 2002.

As Exhibit 1-6 illustrates, the percentage of administrators and instructional staff in the Indian River County School District are similar 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 Fall in the Middle for Most Comparisons

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
Charlotte	1: 12.97	1: 15.22	1: 30.04	1: 18.54	1: 3.01	1: 444.17
Citrus	1: 11.83	1: 13.45	1: 24.96	1: 16.28	1: 3.99	1: 447.94
Hernando	1: 14.28	1: 16.02	1: 33.18	1: 17.69	1: 2.97	1: 351.76
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
Indian River	**1: 13.62**	**1: 15.75**	**1: 28.98**	**1: 18.55**	**1: 3.4**	**1: 642.50**
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 the Department of Education 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.

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

Exhibit 1-7
Indian River County School District Had 1,768 Employees in 2001-02

Full-Time Employees	Number	Percentage
Administrators	61	3.4%
Instructional	961	54.4%
Support	746	42.2%
Total	**1,768**	**100.0%**

Source: Profiles of Florida School Districts (2001-02).

2 Management Structures

Summary ─────────────────────────────

The Indian River County School District is using 13 of the 14 best practices for management structures. The district has an effective site-based management system in which principals, instructional staff, and parent groups actively participate in major decision making for the schools. In addition, school board meetings are informative and district policies are up to date. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its management structures, the district should modify its new strategic plan, which is in the development process. The strategic plan should include goals and specific, measurable objectives for the district's instructional and operational programs, and should also provide strategies for attaining the objectives.

Background ─────────────────────────────

The Indian River County School District's management structure is hierarchical with the policy-setting body elected by the general population. The district has five school board members and an appointed superintendent. [1] 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. The district's newest member was elected for his first term in 2002, and one other member was recently reelected during the 2002 primary elections. Exhibit 2-1 shows the length of time board members have served and their previous experience.

Exhibit 2-1
Indian River School Board Members

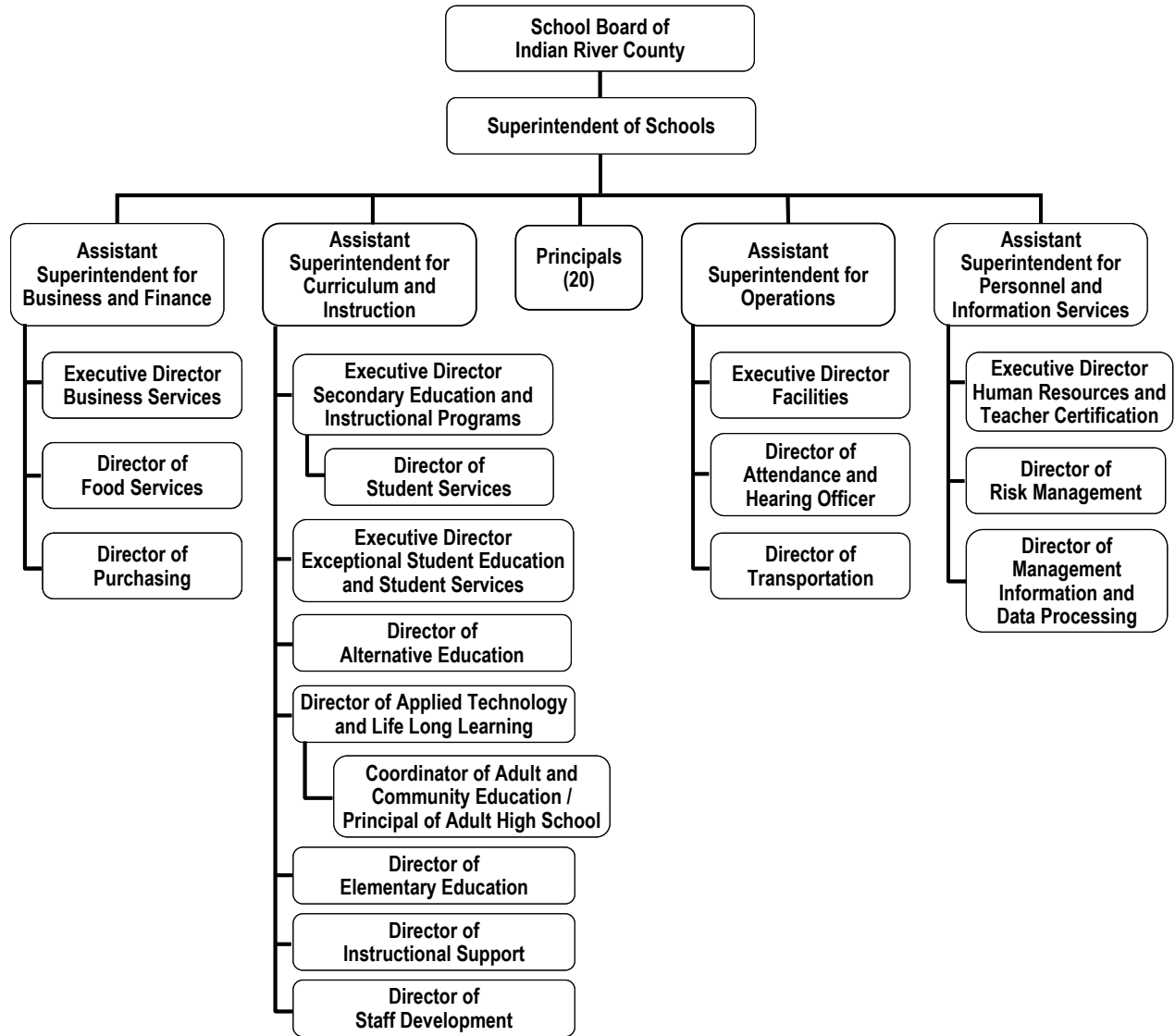| Board Member	Tenure
Steven Mohler, Chair	Elected for first term in 2000, up for reelection in 2004
Kathryn A. Wilson, Vice Chair	Elected for first term in 2000, up for reelection in 2004
Herbert Bailey	Elected for first term in 1996, reelected in 2000, up for reelection in 2004
William Hughes	Elected for first term in 2002, up for reelection in 2006
R. Craig McGarvey, Ed.D.	Elected for first term in 1998, reelected in 2002, up for reelection in 2006

Source: Indian River County School District.

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[1] The district is in the search process for a new superintendent, as the current one has accepted a superintendent position in another district.

The superintendent is the chief executive and administrative officer of the board and is responsible for organizing the district's administration. Exhibit 2-2 illustrates the current district-level administrative structure. The district's school-level administration is limited to the principals and assistant principals.

Exhibit 2-2
Indian River County School District Organizational Structure

```
                        School Board of
                        Indian River County
                              |
                        Superintendent of Schools
                              |
   ┌──────────────┬───────────┼──────────────┬──────────────┐
Assistant      Assistant    Principals    Assistant      Assistant
Superintendent Superintendent  (20)      Superintendent  Superintendent
for Business   for Curriculum            for Operations  for Personnel
and Finance    and Instruction                           and Information
                                                          Services
```

- Assistant Superintendent for Business and Finance
  - Executive Director Business Services
  - Director of Food Services
  - Director of Purchasing

- Assistant Superintendent for Curriculum and Instruction
  - Executive Director Secondary Education and Instructional Programs
    - Director of Student Services
  - Executive Director Exceptional Student Education and Student Services
  - Director of Alternative Education
  - Director of Applied Technology and Life Long Learning
    - Coordinator of Adult and Community Education / Principal of Adult High School
  - Director of Elementary Education
  - Director of Instructional Support
  - Director of Staff Development

- Principals (20)

- Assistant Superintendent for Operations
  - Executive Director Facilities
  - Director of Attendance and Hearing Officer
  - Director of Transportation

- Assistant Superintendent for Personnel and Information Services
  - Executive Director Human Resources and Teacher Certification
  - Director of Risk Management
  - Director of Management Information and Data Processing

Source: Indian River County School District.

Activities of particular interest

The Indian River County School District is providing high school students taking television courses with hands-on experience by having them broadcast school board meetings. These broadcasts, which are videotaped and re-broadcast on a local educational television channel, provide students, parents, and county residents the opportunity to view board and district business meetings at their convenience.

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	2-5
	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 organizational structure has clearly defined units and lines of authority that minimize administrative costs.	Yes	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 school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.	Yes	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.	No	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	2-9
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.

To be effective, school districts must have a constructive, trusting relationship between their school boards and superintendents. This relationship is jeopardized most often when the parties do not understand or fail to adhere to their distinct roles in the educational process. In Florida, unlike most other states, many superintendents are elected rather than appointed by the school boards. This has the potential to further undermine effective working relationships particularly when the school board and superintendent have substantially different philosophies and opinions on key issues. Thus, districts should have mechanisms in place to maintain a distinct separation of roles and responsibilities between the school board and superintendent. In the most simple terms, the school board should be the policymaking entity in the district, and the superintendent should have the primary responsibility for implementing these policies during the course of his/her daily administration of the district. School board members should not be directing daily operations and should address operational concerns through the superintendent. The superintendent should not make broad, districtwide policies without the approval of the board. A district may use both formal and informal mechanisms to ensure that each entity adheres to its proper roles and responsibilities. At a minimum, the district (regardless of size) should have policies in place that comply with state statutes regarding these roles and responsibilities.

Although the Indian River County School District has processes in place to meet the intent of this best practice, the board, the superintendent, and district staff could ensure effective interactions by considering the recommendation below. [2]

> **We recommend that the district's new superintendent and board members take advantage of the Florida School Board Association's courses leading to Master Board certification. This training will help ensure that the superintendent and board members are working from a common base of knowledge on topics such as finance, budgeting, enrollment formulae, and state education issues.**

Best Practice 2: Using

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

The primary goal of all school board meetings should be to come to a decision in a timely manner on the majority of policy issues presented during a particular meeting. To meet this best practice, the school board and superintendent should have formal and informal mechanisms in place to ensure that board meetings run efficiently and effectively, and to ensure all policy discussions and decisions are open and accessible to the public. If board meetings consistently last longer than the time allotted, it is usually a telling sign that appropriate mechanisms are not in place, or are ineffective. Board members should not have to ask staff frequently for more information on agenda items, or ask for clarifications of the materials provided. More importantly, regardless of how well board meetings are run, board members

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[2] The district is in the selection process for a new superintendent.

and the superintendent should ensure that meetings are accessible and open to the public at large. For example, meetings should be located in large population concentrations at times that are not in conflict with the work hours of the majority of the public (e.g., board meetings should usually begin after 6 p.m.). If possible, board meetings should be broadcast live, or taped for later broadcast, on local public access television channels.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

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

Although the Indian River County School District has processes in place to meet the intent of this best practice, the district could improve its operations by implementing the recommendation below.

> **We recommend that all district procedures relating to school board policies be placed in a central file or manual that is easily accessible to all staff, employees, the board attorney, and the public. This would be a convenient and efficient way to update procedures that are changed to address legislative or board policy changes. We also recommend that the district develop a written procedure for district employees to follow in contacting the district's attorney. Since the attorney is contracted, this would help reduce the likelihood of the district having to pay legal costs for unnecessary use of attorney services.**

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.

School boards should have appropriate, responsive legal counsel to address legal issues as they arise. Legal services should be comprehensive, providing input on district policies, personnel issues, and advice to ensure that the district complies with federal and state legal requirements. Legal services should support the board, its individual members, the superintendent and district staff. In smaller districts, legal services are more likely to be contracted out, while the largest districts may have several in-house attorneys as well as contracted attorneys. As small districts grow in size, they should periodically evaluate whether hiring a full-time in-house attorney would be more cost-effective for the districts. Regardless of the district's size, legal expenses (including hourly rates, retainer fees, and total annual expenditures) should be evaluated for accuracy and appropriateness.

The Indian River County School District has processes in place to meet the intent of this best practice.

ORGANIZATION, STAFFING AND RESOURCE ALLOCATION

Best Practice 5: Using

The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Using

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

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. To accomplish this, school district staffing should promote efficiency and effectiveness while minimizing administration, especially at the district level. Low administrative to instructional staff ratios generally indicate that resources are being concentrated in the classroom, the main objective of most school boards and the state. However, districts must balance the goal of minimizing administration with the fact that some support services provided at the district level are more cost-effective than multiple site-based staff.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 7: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 8: Using

The district clearly has assigned school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

PLANNING AND BUDGETING

Best Practice 9: Not Using

The district has a multi-year strategic plan with annual goals and objectives based on identified needs, projected enrollment, and revenues, but the plan does not have measurable objectives and does not include operational programs.

Strategic planning enables a district to identify its critical needs and establish strategies and reallocate resources to address these needs. To ensure that all critical needs are identified, the strategic planning process should include broad stakeholder input. The decisions made during the strategic planning process should be in writing and the resulting plan should guide both policymaking and program development. The strategic plan also should address both instructional and non-instructional programs and have reasonable goals and objectives that can be accomplished, in most cases, within available resources. The complexity and breadth of the strategic plan will vary based on the size of the district. All strategic plans should include an accountability and evaluation component or else the plan becomes ineffectual.

The Indian River County School District currently has a multi-year strategic plan that includes strategic goals and objectives, and steps for achieving them. The plan's objectives, however, are not measurable in that they do not have quantified targets (expressed as numbers or percentages) or time frames for when they are to be accomplished. Further, the strategic plan addresses only instructional programs, and does not include goals or measurable objectives for the district's operational programs. The absence of goals and objectives for the operational programs significantly weakens the strategic plan as a tool for guiding and evaluating the district's overall performance and efficiency. The district and board are in the process of developing a new strategic plan, but the new plan has similar weaknesses.

Action Plan 2-1 includes steps to assist the district in developing goals and measurable objectives for its instructional and operational programs, and using the best practice.

Action Plan 2-1

We recommend that the district continue to develop and expand its strategic plan.		
Action Needed	Step 1.	During the current planning process, the district strategic planning committees modify the strategic plan to include major goals for the district's instructional and operational programs.
	Step 2.	The committees work with key district personnel to develop measurable objectives to be used in assessing the districts progress in accomplishing major goals for its operational programs. Objectives should be quantified and contain time frames for accomplishment.
	Step 3.	The committees and district personnel develop strategies for achieving major program objectives.
	Step 4.	The committees make the measurable objectives and strategies for achieving them available to stakeholders for comment and revise as needed.
	Step 5.	The plan is submitted for board approval.
	Step 6.	The district periodically reviews the plan's goals and objectives to ensure that they remain relevant and useful.
Who Is Responsible	Superintendent, strategic planning committees, and the school board	
Time Frame	June 2004	

Best Practice 10: Using

The district has a system to accurately project enrollment.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 11: Using

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

Like most other organizations, because school districts generally have seemingly unlimited demands for available funds, they must set budget priorities. Thus, a school district's financial decisions should reflect its priority goals and objectives. These goals and objectives (which should be part of a strategic plan) may either be explicitly stated in the budget or may be reflected in changes in allocations that are concurrent with the district's shifting priorities. For example, if improving reading scores is a priority goal, then the district's budget should include resources that assist schools in pursuing this goal (e.g., hiring additional resource teachers or purchasing a new reading curriculum).

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 12: Using

When necessary, the district considers options to increase revenue.

A school district may find it necessary to consider raising additional revenue if it has done everything in its power to streamline processes and minimize costs and it still cannot meet critical student and/or staff needs without additional funds. In general, districts usually need to increase revenue in times of rapid growth or when demographics within the district change significantly. However, the ability to raise funds varies considerably among districts and is dependent on a district's ability to levy additional taxes (if not already at the maximum allowed by law) and their current debt load. There are several options available to school districts to increase revenues. These additional revenue sources may include property taxes, sales taxes, bond issues, impact fees, or grants in aid. Some revenue sources can be used only for operational expenses, while others can be used only for capital expenditures, and still others can be used for both.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 13: Using

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

To be successful in educating students, school districts must actively engage parents and guardians in the activities of the district and the individual schools. The greater the parental involvement, the better most schools perform. However, in order to be actively involved in the educational process, parents must be aware of and encouraged to participate in school activities and decision making processes that affect their children.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 14: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

3 Performance Accountability Systems

Summary

The Indian River County School District is using one of the three performance accountability best practices. The district has accountability measures and benchmarks for the instructional area at the school level and uses educational performance data to develop school improvement plans. It effectively reports these data to the school board and public.

To meet all of the best practice standards and help ensure the efficiency and effectiveness of its major instructional and operational programs, the district should develop a districtwide performance accountability system. The accountability system should include measurable objectives and performance data for the district's major instructional and operational programs, and it should regularly review this data to determine if progress is being made in achieving program goals. The district also should develop criteria that can alert it when a program needs to be evaluated in more depth. These criteria could include performance that does not meet expectations or areas of high expenditures. The district should report evaluation results to the board and public and use the evaluations to improve district operations.

Background

The Indian River County School District is currently in the process of updating its five-year strategic plan specifically to ensure it reflects today's district imperatives. The plan contains a mission statement, core values, goals, and objectives and will serve as a primary reference for the district's performance accountability system. The planning committees are addressing both the operational and instructional areas as they develop measurable objectives for supporting district goals. The district and board are ensuring that the participants developing the new plan represent the broad cross section of citizens in Indian River County. In addition to updating its strategic plan, the district has charged its planning committees with the responsibility for also developing an accountability system that will allow it to monitor its progress towards achieving its goals and objectives in the strategic plan.

Conclusion and Recommendations —————

Summary of Conclusions for Performance Accountability Systems Best Practices

Practice Area		Best Practice	Using the Best Practice?	Page No.
Goals and Measurable Objectives	1.	The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. These major programs are Basic Education (K-3, 3-8, 9-12), Exceptional Student Education, Vocational/Technical Education, 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	3-5
	3.	The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	Yes	3-5

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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 does not have clearly stated goals and measurable objectives that can be linked with the budget for each major educational and operational program.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs. To do this, school districts should have an effective accountability system that includes clearly stated goals and measurable objectives that provide performance expectations for their instructional and non-instructional programs, and mechanisms for measuring the district's progress in meeting these expectations. Objectives should include high-level outcome measures that board members and the public can use to assess the efficiency and effectiveness of the district's programs. Objectives also should include lower level interim outcome or process measures that managers can use to administer programs effectively. To assess the progress of its programs toward achieving desired results, school districts should establish standards for the progress they would like to obtain within available resources. Districts should also benchmark their performance data against past results or the results of other, comparable districts.

The Indian River County School District has developed an accountability system for educational programs at the school level and is using the system in the development of school improvement plans. The district's primary goal for its educational programs is better student performance, specifically in reading.

However, the district is not using this best practice for three reasons. First, although the district has established a broad goal to improve overall student performance, it has not established measurable objectives that specify the extent of improvement desired. Measurable objectives would include quantified targets for improving student performance and timeframes for when they are to be accomplished. Second, it has not developed measurable objectives that would allow it to better evaluate services to special groups of students such as ESE students and others who are expected to obtain special diplomas. Finally, it has not developed adequate accountability mechanisms for assessing the performance of its operational programs.

Action Plan 3-1 includes steps to assist the district in improving its performance accountability system and using the best practice.

Action Plan 3-1

We recommend that the district develop a districtwide accountability system that addresses both instructional and operational programs.

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.

Step 2 bullets:
- 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 the performance the district would like to achieve, which may be based on a 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. 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	Superintendent, planning committees, and school board
Time Frame	June 2004

Best Practice 2: Not Using

The district evaluates the performance and cost of its major instructional programs and uses evaluation results to develop strategies for improving the performance of these programs; however, it is not evaluating its operational programs.

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

The Indian River County School District assesses the performance of its major instructional programs; it also uses evaluation results to develop workshops and training to improve its instructional programs.

However, the district is not using this best practice for two reasons. First, the district does not periodically evaluate its major operational programs, such as the transportation, facilities maintenance, facilities construction, and food service programs using an established accountability system of standards or quantifiable outcomes (see Chapters 7, 8, 9, and 10). Second, it has not established criteria that would alert it when a program needs to be evaluated in more depth. These criteria could include lower than expected performance or undesirable trends.

See Action Plan 3-1 for steps to assist the district in improving its evaluation process and using the best practice.

Best Practice 3: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

4 Educational Service Delivery

Summary ———————————————

The Indian River County School District is using 11 of the 12 educational service delivery best practices. The district generally provides effective and efficient educational programs that meet the needs of its students and the intent of the best practices, including basic education, Exceptional Student Education, migrant and other at-risk, and workforce development programs. To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its educational programs, the district should ensure that schools develop clear, measurable, improvement objectives and include them in their school improvement plans; ensure that each school regularly evaluates its progress in accomplishing its improvement plan's goals and objectives; and have the schools periodically report their progress to district administrators and the board.

Background ———————————————

The Indian River County School District served 15,420 students during the 2001-02 school year with an ethnic breakdown of 70% white, non-Hispanic, 17% black, non-Hispanic, 11% Hispanic, 1% Asian/Pacific Islander, less than 1% American Indian/Alaskan native, and 2% multiracial. The district has 26 schools, including 13 elementary schools, 3 middle schools, 2 high schools, 1 adult school, 1 exceptional education school, 1 alternative education school, and 5 charter schools. For Fiscal Year 2001-02, the operating costs in the district were $5,164 per pupil, slightly less than the state's average operating cost of $5,180.

As Exhibit 4-1 shows, the Indian River County School District has experienced moderate student growth over the past five years. The percentage of students served in the English for Speakers of Other Languages (ESOL) program is higher than most of Indian River's peer districts but lower than the state average, and the percentage of students who are eligible for free or reduced price lunch is the highest of its peers and slightly lower than the state average.

Exhibit 4-1
School District of Indian River County Student Demographics

| District	Total Students	Percentage Increase, 1999-2002	English for Speakers of Other Languages (ESOL) [1]	Percentage Eligible for Free or Reduce Price Lunch [2]
Charlotte	17,323	4.6%	1%	41.6%
Citrus	15,230	4.1%	1%	42.7%
Hernando	17,940	9.3%	1%	42.5%
Martin	16,792	5.4%	8%	31.4%
Nassau	10,441	1.4%	< 1%	34.6%
Indian River	**15,420**	**5.5%**	**4%**	**44.1%**
State	**2,499,781**	7.0%	**8%**	**45.2%**

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

[2] The percentages for free and reduced price lunch students reflect early, second semester 2002-03 school year statistics.

Source: Florida Department of Education.

The Indian River County School District's assistant superintendent for Curriculum and Instruction supervises the seven divisions that provide instructional and support services to the district's schools. As shown in Exhibit 4-2, seven administrators report directly to the assistant superintendent. In addition to those positions, four teachers "on assignment" provide support in the areas of reading, math, school improvement, and student support services and report directly to the assistant superintendent.

