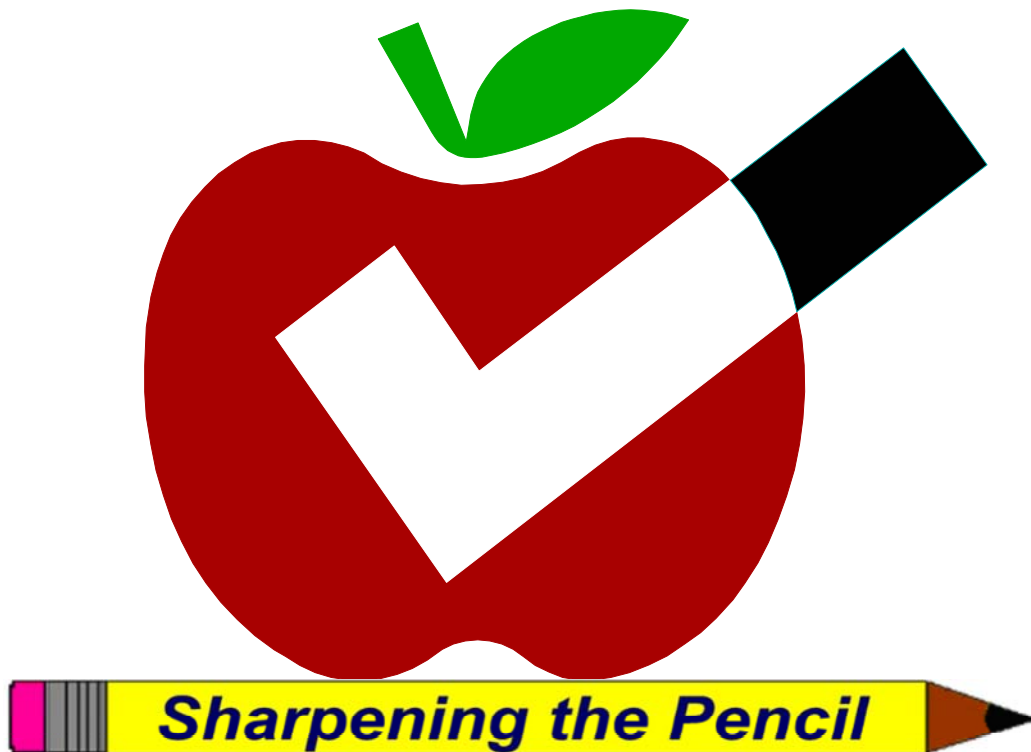


Sharpening the Pencil

Best Financial Management Practices Review

Volusia County School District





The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



Gary R. VanLandingham, Interim Director

October 2003

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

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

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

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

Curtis Baynes was the contract manager for this review, which was supervised by David Summers. Other OPPAGA staff included Byron Brown, Michael Garner, Jeanine King, Marcus Mauldin, Wade Melton, Alex Regalado and Martha Wellman. Auditor General staff included Patricia Tindel, Brenda Racis, Jim Kiedinger, under the supervision of David Martin.

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

Sincerely,

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

Gary R. VanLandingham
Interim Director

GRV/mc

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

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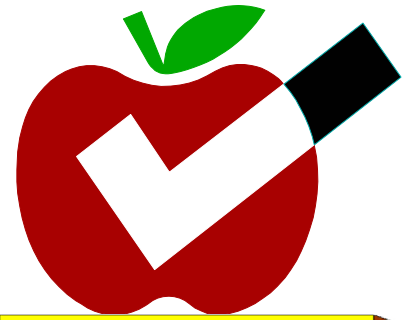
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Digest of the Best Financial Management Practices Review

Volusia County School District



Sharpening the Pencil

Report No. 03-59A

October 2003

Results in Brief

Created in 2001, the Sharpening the Pencil Program (s. 1008.35, Florida Statutes) is intended to improve school district management and use of resources and to identify cost savings opportunities. Florida law directs the Commissioner of Education to adopt the best practices as standards for the Best Financial Management Practices Review and establishes meeting the best practices as the goal for all Florida school districts. The best practices are designed to encourage districts to

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

In accordance with Florida law, the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General conducted a Best Financial Management Practices Review of the Volusia County School District during Fiscal Year 2002-03.¹ The review determined that the Volusia County School District is using 93% (138 of 148) of the best practices adopted by the Commissioner of Education, which is the highest percentage of best practices used by any district reviewed to date. The district is using a majority of the best practices in all 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. (See Exhibit 1.) A detailed listing of all the best practices that identifies the district's status in relation to each is on page 6 of this report.

¹ This review was conducted by Berkshire Advisors, Inc., of Austin, TX under contract with OPPAGA.

Exhibit 1

The District Is Using 93% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	14	0
Performance Accountability System (3)	3	0
Educational Service Delivery (12)	11	1
Administrative and Instructional Technology (9)	9	0
Personnel Systems and Benefits (11)	9	2
Facilities Construction (24)	23	1
Facilities Maintenance (22)	19	3
Transportation (20)	20	0
Food Service Operations (11)	10	1
Cost Control Systems (22)	20	2
All Areas (148)	138	10

As seen in Exhibit 2, the review identified additional opportunities to reduce costs and increase revenues. Implementing these opportunities would have a positive impact of \$10.9 million over the next five-years. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district uses these opportunities to reduce costs and increase revenue, it would be able to redirect the funds to other priorities, such as directing more money into the classroom or making improvements suggested by this report.

Exhibit 2

The Review Identified Ways the District Could Further Reduce Costs

Ways to Save	Projected Five-Year Cost Savings or Increased Revenue
<u>Educational Service Delivery</u>	
<ul style="list-style-type: none"> Develop ratios of assistant principals and school-based administrators to students consistent with its peer districts and consider reclassifying deans as department heads rather than assistant principals. (Best Practice 8, page 4-18) 	\$ 6,900,000
<u>Facilities Maintenance</u>	
<ul style="list-style-type: none"> Increase to the maximum possible the number of workers assigned to four 10-hour shifts each week (Best Practice 6, page 8-10) 	213,124
<ul style="list-style-type: none"> Establish workload standards that are more consistent with an industry and create a districtwide grounds maintenance program (Best Practice 6, page 8-10) 	2,800,480
<ul style="list-style-type: none"> Establish and follow procedures to regularly monitor and report on energy management system operations, and adequately train staff to follow these procedures. (Best Practice 17, page 8-19) 	717,651
<u>Transportation</u>	
<ul style="list-style-type: none"> Reduce spare bus inventories to no more than 10% to 12%. (Best Practice 8, page 9-13) 	172,000
<u>Food Service Operations</u>	
<ul style="list-style-type: none"> Reduce the number of benefit packages. (Best Practice 2, page 10-8) 	109,000
TOTALS	\$10,912,255

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.² Florida law directs OPPAGA and the Auditor General to review the financial management practices of school districts. Florida law also provides that the best financial management practices, at a minimum, must instill public confidence by

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

Background

Two of the most important provisions of the Sharpening the Pencil Program are that it specifies those districts scheduled to undergo a Best Financial Management Practices Review each year of a five-year-cycle and

requires public input during the review process and after the distribution of the final report.

Florida law directs that the Commissioner of Education adopt the best practices to be used as standards for these reviews and establishes meeting the best practices as the goal for all Florida school districts.

The best practices are designed to encourage districts to

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

In accordance with Florida law, OPPAGA contracted with Berkshire Advisors, Inc., of Austin, TX, a private consulting firm, to conduct this review. Berkshire Advisors, Inc., was primarily responsible for fieldwork and developing report findings and recommendations. OPPAGA and Auditor General staff monitored the firm throughout the review process to ensure that the best practices and indicators were applied in the district consistent with reviews by consultants and OPPAGA in

² 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>.

other districts. OPPAGA and Auditor General staff attended site visits and provided assistance to the consultant during the course of the review, which included report drafting.

With 62,577 students, the Volusia County School District is the 12th largest of the state's 67 school districts. Located in Northeast Florida, on the Atlantic Coast midway between St. Augustine and Melbourne, the district operates 68 schools and programs, including 45 elementary schools, 11 middle schools, 8 senior high schools, and 4 other types of schools and programs.

The consultant's report contains findings related to each best practice and detailed action plans to implement each report recommendation. These action plans were developed with input from the school district and describe the specific steps the district should take if it decides to implement the recommendation within two years. Pursuant to s. 1008.35, *Florida Statutes*, OPPAGA made the final determination on whether the school district is using best practices adopted by the Commissioner of Education based on information in the final report and the independent assessment of the district's use of each best practice.

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

General Overview and District Obligations

Currently, the Volusia County School District is using 93% of the best practices adopted by the Commissioner and at this time is not eligible for a Seal of Best Financial Management. Appendix A of the full report contains an action plan detailing how the district could meet the best practices within two years.

As provided by law, within 90 days after receipt of the final report, the school board must

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

After receipt of the final report and before the school board votes whether to adopt the action plan, the school district must hold an advertised public forum to accept public input and review the findings and recommendations of the

report. The district must advertise and promote this forum to inform school and district advisory councils, parents, school district employees, the business community, and other district residents of the opportunity to attend this meeting. OPPAGA and the consultant will attend this forum.

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

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

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

Conclusions by Best Practice Area

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

Management Structures

The Volusia County School District is using all 14 of the management structures best practices. Especially noteworthy is the progress the district has made in assigning school principals the authority they need to improve student achievement, the district's efforts with regard to community involvement, the district's willingness to pursue new sources of revenue, and the accuracy of the district's enrollment projections. The school board and the superintendent have also established a constructive working relationship and work together effectively to serve the Volusia community.

Performance Accountability System

The district is using all three performance accountability best practices. Effective performance accountability systems are in place for instructional programs and for many non-instructional programs as well. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. In addition, the district evaluates the performance and cost of its instructional and operational programs and uses evaluation results to improve program performance and cost-efficiency. Furthermore, the district clearly reports on the performance and cost-efficiency of its programs to ensure accountability to parents and other taxpayers.

Educational Service Delivery

The Volusia County School District is using 11 of 12 educational service delivery best practices. The district has developed a strong system of school accountability that is grounded in the ongoing use of students' academic and nonacademic performance data to drive instructional design and delivery and professional development for teachers and school-based staff. The school improvement planning process ensures the needs of all students are addressed, and the district assesses and the effectiveness of plans and modifies them on an ongoing basis. The district has developed systems for evaluating school performance based on student academic and nonacademic data and uses that data to determine where each school needs additional support and guidance. The district also provides an array of effective support services to students with a range of needs including Exceptional Student Education (ESE) services, English for Speakers of Other Languages (ESOL) services, Title I support, dropout prevention programs, alternative school programs, and academic remediation.

To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its educational programs, the district should better define the organizational structure and responsibilities of the ESE and special needs services units, redesign the structure of its central Title I office, develop ratios of school-based administrative staff to students consistent with its peer districts and SACS accreditation standards, and reevaluate the allocation of resource teachers and data analyst positions assigned to schools pending the completion of an updated data warehouse and MIS (management information system) for managing and accessing student data.

Administrative and Instructional Technology

The Volusia County School District is using all nine of the administrative and instructional technology best practices. The district does a good job of overall planning for its technology needs and providing training for the various

technology applications purchased. In addition, the district's network infrastructure is dependable and district staff makes good use of the Internet to support both internal and external communications. The data management of the district is meeting the state minimum requirements. The district also has well-established standards that allow them to operate in a cost-effective manner. Technology acquisitions are centralized allowing the district to realize some economies of scale. In addition, the district has an effective technology support staff that are well-trained and efficient in response.

Personnel Systems and Benefits

The Volusia County School District is using 9 of the 11 personnel systems and benefits best practices. In particular, the district has developed and successfully implemented a number of cost efficient and effective strategies for managing absenteeism and the use of substitute personnel. The district has also taken a number of noteworthy steps to improve the management of its workers' compensation program and to contain costs. The district has streamlined the hiring process by reducing the paperwork required before applicants can be considered for job openings. In addition, it has developed pools of teachers in shortage areas and administrators for future openings through various programs. The district's staff development program is tailored to instructional and non-instructional staff needs. The district also maintains extensive historical databases on employee evaluations and hiring practices and uses this information to conduct trend analysis and to support long-term planning.

To use the remaining best practices, the district should develop a more effective process for analyzing, reporting and using data to monitor issues related to employee retention and morale, especially for non-instructional staff. In addition, the Personnel Services Department needs to revisit its written strategic plan and ensure that it has measurable objectives that consider district and departmental needs, resources and is consistent with the district's overall strategic plan.

Facilities Construction

The Volusia County School District is using 23 of the 24 facilities construction best practices. The district is generally doing a good job with facility construction planning, funding, design, renovation, and remodeling. The facilities services division as a team works well together and with educators throughout the system. However, to meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its facilities construction services, the district should develop procedures and performance accountability systems for the facilities' occupancy and evaluation.

Facilities Maintenance

The Volusia County School District is using 19 of 22 of the best practices relating to facilities maintenance. The district's performance is particularly strong in areas relating to environment, safety, and site-based maintenance. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should improve its use of goals and objectives, its cost estimation of major maintenance projects, and its monitoring of energy management system controls.

Transportation

The Volusia County School District is using all 20 student transportation best practices. While the district effectively transports over 24,000 students to and from school each day, it can still enhance its effectiveness by establishing uniform procedures to document and track parent and citizen concerns and reduce spare bus inventory to no more than 10%-12% of its total fleet.

Food Service Operations

The Volusia County School District is using 10 of the 11 food service operations best practices. The district has established an effective training program for employees, and makes effective use of customer information to support program operations. In addition, the district has performed well on official inspections conducted by the state. To use the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its food service program, the district should finalize the development of a financial statement which provides timely and accurate information on profits and losses on a monthly and year-to-date basis for both the entire department and the individual cafeterias.

Cost Control Systems

The Volusia County School District is using 20 of the 22 cost control systems best practices. Generally speaking, the district has effective practices for internal control and the management of finances, cash, capital assets, debt, purchasing, and inventory. To use all the best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should document its approach to risk assessment and develop written risk management policies.

Volusia County School District Best Financial Management Practices

Currently, the Volusia County School District is using 93% (138 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.

<i>Best Practices</i>	<i>Is the District Using Best Practices?</i>		
<u>MANAGEMENT STRUCTURES</u>	YES	NO	PAGE
1. The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have policies to ensure that they have effective working relationships.	✓		2-5
2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	✓		2-5
3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	✓		2-6
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.	✓		2-7
5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	✓		2-8
6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	✓		2-9
7. The superintendent and school board exercise effective oversight of the district's financial resources.	✓		2-9
8. The district clearly has assigned school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.	✓		2-10
9. The district has a multi-year strategic plan with annual goals and some measurable objectives, but the school board has not prioritized these goals and objectives and does not annually review district progress towards achieving them.	✓		2-11
10. The district has a system to accurately project enrollment.	✓		2-12
11. The district does not link its financial plans and budgets to its annual priorities in the strategic plan.	✓		2-12
12. When necessary, the district considers options to increase revenue.	✓		2-13
13. The district actively involves parents and guardians in the district's decision making and activities.	✓		2-14
14. The district actively involves business partners and community organizations in the district's decision making and activities.	✓		2-14

Best Practices

Is the District Using Best Practices?

<u>PERFORMANCE ACCOUNTABILITY SYSTEM</u>	YES	NO	PAGE
1. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. These major programs are Basic Education (K-3, 4-8, 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	✓		3-3
2. The district formally evaluates the performance and cost of its major educational and operational programs and uses evaluation results to improve program performance and cost-efficiency.	✓		3-4
3. The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	✓		3-5

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
1. District administrators use both academic and nonacademic data to guide them in their decision making about improving K-12 education programs.	✓		4-9
2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	✓		4-10
3. The district provides effective and efficient programs to meet the needs of at-risk students (including English for Speakers of Other Languages (ESOL), Title I, and alternative education).	✓		4-12
4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment).	✓		4-13
5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	✓		4-14
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.	✓		4-16
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.	✓		4-17
8. While the organization of the district's educational programs is generally sound, organizational roles and responsibilities should be clarified in one area and some administrative resources can be redirected to schools.		✓	4-18
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.	✓		4-22
10. The district has sufficient school library or media centers to support instruction.	✓		4-23
11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	✓		4-23

Best Practices	Is the District Using Best Practices?		
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EDUCATIONAL SERVICE DELIVERY	YES	NO	PAGE
12. The district provides necessary support services (guidance counseling, psychological, social work, and health) to meet student needs and to ensure students are able to learn.	✓		4-24

ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY	YES	NO	PAGE
1. The district has a comprehensive technology plan that provides for administrative and instructional technology decision-making.	✓		5-5
2. The district acquires technology in a manner that will best meet its instructional and administrative needs.	✓		5-6
3. District and school staff receives professional development training for all technologies used in the district.	✓		5-6
4. The district provides timely and cost effective technical support that enables educators and district staff to successfully implement technology in the workplace.	✓		5-7
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.	✓		5-10
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.	✓		5-11

PERSONNEL SYSTEMS AND BENEFITS	YES	NO	PAGE
1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	✓		6-6
2. To the extent possible given factors outside the district’s control, the district works to maintain a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale.		✓	6-7
3. The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among non-instructional, instructional, and administrative employees.	✓		6-9
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.	✓		6-10

Best Practices

Is the District Using Best Practices?

<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
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.	✓		6-11
6. The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	✓		6-11
7. The district maintains personnel records in an efficient and readily accessible manner.	✓		6-12
8. The district uses cost-containment practices for its Workers' Compensation Program.	✓		6-13
9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	✓		6-13
10. The district's human resource program is managed effectively and efficiently.		✓	6-14
11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	✓		6-15

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
1. The district has effective long-range planning processes.	✓		7-8
2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	✓		7-9
3. The five-year facilities work plan establishes budgetary plans and priorities.	✓		7-10
4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	✓		7-11
5. The district has an effective site selection process based on expected growth patterns.	✓		7-12
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.	✓		7-13
7. Funds collected for school projects were raised appropriately.	✓		7-13
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.	✓		7-14
9. The district develops thorough descriptions and educational specifications for each construction project.	✓		7-15
10. The architectural design fulfills the building specification needs as determined by the district.	✓		7-16
11. New construction, remodeling, and renovations incorporate effective safety features.	✓		7-16

Best Practices

Is the District Using Best Practices?

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	✓		7-17
13. The district has effective management processes for construction projects.	✓		7-18
14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	✓		7-19
15. All projects started after March 1, 2002, comply with the <i>Florida Building Code</i> .	✓		7-20
16. The district requires appropriate inspection of all school construction projects.	✓		7-21
17. The district retains appropriate professionals to assist in facility planning, design, and construction.	✓		7-21
18. The district follows generally accepted and legal contracting practices to control costs.	✓		7-22
19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	✓		7-23
20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	✓		7-23
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.	✓		7-24
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.	✓		7-25
23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.		✓	7-26
24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	✓		7-27

<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
1. The district's maintenance and operations department has a mission statement and goals and objectives that are established in writing.		✓	8-6
2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	✓		8-7
3. The district obtains and uses customer feedback to identify and implement program improvements.	✓		8-8
4. The district has established procedures and staff performance standards to ensure efficient operations.	✓		8-9
5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	✓		8-9
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.	✓		8-10

Best Practices

Is the District Using Best Practices?

<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	✓		8-12
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.	✓		8-12
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.	✓		8-13
10. The district accurately projects cost estimates of major maintenance projects.		✓	8-14
11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	✓		8-15
12. The district minimizes equipment costs through purchasing practices.	✓		8-15
13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	✓		8-16
14. The district uses proactive maintenance practices to reduce maintenance costs.	✓		8-17
15. The maintenance and operations department identifies and implements strategies to contain energy costs.	✓		8-18
16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.		✓	8-18
17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	✓		8-19
18. A computerized control and tracking system is used to accurately track work orders and inventory.	✓		8-20
19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	✓		8-20
20. District policies and procedures clearly address the health and safety conditions of facilities.	✓		8-21
21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	✓		8-22
22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	✓		8-22

<u>TRANSPORTATION</u>	YES	NO	PAGE
1. The district coordinates long-term planning and budgeting for student transportation within the context of district and community planning.	✓		9-9
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.	✓		9-10
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. ³	✓		9-10

³ Measures of cost-efficient student transportation services include reasonably high average bus occupancy and reasonably low cost per mile and cost per student.

Best Practices

Is the District Using Best Practices?