Exhibit 4-2
Educational Service Delivery Organization Chart
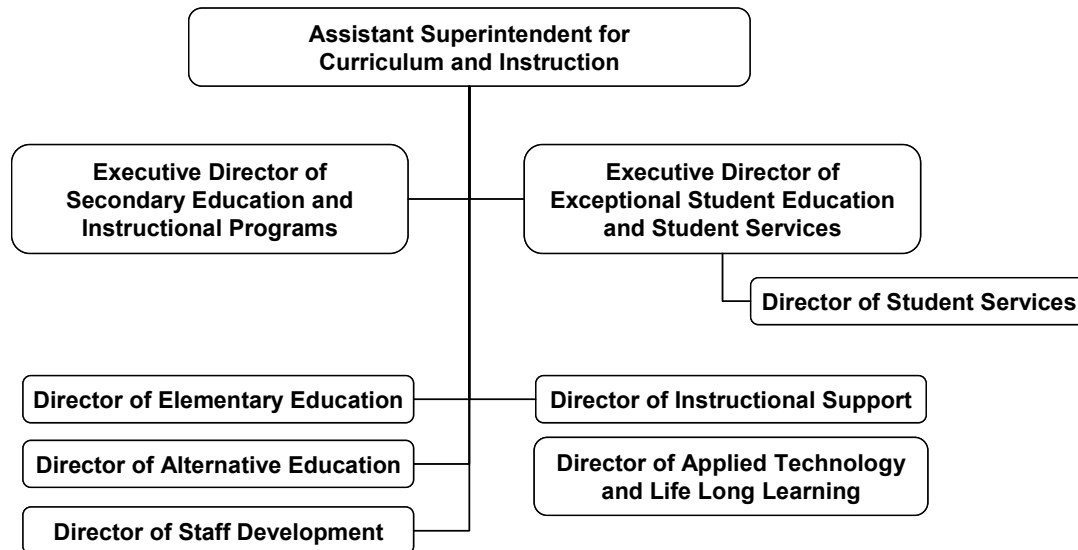
Source: Indian River County School District.

The 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 12th 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).

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 of Indian River County students identified and served in the district's ESE program (21%) is near the average of its peers. In 2001-02, the district identified 15% of its students as having disabilities and 6% as gifted. Teachers or parents begin the ESE process by consulting a student support specialist to consider interventions. If additional support is needed, other school resources may be brought to bear. At least two interventions must be attempted prior to initiating the process of assessing and identifying a student as ESE and developing an individual education plan (IEP). Indian River also has a separate facility, Wabasso School, for the most severely challenged students, such as those with autism.

At-Risk Programs. The Indian River 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), migrant, 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 provides services to schools with high concentrations of poverty as determined by the number of students who receive free or reduced price 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. Title 1 provides targeted assistance to students in its other schools who meet eligibility criteria. Twelve of the district's 26 schools, including 3 charter schools, qualify for school-wide Title I programs.

The district uses both the inclusion and pull-out approaches to educate ESOL students, placing students in the regular classroom. In 2001-02, district ESOL programs served 621 students. School administrators identify ESOL students based on the results of a home language survey administered to students at registration. School-based ESOL resource teachers are responsible for ensuring that students progress and that their needs are met. To leave the program, ESOL students must met certain performance standards in reading and writing as assessed by English Language Assessments, which is annually administered by the district.

In 2001-02, the district's migrant programs identified and served 833 students (including 170 non-attendees) from migrant families, and migrant students constituted 4.33% of all students in the district. By comparison, the state average migrant student population was 1.90% in that year, and the highest of Indian River's peer districts was over two percentage points lower. There are migrant advocates in schools with high migrant populations, and the district provides additional services to migrant students and families. A notable example is a trailer at a SunAg employee trailer park. The company partnered

with the school district to renovate the trailer and equip it with computers to provide academic support to K-12 migrant students, English classes for adults, and other social and educational activities.

The district offers several alternative education programs. In 2002-03, the Alternative Center for Education served 120 students with disciplinary problems in grades 6-12. It also has a teen parent program that served 59 students and an internship program at Piper Aircraft that served 42 students considered at-risk of dropping out.

Accelerated Programs. The Indian River County School District provides students several accelerated opportunities, including Dual Enrollment, Advanced Placement (AP), International Baccalaureate (IB), and access to the Florida Virtual School.

Dual Enrollment programs allow high school students to enroll in courses for which they can receive both high school and college credit. These courses can be academic courses that count toward an associate or baccalaureate degree or vocational courses that count toward meeting vocational certificate requirements. Students in the district take dual enrollment courses through Indian River Community College, and 628 students in the district took dual enrollment courses in 2003.

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. Most of the district's AP courses are offered at Vero Beach High School. In 2002, 214 Indian River high school students took AP exams.

The International Baccalaureate program is an advanced level of high school coursework based on a curriculum designed to allow students to meet various international university entrance standards. Sebastian River High School houses the IB program, and Sebastian River Middle School is preparing to begin a middle school IB program. In 2002-03, 190 students were in the IB program, and 75 students took IB exams in 2003.

Indian River County students may also take advanced courses through 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.

Vocational and Adult Education. The district's secondary vocational and technical education program served approximately 4,407 students in middle and high schools during the 2002-03 school year. The program offers several courses of study that include business technology, culinary arts, health (e.g., nursing assistant), agriculture, environmental science, carpentry, drafting, automotive and marine technology, and metal fabrication. These courses of study prepare students for postsecondary work as well as assist them in developing job-ready skills. The district also has an adult education program and provides career and technical education and well as general education (e.g., adult basic education and GED preparation) courses. During 2002-03, the district served 2,528 students in these programs.

Student Support Services. In the Indian River County School District, the Student Services Department provides psychological, social, behavioral, health, and academic guidance services. The district also partners with county government and private organizations to supplement some of these services. The objective of these student support services is to provide support outside of the classroom, which helps students to overcome problems that could interfere with their academic success and to broaden their education experience. The district has recently succeeded in its effort to place a certified behavioral analyst in each school to serve as the student support specialist. This person chairs the student support team and works collaboratively with teachers and other school personnel to coordinate and monitor behavioral interventions, individual education plans for ESE students, 504 plans for physically disabled students, and other behavioral services for parents and students.

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	4-6
	2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	Yes	4-6
	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	4-7
	4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	Yes	4-7
	5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	Yes	4-7
	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.	No	4-8
	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	4-9
	8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	Yes	4-10
Effective and Efficient Instructional Support	9. The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students.	Yes	4-10
	10. The district has sufficient school library or media centers to support instruction.	Yes	4-10
	11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	Yes	4-11
	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	4-11

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 have opportunities for improvement.

Effective school districts use academic and nonacademic data to drive decisions related to their instructional programs and to improve the performance of all students. To meet this best practice, districts should collect, analyze, and use data regularly to monitor the performance of 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 Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district develop strategies to improve attendance rates of high school students. In the 2000-01 school year, 22.4% of the district's high school students were absent more than 21 days. This rate was above the state average of 15.7% and even further above the average of Indian River's peer districts.**

Best Practice 2: Using

The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district continue to evaluate and, when appropriate, implement strategies to reduce ESE disproportionality, particularly among educable mentally handicapped (EMH) and gifted students. The Florida Department of Education reported that while 17% of the district's students in 2002 were black, they represented 24% of the students identified as disabled and 7% of those identified as gifted. Among students with disabilities, this disproportionality for EMH students was among the highest percentage disparities in the state.**

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 but has opportunities for improvement. [1]

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. To meet this best practice, school districts should periodically assess the academic and social needs of their students and use this information to identify or develop programs to meet those needs. To increase student success, districts should promote parent involvement and provide teachers adequate training and support. Districts should also periodically assess the progress of at-risk students making adjustments to programs as needed to ensure that students perform to their capacity.

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district separately monitor and evaluate the progress of students in its alternative education programs (i.e., teen pregnancy and disciplinary programs). This will provide district administrators and teachers information needed to assess and improve the success of these programs.**

Best Practice 4: Using

The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment).

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 5: Using

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

Students who do not plan to attend college immediately after high school need to enhance their ability to be economically self-sufficient. Many of these students benefit greatly from workforce development programs, such as career and technical education, which help them to attain the skills that 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

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

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.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Not Using

The district could improve the efficiency and effectiveness of its planning and evaluation processes to improve student outcomes, including school improvement plans and other data driven processes.

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 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 Indian River County School District has a full-time school improvement liaison who provides guidance to schools in developing SIPs and communicates relevant statutory and regulatory changes. In addition to serving as a resource to schools, the liaison supports the activities of the District School Improvement Review Committee. Each school advisory council has a district liaison who maintains communication between schools and the central office. Each school has a board-approved SIP, and the district SIP template is based on a set of eight state-approved goals. Each SIP defines the strategy, time frame, and parties responsible for meeting its objectives.

However, the district is not using the best practice for three reasons. First, many SIPs do not have measurable objectives, have set expectations that are at or below current performance levels, or have objectives without providing current or past performance baselines. Second, schools do not consistently evaluate progress toward SIP goals. Third, the district does not have a process in place to monitor and evaluate the schools' progress in meeting their SIP objectives.

Action Plan 4-1 includes recommendations to assist the district in improving its operations and using the best practice.

Action Plan 4-1

We recommend the district strengthen the framework through which schools set and are held accountable for their school improvement goals and objectives.		
Actions Needed	Step 1.	The district establishes a mechanism to evaluate and provide feedback to schools on their SIP goals and objectives.
	Step 2.	The district ensures that approved SIP goals and objectives are developed from analysis of school-based data and are set relative to explicit baseline performance measures. For example, the district may use its new data analysis software and other tools to provide disaggregated, school-based data to schools and school advisory councils for this purpose.
	Step 3.	If a school's SIP lacks these elements, then district personnel assist the school in preparing an improved plan.
	Step 4.	The district establishes a mechanism to periodically evaluate SIPs to determine the extent to which progress is being made towards the accomplishment of SIP goals and objectives. One approach may be to create a database to track SIP goal and objective attainment for each school. Another approach may be to revise the duties of the district school improvement liaison to emphasize monitoring and evaluation of school improvement plan implementation as well as initial approval of the plans.
	Step 5.	Schools report their goals and objectives, mid-year SIP progress, and annual evaluations of performance relative to those goals and objectives to the Assistant Superintendent for Curriculum and Instruction and the board. Because of data availability, some mid-year progress reports may include actions taken rather than outcomes achieved.
Who Is Responsible	Assistant Superintendent for Curriculum and Instruction and the school improvement liaison	
Time Frame	June 2004; ongoing thereafter	

Best Practice 7: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 8: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

EFFECTIVE AND EFFICIENT INSTRUCTIONAL SUPPORT

Best Practice 9: Using

The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students but has opportunities for improvement.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district ensure that all schools track lost and damaged instructional materials and require all schools to explore additional means to collect fines annually for lost and damaged instructional materials. Payments currently collected by schools cover only a small percentage of the value of lost and damaged textbooks.**

Best Practice 10: Using

The district has sufficient school library or media centers to support instruction but has opportunities for improvement.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendations below.

> We recommend that the district take steps to make its library collections more current, such as weeding outdated materials and prioritizing acquisitions to ensure materials are current. All but four school libraries have print collections with average copyright dates prior to the 1990s, and two collections have average dates in the mid-1970s.
>
> We also recommend that the district explore options such as pooling purchases of library materials among schools or with other districts to take advantage of bulk rate discounts.

Best Practice 11: Using

The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement but has opportunities for improvement.

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 common basic software packages. To increase student success, districts should ensure that all students have opportunities to use computer software while in school. Districts should also periodically obtain feedback from teachers and principals related to the usefulness and adequacy of instructional technology and use this information when selecting future materials.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 12: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> We recommend that the district consider reprioritizing or shifting employee administrative responsibilities to allow guidance counselors more time to provide academic and social counseling. The ratio of students to guidance counselors in Indian River is high relative to peer districts and the statewide average, and teachers and administrators reported a need for providing more guidance services to students. Guidance counselors have administrative duties that limit their ability to deal proactively with students' personal and social needs.

5 Administrative and Instructional Technology

Summary

The Indian River County School District is using all nine of the administrative and instructional technology best practices. The district acquires technology in a cost-effective manner, maintains a dependable standards-based infrastructure, uses technology to improve communications, and has policies and procedures outlining the appropriate use of technology.

Background

Instructional and administrative technology is an important aspect of school district operations. Technology affects student performance by enabling students to access and analyze information, solve problems, collaborate with others, and effectively communicate their thoughts and ideas. Teachers use technology as a tool to assist in administrative duties, provide curriculum support, and prepare students for life after graduation. Administrators and district employees use technology to provide timely information to effectively manage the district's resources and make informed decisions.

The instructional and administrative technology resources in the Indian River County School District serve 13 elementary schools, three middle schools, two high schools, the Wabasso Exceptional School, the Gifford Alternative Center, and the district's administrative buildings. A wide variety of technology resources exist throughout the district.

Instructional Technology

Computer and audio-visual equipment, projection systems, televisions, and digital cameras are available to employees at every school. All schools have wireless and/or fiber optic connectivity enabling all classrooms and teacher workstations to have Internet access. In addition, district schools use computers to assist with instruction in a variety of ways: integrated learning systems are used to provide students with learning experiences in many disciplines at various grade levels; instructional software is used to help students in specific subject areas through drill and practice; "synergistic labs" are used to provide students hands-on experience in areas such as audio broadcasting, computer graphics and animation, ecology, flight technology, and graphic design; and business center labs to are used to help students learn concepts in marketing, management, economics and personal finance, business law, international business, accounting, and entrepreneurship.

District schools have implemented various strategies to improve student academic achievement through the use of technology. Computer software available at district schools helps teachers assess the academic achievement level of their students and enables them to develop individual student progress plans that follow Sunshine State guidelines. The district is also using televideo equipment to provide on-site distance learning opportunities to teachers and students.

Administrative Technology

The district also operates systems that support its administrative functions. It has systems in place to track financial, student, and personnel information. These systems are managed by district personnel and accessed remotely through the district's network at all school sites. The student information system tracks information including student performance, attendance, bus schedules, health records, and demographics. Employee personnel information provided by the systems includes demographic, professional development and payroll information. The district supports users of these systems by providing training, technical support, and application maintenance to accommodate changes in the Florida Department of Education (FDOE) reporting requirements. The district website provides a forum for school district personnel, parents and other community members to share information within and outside the district. [1] The district also provides email accounts for all district personnel.

Funding

Over the last three years, the district used public school technology funds, E-rate reimbursement, and state and federal grants to fund approximately 23% of its technology expenditures. The district used other sources of funds, such as local funding, capital outlay funds, and general revenue, to cover additional technology expenditures. Hardware acquisitions accounted for 38% of the district's technology expenditures. Exhibit 5-1 shows the district's technology funding sources and expenditures for Fiscal Years 1999-2000 through 2001-02.

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[1] See Indian River County School District website for more information.

Exhibit 5-1
Indian River County School District
Has Expended at least 4% of Its Budget on Technology

	Fiscal Year		
	1999-2000	2000-01	2001-02
Technology Expenditures			
Contracted Services—Hardware/Software Maintenance	$235,161	$160,774	$266,862
Technology Infrastructure	$570,167	$1,256,564	$643,858
Software Purchases	$503,266	$667,802	$397,096
Hardware Acquisitions	$1,904,642	$1,956,977	$1,951,333
Software Licensing	$21,073	$23,005	$54,280
Salaries & Benefits			
IS Staff & Network staff	$834,097	$957,353	$1,041,021
Computer Lab Asst/Ed Tech Spec: (cost average)	$365,721	$365,330	$431,522
Technology Training [1]	$79,655	$75,157	$66,202
Communication & Technology	$8,232	$8,752	$8,548
Parts, Supplies & Repairs	$216,153	$173,785	$83,510
Total Expenditures	**$4,738,166**	**$5,645,498**	**$4,944,232**
Total District Budget	**$106,764,601**	**$116,235,827**	**$126,280,306**
Expenditure as a percentage of district budget	**4%**	**5%**	**4%**
FTEs	14,536	14,737	15,147
Expenditures per FTE	**$326**	**$383**	**$326**

[1] Training costs are understated due to the following: (a.) Training is often "bundled" with software/hardware purchases and not readily accessible for identification as technology training. (b.) Training costs are accounted for in either a 6400 or 7730 function at all sites. Technology training may be included with other training costs and not readily accessible for identification as technology training. (c.) Training costs may be included in "contracted services" since a consultant may be hired by the district to conduct training. Contracted services for technology training may be included in various budgets and are not readily accessible for identification as technology training.

Source: Indian River County School District; Florida Auditor General Reports #01-115, #02-168, #03-150; OPPAGA analysis.

Over the last three years, the district received state and federal funds for technology from three sources: Public School Technology Funds, the Technology Literacy Challenge Fund, and E-rate reimbursement. 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 U.S. Department of Education has replaced Technology Literacy Challenge Funds with the Enhancing Education Through Technology (EETT) initiative, which result in additional funds being awarded based on FTE students. The Florida Department of Education (FDOE) awards half of the $27 million of available federal EETT funds to all Florida districts based on FTE students, of which the Indian River County School District received $65,565 for Fiscal Year 2002-03. FDOE will award the other half of the funds competitively. However, the Indian River County School District is 1 of 10 districts that are not eligible to compete for this funding because of its low percentage of free and reduced lunch students and relatively high student performance.

Organizational Structure

As shown in Exhibit 5-2, the district's organizational structure results in shared responsibility for Information Technology service and support. The Information Services (IS) Department is under the direction of the assistant superintendent of Personnel and Information Resources while technical support for infrastructure and communications is under the assistant superintendent of Operations. IS Department employees manage districtwide financial, personnel, and student information databases and software applications, such as a standard gradebook application that interfaces with the student record system.

District employees under the assistant superintendent of Operations are responsible for operating and maintaining the district's network infrastructure. Network support is provided by a network analyst, a help desk operator, a network technician, and three district technicians. Each district technician is assigned to a geographical "zone" and is responsible for providing technical support to the facilities in their zone. Technology support specialists at the schools assist by solving technical support problems on-site. If school technology specialists cannot solve a problem, they call the district's help desk. The help desk operator then logs the call and routes the request to support personnel.

Exhibit 5-2
The Indian River County School District's Organizational Structure Results in Shared Responsibility for Information Technology Services
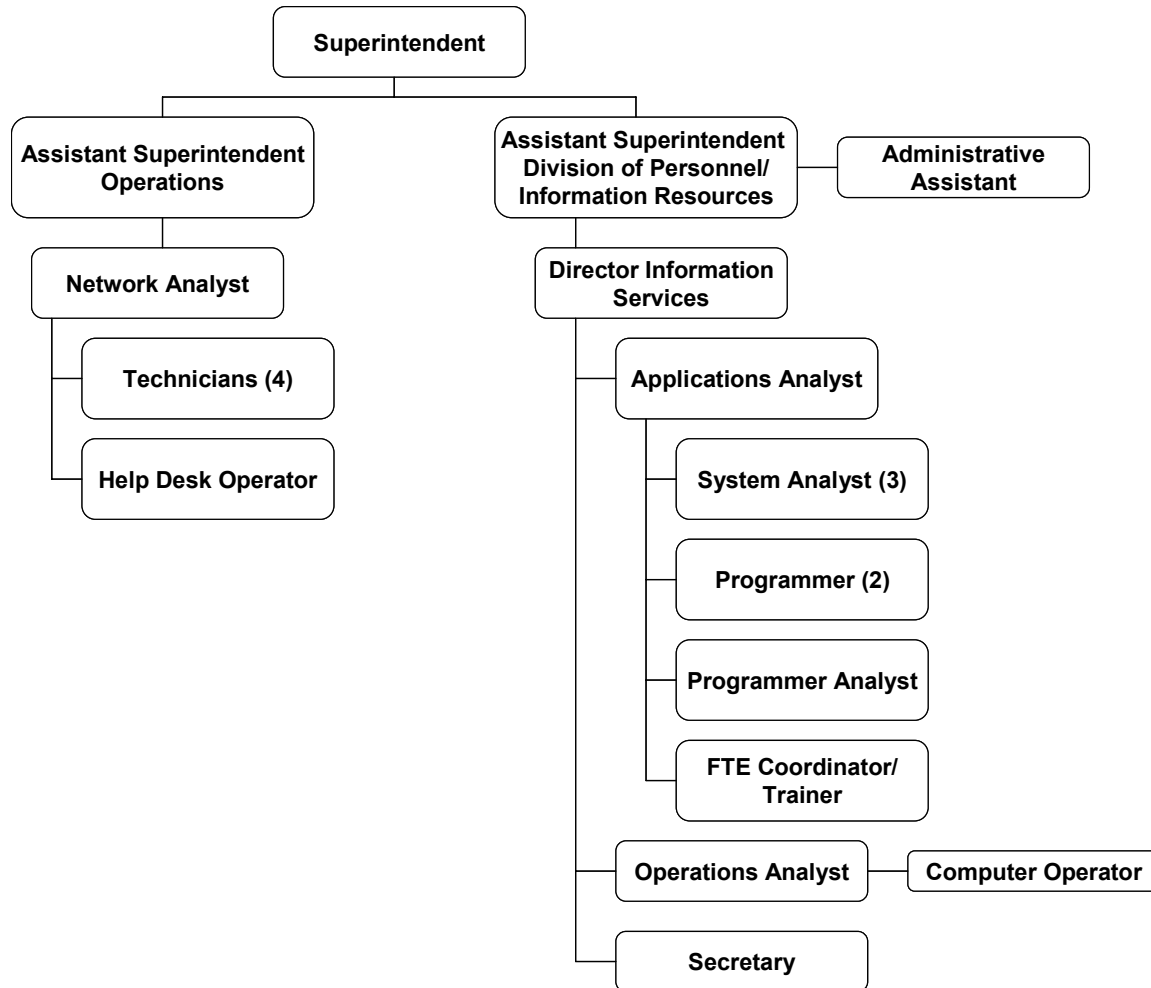
Source: Indian River County School District, February 2003.

Activities of particular interest

The Indian River County School District has its own wide area network, including fiber optic connections and switching technologies. This network provides a reliable infrastructure for communication, data transmission, resource sharing and Internet capabilities. [2] It also allows the district to transmit more data through its fiber optic connections than would generally be possible on lines leased from

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[2] All schools have fiber optic connectivity with the exception of Fellsmere Elementary, which has wireless connectivity.

telecommunication companies. As a result, the district has a greater capacity to meet future demands for transmitting data.

To make more use of its increased capacity for data transmission, the Indian River School Board recently purchased a digital media server that will allow it to stream video to any classroom in the district. With the deployment of the new server, teachers from any school can select educational videos from a library on the digital server and view them in their classrooms. The server can also house videos produced in the district by students or district personnel that can also be broadcast throughout the district.

Conclusion and Recommendations

Summary of Conclusions for Administrative and Instructional Technology Best Practices

Practice Area		Best Practice	Using the Best Practice?	Page No.
Technology Planning	1.	The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.	Yes	5-7
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	5-7
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	5-8
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	5-8
	6.	The district uses technology to improve communication.	Yes	5-9
	7.	The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	Yes	5-9
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	5-9
	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	5-10

TECHNOLOGY PLANNING

Best Practice 1: Using

The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

COST-EFFECTIVE TECHNOLOGY ACQUISITION

Best Practice 2: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

TECHNOLOGY PROFESSIONAL DEVELOPMENT

Best Practice 3: Using

District and school-based staff receive professional development training for technologies used in the district.