<u>TRANSPORTATION</u>	YES	NO	PAGE
4. The organizational structure and staffing levels of the district’s transportation program minimizes administrative layers and processes.	✓		9-11
5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	✓		9-12
6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	✓		9-12
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.	✓		9-13
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.	✓		9-13
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	✓		9-14
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		9-15
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	✓		9-16
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.	✓		9-17
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.	✓		9-18
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	✓		9-18
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns	✓		9-19
16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.	✓		9-19
17. The district provides appropriate technological and computer support for transportation functions and operations.	✓		9-20
18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	✓		9-21
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	✓		9-21
20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.	✓		9-22

Best Practices

Is the District Using Best Practices?

<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
1. The program has developed strategic or operational plans that are consistent with district plans and the program budget, and approved by the district.	✓		10-8
2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.	✓		10-8
3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	✓		10-10
4. Program management has developed comprehensive procedures manuals that are kept current.	✓		10-10
5. The district performs sound cash and account management.	✓		10-11
6. District and program management optimizes its financial opportunities.	✓		10-12
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.		✓	10-13
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.	✓		10-14
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.	✓		10-15
10. The food service program and district complies with federal, state, and district policy.	✓		10-15
11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	✓		10-16

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
1. The district periodically analyzes the structure and staffing of its financial services organization.	✓		11-8
2. Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management practices.	✓		11-8
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 that they are appropriately controlled.	✓		11-10
5. The district has established adequate internal controls.	✓		11-11
6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	✓		11-11
7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	✓		11-11
8. Management analyzes strategic plans for measurable objectives or measurable results.	✓		11-12
9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	✓		11-13

Best Practices

Is the District Using Best Practices?

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
10. The district has an effective internal audit function and uses the audits to improve its operations.		✓	11-13
11. The district ensures that audits of its 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 that significant capital outlay purchases meet strategic plan objectives.	✓		11-17
15. The district has established written policies and procedures and periodically updates them to provide for effective debt management. 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.	✓		11-18
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.	✓		11-19
19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	✓		11-20
20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.	✓		11-20
21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	✓		11-21
22. The district periodically evaluates the warehousing function to determine its cost-effectiveness.	✓		11-21



The Florida Legislature

Office of Program Policy Analysis and Government Accountability

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[Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance.

[Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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1 Introduction

Overview

Sharpening the Pencil Act

The 2001 Florida Legislature created the Sharpening the Pencil Program to improve school district management and use of resources and identify cost savings. The act 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. OPPAGA contracted the review of the Volusia County School District to Berkshire Advisors, Inc. 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 the action plan.

Key Findings

The Volusia County School District does a good job of addressing its core responsibility—providing a high quality education to Volusia County students. The district’s approach to the delivery of educational services is thoughtful and rigorous, reflects a strong commitment to improving student achievement and is consistently implemented throughout the district. In addition, the district’s management of non-instructional areas is sound. The district has a high level of performance and is committed to improvement. Managers throughout the district share a commitment to finding ways to maximize the use of available resources to serve the citizens of Volusia County. District managers seek ways to improve district operations.

Methodology

Berkshire Advisors 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 Volusia County School District offices and schools. The evaluators interviewed district administrators and personnel, held two public forums, conducted focus groups with principals, teachers, student success teams, school advisory committees, and parent groups, conducted an employee survey and attended school board meetings. Evaluators also gathered and reviewed many program documents, district financial data, data on program activities, and data on student performance.

To put Volusia’s programs and activities in context with other Florida school districts, Berkshire Advisors gathered information from five peer districts around the state: Lake, Lee, Manatee, Pasco, and Sarasota. OPPAGA, in cooperation with the district, selected the peers on the basis of their comparable similarities across a number of categories, including the size of the student population, transportation needs, and demographic information, to name a few.

County Profile

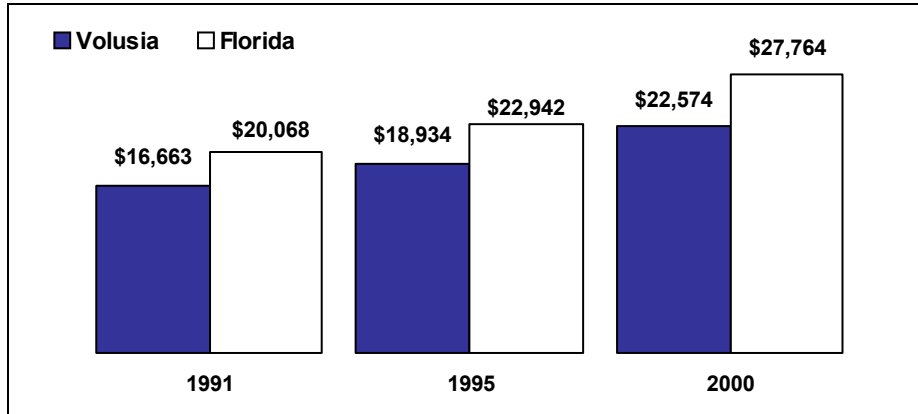
As of July 1, 2001, the U.S. Census Bureau estimated that the total population of Volusia County was 454,581. The county’s population increased by 20% between 1990 and 2000, which was less than the state’s growth rate of 24% during that same time period. The major population centers include DeLand (the county seat), Daytona Beach, Ormond Beach, and New Smyrna Beach.

The largest proportion of the population, 86%, is white, with persons of Hispanic or Latino origin comprising 7% of the population, which is less than half of the statewide figure of 17%. In addition, 9% of the county’s residents are Black or African American, which is one-third less than the statewide figure of 15%. These percentages are different from the racial/ethnic composition of the student population, of which 51% is white, 21% persons of Hispanic or Latino origin, and 24% Black or African American.

A significant percentage of Volusia County’s population (15%) is of school age (5 to 19 years old) while an additional 5% is less than five years old. By contrast, 22% of the county’s population is 65 years old or older. Approximately 82% of the county’s residents aged 25 years or older are high school graduates, while 18% have graduated from college. These percentages differ slightly from the statewide figures of 80% and 22%, respectively. This means that the level of educational attainment in Volusia County is comparable with that of the state.

Volusia County’s per capita income in 2000 was \$22,574, which was \$5,190 below the state average. As shown in Exhibit 1-2, the per capita income of Volusia County residents has been consistently lower than the per capita income of the state as a whole.

**Exhibit 1-2
Per Capita Income of Volusia County Residents
Was \$5,190 Below the State Average in 2000**



Source: Florida Research and Economic Database, 2002.

While 12% of the county’s residents live below the poverty level, a larger percentage of the county’s children (18%) live below the poverty level. These figures are consistent with the state as a whole. This corresponds with the relatively high percentage (38%) of school children that are eligible for a free or reduced price lunch.

The unemployment rate in Volusia County has been slightly lower than the state’s rate for the past five years. This suggests that students who graduate from high school in Volusia County should have somewhat less difficulty finding employment than graduates in other parts of the state. Volusia County has a civilian workforce of 178,154 people. The county’s primary sources of employment include health care and social assistance, retail, education, and manufacturing. The major employers of the school district have an influence on the workforce development programs offered by the district.

School District Profile

The district operates 73 schools, as shown in Exhibit 1-3.

**Exhibit 1-3
Volusia County Operates Schools**

Number and Type of School		
45 Elementary Schools	1 Middle School/High School	3 Charter Schools
11 Middle Schools	4 Alternative School Programs	1 Exceptional Student Education School
8 High Schools		

Source: Volusia County District Profile (2002-03).

Introduction

With 62,577 students in 2002-03, the Volusia County School District is the 12th largest school district in the state. The student population growth has increased by 3,003 students between 1998-99 and 2002-03, for a total net increase of 5%. This rate was lower than the 9% increase in enrollment across the state.

The Volusia County School District spent \$473 million for the 2001-02 fiscal year. The district receives revenues from federal, state, and local sources. Most of the revenue that the district receives from the state is generated through the Florida Education Finance Program (FEFP). The FEFP takes into consideration a number of factors in distributing funding to Florida's 67 school districts, such as varying local property tax bases, education program costs, costs of living, and costs for equivalent programs due to the sparsity and dispersion of the student population. This funding source, established by the Legislature, annually prescribes state revenues for education as well as the level of *ad valorem* taxes (property taxes) that can be levied by each school district in the state. It also includes some restricted funding provided through categorical programs, through which the Legislature funds specific programs such as instructional materials or student transportation. Exhibit 1-4 describes the district's revenue, expenditures, and fund balances for the 2001-02 fiscal year.

Exhibit 1-4
District Funds Include Federal, State, and Local Sources
and Expenditures Are Primarily Related to Instruction

Revenues and Expenditures	Total
Federal Direct	\$ 2,689,100
Federal Through State	35,383,304
State	208,430,332
Local	194,340,581
Other	
Total Revenues	\$440,843,317
Instruction	215,626,219
Pupil Personnel Services	18,376,824
Instructional Media Services	6,050,361
Instruction and Curriculum Development Services	11,234,116
Instructional Staff Training	4,516,899
Board of Education	338,055
General Administration	2,954,595
School Administration	28,732,731
Facilities Acquisition and Construction	5,673,518
Fiscal Services	2,528,657
Food Services	17,843,557
Central Services	10,608,518
Pupil Transportation Services	11,814,366
Operation of Plant	29,386,164
Maintenance of Plant	9,621,750
Community Services	1,694,985
Other	
Fixed Capital Outlay:	
Facilities Acquisition and Construction	59,598,246
Other Capital Outlay	5,931,034
Debt Service	
Principal	18,804,808
Interest and Fiscal Charges	12,155,970
Total Expenditures	473,491,373
Excess (Deficiency) of Revenue Over Expenditure	(32,648,056)
Other financing sources:	
Bond Proceeds, net	152,214,262
Capital Lease Financing	2,067,873
Operating Transfers In	29,806,782
Insurance Loss Recoveries	30,215
Proceeds from the sale of capital assets Operating	149,439
Transfers Out	(29,806,782)
Total other financial sources	154,461,789
Total Excess or Deficiency	121,813,733
Fund Balances, June 30, 2001	152,930,043
Fund Balances, June 30, 2002	\$274,743,776

Source: Florida Auditor General Financial, Operational and Federal Single Audit Report for the Fiscal Year ended June 30, 2002.

Introduction

As Exhibit 1-5 illustrates, the percentage of teachers, teacher aides and guidance counselors in the Volusia County School District is generally higher than the state and in the districts used for comparison. Exhibit 1-6 illustrates the actual numbers of administrators, instructional personnel, and support positions in the district.

Exhibit 1-5

Staffing Ratios Fall in the Middle for Comparisons of Ratio of Administrators to Teachers and Administrators to Total Staff But Is Considerably Lower Than Peer Districts and The State In Ratio of Classroom Teachers to Students, Teacher Aides to Classroom Teachers and Guidance Counselors to Students

School District	Staff Ratios					
	Administrators to Classroom Teachers	Administrators to Total Instructional Staff	Administrators to Total Staff	Classroom Teachers to Students ¹	Teacher Aides to Classroom Teachers	Guidance to Students
Lake	1: 14.17	1: 15.96	1: 30.33	1: 18.3	1: 4.49	1: 361.32
Lee	1: 13.88	1: 15.35	1: 28.05	1: 18.04	1: 5.54	1: 481.52
Manatee	1: 14.58	1: 16.19	1: 32.54	1: 16.64	1: 2.99	1: 443.10
Pasco	1: 13.75	1: 15.6	1: 30.64	1: 16.36	1: 3.88	1: 375.53
Sarasota	1: 16.95	1: 18.45	1: 37.01	1: 17.78	1: 3.78	1: 707.80
Volusia	1: 14.43	1: 16.11	1: 30.48	1: 15.98	1: 3.52	1: 376.8
State	1: 14.20	1: 15.89	1: 29.04	1: 17.68	1: 4.29	1: 438.18

¹ This is not the same as average classroom size. This ratio is calculated by DOE by numbers reported through 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, 2000-01.

Exhibit 1-6

Volusia County School District Employed 8,341 Staff in Year 2002-03

Full-Time Employees	Number	Percentage
Administrators	278	3%
Instructional	4347	52%
Support	3716	45%
Total	8341	100.0%

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

2 Management Structures

Summary

The Volusia County School District is using all 14 of the management structures best practices. Especially noteworthy is the progress the district has made in assigning school principals the authority they need to improve student achievement, the district's efforts with regard to community involvement, the district's willingness to pursue new sources of revenue, and the accuracy of the district's enrollment projections. The school board and the superintendent have also established a constructive working relationship and work together effectively to serve the Volusia community.

Background

The Volusia County School District's management structure has a standard hierarchical structure, with a five-member, policy-setting board elected by the general public and a superintendent, appointed by the board, who oversees the district's management and administration. Each board member is elected to serve a four-year term. Two members are elected at the time of the presidential general election, and three are elected at the time of the gubernatorial general election.

Of the current five board members, only one is in her first term. Two members came on the board in 1998 and two were elected in 1992. Exhibit 2-1 shows the length of time board members have served.

Exhibit 2-1 Only One Board Member Has Been Elected to More Than One Term

Board Member	Tenure
Judy Andersen	Elected for first term in 1998, reelected in 2002, up for reelection in 2006
Vicki Bumpus	Elected for first term in 1998, reelected in 2002, up for reelection in 2006
Judy Conte	Elected for first term in 1992; reelected in 1996 and 2000; up for reelection in 2004
Earl C. McCrary	Elected for first term in 1992; reelected in 1996 and 2000; up for reelection in 2004
Candace Lankford	Elected for first term in 2002, up for reelection in 2006

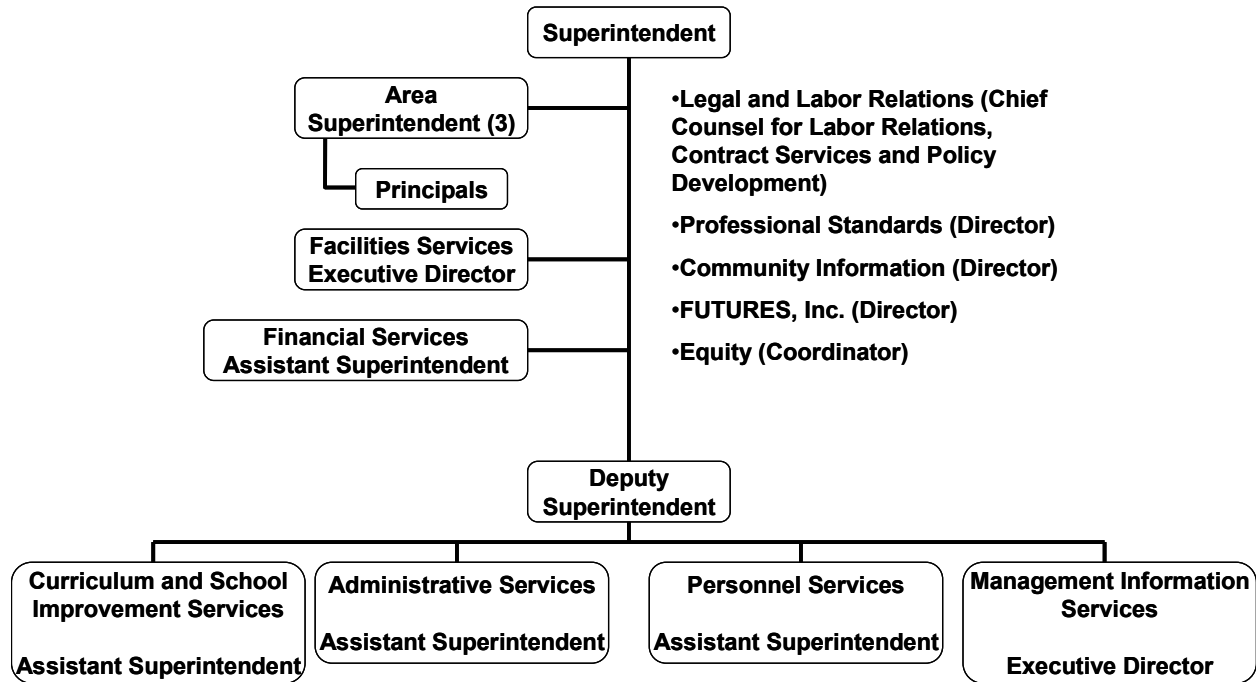
Source: Volusia County School District.

The current superintendent, William E. Hall, began his career as an educator in Volusia County in 1968 as a classroom teacher. Since that time he has held a wide range of positions in the district including junior high school assistant principal, elementary school principal, high school principal, director of secondary education, North Volusia area director of schools, assistant superintendent for curriculum and instruction

and area assistant superintendent. He has served as superintendent since 1996. Mr. Hall holds a B.A.E. degree from the University of Florida and M.A.E. and Ed.S. degrees from Stetson University.

The superintendent is responsible for the administration of the entire school system and also serves as the secretary and executive officer of the school board. As Exhibit 2-2 shows, the superintendent has a number of key administrators reporting to him—a deputy superintendent, three area superintendents (who oversee the district’s principals), an executive director for facilities services and an assistant superintendent for financial services. Other positions reporting to the superintendent include the chief counsel for labor relations, contract services and policy development, the director for professional standards, the director for community information, the director for FUTURES, Inc., and an equity coordinator. The deputy superintendent has four key managers reporting to him: the assistant superintendent for curriculum and school improvement services, the assistant superintendent for administrative services, the assistant superintendent for personnel services, and the executive director for management information services.

**Exhibit 2-2
The Superintendent and Deputy Superintendent
Oversee Key Volusia County School District Managers**



Source: Volusia County School District.

As Exhibit 2-3 illustrates, the district’s budgeted revenues have increased by 17.1% over the past three fiscal years. Increases in the capital projects fund (which increased by 62.9%) and the special revenue fund (which increased by 86.8%) account for two-thirds of this increase.

**Exhibit 2-3
The Volusia County School District's Budget Has Increased Over the Past Three Years**

Revenue	Fiscal Year		
	2000-01	2001-02	2003-03
General Fund	\$303,794,389	\$314,285,391	\$326,147,559
Debt Services Fund	13,786,418	12,141,767	11,465,143
Capital Projects Fund	47,705,539	43,253,392	77,724,643
Food Services Fund	17,038,744	17,950,659	18,845,000
School Internal Funds	4,459,000	4,826,859	5,685,118
Special Revenue Funds	18,854,026	28,283,866	35,221,467
Other Revenue	22,000	22,000	22,000
Total Revenue	\$405,660,116	\$420,763,934	\$475,112,930

Source: Volusia County School District.

Activities of particular interest

There are a number of issues related to management structures that are of particular interest. First, the Volusia County School District is a charter school district. The intent of this program is to eliminate or reduce the work required to comply with burdensome laws or regulations, to foster improved operating efficiencies and thus to accelerate student progress. Under the terms of the district's charter school district agreement with the state, the provisions of a number of Florida Statutes and/or State Board Rules have been waived. In particular, operating as a charter school district has given the district greater flexibility in how it uses state categorical funding.

The concept of the charter district has also been expanded to individual schools, which have the opportunity to waive various district requirements. Over 100 waivers have been received by schools. Before a waiver is approved, however, a school must demonstrate that the school advisory committee and faculty were involved in the decision to seek the waiver that the change aligns with district goals, how the replacement activity will work, and what the budget impact will be.

In addition, while the district is committed to school-based decision making both in concept and in practice, it continually assesses the balance between decentralized authority and centralized control. Each year the district systematically evaluates the authority granted school-based administrators. As part of this process, each major educational program (e.g., reading, mathematics, science, etc.) is assessed to determine whether the program is effective, aligned and viable. Both district initiated and school level program related activities are reviewed. If a school level activity contributes to the program not being effective, aligned and/or viable, corrective action (which may include placing limits on school level authority) will be initiated. By the same token, if excessive centralization contributes to the program not being effective, aligned and/or viable, actions will be taken to address those issues as well.

The district has also established an exemplary process to ensure that grant monies will only be pursued if doing so contributes to district efforts to achieve its mission and if the program being funded is aligned with district instructional strategies and approaches.

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	2-5
	2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	Yes	2-5
	3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	Yes	2-6
	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	2-7
Organization, Staffing and Resource Allocation	5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	Yes	2-8
	6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	Yes	2-9
	7. The superintendent and school board exercise effective oversight of the district's financial resources.	Yes	2-9
	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	2-10
Planning and Budgeting	9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	Yes	2-11
	10. The district has a system to accurately project enrollment.	Yes	2-12
	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	2-12
	12. When necessary, the district considers options to increase revenue.	Yes	2-13
Community Involvement	13. The district actively involves parents and guardians in the district's decision making and activities.	Yes	2-14
	14. The district actively involves business partners and community organizations in the district's decision making and activities.	Yes	2-14

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 but the board should be evaluating its performance and the process for evaluating the superintendent should be modified.