Professional development is essential to ensuring that district employees maximize their use of existing technology. However, given the potentially wide range of knowledge and abilities among its staff, it is essential that districts identify the employees and specific areas in which employees are in the greatest need of training and then use this information to focus professional development efforts. To accomplish this, districts must define the level of competency to be mastered, clearly state the training requirements,

and develop strategies to provide the needed training. These strategies include traditional classroom, one-on-one, computer lab instruction, web-based instruction, electronic bulletin boards, videotapes, and other self-directed, technology-based methods. In evaluating the effectiveness of training, districts should strive to go beyond issues such as whether participants liked the professional development opportunity and should focus on the intended outcomes and skills to be mastered. Assessing the effectiveness of training is important to plan and budget for future training initiatives.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

Timely, helpful technical support can be a determining factor in whether technology is used or abandoned, decisions are made in a timely manner, and essential district services are maintained or interrupted. Districts should provide responsive technical support to all users. Instructional personnel should provide media-rich curricula, and non-instructional personnel should conduct administrative tasks without technical interruptions. Areas of technical support include email support, intranet/Internet access, software application support, web development, and computer hardware installation and maintenance. Providing technical support can be accomplished in a variety of ways, including providing a trained non-instructional technology support person or providing a technology facilitator in each school; managing a central help desk at the district; implementing a work order tracking system; and contracting for regional or vendor support services. In addition, districts can minimize the cost of supporting out-of-warranty equipment by establishing replacement guidelines that specify a time frame for when technologies should be recycled or replaced.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the district develop technical support benchmarks and periodically evaluate the strategies it uses to provide technical support services. The district already has an application that could be used to provide information on support personnel productivity, but is not fully using all of its features. This would help the district evaluate the effectiveness of its technical support activities.**

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.

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Using

The district uses technology to improve communication.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 7: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

INFORMATION MANAGEMENT AND DELIVERY

Best Practice 8: Using

The district has established general controls in the areas of access, systems development and maintenance, documentation, operations and physical security to promote the proper functioning of the information systems department.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district expedite its plan to implement enhanced security measures for all existing and new wireless technologies. This will help the district further secure its network from infiltration by unauthorized users.**

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.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

6 Personnel Systems and Benefits

Summary

The Indian River County School District is using all 11 personnel systems and benefits best practices. The district has an effective process for recruiting and hiring qualified personnel, and has an efficient and cost-effective system for managing absenteeism and substitute personnel.

Background

The Indian River County School District employed 1,768 full-time persons during school year 2001-02, of whom approximately 54% were instructional personnel. (See Exhibit 6-1.) The district has assigned responsibility for personnel records, application and hiring processes, personnel orientation, evaluation procedures and coordination, workman's compensation and benefits to the assistant superintendent of Personnel. The personnel division has an executive director of personnel and a director of risk management. The division of personnel has 11 full-time employees including administrative and non-administrative personnel. The budget for the personnel department is $817,000, which includes operations and salaries. The district has assigned responsibility for professional development to the Department of Curriculum and Instruction under the assistant superintendent for Curriculum and Instruction. The Indian River County Education Association (IRCEA) represents the district's teachers in collective bargaining. The Communications Workers of America (CWA) represents the district's non-instructional workers. As of May 2003, approximately 57% of the district's instructional employees were members of the IRCEA and approximately 35% of the district's non-instructional employees were members of the CWA.

Exhibit 6-1
During 2001-02, the Indian River County School District Employed 1,768 Persons

Categories of Employees		Numbers of Employees
Administrative Employees	District Level	23
	School Level	38
	Total Administrative	**61**
Instructional Employees	Elementary	362
	Secondary	322
	Exceptional Student	140
	Other Teachers	7
	Other Instructional Staff	130
	Total Instructional	**961**
Non-Instructional Employees	Professional	62
	Non-Professional	684
	Total Non-Instructional	**746**
Total Employees		**1,768**

Source: Florida Department of Education.

Activities of particular interest

The Indian River School County School District is using a new system that uses the Internet and electronic mail rather than phone calls to arrange for substitute teachers. Teachers are able to report an absence on-line and requested substitutes are immediately informed by an electronic mail message. The substitute teachers can also access the system to see all available jobs, preview lesson plans, and select the jobs they want. District employees believe the system has worked well and has helped the district maintain a high fill rate for substitutes.

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	6-5
	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	6-6
	7. The district maintains personnel records in an efficient and readily accessible manner.	Yes	6-6
	8. The district uses cost-containment practices for its Workers' Compensation Program.	Yes	6-6
	9. The district uses cost containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	Yes	6-7
	10. The district's human resource program is managed effectively and efficiently.	Yes	6-7
	11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	Yes	6-7

HUMAN RESOURCE MANAGEMENT

Best Practice 1: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 2: Using

The district maintains a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

We recommend that the district formally review employee exit interviews, employee surveys, and turnover data to provide it with more comprehensive information regarding the district's overall work environment. 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 retain employees.

Best Practice 3: Using

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.

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

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendations below.

> **We recommend that the district continue its efforts to establish a process to evaluate the effectiveness of its staff development program. As part of this process, the district, when possible, should use student achievement data to help it in deciding whether specific staff training classes should be used again in the future. The district should also assess how well employees are using the training they are receiving in performing their responsibilities. These actions will help the district determine whether its employees are benefiting from training and whether the training is contributing to higher employee performance.**

Best Practice 4: Using

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.

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

The Indian River County School District has processes in place to use this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the district continue its efforts to meet its goal of tracking the percentage of all employees (instructional and non instructional) rated as being in each evaluation category (exemplary, highly effective, effective, some deficiencies, ineffective). This will help the district determine if supervisors are consistently using employee performance evaluation criteria.**

Best Practice 5: Using

The district ensures that employees who repeatedly fail to meet the district's performance expectations, or whose behavior or job performance is potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate the person's employment.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 7: Using

The district maintains personnel records in an efficient and readily accessible manner.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 8: Using

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

When left uncontrolled, worker's compensation claims can represent a significant expense to school districts and, thus, should be effectively managed to minimize their frequency and costs. A district can do this in a number of ways. For instance, a district should conduct routine evaluation of the claims and

expenses. The district also should have an active safety inspection program, and should develop correction actions such as physical plant repair or employee training based upon information gained from past workers' compensation claims. In addition, the district should implement cost containment steps to limit workers' compensation expenses, such as a light duty program that enables injured employees to return to work as soon as they are able.

The Indian River County School District has processes in place to meet the intent of this best practice.

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 10: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 11: Using

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

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

The Indian River County School District has processes in place to meet the intent of this best practice.

7 Facilities Construction

Summary

The Indian River County School District is using 20 of the 24 facilities construction best practices. The district operates a well-managed, cost-effective facilities construction program that delivers facilities on time and within budget. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities, the district should create a long-range facilities planning committee that will consider new growth projections, projected revenues, and the cost to acquire new sites and renovate and construct facilities. In addition, the district should develop and implement a post-occupancy design evaluation, as well as develop program goals and measurable objectives.

Background

Background information on the district's facilities operations and needs is presented in this section. The first section presents general information relating to facilities utilization. The second section presents information on the age and condition of the district's facilities inventory. Next, information on the district's capital budget is presented. A final section presents information on how the district's facilities construction operations are managed.

Facilities utilization. The Indian River County School District has a total of 19,775 satisfactory student stations (18,436 permanent student stations and 1,339 student stations located in relocatables) across its 20 schools. [1] With an enrollment of 15,420 students for the 2001-02 school year, the utilization rate of district facilities is 81%. If only permanent student stations are counted, however, the utilization rate increases to 87%.

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[1] The total number of schools does not include the district's adult education program.

Exhibit 7-1
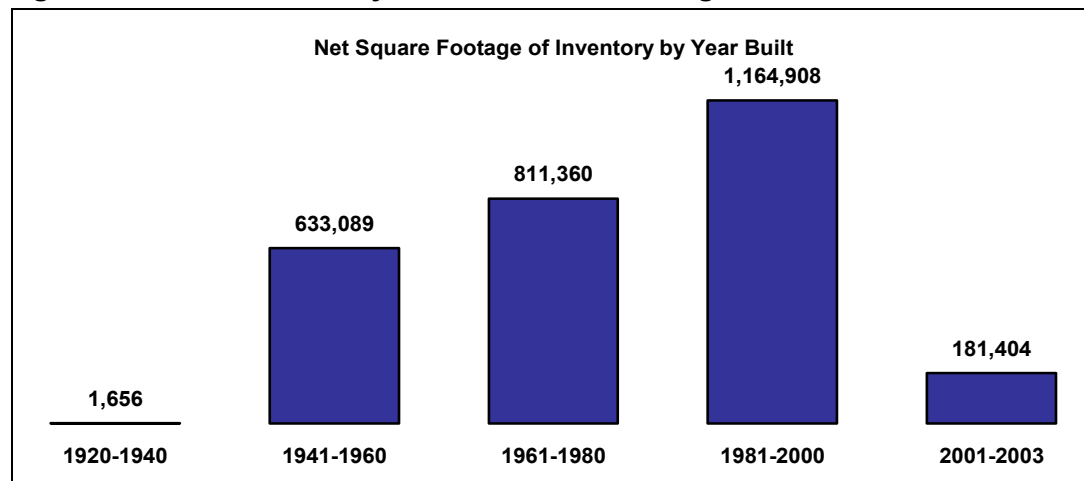**The District Uses 81% of Its Overall Capacity**

Description	Facilities	Total Satisfactory Student Stations	Full Capacity	Satisfactory Permanent Student Stations	Capacity of Permanent Facilities
Elementary	13	9,510	9,510	8,775	8,775
Middle	3	4,221	3,798	3,890	3,501
Senior High	2	5,390	5,120	5,129	4,872
Exceptional Student	1	82	82	70	70
Combination					
Alternative Education	1	572	572	572	572
Vocational Technical					
Total	**20**	**19,775**	**19,082**	**18,436**	**17,790**
Vacant	1				
County Administration	3				
Transportation					
Multiple Use Support					
Total	**4**				
Grand Total	**24**	**19,775**	**19,082**	**18,436**	**17,790**

Source: Florida Department of Education, Florida Inventory of School Houses database, School Year 2002-03.

Given current class size reduction requirements, the Educational Plan Survey recommendations have been postponed.

Facilities Inventory

Exhibit 7-2
Age of Indian River County Public School Buildings [1]

Net Square Footage of Inventory by Year Built

1920-1940	1941-1960	1961-1980	1981-2000	2001-2003
1,656	633,089	811,360	1,164,908	181,404

[1] Includes elementary, Exceptional Student Education, secondary, adult education, and ancillary facilities.

Source: Florida Department of Education, Florida Inventory of School Houses database, School Year 2002-03.

Capital Budget

Exhibit 7-3
The Bulk of the District's Five Year Capital Budget Is Devoted to New School Construction and Remodeling, Renovations, and Repairs

| Project Descriptions	2002-03 Projected Budget	2003-04 Projected Budget	2004-05 Projected Budget	2005-06 Projected Budget	2006-07 Projected Budget	Totals
Life Safety	$ 355,000	$ 92,000	$ 93,000	$ 217,000		$ 757,000
HVAC Upgrades	3,049,000	1,980,000	3,724,000	6,110,000		14,863,000
Roofing	3,875,000	2,370,000	950,000	1,335,000		8,530,000
Flooring	20,000	204,000	97,000			321,000
Other [1]	5,561,800	5,726,600	4,406,100	7,571,644	7,000,000	30,266,144
Architecture/Engineering	200,000					200,000
New School Construction					8,630,331	8,630,331
Additions to existing schools		2,525,000	5,875,000			8,400,000
Land purchase						
Land improvements						
Total	**$13,060,800**	**$12,897,600**	**$15,145,100**	**$15,233,644**	**$15,630,331**	**$71,967,475**

[1] This category includes projects relating to painting, installing and covering hard courts, landscaping, playgrounds, remodeling and renovating, lighting upgrades, and major cleaning and repair tasks.

Source: Indian River County School District, *2002-2003 Facilities Five-Year Work Program*, October 1, 2002.

Organization and Management

Exhibit 7-4
The Indian River County School District's Organizational Structure Results in Shared Responsibility for Construction Services
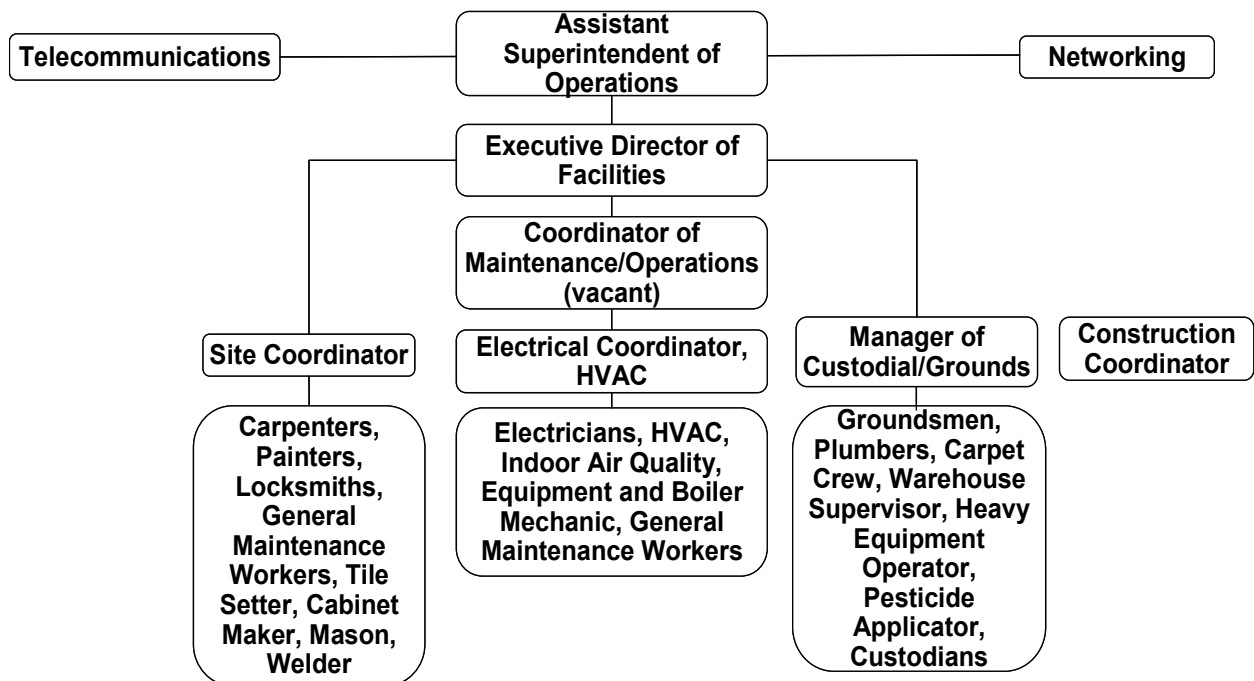
Source: Indian River County School District, July 1, 2002.

Activities of particular interest

The Indian River County School District has four activities of particular interest. First, schools are designed using plans that allow the district to accommodate for growth while avoiding the costs of constructing new schools. Designs for new schools include wings that accommodate more students than needed at the time. The district builds enough space to house the current student population and some growth, and then wings are added as the original structure reaches capacity.

Second, the district is issuing change orders for purchasing bulk item materials or large equipment for contracted construction projects in a way that allows it to reduce its costs for acquiring such items. By issuing a change order for such items, the district is able to purchase the materials tax free as opposed to reimbursing the contractor for purchasing the materials at their full price (price plus sales tax). Examples of items purchased through this practice include piping, air conditioning equipment, building supplies, roofing materials, and doors. The district reports that this practice allowed it to avoid paying $127,265 in sales taxes on such items used in constructing the district's newest school, Liberty Magnet.

Third, the district is developing joint use facilities and programs with the Indian River County and city governments. The district is currently building a joint use transportation facility with the county that will house the district's transportation department and the county's road and bridge and vehicle maintenance shops. The two entities are sharing the construction costs, and will share the utility costs based on the square footage each is using. The district also entered into a joint use agreement with the county and City of Vero Beach to share the costs of laying the wire for a joint fiber installation project. Under this agreement, the school district paid only a third of the cost of installing the fiber optic wires.

Finally, the district installed thermal ice cooling units in five schools that create ice during nighttime hours when electrical costs are low. The cooling units store the created ice and use it to cool the schools during the day when electrical costs are high. The district's 2002 workplan indicates that the district plans to install thermal ice units in seven more schools by 2006.

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.	No	7-7
	2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	Yes	7-8
	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	7-9
	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	7-9
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.	Yes	7-10
Construction Design	9. The district develops thorough descriptions and educational specifications for each construction project.	Yes	7-10
	10. The architectural design fulfills the building specification needs as determined by the district.	Yes	7-11
	11. New construction, remodeling, and renovations incorporate effective safety features.	Yes	7-11
	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	7-11
	13. The district has effective management processes for construction projects.	Yes	7-12
New Construction, Renovation and Remodeling	14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	Yes	7-12
	15. All projects started after March 1, 2002, comply with the Florida Building Code.	Yes	7-12
	16. The district requires appropriate inspection of all school construction projects.	Yes	7-13

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	7-13
	18. The district follows generally accepted and legal contracting practices to control costs.	Yes	7-13
	19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	Yes	7-13
	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	7-14
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	7-14
	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	7-15
	23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	No	7-16
	24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	No	7-16

CONSTRUCTION PLANNING

Best Practice 1: Not Using
The district does not have effective long-range planning processes.

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

The Indian River County School District has developed a 15-year capital outlay projection that includes plans for renovating, repairing, and expanding facilities and purchasing land for future facilities. The district has hired an education facilities planning company that validates the FISH inventory annually and ensures its accuracy. The district's five-year facilities work program is updated annually and the work plans are thorough and consistent.

However, the district is not using this best practice for two reasons. First, it does not have a long-range facilities planning committee that assesses future facility needs and prioritization of resources. Having a long-range planning committee with a diverse membership can ensure that the district's critical needs are identified and plans to meet those needs are congruent with the community's needs and long-term outlook. A planning committee can also ensure that schools are being built in the proper areas, and alternatives to construction are used when feasible. Second, although the district has computer software that is used for making projections over 5, 10, and 20 year periods, it does not have a process for collecting the historical data that must be entered into this system in order to make reasonably accurate demographic projections. The district needs to use such projections to help ensure that schools are constructed in needed areas and maintained at full capacity.

Action Plan 7-1 includes steps to assist the district in improving its operations and using the best practice.

Action Plan 7-1

We recommend that the district develop a long-range facilities planning committee.		
Action Needed	Step 1.	Establish a long-range facilities planning committee to begin a comprehensive planning process, including a vision statement that addresses the district's long-term needs for site acquisition, renovation, remodeling, new construction including ancillary space, and long-term maintenance.
	Step 2.	Develop written criteria and procedures to include
		• committee member roles and project responsibilities;
		• board-established goals and interim reporting targets;
		• procedures for documenting decisions and reporting to the board; and
		• periodic status reviews of long-range plan of the previous year to consider changing parameters, while recommending school board adjustments to the long-range plan.
	Step 3.	Complete a written situation analysis to determine the district's future needs in 5, 10-, and 20-year increments. This analysis should take into consideration the results of enrollment projections calculated by tracking demographic changes in the community.
	Step 4.	Develop districtwide goals focused on the provision and maintenance of appropriate learning environments and develop linkages to the district's future capital outlay budgets.
	Step 5.	Develop measures by which the district will be able to assess whether it has adequately provided for planning needs.
	Step 6.	Present the program plan to the school board for approval.
	Step 7.	Publish and disseminate the program plan to program staff and the public.
Who Is Responsible	Assistant Superintendent of Operations, school board members	
Time Frame	June 2004	

Best Practice 2: Using

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

Alternatives to new construction such as year-round education, extended day schools, changes in grade-level configuration, changes in attendance boundaries, and use of relocatable classrooms are ways in which a district avoids the high costs associated with building new space. Alternative methods of using existing facilities can help to mitigate the peaks and valleys in future student enrollments.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 3: Using

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

A five-year facilities work plan, mandated by Florida law (s. 1013.35, *Florida Statutes*), should be prepared, and submitted to the Department of Education. It is primarily a current-year budget document with an additional four-year projection of anticipated revenues and new and continuing capital projects. The plan details a schedule of major projects intended to maintain the educational plant and ancillary facilities of the district properly, and to provide an adequate number of satisfactory student stations for the projected student enrollments. Information developed and contained in the Five-Year Educational Plant Survey is the basis for the work plan. A five-year work plan is not and should not become a district's strategic plan, but it is an important element to be used in the planning process. A five-year view of capital needs is inadequate and reactive in nature for a school district; a much longer-term view, a strategic plan, is necessary to assure that the district will develop adequate funding and make appropriate land acquisition decisions. Capital project priorities (site acquisition, site improvement, construction,

remodeling, renovation, maintenance) should be established in the strategic plan and linked to the district's anticipated revenues and budget projections through the five-year work plan.

The Indian River School District has processes in place to meet the intent of this best practice.

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.

School districts should be accountable for and provide information to parents and other taxpayers on the performance and cost of their major programs, including the facilities construction program. A school district should provide the public with clear and accurate information regarding its capital program, such as information about planned projects, the priorities it has set for future projects and how those priorities were determined. A district should provide a complete explanation of how the planned projects will help the district meet its educational, site acquisition, construction, remodeling, renovation, and maintenance needs. Effective communications with district stakeholders helps earn the support of the public for its capital program. Typically, districts that successfully communicate their capital program priorities hold regular school board meetings at which information regarding the construction program is provided and clear explanations of each construction project are made available in a format that allows for public input.

The Indian River County School Board has processes in place to meet the intent of this best practice.

Best Practice 5: Using

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

The appropriate and timely selection of sites for new facilities is a critical issue for a district's capital program and ensures that land is available when and where it is needed. A district should use the demographic projections to identify land in areas, which may require school facilities as the district grows or needs change. Early identification of appropriate parcels will allow the district to acquire the land well in advance of construction needs. When multiple sites are to be considered, the district should use the facilities planning committee, which includes experts and community stakeholders, to review the proposed sites.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

An effectively managed district acquires the right property for its facilities and makes economical land acquisitions. To accomplish this, a district should ensure that the land meets its needs as to location, and that the site complies with the requirements of Florida law as it pertains to land for educational facilities. Moreover, the price should be reasonable. In determining the appropriate price, the district should consider factors beyond the cost of the land itself such as the need for site development and improvement or other work that may be incidental to construction.

The Indian River School District has processes in place to meet the intent of this best practice.

CONSTRUCTION FUNDING

Best Practice 7: Using

Funds collected for school projects were raised appropriately.

Funding for district capital projects is commonly derived from a variety of revenue sources, which include property taxes, bond referendums, sales surtaxes, and certificates of participation. A district should be able to demonstrate that each revenue source is used as authorized in the law. For instance, a district must be able to show that if local bond referendum proceeds were used, the scope of each project was spelled out in the bond referendum; and, that if local sales surtax revenue was used to finance any project, the scope of that project was spelled out in the sales surtax referendum resolution advertisement. The district should have evaluated the advantages and drawbacks of alternative methods for funding and financing construction projects when developing its capital planning budget. The best way to ensure the greatest amount of construction funding is for the district to first maximize the use of local revenue alternatives.

The Indian River School District has processes in place to meet the intent of this best practice.