To be effective, school districts must have a constructive, trusting relationship between their school boards and superintendents. This relationship is jeopardized most often when the parties do not understand or fail to adhere to their distinct roles in the educational process. Thus, districts should have mechanisms in place to maintain a distinct separation of roles and responsibilities between the school board and superintendent. In the most simple of terms, the school board should be the policymaking entity in the district, and the superintendent should have the primary responsibility for implementing these policies during the course of 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.

In the Volusia County School District, the roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have established practices to ensure effective working relationships. In particular, the district has developed written policies that define the general responsibilities of the board and superintendent. Board members also understand and adhere to informal practices the district has established to govern how board members access district staff and direct staff to adhere to these procedures as well. The district also does a good job of ensuring that new board members are aware of their duties and responsibilities. New board members attend training sessions held by the Florida School Boards Association and are also briefed by senior staff about district management, finances and operations. In addition, the board has been certified as a Master School Board.¹ Effective procedures for handling items with the potential to become controversial are well established and effective.

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 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. Board meetings that consistently last longer than the time allotted are usually a telling sign that appropriate mechanisms are not in place, or are ineffective. Board members should not have to ask staff frequently for more information on agenda items, or ask for clarifications of the materials provided. More importantly, regardless of how well board meetings are run, board members and the superintendent

¹ The school board was certified as a Master School Board in June 2000. Because the board has a new member, board members plan to attend the training needed to re-certify as a master board.

should ensure that meetings are accessible and open to the public at large. For example, meetings should be located in large population concentrations at times that are not in conflict with the work hours of the majority of the public (e.g., board meetings should usually begin after 6:00 p.m.). If possible, board meetings should be broadcast live, or taped for later broadcast, on local public access television channels.

The Volusia County School District has implemented a number of effective practices to ensure that the public can participate in and observe board meetings and that the time spent in board meetings is productive. Board meetings, which are held twice a month on Tuesdays, are alternated between the school board office in Deland and various schools throughout the county. Most meetings start at 4:00 p.m. to allow parents and other citizens to have the opportunity to address the board outside of normal working hours, but some start at 9:00 a.m. To ensure the time spent in meetings is productive, both for the board members and for members of the public, the district makes effective use of consent agendas and ensures that meeting materials are shared with board members sufficiently in advance of the meeting to allow the materials to be thoroughly reviewed. The preponderance of agenda material is sent to board members seven days prior to the meeting and the remainder of the agenda material (if any) is sent to board members the Friday before the Tuesday meetings. The agenda information provided to board members is useful and relevant. Interviews and the results of a survey of board members conducted as part of this study reveal that board members are satisfied with the level and quality of the agenda information they receive.

Best Practice 3: Using

The board and superintendent have established written policies that are routinely updated by legal counsel to ensure that they are relevant and complete; however, the district's approach to developing and disseminating procedures can be improved.

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

The Volusia County School District has developed written policies to guide school district operations. These policies are available in written form at each school and school district site and are also available on the district's website. The district requires that all proposed policies be reviewed by the board attorney to ensure that policy revisions and new policies comply with state requirements. While not all district policies are current—in part because the district has not yet had time to address extensive recent changes in the school code—the district has begun a process for systematically evaluating all board policies (to ensure they reflect legal and legislative changes) and, as part of this effort, is developing an annual cycle for the review of district policies.

Best Practice 4: Using

The district routinely obtains legal services to advise it about policy and reduce the risk of lawsuits; however evaluating how legal services are structured would be beneficial.

School boards should have appropriate, responsive legal counsel. 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 expenditures (including hourly rates, retainer fees and total annual expenditures) should be evaluated for accuracy and appropriateness.

Two attorneys currently have primary responsibility for serving the legal needs of the Volusia County School District. An in-house chief counsel is responsible for responding to legal issues that arise on a day-to-day basis, for coordinating the district's general liability self-insurance program, and for policy development. The chief counsel also serves as the district's labor negotiator. In addition, a separate contracted attorney serves as the board attorney. These attorneys do a good job of coordinating their efforts to meet the district's legal needs. For example, the board attorney provides legal counsel to the board at board meetings and to individual board members when needed (although board members also contact the chief counsel for legal advice).² The superintendent, on the other hand, relies primarily on the chief counsel for legal advice but is also authorized to confer with the board attorney provided that no conflict is apparent between the interests of the board and the interests of the superintendent. All other school district personnel are required to speak to the chief counsel about legal issues, who then determines whether outside counsel is needed to address the issue.³

The district has implemented a number of steps to control the costs of district legal services. In particular, the requirement that the chief counsel approves decisions to seek the assistance of outside counsel to ensure unnecessary expenditures on legal services are avoided. In addition, the chief counsel reviews all legal bills (including those of the board attorney) to ensure fees and expenses are reasonable. Moreover, because the district engages more than one firm to provide counsel in some specialty areas—for example, three firms provide counsel on complex construction matters and two firms provide counsel on liability issues—these firms have an incentive to keep their rates low. Despite the district's efforts to control costs, and the fact that the hourly rate the district pays its board attorney is less than in a number of districts of similar size, district's legal expenditures are consistent with most of its Peers Districts (see Exhibit 2-4).

We recommend that the district periodically review its legal expenditures relative to its peer districts for possible economics.

² To support this role the district ensures that he receives agenda and meeting materials in a timely manner.

³ There are two exceptions to this general rule. First, when decisions to seek outside legal counsel are made by the district's workers' compensation specialist these decisions do not need to be reviewed by the chief counsel. Also, in cases involving employee termination it has been the practice of the district to contact outside counsel without first receiving the approval of the chief counsel.

**Exhibit 2-4
Legal Fees for the Volusia County School District
and Other Districts Vary Considerably¹**

Fiscal Year 2001-02	Volusia	Lake	Pasco	Sarasota	Manatee	Leon
Staff or Contract Board Attorney	Contract	Contract	In-House	Contract	Contract	Contract
Total Legal Fees	\$434,899 ²	\$108,439	\$120,058	\$438,967	\$460,614	\$417,952
Hourly Rate	\$125	\$135	N/A	\$162 ³	\$135	\$165

¹ Only four of the five districts (Lake, Manatee, Pasco, and Sarasota) identified by OPPAGA as being peer districts provided information relating to their legal services. Information from one additional district – Leon – was included in this analysis to provide an additional point of comparison.

² Workers' compensation expenditures of \$300,568 and general liability expenditures of \$232,465 are not included. These expenditures are typically budgeted for outside the legal department (e.g., risk management) in other districts.

³ Average billing rate for services provided in 2001-02.

Source: Information provided by each school district and compiled by Berkshire Advisors, Inc.

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 the effective and efficient delivery of support services to the schools, teachers, and students. In general, school districts should organize their administration so that similar support services are grouped together and lines of authority are clear to staff and the general public. In addition, school districts should minimize administrative staff, especially at the district level. 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 Volusia County School District has established an effective organizational structure. The structure is streamlined, is not characterized by excessive organizational layers, and overlap among organizational units has been minimized. The district also does an extremely good job of ensuring that organizational charts are current. Indeed, whenever a new position within the district is established, an updated organizational chart is provided to the board. In addition, the district has been proactive about changing organizational structure (within individual departments) to streamline operations and improve operating efficiency. For example recently the organizational structures of the MIS, transportation and food service operations were revised.

Best Practice 6: Using

The district focuses consistent effort on controlling administrative staffing levels and has take recent steps to reduce staff to improve 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 Volusia County School District focuses consistent effort on controlling administrative staffing and these efforts have yielded considerable results. To control staffing the district has established effective procedures to ensure that appropriate justification is provided for any new positions that are created (or for any existing positions that are being reclassified). Moreover, in times of fiscal shortage (when a selective hiring freeze has been established) justification must also be provided to fill existing positions that are vacant. In addition, the district actively tracks its administrative staffing and makes comparisons of staffing levels with surrounding counties and peer districts. Individual departments also evaluate their operations and have taken steps to reduce staffing and improve efficiency. For example, the Fiscal Year 2002 budget incorporates reductions in administrative staffing totaling more than \$1 million in seven units (curriculum and school improvement, GIS, student accounting services, purchasing/warehouse, student transportation services, personnel services and site based accounting). The success of these efforts is reflected in the fact that in comparisons of administrative staffing with seven districts (Brevard, Lake, Lee, Pasco, Sarasota, Seminole and Manatee) only Manatee had fewer total administrators per thousand students than Volusia. (In 2001-2002 the Manatee County School District had .22 administrators per thousand students while the Volusia County School District had .24 administrators per thousand students.) Indeed, in only one area—the number of school-based administrators—does administrative staffing seem high. (This issue is discussed in greater detail in Chapter 4.)

Best Practice 7: Using

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

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

Volusia County school board members and the superintendent take a number of appropriate steps to ensure they exercise effective oversight of the district's financial resources. In particular, the district staff work extensively with individual board members and with the board as a whole to ensure that they understand the district's budget. To facilitate this understanding, presentations of the preliminary, tentative and recommended budgets are made at budget workshops. In addition, the district does a good job of keeping the board informed about changes or concerns relating to the district's financial conditions. (For example, when the district faced a significant reduction in revenues due to a cut in funding from the

state a budget workshop was held during which budget alternatives were evaluated.) The success of these efforts was reflected in the results of the board survey in which board members expressed generally positive views about the quality of financial training they receive, the extent to which the implications of proposed budgets and budget amendments are explained and the extent to which changes in the district's financial position are reported in a timely manner.

Best Practice 8: Using

The district clearly has assigned school principals the authority they need to effectively manage their schools.