Best Practice 8: Using

The district approves and uses construction funds only after determining that the project(s) are cost-efficient and in compliance with the lawfully designated purpose of the funds and the district's five-year facilities work plan.

A school district must use tax revenues appropriately and for their intended purposes. All capital projects, including new construction, renovation, remodeling, and site acquisition, development and improvement projects may have separate funding sources with differing expenditure requirements. Districts typically rely on a finance officer to ensure that revenues generated for use as construction or site acquisition funds have been collected as authorized by Florida law and are being expended for lawful purposes. Generally, the district finance officer ensures that funds from the Public Education Capital Outlay and Debt Service Trust Fund are used for construction of educational plant space with total student station costs, including change orders, which meet the allowable amount specified in Florida law. The finance officer ensures that the school tax defined in Florida law as two-mill money is only used for construction, maintenance, or other authorized capital or facilities purposes. The finance officer is responsible for the timely use of state funds, avoiding reversion of any unspent revenues. During the budget process, the finance officer should ensure that all available capital resources are applied towards the five-year facilities work plan and limited use capital funds are not diverted to other, lower priority allowable uses.

The Indian River School District has processes in place to meet the intent of this best practice.

CONSTRUCTION DESIGN

Best Practice 9: Using

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

Educational specifications are an important part of the planning process allowing stakeholders, including parents, subject matter specialists, educators, administrators, and design professionals to develop working descriptions of a planned educational facility. Well-written educational specifications will ensure that, once built, the facility meets the needs of a variety of users. Educational specifications should include a rationale for the project, determine the size of the facility, and define the district's program goals, objectives and activities, teaching strategies and instructional methods, all based on staff input.

Educational specifications should identify the needs and design implications of advanced technology and provide for adaptability as changes and innovations occur in education. They should address spatial relationships and circulation patterns, security issues, and comply with the 'small schools' requirement.

The Indian River School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **Although the district develops specifications for each individual school construction project, we recommend that it create a standardized set of educational specifications for each grade-level school. These standard specifications will help the district ensure that essential design components are included in projects, save time in project planning, and reduce architectural fees. They can also be used in developing prototype designs for use in future construction projects.**

Best Practice 10: Using

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

A district should submit a well-developed educational specification to the design professional for use in preparing written construction documents, which include materials and equipment specifications, and schematic drawings. A review of the documents should be made to ensure that the district planning leader, the users of the facility, and the architect and engineers have matched the written construction specifications and schematics against the educational specifications. The final plans must represent the district's needs as expressed in the educational specification.

The Indian River County School District has policies in place to meet the intent of this best practice.

Best Practice 11: Using

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

To ensure the safety and security of those using school district facilities, all building specifications should include common safety elements such as such as controlled access entrances, appropriate, signage, and circulation patterns that allow unobstructed views of the entrance and hallways. Other safety needs and design elements include lighting, intra-communication systems, security and fire systems, security fencing, and a combination of fenestration and doorways, which provide safe and quick evacuation. A district must review safety and address it as part of the construction process when designing and building new structures, as well as during renovation and remodeling projects.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

A district should design new and remodeled space as efficiently as possible in order to minimize the costs of construction, provide for long term-energy efficiency, and reduce lifetime building operations and maintenance costs. The construction design and major equipment selection are to be analyzed to maximize the efficient use of energy and the environment, the potential for joint usage, how technology is used, and the life cycle and costs of the materials chosen. To control the costs of building new facilities, a district should have a written policy that encourages the design team to comply with Florida's SMART school design philosophy and develop practical design solutions that are functional and cost-effective.

The Indian River County School District has processes in place to meet the intent of this best practice.

NEW CONSTRUCTION, RENOVATION, AND REMODELING

Best Practice 13: Using

The district has effective management processes for construction projects.

A district may be able to improve the management of construction projects by exploring alternative service methods. A district has several options on how to complete a construction project, which include whether to do the project in-house or contract out to a private company. The potential cost savings of alternative methods should be weighed before a project begins. This practice ensures that the district has evaluated the various types of construction contracting and chosen the most beneficial method given the circumstances of individual projects. Once the method is chosen the project must be monitored for quality, timeliness, and cost.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 14: Using

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

A district can obtain maximum use of construction and operating funds by reducing the impact of inflation and ensuring a smooth, non-disruptive transition of students into new facilities at the beginning of a school term. Planning, coordination, and regular communication between the district's representatives and its contractors is required. Realistic expectations for project completion must be established and should include contingency planning for delays caused by bad weather or unanticipated construction problems.

A district must ensure that the tasks for achievement of all phases of each project have been incorporated and timed to coordinate with the opening of schools to cause the least disruption to students and teachers. When time frames are not met, the district should revise them accordingly and identify why they were not met, periodically updating the board and public. The plan should contain an accountability component that provides assurance to the board and to the public that the projects addressed in the plan will be implemented at the proposed budget levels within the time frame outlined. Regular budget updates, prepared at the completion of each phase of design, should be delivered to the board.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 15: Using

All projects started after March 1, 2002, comply with the Florida Building Code.

The State of Florida has completed a major rewrite of the state building code, including those elements that pertain to educational facilities, which became effective on March 1, 2002. Significant changes included allowing districts to establish alternative methods of obtaining permits and required the re-education of existing staff certified to conduct building code inspections. All school construction projects begun after the effective date are required to meet the new code requirements. Districts must adjust for the code changes in contracted projects and consider the impact the new code will have on future projects. To ensure that districts are aware of and follow these new requirements, construction personnel should have received training in the Florida Building Code or the district should be able to justify why training is not needed.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 16: Using

The district requires appropriate inspection of all school construction projects.

Compliance with the Florida Building Code assures that completed building projects provide a safe and secure facility. Therefore, all school construction projects must be inspected by a competent authority, schooled and certified in the requirements of the state building code. Inspectors must be trained and certified in accordance with Florida law and the inspections must be in accordance with the new Florida Building Code as revised March 2002. All information about the affected space should be recorded in the Florida Inventory of School Houses (FISH), a database that contains extensive information about school sites, capacity, and condition.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 17: Using

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

A district should make reasoned and appropriate selections of design and construction professionals to aid in carrying out the mission, goals and obligations of the school board and in accordance with Florida law. The selection process should be in writing and available to the public. It should begin sufficiently in advance of a proposed project's completion date to ensure that the necessary persons are selected, obligated, and committed to the project. Districts may select from a combination of in-house and out-sourced options to staff a particular project or group of projects. Hiring of permanent employees may not be cost-effective for smaller, low growth districts, but larger districts or districts with significant student population growth may find it appropriate to have permanent, professionally staffed design and construction departments. When outsourcing, the district should use a selection committee to choose appropriate professionals who will act in the district's best interests during the construction project.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 18: Using

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

A district should have policies and procedures in place, which delineate bid solicitation and contracting practices, to control costs and protect itself from litigation. These policies and procedures should have been reviewed by legal counsel for adequacy and conformity to statutes and generally accepted practices. Generally accepted bidding procedures include bids with set opening dates and times that are inspected to confirm that all required documents are in order. Contracting practices include the use of standardized agreements that have been modified to satisfy local concerns and conditions, and review by legal authority. The district should determine the type of contract appropriate for the work to be performed after considering alternative bid and construction systems for each new project. The contract should be awarded to the lowest responsible bidder whose bid, after review by district legal counsel, meets the specifications or to the construction manager or design build contractor selected pursuant to Florida law. The contracts should be submitted to the school board for final contract award.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 19: Using

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

Changes to a facility's design after construction has begun must be carefully considered as they can be very costly to a district or they can save a substantial number of dollars. Design changes have the potential to create substantial delays in the intended completion date of a project, while adding

overlooked elements can enhance the educational environment or the delivery of educational services, or reduce future operational/maintenance costs. Necessary changes to the construction agreement, which may be requested by either the contractor or the district's representative, should generate a request for a change order. Change orders should be reviewed for viability, necessity, and cost. A district should use planning and contracting methods that minimize change orders and retain information sufficient to document the reasons behind a change order and the responsible individual. Critical to the change order process is a review that, when possible, ensures that change orders implemented do not result in the project exceeding budget, do not compromise educational specifications, do not exceed industry standards, and do not extend the completion date beyond the established completion date.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 20: Using

The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.

Payments to contractors for larger construction projects are usually separated into a series of partial payments known as progress payments. This practice protects the school district and pays the contractor in a fair and reasonable manner and in proportion to the work completed. Once a payment request is received, the district should respond in a timely and efficient manner. A district should retain a predetermined percentage of the contract pending final completion to be used to cover non-performance issues or liquidated damages, should such a situation arise. The district should have a system of internal controls to ensure that payments are made timely and only after the architect has approved the completed work, and with the concurrence of the district's project manager.

The Indian River School District has processes in place to meet the intent of this best practice.

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 proper operation of a school is dependent on the users understanding of the facilities systems and why certain design elements were included in the project. Therefore, school district personnel should be familiarized with a new facility prior to occupation. Orienting users to a facility is a critically important activity that allows the new facility to work as it was designed, provides for the safety and comfort of the occupants, and ensures that the building's components are operated in a non-damaging and efficient manner. An orientation program should include the delivery of clear and understandable users' manuals designed for the appropriate staff, elements of the program being customized for a particular group of users such as maintenance staff, custodians or administrators and teachers. The district should include clauses in the design and construction contracts to require the architect and the contractor to share the responsibility for and provide the orientation programs and supporting documentation.

The Indian River School District has processes in place to meet the intent of this best practice.

Best Practice 22: Not Using

The district conducts comprehensive building evaluations at the end of the first year of operation, but not during the next three to five years to collect information about building operation and performance.

A post-occupancy evaluation helps a district determine how well the design of a facility meets the educational, service, community, and administrative needs of the building's users. Information from a post-occupancy evaluation can be used to improve the design of subsequent projects. Such an evaluation should be conducted on every new facility no earlier than one year and no longer than three years after occupancy. This window of time allows for a full school year in the new facility and for the evaluation to occur before any functional design changes or remodeling might take place, which would change elements of the original design. As part of the evaluation, users, including students, parents, district and school-based maintenance and food service personnel, teachers, administrators and bus drivers, should be surveyed or interviewed to determine their attitudes about the design. District facilities design and construction staff, the design professional for the new facility, and a representative of the contractor should also provide input to the evaluation. The information gathered should be compiled into a report, enumerating the positive aspects and difficulties, if any, with the design of the facility. Information obtained through post-occupancy evaluations should be communicated to educational specification committees, the design review committee and when contracted for a new facility, the design professional.

The Indian River County School District is not using this best practice because it does not conduct post-occupancy evaluations to determine how well the design of a facility is meeting the needs of a building's users. Such evaluations would help the district ensure that design features are meeting the needs of the facility users and reduce the possibility of problematic designs being used in future projects.

Action Plan 7-2 includes steps to assist the district in improving its operations and using the best practice.

Action Plan 7-2

We recommend that the district develop a process for conducting post-occupancy evaluations of major construction projects.	
Action Needed	**Step 1.** Develop a methodology for conducting post-occupancy evaluations. The district could model its evaluation tool after instruments developed by other school districts. This review should focus on building performance from the perspective of school-based staff, students, parents, custodians, and maintenance staff. The evaluation should address • educational adequacy; • function; • safety; • a comparison of the final product with the educational and construction specifications; • operational cost analysis; and • recommendations for future improvements.
	Step 2. Prepare a written procedures guide to determine the evaluation process.
	Step 3. Develop a time frame for conducting evaluations.
	Step 4. Develop process for compiling and organizing data collected. Include determining efficiencies, operating costs, comparisons with other districts, and ideas for future planning.
	Step 5. Develop a process for reporting the results to district administrators.
Who is Responsible	Assistant Superintendent of Operations
Time Frame	June 2004

Best Practice 23: Not Using

The district has not established or implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents, other taxpayers, and the school board on the performance and cost of its major programs and support services, including the facilities construction program. To accomplish this, each school district should have an accountability system that includes clearly stated goals and measurable objectives for the facilities construction program that identify whether it is operating efficiently and effectively. An effective accountability system includes performance and cost-efficiency measures, and interpretive benchmarks, including comparisons to adjoining districts, to evaluate the program and use these in management decision making. As part of its accountability system, the district also should establish and implement strategies to continually assess the reliability of program performance and cost data and take advantage of significant opportunities to improve construction operations management.

The Indian River County School District is not using this best practice because it has not implemented a mechanism for evaluating the performance, efficiency, and effectiveness of the construction program. The district has not developed a set of clearly stated written goals and measurable objectives for the program that can be used to determine if it is operating efficiently and effectively. It is also not using performance benchmarking techniques such as comparing the cost of its projects to the costs of similar projects in other comparable school districts, to help assess the cost-effectiveness of its construction program.

Action Plan 3-1 in Chapter 3 provides a mechanism to help the district evaluate performance and enhance its performance accountability system.

Best Practice 24: Not Using

The district does not regularly evaluate facilities construction operations based on established benchmarks or implement 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.

The Indian River County School District conducts some annual inspections of facilities such as inspections to determine facility compliance with fire codes, building safety, and sanitation standards. However, the district is not using this best practice because it does not regularly assess facilities construction operations against established benchmarks. Action Plan 3-1 in Chapter 3 provides a mechanism to help the district evaluate performance and enhance its performance accountability system.

8 Facilities Maintenance

Summary

The Indian River County School District is using 20 of 22 of the facilities maintenance best practices. The district regularly reviews the maintenance organizational structure, has complete job descriptions and appropriate hiring and retention practices, has an annual budget with spending limits, and regularly assesses the potential for contracting and privatization. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should develop goals and measurable objectives for the facilities maintenance program and complete development of a customer feedback system.

Background

The Indian River County School District's facilities maintenance department is responsible for all aspects of preventative, routine, and emergency upkeep for the district's 21 school sites and other district facilities. In total, the department maintains approximately 2,792,417 million square feet of building space. Additional responsibilities include the maintenance of all grounds and athletic fields, and the installation and movement of relocatable classrooms.

The facilities services department has 152.5 authorized positions in various skilled trades, custodial, clerical, supervisory, and maintenance support positions. The department had an adopted maintenance budget, not including energy costs, of $3,231,620 for Fiscal Year 2002-03.

The district's construction and maintenance functions are combined in one department. Exhibit 7-4 in Chapter 7 shows the district's maintenance program's organization structure.

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.	No	8-4
	2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	Yes	8-4
	3. The district obtains and uses customer feedback to identify and implement program improvements.	No	8-5
	4. The district has established procedures and staff performance standards to ensure efficient operations.	Yes	8-5
	5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	Yes	8-6
Organizational Structure and Staffing	6. The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision and staffing levels.	Yes	8-6
	7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	Yes	8-6
	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	8-7
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	8-7
	10. The district accurately projects cost estimates of major maintenance projects.	Yes	8-8
	11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	Yes	8-8
	12. The district minimizes equipment costs through purchasing practices.	Yes	8-8
	13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	Yes	8-8
	14. The district uses proactive maintenance practices to reduce maintenance costs.	Yes	8-9
	15. The maintenance and operations department identifies and implements strategies to contain energy costs.	Yes	8-9
	16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	Yes	8-10
	17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	Yes	8-10

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.	Yes	8-10
	19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	Yes	8-11
Health and Safety	20. District policies and procedures clearly address the health and safety conditions of facilities.	Yes	8-11
	21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	Yes	8-11
	22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	Yes	8-12

PROGRAM DIRECTION AND ACCOUNTABILITY

Best Practice 1: Not Using

The maintenance and operations department has not developed a written mission statement or goals and measurable objectives.

Like other publicly funded entities, a school district should be held accountable for and provide information to parents and other taxpayers on the performance and cost of its major programs and support services, including facilities maintenance. To accomplish this, a school district should have an accountability system that includes a mission statement, clearly stated goals, and measurable objectives that identify the expected outcomes of the facilities maintenance program. The program's goals and objectives should be in writing, tied to the district's strategic plan, and focused on operating facilities in a cost-efficient manner while allowing for maximum utilization of facilities. Maintenance program goals and objectives also should include comprehensive projections of the size of the necessary work force, the amount and types of equipment required, and anticipated long-term budget requirements. These projections should be based on a survey of the physical condition of the facilities and equipment, and should identify repair or replacement needs of district facilities.

The Indian River County School District is not using this best practice. The district is in the process of developing a mission statement with goals and objectives for the facilities maintenance department, but had not completed developing them by the completion of our fieldwork.

Action Plan 3-1 in Chapter 3 provides steps to help the district evaluate performance and enhance its performance accountability system.

Best Practice 2: Using

The district has established and implemented accountability mechanisms to evaluate the effectiveness and efficiency of the facility maintenance and operations program.

An effective accountability system includes performance and cost-efficiency measures, and interpretive benchmarks, such as comparisons to adjoining districts or an industry standard, to evaluate the program and use these in management decision making. By periodically comparing established benchmarks to actual performance, a district can determine if changes are needed in its maintenance program to improve efficiency and effectiveness, reduce costs, and assess whether alternative service delivery methods, such as privatization, may be cost-effective. Measures that should be considered for evaluating the maintenance program include costs per square foot (including energy use), full-time staff per square foot of facility, and costs per student. [1] As part of its accountability system, a district also should establish and implement strategies to continually assess the reliability of program performance and cost data. In addition, school board members should periodically receive performance information that helps them assess the efficiency and effectiveness of its maintenance program.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **Although the district has some performance measures for the maintenance and operations program, we recommend that it periodically review its performance in comparison to peer districts. This will help the district in determining whether its program is being operated in an efficient and effective manner. This should be done in conjunction with Action Plan 3-1.**

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[1] All Florida school districts are required to report operations and maintenance costs and energy usage to the Department of Education annually, and this information is readily available to school districts for comparative purposes.

Best Practice 3: Not Using

The district does not systematically obtain and use customer feedback to identify program services needing improvement.

Customer feedback drawn from surveys is another tool to evaluate the efficiency and effectiveness of the maintenance program. Customer evaluation surveys should ask stakeholders, such as principals and school-based employees, to provide their perceptions of response times, work order completion times, quality of work, overall facility appearance and cleanliness, and the professionalism of employees in the maintenance program. [2] This type of survey should be performed at least annually and summary results should be shared with maintenance employees, district managers, the superintendent, and the school board. If the customer surveys identify problems, program managers should assess the situation, prepare corrective action plans for any identified problem areas, and make program improvements.

The Indian River County School District is not using this best practice. It obtains customer feedback from principals, but does not routinely collect information from other stakeholders, such as teachers, students, parents, and community members, on a districtwide basis. The district is in the process of developing a process to more systematically obtain customer feedback from various stakeholders and use the information in identifying program improvements. However, this process was not in place as of the completion of our fieldwork.

Action Plan 8-1 includes steps to assist the district in improving its operations and using the best practice.

Action Plan 8-1

We recommend that the district complete development of a customer feedback system.		
Action Needed	Step 1.	Develop an instrument for surveying various stakeholders regarding their satisfaction with maintenance surveys. The survey should include questions relating to quality and timeliness of services, and responsiveness of department employees to requests for service. Input from principals and teachers, students, parents, community members, and maintenance program employees should have provide input for use in developing the survey.
	Step 2.	Conduct the survey at least annually and analyze responses.
	Step 3.	Use results to evaluate the effectiveness of the maintenance program and make needed improvements.
	Step 4.	Report results to superintendent and the school board.
Who Is Responsible	Director of Facilities	
Time Frame	June 2004	

Best Practice 4: Using

The district has established procedures and staff performance standards to ensure efficient operations.

Up-to-date procedures, when coupled with appropriate district policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In addition, written procedures serve as a district's institutional memory for key processes and as such help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover. Program management should develop written procedures and employee performance standards with input from maintenance managers, trade and custodial employees, and human resource professionals. Procedures and standards should be developed utilizing a combination of national standards and local imperatives and adjusted for budgetary considerations. Performance standards serve as a basis for measuring how well the maintenance and custodial employees meet or adhere to board

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[2] A district may also survey students, parents, or other stakeholders as may be appropriate.

policies, and set clear expectations for job performance, giving managers tools that allow them to consistently evaluate employees.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 5: Using

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

Comprehensive maintenance of the physical plant is critical to sustaining a suitable environment for teaching and student learning and to extending the useful life of a facility. Facilities should be maintained in a condition that supports efficient operation, maximum utilization, and provides appropriate working conditions for district employees. The district maintenance program should include routine condition inspections, a preventive maintenance component, regularly scheduled repairs, and methods of responding to emergencies, plans for the modernization of building systems, facility enhancements, and general renovations as primary functions.

The Indian River County School District has processes in place to meet the intent of this best practice.

ORGANIZATIONAL STRUCTURE AND STAFFING

Best Practice 6: Using

The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision and staffing levels.

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as facilities maintenance. There is no "one" right way to organize and staff the facilities maintenance program. Critical factors that affect the structure of the maintenance organization include the number, ages, general condition, size (gross square feet), geographic distribution of a district's physical facilities, and the scope of services that have been assigned to the department. In general, however, the organizational structure of the maintenance function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner. It is expected in smaller districts with fewer staff will require staff to individually handle multiple areas of responsibility (such as facilities maintenance and transportation) that may be done by different individuals in larger districts.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 7: Using

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

A qualified, knowledgeable, stable group of employees is the cornerstone of any maintenance organization. Complete job descriptions that accurately reflect the knowledge, skills, abilities, duties, and responsibilities of every employee in the department are essential to the development of such a workforce. The job descriptions should be readily available to school district employees and applicants, meet the district's needs, and they should have been developed by human resource professionals in cooperation with individuals having specific expertise in the job tasks to be performed. Districts should establish

competitive compensation to ensure that they can attract and retain qualified candidates. Compensation includes salary and benefits, such as health, vacation, and retirement benefits. Districts should establish procedures to ensure that personal and professional references are obtained and contacted.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

Training ensures that school district employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to effectively and efficiently carry out their duties. The sophistication of the maintenance employee training plan, training methods, and documentation of training may vary according to the size of the district. However, maintenance training should address custodial operations, grounds maintenance, and specialized trades and should be tailored to the needs of the specific function. In addition, training in maintenance related activities such as operating procedures, use of tools, proper lifting techniques, work place safety, hazardous materials handling, and emergency procedures should be required for all employees. A district can use a variety of training sources available to it including vendors and manufacturers of their supplies and equipment, contract trainers, and professional association meetings. School districts also should take advantage of free training materials and programs available through the Florida Department of Education, subscribe to publications, and maintain memberships in organizations that provide information on new technologies, equipment, and procedures. Training programs should include an evaluation component so that employee feedback can be used to improve future training.

The Indian River County School District has processes in place to meet the intent of this best practice.

RESOURCE ALLOCATION AND UTILIZATION

Best Practice 9: Using

The administration has developed an annual budget with spending limits that comply with the lawful funding for each category of facilities maintenance and operations.

Like most other organizations, school districts have limited funds and therefore, they must set budget priorities. A school district's budget allocation decisions should reflect its priority goals and objectives. These goals and objectives (which should be part of a strategic plan) may either be explicitly stated in the budget or may be reflected in changes in allocations that are concurrent with the shifting priorities. A school district budget should allocate sufficient resources to ensure that its plant operations and maintenance needs are adequately funded and rely on dollars which are raised and expended in accordance with Florida law. Work force, supplies, equipment, training, and the technology to support the maintenance program are essential budget considerations. The budget should be based on assessments of the physical condition of the district's educational and ancillary facilities, maintenance and custodial staffing standards, historical data, employee input, and projects identified in the strategic and five-year work plans. The annual budget should address long-term goals for maintaining and operating district facilities, recurring maintenance tasks such as preventive maintenance, and provide reasonably adequate funding to avoid the accumulation of significant deferred maintenance projects. The budget also should provide for the correction of deficiencies identified in the annual safety, casualty, and fire safety inspection reports.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 10: Using

The district accurately projects cost estimates of major maintenance projects.

The cost of major maintenance projects can be a substantial expense for a school district and, therefore, must be effectively managed. [3] A district can do this in a number of ways. For instance, cost estimates for these projects should be developed considering experience with prior similar projects, current estimating cost standards, local market conditions, and an inflation factor for multiyear projects. A district also should be realistic in its project estimates so that once the five-year work plan is adopted, it is a valid indicator of the work that will actually be accomplished, and the dollars that will both be needed, and available, in the plan's out years.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 11: Using

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

A well-managed school district has funds available to address unanticipated or emergency contingencies that may arise during the fiscal year. The age of the facilities and equipment, the repair history of major systems such as HVAC and roofs, area climatic conditions, and the effectiveness of the district's preventive maintenance program are considerations that will help determine the amount of a maintenance reserve fund. Overall, the district's budgetary policy must be flexible to ensure funding of unforeseen maintenance needs that could adversely affect the district's mission.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 12: Using

The district minimizes equipment costs through purchasing practices.

Sound purchasing practices foster competition, which yields the best pricing for goods and services. A district should not only establish purchasing policies and procedures that meet the requirements of Florida law but also ensure cost-efficient purchasing practices. The purchasing policies and procedures must be in a purchasing manual that is readily available to employees and the public. Periodically the district should conduct cost comparisons to determine whether purchasing practices have minimized costs. Consideration of long-term equipment operating and maintenance costs, inflation, and the cost-effectiveness of repair or refurbishment of existing equipment should be a part of the cost projections made for replacement equipment.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 13: Using

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

To be efficient and effective in completing their day-to-day activities, maintenance and operations employees require a wide selection of common tools and equipment. Specialty tools may be required to accomplish unplanned or unusual projects. A district should have procedures in place to ensure that maintenance and operations employees have access to the right tools to accomplish their duties. Most maintenance departments have an inventory of commonly used tools that are available for day to day use, but usually find it more cost-effective to rent less frequently used specialty tools. Some districts provide small hand tools while other districts require the employees to provide their own. Districts should have

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[3] Individual projects that are beyond the scope of routine maintenance work are considered major maintenance projects.

written operating procedures that outline acquisition, use, and return of tools, parts, materials and other equipment required for the day-to-day work and for special or emergency projects.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 14: Using

The district uses proactive maintenance practices to reduce maintenance costs.

An effective proactive maintenance program can reduce maintenance and operations costs, reduce service outages, and extend the useful life of expensive building systems. Therefore, a district should have proactive maintenance policies that include the continuing evaluation of building systems and the costs to maintain them, the development of districtwide equipment and building system standards, preventive maintenance programs, and the surplusing of property. Evaluative information developed by the maintenance department can be used to recommend standard building systems, which are cost-efficient, for future construction projects. Standardizing equipment and building systems reduces employee training and avoids the costs of maintaining multiple parts inventories. Standards should be developed for HVAC, energy management controls, roofing, plumbing fixtures, mechanical and electrical equipment, door hardware, the security and fire alarms, and commonly used finishes such as paint, carpet, and resilient flooring. While larger districts may need a computerized preventive maintenance program to schedule and track work orders, smaller districts may find paper-based systems cost-effective and sufficient for their level of activity. In addition, school districts should have policies and procedures in place to properly identify and dispose of surplus property in the most cost-effective manner.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 15: Using

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

A comprehensive energy management plan guides a school district in ways to lower energy use and utility costs. Plan development should be a collaborative effort of district stakeholders including maintenance employees, custodians, site-based administrators, instructional personnel, and utility providers and other experts on energy conservation. The district's energy manager should contact peer districts, state and local agencies, utility providers and other stakeholders to identify resources available to aid the district in their energy management efforts. The energy management plan, at a minimum, should provide incentives to schools to reduce energy costs, provide for energy audits, implement strategies for effective demand-side energy management, and take advantage of energy rebates or other options to lower rates, which are offered by utility providers. Maintenance administrators should analyze the energy management system's reports and assess major building system conditions regularly to identify anomalies indicating problems that need to be addressed.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the district develop and implement a shared savings energy plan in which a portion of the energy savings realized at a school would be returned to the individual school principal. This approach, which is being used by some other school districts, would help the district encourage its schools to make further use of energy saving practices.**

Best Practice 16: Using

The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.

Ever-increasing energy costs and limited budgets make it advantageous for school districts to install comprehensive, modern energy management systems (EMS), which can substantially reduce energy costs. An EMS enables a school district to remotely operate and monitor HVAC equipment. The EMS controls allow the district to maintain facilities at uniform temperature settings during established operating hours. The system should be capable of generating reports that can help to identify inefficiently operating building systems that may need service or upgrading. Because total replacement or installation of a new energy management system can be an expensive undertaking, a school district should budget for energy control enhancements and system replacements in its five-year work plan until an effective system is in place.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 17: Using

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

Maintenance administrators should consider opportunities for privatizing services, weighing the potential advantages and disadvantages of using in-house resources against alternative service delivery methods. Outsourcing may be cost-effective and allow the district to reduce, reassign, or make better use of in-house staff. An annual review of services to determine if alternative delivery methods are more cost-effective should be an ongoing, established function of the department. These evaluations should be in writing and available to the school board and the public for review. If a service is outsourced, periodic written follow-up analyses should be made to confirm the effectiveness of the service and to verify that any anticipated cost savings have actually developed. Criteria that may support outsourcing services include opportunities to save money and management time, the opportunity to add specialized skills or training not available in-house, difficulty in hiring qualified employees, and the opportunity to improve the overall quality of the maintenance and operations function.

The Indian River County School District has processes in place to meet the intent of this best practice.

INFORMATION MANAGEMENT

Best Practice 18: Using

A computerized control and tracking system is used to accurately track work orders and inventory.

Work order systems enable school districts to effectively track maintenance work orders and warehouse inventory, and improve maintenance response time and efficiency. Larger school districts should use an electronic work order system to coordinate day-to-day activities including workflow, personnel, budget, and inventory associated with maintaining educational facilities. [4] There are several types of computerized maintenance management systems available, some specifically designed for a single organization as well as "off the shelf software." Any system in use should include work order control, scheduling, assignment and billing, inventory, and preventive maintenance scheduling and record keeping as integrated functions. The system should provide statistical information that can be used to assist

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[4] Automated work order and billing systems are not required by all districts to ensure the effective and efficient operation of their maintenance department. Smaller districts with a limited number of daily work order requests and school buildings may find a well designed paper-based system provides the same type of control as a computerized system in a larger district.

managers in determining employee productivity, and in developing cost reports and estimates, equipment histories, facilities condition assessments, while interfacing with other district financial programs. District administrators should receive sufficient training to maximize the potential of the system.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 19: Using

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

All school district maintenance departments must establish a work order system that prioritizes maintenance requests while equitably allocating maintenance resources. Work orders submitted by district employees define the scope of a maintenance department's reactive workload. Additional services provided by the department keep the facilities clean and operating efficiently. Written guidelines and operating procedures should be established for emergency, routine, and preventive maintenance activities. The guidelines should define what is to be considered an emergency, the individuals responsible for reacting to the emergency and the appropriate response to the emergency. Serious problems that affect the life, safety, or health of any student, district employee or the public or an event that, if ignored, renders a facility unusable are to be considered an emergency. Finally, the priority system should address routine and ongoing preventive maintenance activities in a way that ensures all district facilities receive equal attention and service for all of their needs.

The Indian River County School District has processes in place to meet the intent of this best practice.

HEALTH AND SAFETY

Best Practice 20: Using

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

Florida law requires school districts to develop policies and procedures establishing a comprehensive program of safety and sanitation to protect the occupants of educational facilities. [5] All districts are required to conduct annual inspections of each educational and ancillary plant to determine compliance with the sanitation and casualty safety standards prescribed in the rules of the State Board of Education. Florida law also requires that inspectors certified by the Division of State Fire Marshal conduct annual firesafety inspections. Districts should have established written health and safety standards and ensure that documented evaluations are made of the condition of each educational plant and ancillary facility. Districts should have a written plan for maintaining healthy indoor air quality, which includes monitoring of indoor air quality and corrective action plans necessary to address indoor air quality issues.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 21: Using

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

A school district, regardless of size, should have written policies and procedures that direct the district's compliance with state and federal regulations governing health and safety conditions within its facilities. The district should have established health and safety training programs in place for their maintenance and custodial work force which complies with federal and state regulations such as the EPA guidelines,

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[5] See s. 1013.12, *F.S.*

Occupational Safety and Health Administration's (OSHA) Regulations – 29 CFR, hazardous materials handling, the proper reporting of accidents, and asbestos handling and abatement. Focused training on the safe use of specialized equipment and building systems should be delivered to all custodial and maintenance employees and supervisors.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 22: Using

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

Effective July 1, 2002, the State Requirements for Educational Facilities (Rule 6A-2.001, *Florida Administrative Code*) were merged into the new Florida Building Code (FBC). Under the FBC school districts are exempted from regulation by other local authorities and are required to follow a single state code. They are allowed to review project plans, issue their own building permits, conduct required building inspections, issue certificates of occupancy and generally perform as the local governing authority had in the past.

Smaller school districts may find it easier and more economical to rely on local building code officials rather than establish their own permitting and inspection department. A small district should evaluate the potential advantages and disadvantages of operating a building department internally. If the decision is made to allow the local authority to provide the service, then the district and the local authority should have a memorandum of understanding defining each entity's responsibilities.

The Indian River County School District has processes in place to meet the intent of this best practice.

9 Transportation

Summary

The Indian River County School District is using 19 of the 20 transportation best practices. The district has appropriately organized and staffed the transportation department, uses effective and efficient processes to recruit bus drivers, efficiently supplies buses and other district vehicles with fuel, and maintains secure facilities and a sufficient parts inventory for vehicle maintenance. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should establish an accountability system to evaluate the performance of its transportation program and report its performance to the school board.

WAYS TO SAVE
Sharpening the Pencil

As seen in Exhibit 9-1, the district has an opportunity to reduce transportation costs. Determining whether to take advantage of this opportunity is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements this recommendation, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 9-1
Our Review Identified a Way the District Could Reduce Transportation Costs

Best Practice Number	Fiscal Impact: Savings					
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Total
3 Review ways to reduce transportation routing costs	$23,500	$23,500	$23,500	$23,500	$23,500	$117,500

Background

Indian River County is located on the coast of the Atlantic Ocean, situated between Brevard and St. Lucie counties. The county is centrally located 75 miles south of the Kennedy Space Center and 135 miles north of Miami. Covering 497 square miles, the county consists of five incorporated municipalities, with the majority of the population residing in Vero Beach (the county seat) and Sebastian. Approximately 327,000 acres of Indian River County is devoted to agriculture, with a large percentage of this land being used for pastures and ranges, citrus groves, woodlands, row crops, and a variety of other uses.

The school district's transportation facilities consist of a main compound in south Indian River County where the transportation department's administrative office and fleet maintenance shop are located. The district also stores buses at a high school in the northern part of the county.

Florida's smaller school districts have the same functional operating responsibilities as the largest school districts in the state, but must accomplish these tasks with significantly fewer personnel. In Indian River County, all facets of student transportation operations are under the supervision of the transportation director. The transportation department is subdivided into the operations, safety and training, and maintenance sections, with the transportation director supervising three managers who oversee these sections. (See Exhibit 9-2). However, the transportation director is involved in all aspects of transportation operations, including bus routing, driver assignment, accident investigations, and responding to parental complaints. The transportation director also serves as the school district's liaison to Indian River County's community traffic safety team and metropolitan planning organization.

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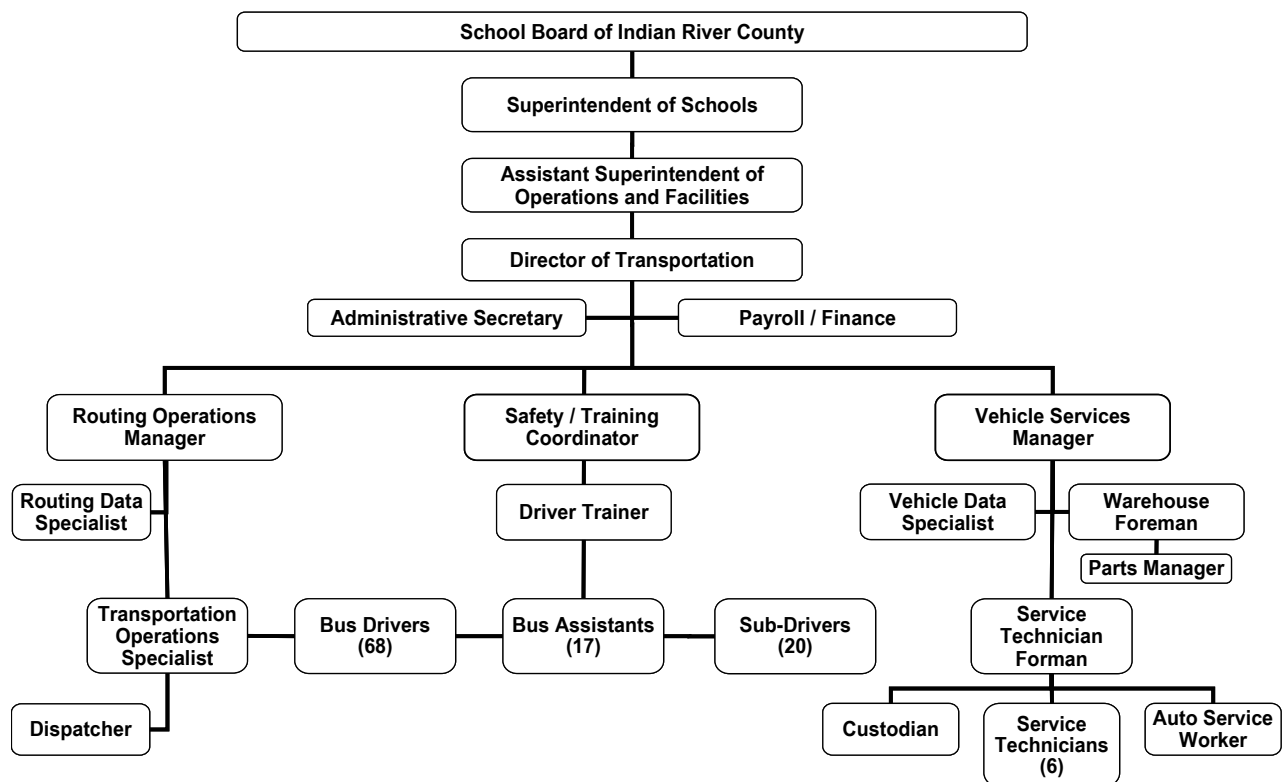
Source: Indian River County School District.

During the 2001-02 school year, the district provided transportation to 7,668 (6,843 eligible and 825 non-eligible students) of its 15,417 students (49.7%) at 26 school centers throughout the county. [1] Among those being served were 1,019 students in exceptional education programs who needed special transportation.

For the 2002-03 school year, the district has 92 school buses (including spares and field trip buses) in service on 75 school bus routes. It also used these school buses for transporting students on approximately 1,693 extracurricular field trips and for transporting other community groups and organizations. The district operated most buses on three routes each morning and afternoon (providing

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[1] Data obtained from *Q Links: Florida School District Transportation Profiles*, July 2002.

transportation to an elementary school, a middle school, and a high school), which was made possible by the use of staggered school opening and closing times. Coordinating multiple routes per bus with staggered school times is intended to maximize efficient use of the district's school buses.

Exhibit 9-3 presents selected student transportation data for the Indian River County School District and five peer districts in the state for the 2001-02 school year. The Indian River County School District compares favorably with its peer districts; it has the second highest average bus occupancy and exceeds the peer average for percentage of student transportation expenditures supported by state funding.

Exhibit 9-3
Comparative Student Transportation Data for
Indian River County School District and Five Peer Districts

Measure	Indian River County	Charlotte County	Citrus County	Hernando County	Martin County	Nassau County	Peer Average
Square miles	497	690	629	477	555	649	600
Number of students enrolled	15,417	17,302	15,221	17,939	16,790	10,435	15,537
Number of eligible students transported	6,843	8,282	9,678	11,644	8,786	6,280	8,934
Number of non-eligible students transported	825	841	915	1,132	0	299	637
Percentage of eligible students transported	44.39%	47.87%	63.58%	64.91%	52.33%	60.18%	57.50%
Percentage of non-eligible students transported	5.35%	4.86%	6.01%	6.31%	0.00%	2.87%	4.10%
Number of buses in daily service	71	115	151	173	84	107	126
Average bus occupancy (does not include non-eligible students)	96	72	64	67	105	59	71
Number of annual miles driven	1,619,527	1,953,211	2,067,303	3,433,996	1,671,318	1,311,938	2,087,553
Number of annual field/activity trip miles	140,231	126,054	101,086	268,834	217,998	77,342	158,263
Percentage field/activity trip miles	8.66%	6.45%	4.89%	7.83%	13.04%	5.90%	7.58%
Student transportation expenditures	$3,596,258	$6,428,084	$4,880,285	$6,920,327	$4,411,599	$2,884,936	$5,105,046
Student transportation expenditures as a percentage of total district expenditures	3.77%	6.28%	5.29%	6.95%	4.01%	5.18%	5.55%
Total transportation expenditures per student (includes eligible and non-eligible students)	$469.00	$704.60	$460.71	$541.67	$502.12	$438.51	$533.36
Student transportation expenditures per annual mile	$2.22	$3.29	$2.36	$2.02	$2.64	$2.20	$2.45
State funding as a percentage of total student transportation expenditures	82.47%	51.39%	80.72%	66.15%	84.00%	83.63%	70.28%
Local funding as a percentage of total student transportation expenditures	17.53%	48.61%	19.28%	33.85%	16.00%	16.37%	29.72%

Source: *Q-Links: Florida District Transportation Profiles,* July 2002 for School Year 2000-01, Florida Department of Education and OPPAGA.

Activities of particular interest

The Indian River County School District is beginning to use global positioning system (GPS) software that will allow it to track school bus activity and display the locations of buses on a computerized map. The software will also be integrated with the student identification card software so that the district will have the ability to verify student attendance on each bus. District officials hope the software will improve operating efficiency and increase student safety. The district will initially install the software on 10 buses. The cost to install the software on all district school buses is $212,000.

The district is also implementing a field trip management program that provides schools an automated process to request field trips. Field trip requests are electronically transmitted to the transportation department where, if the trip is approved, the software will assign a driver using predetermined criteria (driver information is contained in software database). The software also simplifies the billing process for field trips. The district acquired the field trip management program at a cost of $7,200.

Conclusions 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	9-7
	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	9-7
	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. [2]	Yes	9-8
	4.	The organizational structure and staffing levels of the district's transportation program minimize 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.	Yes	9-11
	10.	The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	Yes	9-11
	11.	The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	Yes	9-11
	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.	Yes	9-12
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	9-12

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[2]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.
	14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	Yes	9-13
	15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.	Yes	9-13
	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.	Yes	9-13
	17. The district provides appropriate technological and computer support for transportation functions and operations.	Yes	9-14
	18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	Yes	9-14
	19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	Yes	9-14
	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	9-15

PLANNING, ORGANIZATION AND STAFFING

Best Practice 1: Using

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

Because the transportation function is in the best position to know what the transportation needs of the district are, what priority should be assigned to these needs, and the costs associated with particular options to address each need, transportation staff should be involved in major decisions that will affect transportation operations. These needs and priorities along with cost-saving options should be presented to the school board and public during the budget process along with the factual information needed to assist the school board in making appropriate decisions. In a similar manner, the district transportation function needs to provide the school board and public information on the financial impact certain district decisions such as those involving staggered school start times and school choice programs will have on transportation. Also, because the location of a new school can have a significant effect on a district's transportation costs, the district transportation function also should be involved in the community and school district planning processes as related to community growth and the need for new schools. Failure to be involved and inform decision makers of the impact these decisions will have on district transportation can be very costly and negatively affect district transportation for many years.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the school board use information developed by the transportation department, in conjunction with the finance department, to periodically reassess the effect of district policies on transportation costs, including early dismissal Wednesdays, school choice options and magnet schools, location of exceptional student education programs, and transporting courtesy riders. This information should be used annually when approving the district's transportation budget.**

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 main source of transportation funds for most Florida school districts is the Florida Education Finance Program (FEFP). Approximately 60% of student transportation costs in the state are paid for through the FEFP-based primarily on the number of eligible students in various categories who ride school buses. The school districts determine the number of students riding their buses through sample counts conducted during October and February of each school year and report this information to the Florida Department of Education. Because these counts ultimately determine the level of transportation funding each school district receives, it is important for this information to be accurate. Ridership records are reviewed by state auditors on a periodic basis and, if the district can not justify its claims for state transportation funds, funds are taken away from the district. The student ridership counts used in this program are useful to district staff in establishing trend lines for the prediction of district student transportation needs.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 3: Using

The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation.

Routing is probably the single most important factor in establishing an effective, cost-efficient, and safe district student transportation system. Efficient bus routes incorporate features such as having fewer bus stops that serve larger numbers of students, avoiding transporting students who could safely walk to school and are ineligible for state transportation funding (generally called "courtesy riders"), using school starting and ending times that allow individual buses to have separate bus runs for elementary, middle, and high schools ("three–tiered routing"), and providing sufficient time between school starting and ending times that allow buses to get from the end of one bus run to the beginning of another. Where hazardous walking conditions exist, school districts should work with governmental agencies to provide crossing guards, reducing speed limits, installing sidewalks, and other safety measures. Larger school districts with complex routes usually need the assistance of computerized routing systems to design cost efficient bus routes, while smaller districts can develop efficient routes manually.

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **We recommend that the transportation department evaluate routes and stops where courtesy riders are picked up to determine whether such routes and stops are needed or can be eliminated. If the district chooses to continue transporting some or all of its courtesy riders, it should clarify its existing policy to specify the circumstances under which it will do so and identify factors beyond state-established criteria that it will consider in designating unsafe walking conditions. District-specific criteria for unsafe walking conditions should also be used to determine whether the district should increase its policy on the distance between bus stops from one-quarter mile to one-half mile. [3]**

Best Practice 4: Using

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

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as transportation. There is no one right way to organize and staff the transportation program. The organizational structure of the transportation function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner. It is expected in smaller districts that smaller staff sizes require staff to individually handle multiple areas of responsibility (such as repairing buses and ordering replacement parts) that would be done by different individuals.

The Indian River County School District has processes in place to meet the intent of this best practice.

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[3] The transportation department estimated that it could save $23,500 annually by eliminating courtesy riders on 10 school bus routes. This estimate is calculated using driver costs ($104.58) + mileage charges ($22.56) for 10 bus routes, multiplied by 185 school days.