Principals should have the authority and ability to manage the day-to-day operations of their schools with minimal oversight from the district. At the same time, it is important that principals adhere to districtwide policies and procedures so that students are treated equally from school to school. Principals, as the top administrators in the schools, should have the ability to respond to most situations in their schools without first having to receive approval or acknowledgment from the district. Principals should be held accountable for the performance of their faculty and students, but should also have the authority to modify programs to improve this performance. To this effect, principals should have discretion in the way they allocate 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 Volusia County School District grants principals (and their school-based teams) the authority they need to make a substantive difference in the quality of education provided at the schools they oversee. In particular, school administrators are given a great deal of budget and staffing authority. Schools are given a budget for salary supplements and for non-salary items and have a great deal of discretion about how to use the budget to address school needs.⁴ In addition, principals have the opportunity to submit applications to waive various district requirements if the principals can demonstrate that the School Advisory Committee (SAC) and faculty were involved, that the change is consistent with district goals, that the change can be successfully implemented and that the costs associated with the change are not unreasonable. In short, in the Volusia County School District there are few limitations on what a principal and school-based team can do to improve student achievement if they can make a compelling case for the action. At the same time, however, the district also focuses attention on ensuring that administrators adhere to district-wide policies and procedures both through the performance evaluation process for principals and through procedures established by individual departments. (For example, purchasing department buyers review all requisitions submitted by schools to ensure that they comply with district policy.)

While the district is clearly committed to school-based authority and decision-making it is also pragmatic in the application of this principle. Principals are evaluated on the basis of their success in meeting growth goals that are linked to both principal needs and school performance. If a principal struggles, the area superintendents who oversee principals will work with the principal to develop an individual plan. If over time, however, a principal's performance does not improve he or she will be removed from the principalship. In addition, the extent to which the district intervenes in a school varies directly with the school's performance. Schools that meet or exceed expectations are given a free hand. For schools for which performance is less than expected, on the other hand, a school support plan will be developed (with assistance from the central office). In addition, targeted intervention plans with which schools must

⁴ School typically use their salary budgets to pay for staff, however, they adjust their staffing (for example, by trading guidance personnel for teachers) to reflect school needs. In addition, while schools can convert positions to cash and apply that cash for other uses this rarely happens and is even less likely to happen given the requirements of the state's class size amendment.

comply are developed for schools that have not met goals for adequate yearly progress and/or are rated F, D or low C based on FCAT scores.

As previously discussed, the district's commitment to regularly evaluating the authority granted school-based administrators is also noteworthy. Each year the district evaluates each major educational program (for example, reading, mathematics and science) to assess whether the program is effective, aligned and viable. As part of this review both district-initiated and school-level program-related activities are reviewed. If a school-level activity contributes to a program not being effective, aligned and/or viable, corrective action (which may include placing limits on school authority) will be initiated. By the same token, if excessive centralization contributes to the program not being effective, aligned and/or viable appropriate actions will be taken to address those issues as well.

PLANNING AND BUDGETING

Best Practice 9: Using

The district has a well defined strategic plan for instructional programs and is in the process of developing a new strategic plan that will incorporate non-instructional areas.

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

The Charter District Plan—which currently serves as the Volusia County School District's strategic plan—effectively articulates the overall direction of the district's instructional program, specifies 19 goals relating to academic performance, five goals relating to citizen and character development and five goals relating to family and community involvement and outlines the strategies the district will take to achieve these goals. Evaluation of progress in meeting Charter District goals occurs each year and the goals and objectives included in the plan are reviewed every two years. The only significant weaknesses in the plan—at least in relation to the instructional program—is that a well-defined process for considering how strategic plan priorities should be reflected in the district's budget decisions has not been established. Of even more consequence, however, the plan focuses primarily on instructional operations and does not, for the most part, include non-instructional functions.

The district's new strategic planning approach should strengthen its strategic plan. The new strategic plan—which reflects a “best practices” model—is divided into six areas of focus: academic excellence; access and equity; high performing instructional staff; involved family and community; safe and orderly environment; and effective operations. In each area, goals are established, best practices are identified, measurable objectives with benchmarks are articulated, and strategies/essential indicators are developed. Most importantly, the new strategic planning process has been designed to incorporate all aspects of district operations including non-instructional functions.

Best Practice 10: Using

The district has a system to accurately project enrollment but documentation of its projection methodology should be expanded.

To meet this best practice, school districts must have a system to provide the most accurate student enrollment projections possible. Full-time equivalent (FTE) enrollment projections are used for many purposes in districts including budgeting and funding, zoning, estimates of facility requirements and staffing ratios. Because of the critical nature of FTE projections, districts must have trained staff and formal procedures for applying both the state projection methodologies and local corrective methodologies. At a minimum, the district must use the cohort survival methodology provided by the Florida Department of Education (DOE) 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 Volusia County School District accurately estimates its enrollment. Until the most recent school year, projected enrollment over the past six years had averaged within .55% of actual enrollment. In the most recent school year, enrollment projections were off by 1.15% primarily because the district underestimated the number of McKay and corporate scholarships which district students would use. While the district uses a cohort survival model as a starting point for its enrollment projections, its success in accurately projecting enrollment stems from the fact that the FTE forecast committee (the team of district staff who develop the projections) systematically considers the impact on enrollment of a range factors (including charter schools, new programs or delivery models, opening and closing of private schools, pending legislation, home school and new construction, to name a few) and modify the cohort model projections accordingly. In addition to the enrollment projections themselves, the district has also developed an effective process for minimizing the adverse effect of the modest projection errors that are inevitable in any forecasting exercise. For example, a line item is included in the district's budget to account for FTE fluctuations and student growth. The district has also taken appropriate steps to ensure that the school counts that are reported to the state are accurate. For example, before this information is presented to the state an automated editing process is performed to identify and correct potential problems.

Best Practice 11: Using

The district should clarify the links between its non-instructional and instructional priorities and its financial plans and budgets.

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

The Volusia County School District has taken a number of steps to align its overall financial plans and budgets to the goals articulated in its strategic plan (i.e., the Charter District Plan). For example, Supplemental Academic Improvement (SAI) monies are used to fund strategies and approaches to improve student achievement and to achieve the goals articulated in the Charter District Plan. The Fiscal Year 2003 operating budget, for example, divides SAI resources into seven categories, the most noteworthy of which are resources used to hire tutors. In addition, the district has taken steps to increase

the Title I resources that are allocated to schools (although, as discussed in Chapter 4, additional improvement in this area is possible.) Moreover, consistent with the Charter District Plan the district has made class size reduction a priority in its allocation of resources to schools. It also uses the flexibility that results from its charter district status to use resources in ways that reflect its strategic objectives and goals. For example, the district is currently asking for additional flexibility in how categorical resources are used to fund initiatives to support Grade 3 reading and the use of technology in high schools.

It is also noteworthy that the district makes modifications to its financial and budget plans to improve its ability to meet priority goals and objectives. For example the district has made significant changes in how it allocates SAI money over the past three years. In addition, Title I resources allocated to remediation labs have increased by more than 40% during this period.

Best Practice 12: Using

The district actively seeks ways to both increase revenue and reduce costs.

To meet this best practice, a school district should be able to demonstrate that it has considered raising additional revenue if cost-efficiencies have been maximized yet there are still student and/or staff needs. 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 Volusia County School District has pursued a broad range of approaches to increase revenue. For example, the district, which makes maximum use of the 2 mill capital millage allowed by the state, successfully completed a campaign to establish a half-cent sales tax to support capital expenditures in 2001.⁵ The district has also established impact fees from which it received in excess of \$4.9 million in Fiscal Year 2002. Another interesting way the district has found to increase revenues is by contracting to the local county government (including the sheriff's office) to provide bulk-copying services. The district also aggressively pursues grant revenue. For Fiscal Year 2003 the district will receive a total of more than \$42.3 million in grant revenues of which almost 14% (slightly less than \$6.0 million) was from competitive grants (as opposed to state or federal "pass through" funds). Because the district has established a rigorous process for deciding what grants to pursue, all of the grant monies the district receives can be used productively to help it achieve its mission.

In addition to finding ways to increase revenue the district actively identifies ways to control costs. Indeed, the district identified savings of more than \$4.6 million in its Fiscal Year 2002 budget. These budget reductions included (but are not limited to) school-wide cuts of \$500,000 (due to a reduction in the "reserve for growth"), \$1.3 million from reducing categorical and related spending, \$30,000 from the Office of the Superintendent, approximate \$715,000 from curriculum and school improvement services, approximately \$675,000 from administrative services, \$446,000 from management information services, and approximately \$81,000 from personnel services.

⁵ The available debt service capacity the district has for certificates of participation (COPS) calculated on a net present value basis is \$194,265,000. In addition, \$90 million of debt capacity is available from the half cent sales tax.

COMMUNITY INVOLVEMENT

Best Practice 13: Using

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

School districts must actively engage parents and guardians in the activities of the district and the individual schools. The greater the parental involvement, the better most schools perform. However, in order to involve parents, they must be well informed. The extent to which schools and the district are able to reach parents is directly linked to their involvement in activities and decision making. Parents should be encouraged to participate in district and school activities and in certain decision-making processes. Some educational activities require parental involvement (e.g., development of the school improvement plans by participating on the School Advisory Councils, development of academic improvement plans (AIP), while others may just benefit from their participation (e.g., school carnivals, parent-teacher associations).

The Volusia County School District uses a number of practices and procedures to ensure that parents and guardians are actively involved in the district’s decision making and activities. To help parents and guardians make informed decisions, the district communicates information through a variety of channels, including technology (district and individual school websites), printed materials (newsletters, handbooks, and brochures), and telecommunications (e-mail, phone mail, and local and cable television). More interpersonal communication takes place through parent/teacher conferences, open houses, and workshops, all of which are scheduled numerous times during the year. In addition, board meetings (held twice a month at various locations) offer a formal opportunity for parents and guardians to provide input on district issues. Parents and guardians also have many opportunities to become involved in key activities, including participating on district, school, and academy advisory councils, becoming members of parent/teacher organizations, responding to questionnaires, and serving as volunteers. Participation in these activities allows parents to make school improvement and budgetary recommendations, share ideas about programs and fundraising projects, work collaboratively with the district and each other, and gain a better understanding of educational policies, programs, and operations.

Best Practice 14: Using

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

School districts and individual schools should actively engage local and regional businesses and community groups so that these entities will participate in educational activities. Business and community groups are able to provide not only financial assistance, but also in-kind services, mentoring, and other support services that benefit students and their schools. Some of the major ways to involve businesses and community groups include direct contact and solicitation for services, participation in educational committees of service and business associations, and encouraging business and community group leaders to participate in the School Advisory Councils (SACs). Districts also should 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 Volusia County School District takes a number of steps to include a broad representation of business partners and community organizations in decision making and activities. Through the Volunteers in

Public School program, designated business coordinators are responsible for disseminating information to and communicating with the district's external stakeholders. Coordinators also monitor and evaluate business partnerships and recruit and train business and community volunteers. District staff informs and interacts with the business community by speaking at civic and faith-based organizations and hosting community forums on a wide range of topics. Business and community representatives also serve as members of the district's school advisory councils, the FUTURES, Inc. foundation board of directors, and other specific advisory boards. Through interagency agreements, several organizations provide health care and other services to students as well as mentoring and career development opportunities.