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

Vehicle maintenance operations have to strike a balance of having enough trained staff to properly maintain vehicles while not having excessive staff, which increases costs and reduces operational efficiency. The number of vehicle maintenance personnel needed can vary depending on factors such as the number of different types of buses being maintained, whether vehicle maintenance maintains the district "white fleet" (cars, trucks, and other on-road vehicles), and whether they maintain other district equipment such as lawn mowers and tractors. In addition to employing adequate maintenance staff, districts need to invest resources into updating the skills of their vehicle maintenance staff to improve vehicle maintenance efficiency. Such resources include the district providing training opportunities for staff and incentive pay for those who achieve certification in applicable work areas.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Using

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

A stable workforce reduces costs and minimizes the disruption of essential district services. However, for most school districts job turnover among bus drivers and attendants is generally high compared to that of other classes of employees. Contributing to this high turnover is the fact that, unlike many other district employees, bus drivers and attendants are generally part-time employees who must report to work early in the morning and finish late in the day. In addition bus drivers face many other challenges that make their jobs particularly difficult and stressful, such as trying to drive safely while maintaining discipline on a bus. Because of the relatively high rates of turnover among bus drivers and attendants, school districts need to have an effective system for recruiting and retraining these individuals. Job turnover can be addressed through retention and recruitment.   Retention is a preferred way to maintain the staffing levels through reduction in job turnover. Districts need to collect data to determine what it will take to keep drivers and attendants working and performing well for the district. Once the district determines why the drivers and attendants want to work for the school district, the district can put together a combination of salary, benefits, and incentives (both financial and non-financial) that will encourage good workers to keep working for the district yet not cause financial difficulties for the district. As there generally will be some turnover in district drivers and attendants each year, the district needs to be prepared to efficiently and effectively recruit high quality drivers and attendants. These efforts include collecting data on wages offered by alternative local employers (both public and private sectors) and knowing the best methods to put their recruiting message to potential drivers and attendants.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it can improve its operations by implementing the recommendation below.

> **Although bus driver turnover is not an issue for the district at this time, we recommend that the transportation department compile information on factors contributing to driver turnover from employee exit interviews. The department could use this information to develop strategies to address bus driver turnover should it become a problem in the future.**

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.

To effectively and efficiently carry out their duties, school district employees must be aware of the scope of their responsibilities, have the skills to carry out those responsibilities, and understand district

performance expectations. Thus, school districts need to effectively train, supervise, and assist employees in the performance of their duties. School districts generally offer commercial driver license training (a commercial driver license is required to drive a school bus) on a no-cost basis in order to successfully recruit bus drivers. Since this license also can be used to drive other commercial vehicles such as tour buses and trucks, the school district needs a policy to recoup these training costs from bus drivers who resign as school bus drivers shortly after completing their driver training. Management also has responsibilities to supervise its drivers to ensure that necessary rules and regulations are followed with buses being safely operated. Supervision responsibilities include direct observation of bus handling, assisting drivers with student bus discipline problems, administering drug and alcohol tests, and enforcement of driving policies. Management can improve job performance by providing in-service training and resolving drivers' job-related problems.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the district implement its plan to create a driver training position. This should assist the district's training and safety coordinator in monitoring bus drivers to ensure that they are using proper bus handling techniques, safe driving practices, and pupil management techniques. In addition, we recommend that the district establish a policy to recoup training costs from drivers who leave district employment within six months of completing district-funded commercial driver training.**

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.

School buses and other vehicles are an expensive but necessary investment for most school districts. Therefore, school districts need to have systems in place to ensure that decisions to purchase, maintain, and sell vehicles meet the district's needs in the most economical way. These decisions must consider a variety of factors. For instance, the need for buses to transport students is a given for districts, but it is important to buy the right type of buses at the right time. In addition, it is generally more economical to operate larger buses than smaller ones, so long as a high occupancy level can be maintained. Districts should buy the vehicles through economical methods such as the state pool purchase program. Once vehicles are purchased and inspected, districts should track vehicle maintenance costs and age to determine when the optimal time is to remove and replace the vehicle (assuming the need for the vehicle still exists). Districts should minimize the number of spare buses they retain to avoid tying up funds through excess inventory. Vehicles removed from service should be processed so that the district recovers the maximum value possible for the disposal of the vehicle, such as fixing minor cosmetic flaws to encourage higher bids at auctions.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the school board adopt a replacement policy and guidelines for general service vehicles (white fleet). The vehicle replacement policy and guidelines should be based on district-specific data and practices used by exemplar districts to cover all on-road vehicles purchased by the district. These policies and guidelines should guide future vehicle purchases.**

Best Practice 9: Using

The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.

Good stewardship of district resources dictates district vehicles should be properly maintained to operate properly and maximize their value. District vehicle maintenance operations can be divided into two types: those that service just buses and those that service buses and some or all other district vehicles. No matter what type of vehicle maintenance operation is used, it is important that the district's transportation department tracks vehicle maintenance for all district on-road vehicles to ensure that timely servicing is performed. Use of this tracking can help the district make appropriate decisions on whether to make complex or expensive repairs on older vehicles. The servicing of district vehicles does not have to be accomplished in district-owned facilities (especially if there is lack of facilities and manpower to do so) but can be done on an outsourced basis. Quality control by district staff needs to make sure that servicing and repairs (both those done by district staff and those done by vendors) is done on an economical and timely manner.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 10: Using

The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.

School districts need effective systems that ensure that fuel is purchased at the lowest possible cost, prevent unauthorized use of fuel, and that fueling stations are accessible to vehicles. Cost-effective purchases of fuel generally occur when the district and other large users of fuel (such as other school districts and local governments) pool their fuel purchases into a large bid. Part of the bid should include timely deliveries of fuel to district fueling stations. To ensure that the fuel stations have sufficient fuel for district operations, districts must monitor fuel disbursements to prevent theft and know when to reorder fuel supplies. Most districts are sufficiently large to be able to justify using automated fueling systems that are designed specifically to prevent unauthorized fuel disbursements and monitor fuel tank levels as well as log the amount of fuel individual vehicles taken. Leaking fuel tanks can be a major cost for the district. Failure to promptly deal with fuel leaks found either through automated fueling systems or during inspections by governmental environmental agencies can result in large district costs to clean up ground contamination especially if the contamination is underground and in the groundwater.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 11: Using

The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.

If uncontrolled, vehicle maintenance costs can represent a significant expense to school districts and, thus, should be effectively managed. To efficiently maintain vehicles and reduce maintenance-related costs, the district must have maintenance facilities that are appropriately situated within the district so as to minimize distances district vehicles have to travel for servicing yet have access to vehicle parts houses and delivery services. Service areas should be equipped with parts rooms, administrative areas, specialized tools, and covered and hard surfaced working areas so that technicians can concentrate on their assigned jobs rather be distracted/prevented from work due to weather, lack of tools, etc. The maintenance facilities will generate hazardous wastes such as antifreeze, which need to be stored and properly disposed of. In general, district vehicles should be parked in secure compounds at the end of the working day to reduce transportation costs for the district. The only time that vehicles should be allowed to be taken home is if it can be shown to be in the district's best financial interests to allow certain vehicles to be taken home. One example of this exception is when it is cheaper for the school district to

allow a bus driver take a bus and park it at home instead of taking it to a distant bus compound. It is also appropriate for district employees in an on-call status (such as district facility staff) to park vehicles at their homes instead of a district compound if the drivers are frequently responding to calls after normal working hours involving the transport of materials not easily transported in personal passenger vehicles (such as heavy welding equipment or sheets of plywood).

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 12: Using

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.

Minimizing the amount of time vehicles spend out of service being maintained minimizes disruptions to district services and reduces the number of vehicles required to support the district's transportation needs. Thus, keeping vehicles on the road in good repair saves the district money. Several factors affect vehicle maintenance time and costs. For instance, insufficient parts inventories can result in higher maintenance downtime for buses and the need to maintain extra spare buses. Conversely, excessive parts inventories can cost the district needed funds that can be used to meet other district transportation needs. Ideally, districts should have the minimum number of parts and supplies necessary to efficiently operate the fleet. Strategies for achieving this goal include standardizing engines and bodies and the using just-in-time inventories. Parts and supplies that are purchased also need to be secured to safeguard district assets, using management tools such as restrictions on who can be in parts rooms, maintaining inventory tracking systems, and periodically conducting part inventory audits. Districts also need to make sure that they fully use the warranties provided by bus manufacturers, thus avoiding paying for repairs and parts that are covered by warranty.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

Up-to-date procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In addition, written procedures serve as a district's institutional memory for key processes and as such help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover, a particularly important issue to the transportation function. Therefore, districts need effective procedures to handle circumstances that prevent normal bus operations. These include vehicle breakdowns, driver absences, bus overcrowding, and excessive ride times. While the district needs to minimize these occurrences, they also need effective procedures to follow when these situations occur. To recover costs of field trips, districts should also have a policy to charge schools 100% of all transportation costs for these trips.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 14: Using

The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.

School districts are required by law to provide specialized transportation services to certain students with disabilities (i.e., students in Exceptional Student Education (ESE) programs). [4] While necessary, these services can be very costly to a district. Many ESE students can ride on regular buses with no assistance or equipment. However, others may require accommodations such as specially equipped buses that lift a student and wheelchair into the bus and secure it for transport. To ensure their compliance with law while controlling costs, school districts need effective systems for determining ESE students' need for special transportation. As the need for special transportation is determined in meetings between teachers, ESE staff, and parents, districts need policies that clearly outline the circumstances that require special transportation. These policies also should identify circumstances in which alternative transportation modes, such as paying parents to drive children who need special supervision. Finally, districts should seek to recover Medicaid reimbursement for ESE transportation whenever possible, as this federal program will reimburse school districts for transporting Medicaid-eligible students on certain approved bus runs. It is rare for the cost to complete Medicaid paperwork to exceed the amount of the reimbursement. Every Medicaid dollar coming into the district frees up a general fund dollar for another district need.

The Indian River County School District has processes in place to meet the intent of this best practice.

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 they comply with federal and state laws. [5]

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 16: Using

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.

Inappropriate student behavior on school buses can distract bus drivers from their responsibility to drive their buses safely and can potentially result in accidents, cause injury to students and others, and saddle the school district with costly legal liabilities. Therefore, school districts need effective methods to control the behavior of students while they are being transported. Several individuals primarily responsible for ensuring the appropriate conduct of these students and should be involved in developing these methods. For example, school principals are responsible for the conduct of students on buses from the time students get on the buses until the time they leave them. School bus drivers assist in the maintaining appropriate student behavior on school buses through various management techniques and by writing disciplinary referrals to principals when appropriate. Principals can assist bus drivers in maintaining student bus discipline by informing them of what disciplinary actions are taking place in response to written disciplinary referrals.

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[4] The ESE population in a school includes gifted students, slow learners, emotionally handicapped students, and physically handicapped students.

[5] 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.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 17: Using

The district provides appropriate technological and computer support for transportation functions and operations.

The proper use of technology can make the district transportation function more efficient and safe, and less expensive. For instance, technology can assist school districts in mapping out the most efficient bus routes and can reduce the need to manually manipulate data. Therefore, school districts need appropriate technology to support their transportation systems. This includes providing computers to access databases with driver traffic histories maintained by the Florida Department of Highway Safety and Motor Vehicles and to maintain data such as vehicle maintenance histories, fuel disbursements, and parts inventories. Districts also need specialized diagnostic tools to accurately troubleshoot bus engine problems. In very small districts, districts may be able to maintain some of this data manually, but most districts require computer systems to enable management to make more informed and appropriate decisions.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the transportation department use its existing vehicle maintenance management software or seek alternative software to provide information to assist district administrators in making decisions to repair or replace buses and other district vehicles. Although the transportation department uses a number of automated systems to assist it in managing program operations, implementing this recommendation would provide it with information, such as vehicle repair costs, vehicle mileage, and fleet age, that would help it in deciding whether to repair or replace its vehicles .**

Best Practice 18: Using

The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.

Like most other organizations, school districts must make difficult decisions during the budget process to control expenses and maximize funds available to support their primary mission, educating students. Exceeding these budgets may require the district to reduce funds to the classroom, forgo other needs, or to dip into reserves to meet unanticipated expenses. Thus, transportation management must monitor operations and control costs to ensure that budgets are not exceeded. Budget categories need to be sufficiently detailed to be useful to transportation managers. Wide variance between actual expenditures and budgeted expenditures indicates problems in either deriving accurate budgeted expenditure figures or controlling actual expenditures. In either case, transportation management can prevent budgeting problems through analysis of expenditures and comparing those expenditures to budgeted items. Such analyses will help alert transportation management to unexpected patterns of expenditures as well as identifying opportunities to increase the efficiency and effectiveness of operations.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 19: Using

The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.

To be good custodians of public resources, school districts should evaluate the efficiency and effectiveness of their operations continually, which includes examining the benefits of alternative service delivery methods, to reduce costs and maximize funds available for classroom instruction, and/or to

improve performance. Certain administrative and support functions, including transportation, are more easily privatized due to the limited scope operations and availability of private providers. Therefore, school districts should conduct periodic analyses to determine if they would benefit from privatization of certain aspects of their transportation systems. Privatizing specialized functions such as rebuilding bus transmissions can save districts money by avoiding the need to buy and maintain equipment and skills for a job that will only be used a few times a year. In some cases, districts have privatized their entire transportation operations and achieved cost savings. However, these steps need to be taken only after "make or buy" analyses are done to ensure that the move will produce real benefits. To conduct these analyses, districts need to identify their unit costs, both direct and indirect, of providing services (such as oil changes, paint and body work, and engine rebuilds) so that they can compare these costs to the prices charged by private vendors.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **The district should systematically review its vehicle maintenance functions after establishing reliable unit cost information to determine if it could save money and/or improve service quality by privatizing additional functions. While some district fleet maintenance functions are already privatized (transmission work, vinyl seat repair, windshield repair, paint and body work, and starter and alternator repair work), the transportation department has not evaluated whether it would save costs to privatize other transportation functions, such as driving of regular school bus routes and school bus and white fleet vehicle maintenance.**

Best Practice 20: Not Using

The district has not established an accountability system for transportation and does not regularly track and make public reports on its performance in comparison with established benchmarks.

Like other publicly funded entities, a school district should be held accountable to parents and other taxpayers for the performance and cost of its major programs and support services, including transportation. To accomplish this, each school district should have a system that allows managers at both the district and program level to evaluate performance and make informed decisions regarding the use of limited resources. In addition, school transportation departments need to be able to demonstrate to district management, school boards, and the public that they are good stewards of the public's funds and are constantly striving to improve. This is done by establishing measures, goals, and benchmarks and comparing internal performance to other school districts. Districts should monitor some performance measures on a regular, short-term (e.g., monthly) basis such as the number of bus breakdowns, driver/technician absenteeism, complaints received (e.g., buses not being on time and students not picked up), vehicle maintenance (oil changes, inspections not conducted, etc.) delayed, and overtime paid. Districts should monitor other performance measures on an annual basis, such as the percentage of courtesy students served, annual operational cost per student, vehicle breakdowns per 100,000 miles, the percentage of buses that are spare buses, accidents per million miles, and the percentage of students delivered within established ride time standards. The district should compare its performance to those of peer districts as well as against established benchmarks. Transportation department performance should be reported on a regular basis to the district superintendent, school board, and the public.

The Indian River County School District does not have processes in place to meet the intent of this best practice. The district could improve its accountability system for student transportation. The transportation department compares its performance to peer districts. However, it does not have objectives that measure its efficiency and effectiveness in providing transportation services. [6] In addition,

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[6] An objective is an action statement that defines how program goals will be achieved and should be either short-term (two to three years) or mid-term (four to five years). Objectives should have the following characteristics: support the program's goals; address major aspects of the

Transportation

the transportation department does not have selected performance or cost-efficiency measures that are presented to either the district administration or the school board. The transportation department should develop a set of measures that allows it to routinely monitor and evaluate performance and cost. These 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 timeliness of services provided. 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.

Action Plan 3-1 in Chapter 3 provides a mechanism to help the district evaluate performance and enhance its performance accountability system.

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program's purpose and expenditures; be specific; be easily understood; be challenging but achievable; be measurable and quantifiable; identify data needed to assess whether progress toward an objective is being made; and indicate the performance outcome (result) or improvement target desired. For operational programs, such as transportation, objectives should be stated in terms of the quality and cost of the service provided.

10 Food Service Operations

Summary

The Indian River County School District is using 9 of the 11 food service operations best practices. The district is organized to succeed and has a training program for employees. It also has done well in its official inspections and uses customer information to develop its program. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should establish a food service strategic plan and a performance measurement system.

Background

The Indian River County School District's food service program provided 2,808,449 meals during the 2001-02 school year. In doing so, the program produced 1,332,550 breakfasts, 1,475,899 lunches. The program provided meal services at 20 schools and 4 satellite locations. The program currently employs 140 food service employees at 20 school locations and 5 employees at the central office. The food service budget for the 2002-03 school year is $6,335,172.

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 11 years.

Program organization

The program's lines of authority are typical for most small district food service operations. As shown below in Exhibit 10-1, the food service director works directly for the district's assistant superintendent for Business and Finance and directly oversees all of the cafeteria managers. District-level food service program personnel are minimal, with the director, a secretary/fiscal assistant, an applications clerk, accounts payable clerk, and a technology specialist performing all district-level program duties.

Exhibit 10-1
Food Service Organizational Chart

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        ┌─────────────────────────┐
        │ Assistant Superintendent │
        │ of Business and Finance  │
        └─────────────────────────┘
                    │
        ┌─────────────────────────┐
        │  Food Service Director   │
        └─────────────────────────┘
           │                 │
  ┌─────────────────┐   ┌─────────────────┐
  │ Central Office  │   │ School Cafeteria│
  │  Staff (4)      │   │ Managers (20)   │
  └─────────────────┘   └─────────────────┘
                              │
                    ┌─────────────────┐
                    │ Food Service    │
                    │ Workers         │
                    │ at each school  │
                    │ (120)           │
                    └─────────────────┘
```
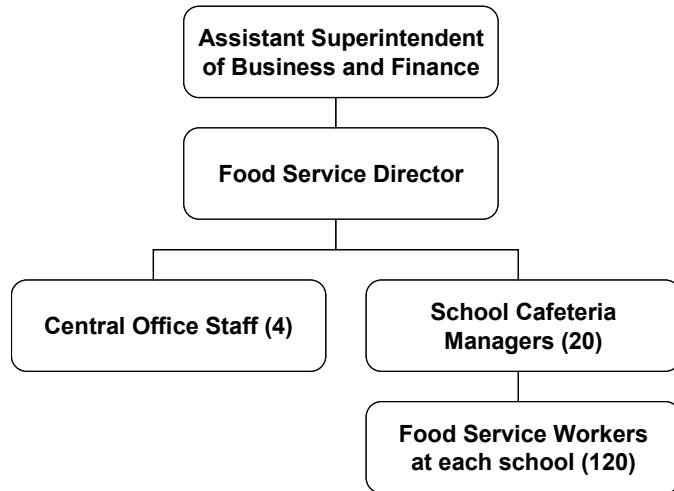
Source: Indian River County School District.

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). These programs assist states through grant-in-aid and other means such as menu design in establishing, maintaining, operating, and expanding school feeding programs. The purpose of these federal programs is to safeguard the health and well-being of the nation's children as well as provide and encourage the consumption of nutritious domestic agricultural commodities (USDA Donated Foods).

These breakfast and lunch programs are administered through Florida's Department of Education and the Department of Agriculture and Consumer Services. Each school district executes an annual agreement with these state agencies to operate the programs at the local level. The school board, superintendent, and the food service department share local responsibility for program administration within the district.

As a participant in these programs, the district receives monthly federal reimbursement income for the free, reduced, and paid meals it serves. Quarterly, the state also provides required partial matching funds to lunch programs and to supplement breakfast meals. Based on relative economic need, districts receive a standard reimbursement of either $0.20 or $0.22 for each lunch meal served, plus additional monies based on the number of free and or partially paid (called "reduced") meals served. Under the program guidelines, the Indian River County School District receives the $0.20 reimbursement rate. Students pay the full, reduced, or free meal rate based on individual family economic conditions set by the USDA.

Although somewhat different rules apply, breakfast meals are similarly funded based on each school's participation rates and the economic need of its students. The state requires that all elementary schools provide a breakfast opportunity to students and supplements some of this cost. The Indian River County School District offers breakfast to its middle and high school students. Exhibit 10-2 shows the federal reimbursement rates for the National School Lunch Program for 2002-03 school year.

Exhibit 10-2
Per Meal USDA Reimbursement Rates and Fees for School Year 2002-03

Meal	Federal Assistance	Fees Paid by Student	Program Total Revenue
Elementary Schools – Indian River County			
Full price paid			
Breakfast	$0.22	$0.00	$0.22[2]
Lunch	0.20	1.50	1.70[1]
Reduced price			
Breakfast	$0.22 + $0.65	$0.00	$0.87
Lunch	$0.20 + $1.54	0.00	1.74[1]
Free			
Breakfast	$0.22 + $0.95	$0.00	$1.17
Lunch	$0.20 + $1.94	0.00	2.14[1]
Middle Schools – Indian River County			
Full price paid			
Breakfast	$0.22	$0.00	$0.22
Lunch	$0.20	$1.50	$1.70[1]
Reduced price			
Breakfast	$0.22 + $0.65	$0.00	$0.87
Lunch	$0.20 + $1.54	$0.00	1.74[1]
Free			
Breakfast	$0.22 + $0.95	$0.00	$1.17
Lunch	$0.20 + $1.94	$0.00	2.14[1]
High Schools – Indian River County			
Full price paid			
Breakfast	$0.22	$0.00	$0.22
Lunch	$0.20	$1.75	$1.95[1]
Reduced price			
Breakfast	$0.22 + $0.65	$0.00	$0.87
Lunch	$0.20 + $1.54	$0.00	1.74[1]
Free			
Breakfast	$0.22 + $0.95	$0.00	$1.17
Lunch	$0.20 + $1.94	$0.00	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.

As Exhibit 10-3 illustrates, the Indian River County's food service program account balance has increased over the past four years because of operational gains. 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.

Exhibit 10-3
The Indian River Food Service Program Has Made 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	$2,713,539	$3,215,413	$3,477,984	$3,843,729
State Supplement	108,414	123,180	155,512	210,493
Meal Sales	856,212	938,668	866,018	901,130
A La Carte Sales	562,070	561,714	646,631	661,337
Other Food Sales	26,529	61,578	315,619	290,390
Other Revenue				
USDA Donated Food	297,640	207,555	252,087	310,323
Interest	37,121	43,291	59,308	32,533
Other Revenue	293,744	258,218	1,981	0
Total Revenue	**$4,895,269**	**$5,409,617**	**$5,775,140**	**$6,249,935**
Expenditures				
Salaries	1,446,066	1,527,058	1,666,330	1,783,632
Employee Benefits	734,542	672,946	781,897	918,018
Purchased Services	59,579	104,294	138,730	171,831
Energy Services [1]	7,623	12,057	14,176	163,975
Material and supplies	1,988,346	2,213,959	2,416,428	2,576,176
Capital Outlay	38,225	151,900	283,360	318,738
Other Expenses	281,960	270,498	208,075	155,691
Total Expenditures	**$4,556,341**	**$4,952,712**	**$5,508,996**	**$6,088,061**
Net Income (Loss)	338,928	456,905	266,144	161,874
Transfer to General Fund [2]	0	0	0	-100,000
Beginning Fund Balance	583,657	922,585	1,379,490	1,645,634
Ending Fund Balance	**$922,585**	**$1,379,490**	**$1,645,634**	**$1,707,508**

[1] District has recently begun allocating utility consumption to the food service program.

[2] The transfer is made in lieu of direct payment of maintenance and custodial labor. The district estimated $43,519 for maintenance labor and $40,529 for custodial labor.

Source: Indian River County School District.

Peer districts used for comparison

To evaluate the Indian River County School District food service program, we compared food operations in this district to a set of similar, or peer, districts. Through an analysis process conducted by OPPAGA and approved by the Indian River School District, the five districts selected were Charlotte, Citrus, Hernando, Martin, and Nassau counties. As shown in Exhibit 10-4, the Indian River County food service program is serving more lunches per student than three of its peers and has the highest ratio of free and reduced price eligible students.

Exhibit 10-4
General Comparison of Peer Districts for Fiscal Year 2001-02

Districts	Reported Student Population[1]	Total Schools in District Serving NSLP Lunches	Total NSLP Claimed Lunches Served	Lunches Served per Student for the Year	Free and Reduce Eligibility Percentage (Elementary)
Indian River	14,676	24	1,475,899	101	44.1%
Charlotte	16,674	20	2,004,624	120	41.6%
Citrus	14,834	20	1,375,571	93	42.7%
Hernando	16,907	18	1,535,490	91	42.5%
Martin	17,192	19	1,386,251	81	31.4%
Nassau	10,293	15	1,081,648	105	34.6%

[1] Unweighted FTE all programs from districts' NSLP applications.

Source: FDOE National School Lunch Program data sources and Title I data.

Conclusion and Recommendations ———

Summary of Conclusions for 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	10-7
	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	10-8
Management	4. Program management has developed comprehensive procedures manuals that are kept current.	Yes	10-8
	5. The district performs sound cash and account management.	Yes	10-9
	6. District and program management optimizes its financial opportunities.	Yes	10-9
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	10-9
	8. At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.	Yes	10-10
	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	10-10
	10. The food service program and district complies with federal, state, and district policy.	Yes	10-11
	11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	Yes	10-11

PLANNING, ORGANIZING, AND STAFFING

Best Practice 1: Not Using

The food service program has not developed strategic or operational plans for the food service program that are consistent with district plans and the program budget.

A well managed food service program should have coordinated, approved plans that give the program a logical direction. These plans should include a mission statement, goals, objectives, and strategies that describe what the program desires to accomplish. However, the extensiveness of such plans may differ by size of the district. For instance, larger districts should have more highly developed, detailed plans for their food service operations, whereas smaller districts may need less extensive, more general plans. Because school districts generally have seemingly unlimited demands for available funds, the food service program budget should be an extension of the district's plan and financial decisions should reflect the program's priority goals and objectives. The budget also should have school-level, detailed forecasts of revenue and expenses. In addition, the food service director should be involved in major capital projects such as kitchen-related design or renovation.

The Indian River County School District is not using this best practice because the district's food service program has not developed goals, measurable objectives, and strategies for achieving these goals. Measurable objectives will allow the district to consistently track and report its progress toward accomplishing the goals and mission for food service operations.

Action Plan 10-1 includes steps to assist the district in improving its operations and using the 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 wants to accomplish in order to meet its mission.
	Step 3.	Develop objectives that are statements that describe how goals will be achieved. Objectives should be measurable as an output (how many) or an outcome (how much) and should specify a time period for achievement. Objectives should generally be stated in terms of the desired quality and cost of the food service program.
	Step 4.	Develop strategies that describe the tasks necessary to accomplish the objectives.
	Step 5.	Incorporate the mission, goals, and measurable objectives into a planning document for the program.
Who Is Responsible	Food services director and assistant superintendent for Business and Finance	
Time Frame	June 2004	

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

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.

For the food service program to function well, the district food service manager, the school's cafeteria manager, and its principal need to balance authority and responsibility. If not closely monitored, this shared responsibility and authority can create barriers to student meal purchases and program success.

Food service staffing at both the district and the school cafeteria level should balance efficiency and effectiveness. Supervising too few workers is wasteful, but supervising too many can result in a loss of control. Management theorists generally agree that managers should oversee between 3 and 10 employees; more than 10 may be supervised if they are in close proximity to the manager and perform very routine or similar duties, such as in a cafeteria. All districts, even those with few employees, should maintain basic organizational charts to help management and employees understand their organizational relationships, explain lines of authority, assign responsibilities, and avoid conflicts.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 3: Using

Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.

Training ensures that school district employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to effectively and efficiently carry out their duties. Thus, school districts should have a process for identifying and tracking employee training needs. All food service employees should be required to complete at least a minimum level of sanitation, safety, and food production/handling training. In addition, comprehensive training, though not necessarily required of all employees, should include essential program functions such as food safety; portion control; production control; special diets; inventory; meal count procedures; receiving and storing food and supplies; emergency procedures; and customer service. The district should have an annual training plan that addresses routine and special needs. Care should be taken to ensure that all levels of food service employees (managers, assistant managers, interns, and line-production staff) receive the appropriate level of training. The district also should have strategy for addressing cafeteria manager turnover, such as an intern program or an assistant manager program. The sophistication of the training plan, training documentation, and training methods may vary by the size of the district. Very large districts may designate an employee as a trainer, while in small districts training may be the responsibility of the food service director and cafeteria managers. All districts should be taking advantage of training materials available from DOE.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **Although it is providing training to its food service employees, we recommend that the district complete the development of its comprehensive training plan. The plan should establish training goals for food service employees that cover both short- and long-term periods. The plan should also include a component describing how the district will evaluate and track employee progress toward accomplishing these goals. This will help the district better direct its limited training resources and help ensure that food service employees have the skills and knowledge to effectively carry out their duties.**

MANAGEMENT

Best Practice 4: Using

Program management has developed comprehensive procedures manuals that are kept current.

Up-to-date procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In addition, written procedures serve as a district's institutional memory for key processes and as such help to minimize disruption to essential services and reduce the need for costly training and assistance due to

staff turnover. To ensure that employees know and use program policy and directives, school districts should make comprehensive procedures manuals available to all food service managers. The manuals should cover important areas of food service operations and district policy. The district should conduct a scheduled and documented review process to keep manuals current and complete.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendation below.

> **We recommend that the district include the duties of food service central office employees in its procedures manual. The procedures manual should also include Ch. 64E-11, *Florida Administrative Code*, Food Hygiene, which addresses state food service regulations. This will help the district ensure that its employees know and use its food service policies and directives.**

Best Practice 5: Using

The district performs sound cash and account management.

School districts should run the food service program much like a business, ensuring that it remains in a healthy financial position, pays its share of operating expenses, and maintains a reserve fund balance within legal limitations to protect it from unanticipated emergencies. At a minimum, district management should require the food program to be self-sufficient by paying all appropriate direct and indirect expenses so that it does not drain general revenue dollars from the classroom. Management should also ensure that program account balances, plans, and budgets support future self-sufficiency. Districts of all sizes should make prompt requests for payment to the federal National School Lunch Program because payments are so substantial they affect cash management and interest income.

The Indian River County School District has processes in place to meet the intent of this best practice.

Best Practice 6: Using

District and program management optimizes its financial opportunities.

If the food service program takes advantage of opportunities to reduce costs and enhance revenues, it can avoid the need to raise meal prices and/or supplement the food service program with general operating funds that otherwise could be directed to student education. For instance, the district should make optimal use of federally donated foods, which can substantially reduce food costs, and maximize its participation in the National School Lunch and Breakfast Programs to increase federal reimbursement income. In addition, meal prices should be reasonable but sufficient to provide for quality food and service, as well as to enable the district to make needed capital investments and pay employees a fair wage. To respond to changing conditions and control costs, the district should also periodically review core processes such as warehousing and procurement. These reviews should help the district make informed decisions as to which functions the program should perform and which should be outsourced.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

Like other publicly funded entities, a school district should be held accountable to parents and other taxpayers for the performance and cost of its major programs and support services, such as food services.

To accomplish this, school districts should have a performance measurement system that allows managers at both the district and program level to evaluate performance and make informed decisions regarding the use of limited resources. A comprehensive set of program measures should include input, output, outcome, and cost-efficiency measures. Districts need to periodically verify that their performance information is reliable by testing its accuracy and assure its validity by assessing whether it is useful. Managers also need to occasionally review performance benchmarks and efficiency standards for appropriateness. The degree of sophistication of the district's performance measurement system may vary with the size of the district; smaller districts may have a less formal reporting system and simpler methodology for development and validation of benchmarks.

The Indian River County School District has processes in place to meet the intent of this best practice

Best Practice 8: 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. District managers should use inspection and evaluation results to ensure that corrective actions are taken and to make changes to improve the program. As part of overall operational efficiency and to assist in budgeting and planning, the district should have a long-range equipment replacement plan and preventive maintenance program.

The Indian River County School District has processes in place to meet the intent of this best practice. However, it could improve its operations by implementing the recommendations below.

> **Although the district is conducting annual reviews of the accuracy of lunch meal count systems, meal production records, and application approvals, we recommend that it resume its quality and performance inspection of individual cafeterias and program operations. These 5 Star inspections were discontinued in 2000 and replaced by a Florida Department of Education form. Unlike the 5 Star inspections, the DOE form does not address cafeteria operations, such as food safety, food quality and quantity, marketing and merchandising, cleanliness, record keeping, and fiscal performance. In addition, we recommend that the district establish a more formalized equipment and preventative maintenance program as opposed to relying on maintenance employees to review all equipment annually. This will help the district determine if the program and cafeterias are being effectively and efficiently operated.**

Best Practice 9: Not Using

The district and program administrators do not use sufficient performance measures and benchmarks on a regular basis to evaluate the program's performance and manage the costs of the program.

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. 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 Indian River County School District is not using this best practice for two reasons. First, the district does not use performance measures and benchmarks that would enable it to evaluate whether its operations are cost-efficient. The district presently uses one performance measure, meals per labor hour, to assess employee productivity. However, this measure does not indicate whether the operations are cost-efficient. The district could determine whether its operations are cost efficient, by comparing its performance as assessed by other measures, such as the ratio of labor cost and food cost to revenue, against benchmarks and objectives. Second, district and program administrators reported they are not using performance measures and benchmarks in evaluating the program and making decisions to improve its performance. The district is in the process of developing a more comprehensive set of performance measures and benchmarks for the food services program, and expects to complete their development in August 2003.

Action Plan 3-1 in Chapter 3 provides a mechanism to help the district evaluate performance and enhance its performance accountability system.

Best Practice 10: Using

The food service program and district complies with federal, state, and district policy.

To operate safely and efficiently, school districts must comply with applicable federal, state, and district policies. Therefore, the district should have a systematic process for identifying these policies, performing the activities necessary for compliance, conducting internal periodic inspections to test for compliance, and implementing corrective action when areas of non-compliance are found. Of particular interest are policies pertaining to the pricing of a la carte items and the availability of certain beverages. For example, a la carte items should be priced to promote the purchase of complete meals designed to fulfill nutritional needs of students. Certain beverages, such as carbonated soda, should not be available for one hour before or after meal serving periods, except in high schools when the board approves such sales.

The Indian River County School District has processes in place to meet the intent of this best practice.

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.

Like most businesses, to be successful, school district food service programs must be responsive to customers, particularly students, teachers, and other employees. Therefore, food service programs should actively solicit feedback and use it to identify needed improvements, eliminate barriers to student meal participation, and gauge reactions to changes in program operations, promotional campaigns, and service levels. The 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.

The Indian River County School District has processes in place to meet the intent of this best practice. However, the district could improve its operations by implementing the recommendation below.

> **Although the district conducts activities to assess customer satisfaction, we recommend that it create a link on its web page that students and parents can use to forward suggestions and complaints regarding food services to the district. It should also track the prevalence of complaints, which can be used as an indicator of customer satisfaction with services and quality. These actions will help the district determine if its food service programs are meeting customer needs and identify areas in which services may need improvement.**

11 Cost Control Systems

Summary

The Indian River County School District is using 19 of the 22 cost control systems best practices. In order to use all of the best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should perform a risk assessment of its operations, establish budget planning processes that tie the district's strategic plan objectives to the development of the budget, and establish written procedures that promote ethical financial management practices and provide for confidential reporting of suspected improprieties. Although the district has established a strategic plan, it should also tie financial objectives to strategic plan goals.

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 Indian River 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 Indian River County School District's cost control activities are primarily managed by the finance function. Operational units of the finance function include general accounting, accounts payable, food service accounting, and capital asset accounting. The finance function consists of two administrative staff, six professional staff, and eight clerical staff. The finance function's budget for the 2001-02 fiscal year was $865,000.

Finance and accounting functions are centralized. The current assistant superintendent of business and finance has been in this position for 9 years. The assistant superintendent of business and finance is supported by the executive director of financial services, who has over 15 years of experience with the district and has been assigned the executive director position for the last 3 years. They are supported by two senior accountants who have over 7 years of experience with school districts. Both senior accountants have been with the Indian River County School District for approximately 3 years. The payroll manager has 19 years experience with the district in both the Finance Department and the IS Department and has been assigned the supervisor of payroll position for the last 10 years. The current organizational structure has been in place since the 2000-01 fiscal year. The finance function's current organizational structure is shown in Exhibit 11-1 below:

Exhibit 11-1
Organizational Structure for the District's Finance Activities
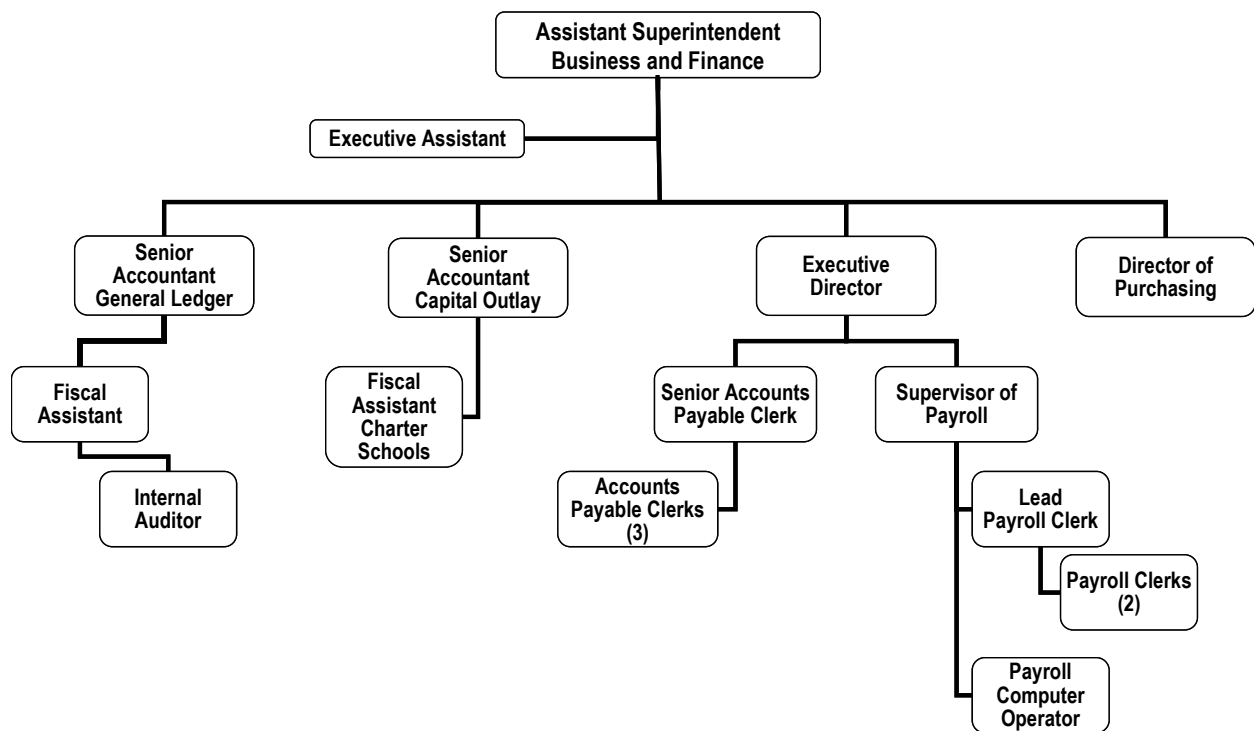
Source: Indian River County School District.

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 trust funds) and proprietary funds (internal service funds

that account for consortium 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 $120.8 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
$81,020,132	$12,903,789	$5,677,326	$21,292,620	$120,893,867

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
$509,963	$25,406,357	$55,103,812	$81,020,132

Source: Audited financial statements.

Local revenues are primarily generated from ad valorem (property) taxes and represent 68 percent of the district's general fund resources. The state provided over 31 percent of the district's general fund resources during the 2001-02 fiscal year. Three 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 Florida Education Finance Program (FEFP) funding which is used for current operations. Second is resources provided for categorical education programs which are earmarked for certain programs such as supplemental academic instruction, instructional materials, and transportation. Third 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 67 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 Functional Expenditures—2001-02 Fiscal Year

Instruction	Instructional Support Services	General Support Services	Total
$49,837,435	$8,799,962	$26,117,642	$84,755,039

Source: Audited financial statements.

Although general fund expenditures are higher than its revenues for the 2001-02 fiscal year, the general fund had a transfer in (other financing source) from the capital projects fund to pay for budgeted maintenance activities. This transfer resulted in revenues and other financing sources exceeding expenditures and other financing uses.

Instruction and instructional support expenditures represented approximately 69 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 exhibit shows the expenditures in Exhibit 11-4 by type of expenditure in broad categories.

Exhibit 11-5
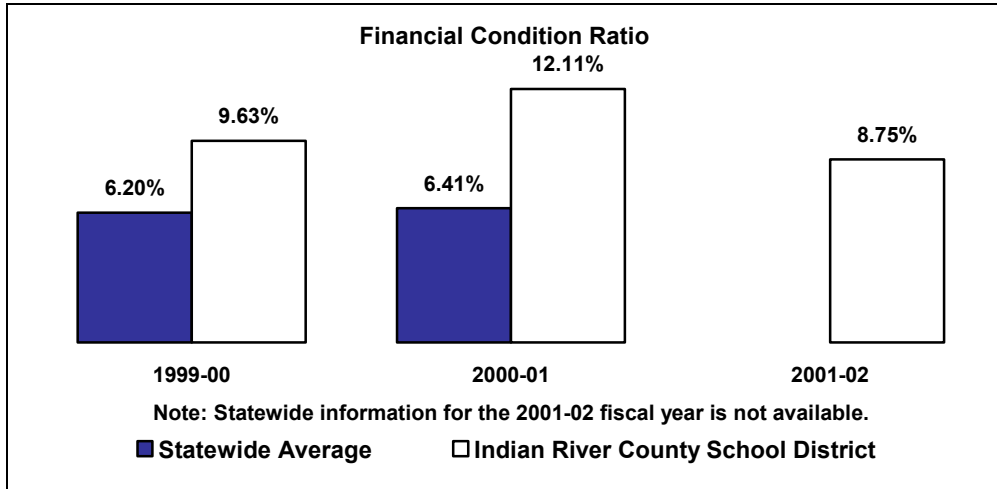**General Fund Object Expenditures – 2001-02 Fiscal Year**

Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	Total
$52,710,778	$15,485,069	$7,728,809	$2,753,565	$3,204,243	$922,591	$1,949,984	$84,755,039

Source: Audited financial statements.

As primarily a service organization, the district's major expenditure objects are salaries and employee benefits which comprise approximately 80 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 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 ended June 30, 2002.

Exhibit 11-6
The District's General Fund Financial Condition Ratio
is Higher than the Statewide Average

Financial Condition Ratio

Note: Statewide information for the 2001-02 fiscal year is not available.

■ Statewide Average   □ Indian River 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 is consistently better than the statewide average.

Conclusions and Recommendations ────

Summary of Conclusions for Cost Control Systems Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Financial Management	1. The district periodically analyzes the structure and staffing of its financial services organization.	Yes	11-8
	2. Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management.	No	11-8
	3. The district has adequate financial information systems that provide useful, timely, and accurate information.	Yes	11-10
	4. District financial staff analyzes significant expenditure processes to ensure that they are appropriately controlled.	Yes	11-11
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.	No	11-12
	8. Management analyzes strategic plans for measurable objectives and results.	Yes	11-13
External and Internal Auditing	9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	Yes	11-13
	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	11-15
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	11-16
	14. The district ensures that significant capital outlay purchases meet strategic plan objectives.	Yes	11-16
Debt Management	15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	Yes	11-17
	16. The district ensures that significant debt financings meet strategic plan objectives.	Yes	11-17
Risk Management	17. The district has established written policies and procedures and periodically updates them to provide for effective risk management.	Yes	11-18
	18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	Yes	11-18

Practice Area	Best Practice	Using the Best Practice?	Page No.
	19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	Yes	11-19
Purchasing	20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements.	Yes	11-19
Inventory Management	21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	Yes	11-20
	22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	Yes	11-20

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 Indian River County School District's organizational chart, which includes the financial 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. The current organizational chart has been in effect since the 2000-01 fiscal year. The assistant superintendent of business and finance and the executive director of financial services have identified critical financial and accounting processes and have ensured that appropriate staff are cross-trained to perform these processes when the employees who are primarily responsible for performing those processes are absent. Financial services organization staff receive training in the use of the accounting system when hired and also receive annual training updates. Also, the assistant superintendent of business and finance, executive director of financial services, and the two senior accountants attend state finance officers' association meetings and receive training relative to emerging issues in their responsibility areas at those meetings.

Best Practice 2: Not Using

Although management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management, the district does not have a comprehensive ethics policy, nor has it 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.

The Indian River County School District has established a written procedures manual for all critical financial and accounting processes.

However, the Indian River County School District is not fully using this best practice for two reasons. The first reason the district is not using this best practice is the district does not have a comprehensive ethics policy. Although the district has policies addressing ethical conduct for educational staff, policies related to acceptance of donations and gifts, and policies relating to communication use such as telephones, pagers, and other electronic communication, it does not have a comprehensive ethics policy addressing ethical conduct of business by all employees. We recommend that the district develop an ethics policy that includes remedies for unethical behavior as a means to strengthen the overall control environment. After board approval and adoption of the policy, all existing and all new employees should be required to sign a statement indicating that they are aware of the ethics policy and its ramifications.

Action Plan 11-1

We recommend that the district develop a formal ethics policy that applies to all personnel and that includes remedies for unethical behavior as a means to strengthen the overall control environment.		
Action Needed	Step 1:	Develop a formal ethics policy and present the policy to the board for approval.
	Step 2:	Subsequent to board approval and adoption of the policy, all existing and all new employees should be required to sign a statement indicating that they are aware of the ethics policy and its ramifications.
Who Is Responsible	Assistant Superintendent of Business and Finance and Assistant Superintendent of Personnel	
Time Frame	July 2004	

The second reason the district is not using this best practice is procedures for the confidential reporting of suspected improprieties have not been developed. We recommend that the district develop a process for reporting of suspected improprieties. This process should encourage individuals to report such improprieties without fear of reprisal. After board approval and adoption of the procedures, the procedures should be distributed to all employees and posted at all work sites.