The solicitation and collection of monetary and in-kind contributions from businesses, community organizations, and governmental agencies is coordinated through FUTURES, Inc., the district's education foundation. The foundation distributes these dollars and services to the schools primarily through mini-grants and scholarships. In addition the foundation disseminates informational newsletters, oversees the FUTURES, Inc./Take Stock in Children program, provides financial resources to recognize students, staff, and volunteers, and submits mini-grants it does not have the resources to fund to the county's chambers of commerce to see if they are willing to fund these initiatives. In addition, schools work with their business partners to solicit funds for specific projects and programs.

3 Performance Accountability Systems

Summary

The district is using all three performance accountability best practices. Effective performance accountability systems are in place for instructional programs and for many non-instructional programs as well. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. In addition, the district evaluates the performance and cost of its instructional and operational programs and uses evaluation results to improve program performance and cost-efficiency. Furthermore, the district clearly reports on the performance and cost-efficiency of its programs to ensure accountability to parents and other taxpayers.

Background

The Volusia County School District is one of four charter school districts in the state.¹ Florida law allows up to six pilot districts to seek exemptions from all state statutes, rule and policies except those that deal with electing school boards, public meetings and records, financial disclosure, conflict-of-interest, and sunshine laws. The law, however, requires charter districts to establish performance goals, measures to assess progress and a time frame for accomplishing the goals. The Volusia County School District's Charter District plan, therefore, currently serves as the district's strategic plan and its primary accountability document. This plan effectively articulates the overall direction of the district's instructional program, specifies 29 specific goals against which progress can be evaluated, and outlines the strategies the district will take to achieve these goals. Evaluation of progress in meeting Charter District goals is evaluated each year and the goals and objectives included in the plan are reviewed every two years. The current plan focuses primarily on instructional operations and does not, for the most part, include non-instructional functions.²

The district recently completed the development of a new strategic planning approach that will address this shortcoming. The new strategic plan—which reflects a “best practices” model—is divided into six areas of focus: academic excellence, access and equity, high performing instructional staff, involved family and community, safe and orderly environment, and effective operations. In each area, goals are established, best practices are identified, measurable objectives with benchmarks are articulated, and strategies/essential indicators have been developed. Most importantly, the new strategic planning process has been designed to incorporate all aspects of district operations. Completion of the district's new strategic plan was approved by the board on July 15, 2003.

¹ The district became the first charter district in the state of Florida in 1999. The charter has been renewed through 2008.

² The plan includes 19 academic performance goals, five citizen and character development goals and five family and community involvement goals.

Activities of particular interest

A key feature that distinguishes the Volusia County School District from many other districts is the willingness of management throughout the organization to submit their units to a review, either by internal staff or an external organization, and to use the results of these evaluations to improvement. Indeed, evaluations of most key educational and operational programs have been conducted.

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, 4-8, 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	Yes	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.	Yes	3-4
	3. The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	Yes	3-5

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: Using

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, 4-8, 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.

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.

As one of four Charter Districts in the state of Florida, the Volusia County School District is allowed to seek exemptions from many state statutes, rule and policies; however, as part of its agreement with the State, the district must establish performance goals, measures to assess progress and a time frame for accomplishing the goals. The Volusia County School District's Charter District plan, therefore, currently serves as the district's strategic plan and its primary accountability document. This plan effectively articulates the overall direction of the district's instructional program, details 29 specific goals against which progress can be evaluated, and outlines the strategies the district will take to achieve these goals. These strategies (and others) are then implemented at the school level based on an assessment of each individual school's needs. To ensure these strategies can be implemented within existing resources, budgets are allocated prior to the finalization of school improvement plans and the availability of resources is considered when school teams select the strategies and interventions to be incorporated into these plans.³ The success of individual schools and the district as a whole in achieving the goals articulated in the Charter District Plan is rigorously evaluated using both academic and non-academic data. These data include student FCAT scores, PSAT scores, AP test results, SAT scores, student retention, dropout rates and graduation rates. The results of these internal reviews, as well as an external review conducted by the Southern Association of Schools and Colleges (SACS), are shared with the board, presented to the governor, and released to the public. In addition, these results are used to systematically assess what changes in resource allocation, deployment and intervention strategies should be made at both the district and school level. It should be noted that the district has taken significant action based on these assessments, if doing so was necessary to improve student performance. For example, at an elementary school that was failing to meet performance expectations on a consistent basis the district required the termination of all employees at the school (except the principal) and then required employees to reapply for their positions. By the next year, the school went from being an "F" to a "B" and by the following year it had achieved an "A."

In non-instructional areas the district also does a credible job of developing goals, monitoring performance against these goals and taking action to improve performance based on an analysis of

³ Schools may also request additional funding from the central office if needed.

performance data. For example, the Student Transportation Services Department has developed a clearly defined mission statement that is supported by measurable goals and objectives. Performance against goals is tracked and compared to benchmark districts, reported to the board and public through annual “Q-link” reports and used to improve transportation operations. Likewise, the food services program has defined goals linked to five key areas that are aligned with its mission statement and uses information on performance to improve operations. In the same way, the Facilities Maintenance and Operations Department regularly tracks and analyzes performance information while the Facilities Services Department compares its construction costs with other counties and maintains up-to-date information on each project to track costs and make adjustments if needed. The district has also established an extensive security certification and accreditation process for its safety and security program.

The district has established performance goals, tracks performance against goals, and uses this information to improve the performance of its non-instructional operations, but these efforts are not as developed as for its instructional operations. While the district has clearly stated goals and objective for its non-instructional programs sufficient to meet this best practice standard, it has not always incorporated these standards into its strategic plan. However, the district is taking additional steps to incorporate these measures into its new strategic plan (see Chapter 2, Best Practice 9).

Best Practice 2: Using

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.

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.

As discussed, one of the features that distinguishes the Volusia County School District from many other districts is the willingness of managers throughout the organization to submit their unit to a review, either by internal staff or by an external organization, and to use the results of these evaluations to improve performance. Indeed, evaluations of most key educational and operational programs have been conducted. For example, the district completes both formal and informal evaluations of its instructional programs and services throughout the school year. Internal program evaluations are conducted by the district’s Office of Program Accountability while the district contracts with outside consultants and agencies to conduct external reviews. Likewise, the Student Transportation Services Department annually reviews its operations and also recently engaged an outside firm to evaluate its operations.⁴ Food service operations are also reviewed each year to assess profit and loss, to adjust the allocation of resources, and to identify opportunities for improvement. In addition to this internal analysis, state and federally required Coordinated Review Effort (CRE) and School Meal Initiative (SMI) reviews of food service operations are conducted by an outside agency. Each year the district also evaluates school performance relating to safety and security against 57 standards the district has adopted. The results of these evaluations have been consistently used to strengthen performance.

⁴ This review included an assessment of privatization.

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 Volusia County School District does a good job of communicating information on the performance of its major educational and operational programs to the school board, parents, and stakeholders. For example, each year the district's Office of Program Accountability prepares a report for the superintendent, school board and district staff on the district's progress in achieving its academic achievement goals. In addition, the district's charter oversight committee conducts its own evaluation of district progress in meeting the goals outlined in its strategic plan (i.e., the Charter District Plan). Both the charter district evaluation report and the School Public Accountability Report provide information on student performance disaggregated by ESE students with disabilities, ESE gifted students, ESOL students and students from low socioeconomic status families. The district has also established effective mechanisms to receive and respond to feedback from parents and other taxpayers. In particular, parents and taxpayers have the opportunity to discuss and provide input regarding the district's educational programs through school advisory council meetings and community events sponsored by the district.

Effective mechanisms for reporting information on district performance and receiving feedback from citizens have also been established for non-instructional programs. For example, a report summarizing the district's success in implementing safety and security best practices is prepared and presented to the board each year. Likewise, each year the board receives benchmarking information on transportation performance, a summary of the progress of the food services program in meeting its objectives, and a report of the Citizen's Oversight Committee⁵ on the progress of the capital program. Major operational programs have also established a range of mechanisms for receiving feedback from parents and other stakeholders. For example, the safety and security certification process mandates that board members and the public have the opportunity to discuss security findings for the district and for each school. In addition, the Student Transportation Services Department has well established procedures for documenting feedback received from parents and community members.

⁵ The committee is charged with overseeing facility construction.

4

Educational Service Delivery

Summary

The Volusia County School District is using 11 of 12 educational service delivery best practices. The district has developed a strong system of school accountability that is grounded in the ongoing use of students' academic and nonacademic performance data to drive instructional design and delivery and professional development for teachers and school-based staff. The school improvement planning process ensures the needs of all students are addressed, and the district assesses and the effectiveness of plans and modifies them on an ongoing basis. The district has developed systems for evaluating school performance based on student academic and nonacademic data and uses that data to determine where each school needs additional support and guidance. The district also provides an array of effective support services to students with a range of needs including Exceptional Student Education (ESE) services, English for Speakers of Other Languages (ESOL) services, Title I support, dropout prevention programs, alternative school programs, and academic remediation.

To meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its educational programs, the district should better define the organizational structure and responsibilities of the ESE and special needs services units, redesign the structure of its central Title I office, develop ratios of school-based administrative staff to students consistent with its peer districts and SACS accreditation standards, and reevaluate the allocation of resource teachers and data analyst positions assigned to schools pending the completion of an updated data warehouse and MIS (management information system) for managing and accessing student data.



As seen in Exhibit 4-1, the district has an opportunity to reduce expenditures by reducing the number of school-based administrators. Determining whether to take advantage of this opportunity is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements this recommendation, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing problem areas identified in this report.