Action Plan 11-2

We recommend that the district develop a process which permits employees to report suspected 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 procedures to all employees and post at all work sites.
Who Is Responsible	Assistant Superintendent of Business and Finance and Assistant Superintendent of Personnel	
Time Frame	July 2004	

Best Practice 3: Using

The district has adequate financial information systems that provide useful, timely, and accurate information. However, the district does not fully participate in the direct deposit of payroll checks.

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 Indian River County School District uses an integrated enterprise accounting system that has various subsystem modules (such as accounts payable, fixed asset accounting, and requisitioning input/approval/receiving) that interface seamlessly with the general ledger module. This system permits 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 and detailed account balance reports (such as accounts payable details) agree with general ledger control balances. Also, the payroll system interfaces with the general ledger module. The district's finance staff works with users, including the board, to identify financial reporting needs. As these needs become known, finance staff develops financial report products to meet user needs. The district's financial services staff are satisfied with the system's 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. Our interview with the executive director of financial services revealed that the board requested a new grant financial report and that the Finance Department was able to provide this report along with the monthly financial report in a timely fashion.

Although the district is using this best practice, one area in which the district could improve would be the number of participants in the direct deposit of payroll checks. Currently, only 69 percent of district employees authorize the district to direct deposit their payroll checks. The district could achieve greater payroll processing and accounting efficiencies with 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 follow appropriate public record retention periods and requirements for eventual destruction of the payroll checks. Many of these time-consuming processes could be eliminated or greatly reduced when using direct deposit. Although the district may not derive significant cost savings from using direct deposit, the increased control over payroll processing would add greater efficiencies to the overall process. The efficiencies gained will allow the district to reallocate resources to other district priorities.

> **We recommend the district try to achieve 100 percent employee participation in the payroll direct deposit program.**

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 Indian River County School District assigns payment monitoring for specific high cost and complex contracts to the executive director of facilities and/or contract monitors (i.e. senior accountant for capital outlay). 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 to discuss any questionable issues related to payment and request for proposal (RFP) terms with the executive director of financial services 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 the senior accounts payable clerk who is knowledgeable about payment patterns and legal requirements for these payments. We noted that utility payments are monitored by location and, if appropriate, by meter to identify unusual changes between months and to identify unusual seasonal changes. District employees investigate any unusual changes that they notice.

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 the annual Auditor General's audit, the Indian River 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 district's efforts to resolve internal control weaknesses identified in the Auditor General's financial and operational 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: Not Using

Although the district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users, the budget for each responsible department and/or cost center needs to identify the appropriations established for meeting strategic plan 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 Indian River School District has taken strategic plan goals and developed objectives that, if achieved, will meet these goals. The district has assigned responsibility for each objective to a specific department or cost center. The district has also developed measures to determine achievement of objectives. However, the budget for each responsible department and/or cost center needs to identify the appropriations established for meeting strategic plan objectives. Users need to be able to review measures and budgets to determine the district's effectiveness in meeting strategic plan objectives. The district could compare costs of various departments and cost centers that are meeting strategic plan objectives in an effort to identify additional efficiencies. For example, different schools that have met a specified strategic plan objective may have incurred different costs to meet the same objective. The district can review the costs of the different schools to identify the differences and evaluate whether additional cost efficiencies can be achieved.

Action Plan 11-3

We recommend that the district establish links between their strategic plan objectives and the district budget planning process.	
Action Needed	Step 1: For each responsible department and/or cost center, identify the appropriations established to meet strategic plan objectives.
	Step 2: List all strategic plan objectives and rank them in order of importance and cost.
	Step 3: Ensure that the strategic plan objectives list is considered during each budget planning meeting.
	Step 4: After the proposed budget is completed, ensure that all strategic plan objectives are 1) noted as being included in the budget, or 2) reassigned to another budget year within the strategic plan.
Who Is Responsible	Assistant Superintendent of Business and Finance and Budget Committee
Time Frame	Budget process for the 2004-05 fiscal year

Best Practice 8: Using

District management analyzes strategic plans for measurable objectives or measurable results.

As mentioned previously, districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that looks at all district operations, links support functions to the achievement of institutional goals, and has a direct link to the annual planning and budgeting process.

Our review of the measures established for strategic plan objectives showed that, in general, measures were objective and clearly related to achievement of the related goal. The district generally used the Florida Comprehensive Achievement Test and other universal objectives to measure educational achievement. Similarly, the district had established measures for financial goals, such as establishing a required minimum level of unreserved fund balance which was considered when preparing the budget.

However, the district's strategic plan could be improved. See Action Plan 2-1 for steps to assist the district in improving its strategic plan.

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 Indian River County School District has received annual financial audits for each of the last three years. These audits were performed by the Auditor General's office in accordance with generally accepted auditing standards and government auditing 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 Indian River 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: (1) safeguarding of assets, (2) the reliability of financial reporting, (3) the effectiveness and efficiency of operations, and (4) 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. The district ensures that it obtains the required audits of the school internal accounts 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. An established internal audit function could also address other financial risks identified in an annual risk assessment. Regardless of whether or not the district establishes an internal audit function, it should conduct financial risk assessments of its operations and activities annually. The district believes that the operational audit completed each year by the Auditor General's office identifies the financial risk assessments. However, performing risk assessments is a management responsibility and is a characteristic of organizations that place a high priority on internal controls.

Given existing budget constraints, the district should examine staff workload and priorities, and if at all possible, conduct this risk assessment in-house. However, if the district determines that it cannot effectively conduct its own risk assessment, it may choose to contract with a certified public accountant to conduct the first year risk assessment and provide a methodology for district staff to conduct its own risk assessments in subsequent years. We estimate that the cost of contracting for the risk assessment would be a one-time cost of approximately $20,000. This amount is based on an estimate of 225 hours at an average rate of $90 per hour ($20,250 rounded to $20,000). As management addresses identified risks, the district will likely experience cost savings and avoidances that will offset the cost of the risk assessments. However, the cost impact of these potential savings and avoidances cannot be determined at this time.

Action Plan 11-4

We recommend that the district conduct annual risk assessments.		
Action Needed	Step 1:	Conduct annual risk assessments using district staff.
	Step 2:	If district staff is unable to conduct assessments, develop and distribute a request for proposal for risk assessment services; review proposals for risk assessment services and select a firm that will perform the risk assessment for the district.
	Step 3:	Review the results of the risk assessment, prioritize high-risk activities, and assign responsibility for addressing and resolving prioritized risks.
Who Is Responsible	Assistant Superintendent of Business and Finance	
Time Frame	July 2004	

Best Practice 11: Using

The district ensures that audits of internal funds and its discretely presented component units (charter schools) are performed timely.

The financial transactions of individual school activities and organizations are accounted for in the school internal accounts (funds). 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 Indian River County School District has five charter schools (Indian River Academy Charter School, Inc., Indian River Charter High School, Inc., North County Charter School, Inc., Saint Peter's Human Services, Inc., and Sebastian Charter Junior High, Inc.). Since law requirements provide that these organizations be audited by other auditors, the district has negotiated contracts to require that these organizations provide audited financial statements by September 20, after the June 30 fiscal year-end date of each fiscal year. Each fiscal year, an audit of each charter school and their financial statements 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. The district employs an internal accounts auditor to perform the audits of the internal funds. The auditor also reviews the monthly financial information received from each school and acts as a liaison for the school's internal accounts bookkeepers, answering questions and providing training as needed. Our review showed that the required audits for the 2001-02 fiscal year were completed by May 2003.

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 Indian River County School District uses various bank accounts for transactions by fund. The district's investment accounts are used to replenish two minimum-balance bank accounts (payroll and accounts payable). The district uses a local financial institution for banking services. We reviewed the district's most recent (November 2002) request for proposal (RFP) for banking services. The district's banking committee recommended that the district remain with the same financial institution the district previously used.

The district's procedures manual includes detailed procedures for cash collection and cash disbursement activities. The district receives the majority of its cash in the form of wire transfers from the state or the local tax collector, which is directly sent to either the district's local bank account or their State Board of Administration (SBA) account. Sufficient personnel are employed in the Finance Department to provide adequate segregation of duties for the cash receipts and disbursement functions. However, the fiscal assistant has the ability to update records, make daily deposits, and perform the bank reconciliations. All cash journal entries must be approved by a senior staff member prior to recording. The senior accountant for general ledger reviews all bank and SBA reconciliations.

The district's senior accountant for general ledger prepares a daily cash-flow analysis. Based on this analysis, excess funds are sent to the SBA 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 simplistic conservative investment approach by

allowing investments to remain with the fund and withdrawals to be requested based on periodic cash needs with no type of withdrawal penalties.

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 Indian River 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 Purchasing 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 was being properly accounted for in the property records, an annual inventory is performed during May by the custodian. The district uses a barcode system to track tangible personal property. Each custodian is assigned time to use the barcode scanner during May. Upon return of the scanner to the property records specialist, the scanner is downloaded and compared to the inventory records. An exception report is printed and sent to the custodian to locate the missing property. If the items can not be located at the school/department, the property records specialist will maintain a list of missing property until all sites have been inventoried. Once all sites have been inventoried, the remaining missing property list is sent to the board for approval to be deleted from the inventory records. The property records specialist and senior accountant for general ledger ensures that unusual discrepancies, if any, are satisfactorily resolved prior to submitting the missing property list to the board. The purchasing director, senior accountant for general ledger, and executive director of financial services all review the results of the reconciliations performed by the property records specialist.

Best Practice 14: Using

The district ensures that significant capital outlay purchases meet strategic plan objectives.

As mentioned previously, districts that make the best use of their resources and 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 Indian River County School District has prepared capital projects budgets which are consistent with strategic plan objectives. The district's five-year facilities work program plan that addresses long-range goals concerning significant capital outlay purchases is used when developing annual capital projects

budgets. The district has also developed approval processes that ensure only appropriate expenditures are charged to capital project budgets.

The executive director of facilities holds monthly or quarterly meetings with the senior accountant-special projects, property records specialist, assistant superintendent of operation's secretary, and various coordinators to review and discuss progress on capital projects and review budget versus actual expenditures to date.

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 Indian River County School District had not entered into a long-term financing arrangement since 1993. The district completed refinancing of their 1991 and 1993 general obligation bonds on August 9, 2002, to take advantage of lower interest rates. The district uses its contracted financial advisor, who is experienced in the issuance and sale of debt instruments, to assist in determining the best financing alternatives given the district's specific needs.

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 Indian River County School District's debt management program is tied to its capital asset acquisition planning. Capital project budgets are consistent with the strategic plan objectives. As capital project needs are prioritized and given a value, the district evaluates 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 uses its financial advisor. Based on the advice of the financial advisor, the board is presented with the best financing alternative given the district's specific needs for approval. The district was able to build a new elementary school which opened in August 2002 with existing capital funds.

RISK MANAGEMENT

Best Practice 17: Using

The district has established written policies and procedures and periodically updates them to provide for effective risk management.

Managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and 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 Indian River County School District has established a policy for risk management and participates in a risk management consortium, which also performs most of the duties set forth above. The district's risk manager, along with other members of the risk management team, is charged with the responsibility of implementing the district's risk management policy and ensuring that the district has acquired all insurance coverage required by law. Prior to submitting the annual insurance coverage renewal form to the consortium, the superintendent's cabinet reviews the coverage and recommends any changes as necessary.

Best Practice 18: Using

District staff periodically monitors the district's compliance with various laws and regulations related to risk management.

School districts are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Florida law requires school districts to provide effective protection against these risks. Florida law allows school districts to purchase insurance, to be self-insured, to enter into risk management programs, or to have any combination of the above in any area to the extent the district is either authorized or required by law to contract for insurance. Due to the significant risks that school districts are exposed to, it is important that they effectively monitor compliance with the various laws and regulations related to risk management.

The Indian River County School District belongs to a risk management program consortium for property casualty insurance. The consortium is comprised of nine school districts and was created to provide a combined self-insurance program and risk management services to participating members. This consortium is a public entity risk pool and provides a combined self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, errors and omissions, and other coverage deemed necessary by members of the consortium. The insurance consortium is self-sustaining through member assessments (premiums) and it purchases coverage through commercial companies for claims in excess of specified amounts.

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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 Indian River County School District annually, with the assistance provided by the consortium, reviews the insurance lines to determine adequacy of services provided relative to the cost of the insurance. The district's risk manager also periodically, through the consortium committees, obtains insurance cost information from other insurance carriers to compare the district's costs and evaluate the reasonableness of costs being paid by the district.

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. However, the district could make enhancements to its purchasing process.

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 Indian River County School District has procedures to consolidate and bid recurring purchases when feasible. Purchasing Department staff determines feasibility through periodic reviews of like-item purchases which could be put out for public quote or bid. The district follows its purchasing policy, which provides that purchases of items or group of items exceeding $25,000 shall be made on the basis of competitive sealed bids. Detailed specifications are submitted to vendors for all goods and services and district personnel monitor the quality of items purchased and vendor performance on contracts. When practical, the district also uses various state purchasing contracts and piggybacks on the bids of other school districts.

The district currently does not have a purchasing card program but generally uses purchase orders to document the preauthorization function for board disbursements. The director of purchasing stated that negotiations are proceeding with a purchase card supplier for the Food Service Department. The supplier is in the process of contacting the food service vendors to reach an agreement to use the purchase card. The district has also considered using purchase cards in a pilot program for other areas and plans on issuing a request for proposal.

INVENTORY MANAGEMENT

Best Practice 21: Using

The district has established written policies and procedures and periodically updates them to provide for 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 Indian River County School District has established a policy for inventory management. The district maintains an inventory for the Transportation Department, Maintenance Department, and the Central Warehouse. An annual inventory count is completed and the inventory balances are reconciled to the general ledger at the end of each fiscal year based on inventory counts. The Central Warehouse is also used as a receiving center for tangible personnel property. All tangible personnel property regardless of cost is shipped to the Central Warehouse to help control receiving and facilitate tagging. The Central Warehouse has installed security cameras at all entrances to further safeguard the inventory and tangible personal property stored.

Best Practice 22: Using

The district uses suppliers to deliver most supplies on an as-needed basis.

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.

The Indian River County School District has not completed a formal study on the potential economies of outsourcing warehouse operations to inventory supply companies, but the district has made an effort to reduce the number of items held in inventory. The district currently has only about 30 inventory items at the Central Warehouse. The district relies on local vendors to provide inventory supply delivery services for applicable and appropriate items. Transportation and maintenance inventories are maintained to facilitate timely repairs and maintenance. The district's Central Warehouse operations require only two full-time delivery personnel and a warehouse foreman to serve 20 district schools and the various district administration offices located in the district. Since the district does not have a courier service, the warehousing employees act as couriers for the distribution of Florida Comprehensive Achievement Test materials, print shop orders, media orders, and payroll checks.

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 Action Plan

Management Structures

Action Plan 2-1

We recommend that the district continue to develop and expand its strategic plan.		
Action Needed	Step 1.	During the current planning process, the district strategic planning committees modify the strategic plan to include major goals for the district's instructional and operational programs.
	Step 2.	The committees work with key district personnel to develop measurable objectives to be used in assessing the districts progress in accomplishing major goals for its operational programs. Objectives should be quantified and contain time frames for accomplishment.
	Step 3.	The committees and district personnel develop strategies for achieving major program objectives.
	Step 4.	The committees make the measurable objectives and strategies for achieving them available to stakeholders for comment and revise as needed.
	Step 5.	The plan is submitted for board approval.
	Step 6.	The district periodically reviews the plan's goals and objectives to ensure that they remain relevant and useful.
Who Is Responsible	Superintendent, strategic planning committees, and the school board	
Time Frame	June 2004	

Performance Accountability Systems

Action Plan 3-1

We recommend that the district develop a districtwide accountability system that addresses both instructional and operational programs.

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 the performance the district would like to achieve, which may be based on a 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. 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	Superintendent, planning committees, and school board	
Time Frame	June 2004	

Educational Service Delivery

Action Plan 4-1

We recommend the district strengthen the framework through which schools set and are held accountable for their school improvement goals and objectives.		
Actions Needed	Step 1.	The district establishes a mechanism to evaluate and provide feedback to schools on their SIP goals and objectives.
	Step 2.	The district ensures that approved SIP goals and objectives are developed from analysis of school-based data and are set relative to explicit baseline performance measures. For example, the district may use its new data analysis software and other tools to provide disaggregated, school-based data to schools and school advisory councils for this purpose.
	Step 3.	If a school's SIP lacks these elements, then district personnel assist the school in preparing an improved plan.
	Step 4.	The district establishes a mechanism to periodically evaluate SIPs to determine the extent to which progress is being made towards the accomplishment of SIP goals and objectives. One approach may be to create a database to track SIP goal and objective attainment for each school. Another approach may be to revise the duties of the district school improvement liaison to emphasize monitoring and evaluation of school improvement plan implementation as well as initial approval of the plans.
	Step 5.	Schools report their goals and objectives, mid-year SIP progress, and annual evaluations of performance relative to those goals and objectives to the Assistant Superintendent for Curriculum and Instruction and the board. Because of data availability, some mid-year progress reports may include actions taken rather than outcomes achieved.
Who Is Responsible	Assistant Superintendent for Curriculum and Instruction and the school improvement liaison	
Time Frame	June 2004; ongoing thereafter	

Facilities Construction

Action Plan 7-1

We recommend that the district develop a long-range facilities planning committee.		
Action Needed	Step 1.	Establish a long-range facilities planning committee to begin a comprehensive planning process, including a vision statement that addresses the district's long-term needs for site acquisition, renovation, remodeling, new construction including ancillary space, and long-term maintenance.
	Step 2.	Develop written criteria and procedures to include
		▪ committee member roles and project responsibilities;
		▪ board-established goals and interim reporting targets;
		▪ procedures for documenting decisions and reporting to the board; and
		▪ periodic status reviews of long-range plan of the previous year to consider changing parameters, while recommending school board adjustments to the long-range plan.
	Step 3.	Complete a written situation analysis to determine the district's future needs in 5, 10-, and 20-year increments. This analysis should take into consideration the results of enrollment projections calculated by tracking demographic changes in the community.
	Step 4.	Develop districtwide goals focused on the provision and maintenance of appropriate learning environments and develop linkages to the district's future capital outlay budgets.
	Step 5.	Develop measures by which the district will be able to assess whether it has adequately provided for planning needs.
	Step 6.	Present the program plan to the school board for approval.
	Step 7.	Publish and disseminate the program plan to program staff and the public.
Who Is Responsible	Assistant Superintendent of Operations, school board members	
Time Frame	June 2004	

Action Plan 7-2

We recommend that the district develop a process for conducting post-occupancy evaluations of major construction projects.		
Action Needed	Step 1.	Develop a methodology for conducting post-occupancy evaluations. The district could model its evaluation tool after instruments developed by other school districts. This review should focus on building performance from the perspective of school-based staff, students, parents, custodians, and maintenance staff. The evaluation should address
		▪ educational adequacy;
		▪ function;
		▪ safety;
		▪ a comparison of the final product with the educational and construction specifications;
		▪ operational cost analysis; and
		▪ recommendations for future improvements.
	Step 2.	Prepare a written procedures guide to determine the evaluation process.
	Step 3.	Develop a time frame for conducting evaluations.
	Step 4.	Develop process for compiling and organizing data collected. Include determining efficiencies, operating costs, comparisons with other districts, and ideas for future planning.
	Step 5.	Develop a process for reporting the results to district administrators.
Who is Responsible	Assistant Superintendent of Operations	
Time Frame	June 2004	

Facilities Maintenance

Action Plan 8-1

We recommend that the district complete development of a customer feedback system.		
Action Needed	Step 1.	Develop an instrument for surveying various stakeholders regarding their satisfaction with maintenance surveys. The survey should include questions relating to quality and timeliness of services, and responsiveness of department employees to requests for service. Input from principals and teachers, students, parents, community members, and maintenance program employees should have provide input for use in developing the survey.
	Step 2.	Conduct the survey at least annually and analyze responses.
	Step 3.	Use results to evaluate the effectiveness of the maintenance program and make needed improvements.
	Step 4.	Report results to superintendent and the school board.
Who Is Responsible	Director of Facilities	
Time Frame	June 2004	

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 wants to accomplish in order to meet its mission.
	Step 3.	Develop objectives that are statements that describe how goals will be achieved. Objectives should be measurable as an output (how many) or an outcome (how much) and should specify a time period for achievement. Objectives should generally be stated in terms of the desired quality and cost of the food service program.
	Step 4.	Develop strategies that describe the tasks necessary to accomplish the objectives.
	Step 5.	Incorporate the mission, goals, and measurable objectives into a planning document for the program.
Who Is Responsible	Food services director and assistant superintendent for Business and Finance	
Time Frame	June 2004	

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

Cost Control Systems

Action Plan 11-1

We recommend that the district develop a formal ethics policy that applies to all personnel and that includes remedies for unethical behavior as a means to strengthen the overall control environment.		
Action Needed	Step 1.	Develop a formal ethics policy and present the policy to the board for approval.
	Step 2.	Subsequent to board approval and adoption of the policy, all existing and all new employees should be required to sign a statement indicating that they are aware of the ethics policy and its ramifications.
Who Is Responsible	Assistant Superintendent of Business and Finance and Assistant Superintendent of Personnel	
Time Frame	July 2004	

Action Plan 11-2

We recommend that the district develop a process which permits employees to report suspected 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 procedures to all employees and post at all work sites.
Who Is Responsible	Assistant Superintendent of Business and Finance and Assistant Superintendent of Personnel	
Time Frame	July 2004	

Action Plan 11-3

We recommend that the district establish links between their strategic plan objectives and the district budget planning process.		
Action Needed	Step 1.	For each responsible department and/or cost center, identify the appropriations established to meet strategic plan objectives.
	Step 2.	List all strategic plan objectives and rank them in order of importance and cost.
	Step 3.	Ensure that the strategic plan objectives list is considered during each budget planning meeting.
	Step 4.	After the proposed budget is completed, ensure that all strategic plan objectives are 1) noted as being included in the budget, or 2) reassigned to another budget year within the strategic plan.
Who Is Responsible	Assistant Superintendent of Business and Finance and Budget Committee	
Time Frame	Budget process for the 2004-05 fiscal year	

Action Plan 11-4

We recommend that the district conduct annual risk assessments.		
Action Needed	Step 1.	Conduct annual risk assessments using district staff.
	Step 2.	If district staff is unable to conduct assessments, develop and distribute a request for proposal for risk assessment services; review proposals for risk assessment services and select a firm that will perform the risk assessment for the district.
	Step 3.	Review the results of the risk assessment, prioritize high-risk activities, and assign responsibility for addressing and resolving prioritized risks.
Who Is Responsible	Assistant Superintendent of Business and Finance	
Time Frame	July 2004	