Exhibit 4-1
Our Review Identified an Opportunity for the District to Increase Revenues in the Area of Educational Service Delivery

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
8 Develop ratios of assistant principals and school-based administrators to students consistent with its peer districts and consider reclassifying deans as department heads rather than assistant principals	\$1,380,000	\$1,380,000	\$1,380,000	\$1,380,000	\$1,380,000	\$6,900,000

Background

The Volusia County School District served 62,854 students during the 2002-2003 school year. The ethnic breakdown of these students was 51% white, non-Hispanic; 24% black, non-Hispanic; 21% Hispanic; 2% multiracial; 2% Asian/Pacific Islander; and less than one percent American Indian/Alaskan native. The district has 73 schools, including 45 elementary schools, 11 middle schools, 1 combination middle/high school, 8 high schools, 1 exceptional student education school, 3 charter schools (1 of which the Advanced Technology Center is a joint venture of Volusia County, Flagler County and the Daytona Beach Community College), and 4 alternative education programs, which operate in district and juvenile justice sites throughout the county. For Fiscal Year 2001-02, operating costs in the district were \$4,807 per pupil (\$373 less per pupil than the state's average operating cost of \$5,180 per pupil).

As Exhibit 4-2 shows, the Volusia County School District has experienced six percent student enrollment growth over the past five years. The percentage of students in the English for Speakers of Other Languages (ESOL) program (4%) is much lower than the state average of 11% and is also lower than the average for peer districts (7%). The percentage of students who are eligible for free or reduced price lunch (38%) is lower than the percentage for the state (44%) but consistent with the average percentage for peer districts.

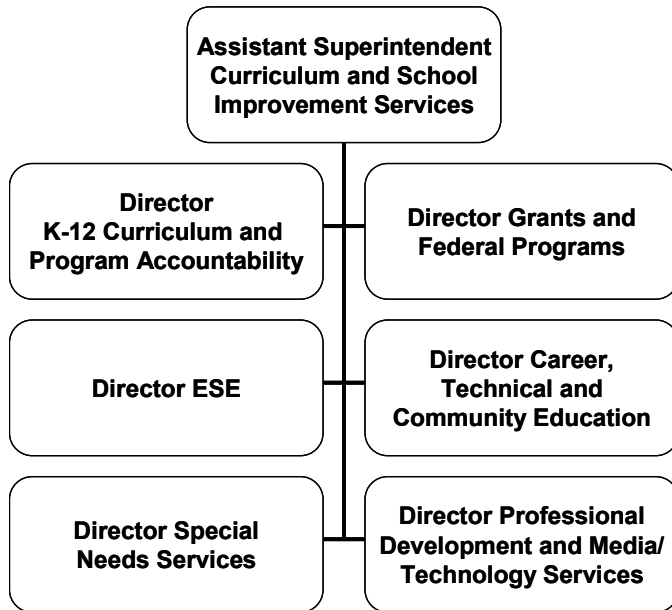
Exhibit 4-2
The Volusia County School District Has Experienced Less Growth in Student Enrollment than Peer Districts Over the Past Five Years

District	Total Students	Percentage Increase, 1998-2002	English for Speakers of Other Languages (ESOL)	Percentage Eligible for Free or Reduced Price Lunch
Lake	31,773	14.22%	4%	39%
Lee	63,148	15.28%	13%	43%
Manatee	39,106	14.76%	8%	36%
Pasco	54,957	19.31%	4%	44%
Sarasota	38,026	13.12%	6%	34%
Volusia	62,854	5.02%	4%	38%
State	2,431,521	8.71%	11%	44%

Sources: Department of Education, Florida School Indicators Report 2003 and LEA Profile 2003.

The Volusia County School District’s assistant superintendent for curriculum and school improvement services oversees six units: K-12 curriculum and program accountability; grants and federal programs; exceptional student education (ESE); professional development and media/technology services; career/technical and community education; and special needs services. ¹ As Exhibit 4-3 shows, six administrators who oversee these units report directly to the assistant superintendent.

**Exhibit 4-3
Six District Units Report to the Assistant Superintendent
for Curriculum and School Improvement Services**



Source: Volusia County School District.

The Volusia County School District serves students through several types of programs. These include the K-12 basic education program, the Exceptional Student Education program (ESE), at-risk programs, accelerated programs, and career/technical 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).

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

¹ Source: Volusia County School District Organizational Chart - August 2002.

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 are also responsible for identifying 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 Volusia County School District students identified and served in the district’s ESE program (20%) is lower than most peer districts. Exhibit 4-4 indicates that the district’s percentage of ESE students with disabilities (17%) is comparable with or lower than the peer districts and the percentage of gifted students (3%) is less than or equal to the peer districts.

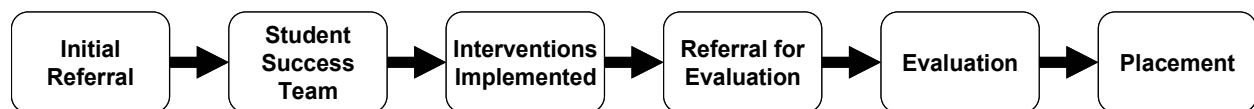
Exhibit 4-4
The Percentage of ESE Students Identified and Served in Volusia County Public Schools Is Lower Than Most of Its Peers

District	Total Percentage ESE Students	Percentage ESE Students With Disabilities	Percentage ESE Gifted Students
Lake	19%	17%	2%
Lee	21%	15%	6%
Manatee	23%	19%	4%
Pasco	22%	19%	3%
Sarasota	27%	17%	10%
Volusia	20%	17%	3%

Sources: Department Of Education, Florida LEA Profile 2003.

Teachers, parents, or guidance counselors begin the ESE process by referring students for assessment. Student success teams (typically comprising of assistant principal, teachers, psychologist, social worker, and guidance counselor) initially screen students at the school level by reviewing the case, assessing the student, and determining appropriate interventions to help the student succeed. School personnel then implement these interventions over the course of six to nine weeks. If the student success team finds that these attempts prove unsuccessful, the team refers the student to a school psychologist or other appropriate clinician for evaluation. The results of this evaluation are utilized to determine the student’s ESE status. If the student requires ESE services, the individual education plan (IEP) team meets to decide the most appropriate placement for the student. Exhibit 4-5 illustrates this process.

Exhibit 4-5
The Student Success Team Referral Process Has Six Key Steps



Source: Volusia County School District.

At-Risk Programs. The Volusia County School District provides several programs for students who need academic or social skills interventions to assist them in being successful including Title I, English

for Speakers of Other Languages (ESOL), intervention assistance programs, and alternative education programs. Title I provides schools with additional funds for ancillary support services and additional instructional staff. These programs support general education teachers and support service staff in providing additional help to students who need assistance by providing instruction that reinforces the curriculum and helps students with deficient skills. Title I is funded by both federal and state sources and provides services to schools with high concentrations of poverty as determined by the number of students who receive free or reduced 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 price lunch. Forty-three of the district's schools qualify for school-wide Title I programs.

The percentage of students in the district's ESOL program (4%) has remained stable over the past five years. To educate ESOL students, the district uses a variety of instructional approaches based on the number and needs of the ESOL students served at each school site. School administrators identify ESOL students based on the results of the home language survey administered through the ESOL liaison at the school. ESOL liaisons are responsible for ensuring that students progress and that their individual needs are met. To exit the program, students must achieve specific English literacy criteria in reading and writing.

The district also offers several alternative education programs. Alternative education programs are operated at compulsory alternative education schools, storefront schools, teen parenting programs, and juvenile justice settings. Upon entrance to these programs, students, with the assistance of sending and receiving school teams, establish specific behavioral and academic goals and are evaluated, based on their individual contract, on their progress toward meeting these goals. The ultimate goal of these programs is to either complete the program or return to a local middle or high school. In the teen parenting program, the district provides instruction in a modified format for middle and high school students who are either pregnant or parents of young children.

Accelerated Programs. The Volusia County School District provides students several accelerated opportunities, including Advanced Placement (AP), Dual Enrollment, an International Baccalaureate (IB) Program, honors classes, early admission to postsecondary education, 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. Daytona Beach Community College instructors teach dual enrollment classes at the Advanced Technology Center and students from other district high schools may enroll in classes at a Daytona Beach Community College campus.

The Advanced Placement program allows high-achieving and self-motivated students in grades 11 and 12 to enroll in advanced courses of study and earn college credit and/or advanced placement credit while still enrolled in high school. The district offers a range of AP courses across all curriculum areas. During the 2001-02 school year, 1146 students were enrolled in AP courses at the high school level. This accounts for an increase in student participation of 53.8% since 1998, a rate of increase that exceeds the rate of increase in the nearest peer district by more than 20%.

The International Baccalaureate (IB) program is a course of study that provides an advanced level of high school coursework based on a specific curriculum designed to allow students to meet the requirements of various international universities. This program is located at two district high schools, one located on the east side of the county and one on the west side, to provide access for students across the district.

Honors classes are offered at district high schools at all grade levels across the core academic areas. Through a collaborative program with the College Board, the district is using the PSAT tests in grades eight through 11 to identify students with the potential to participate in honors and advanced placement classes and has established targets in each district high school to increase enrollment in those programs, especially among minority and low SES students.

Volusia 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 and are allowed to learn at their own pace. Participating 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.

Career and Technical Education. The district's secondary career and technical education programs are located in all middle and high schools. Workforce programs are also offered through and articulated with the Volusia Flagler Advanced Technology Center (ATC), the Daytona Beach Community College, and the Workforce Development Board. The district has designed its career and technical education programs for grades six through twelve and has developed a full spectrum of career and technical education programs for students in these grades. These programs initially focus on exposure to a range of career and technical opportunities at the middle school level and then focus on more specialized training which is integrated with the student's academic preparation as the student's career plan is developed. The district has also developed several programs to support students with disabilities who do not have the skills to complete more technical career development programs. These programs employ supported competitive employment and job coaching models.

Student Support Services. The district's student support services are delivered through the Special Needs Services and K-12 Curriculum and Program Accountability Departments. The Special Needs Services Department provides psychological services, social work services, and nursing/clinical services to district students. Guidance counseling services are allocated directly to each school site and supported through the curriculum department. The objective of these student support services is to provide support outside of the classroom to help students overcome problems that could interfere with their academic success and broaden their education experience. A more detailed description of student support services appears later in this chapter.

Activities of particular interest

Some school districts have developed programs that are especially noteworthy and can serve as a model for other school districts to follow. In the Volusia County School District, these include the district's school support and targeted assistance program, the College Board PSAT Program and the district's reading program.

School Support and Targeted Assistance. The district's approach to analyzing each school's student performance data and developing school support and targeted assistance plans has been highly effective in increasing student achievement and improving student performance. If a school has lower student performance than expected given its previous test scores, demographic and performance history and special programs (examples of the criteria examined include percentage of gifted students, special programs at school such as international baccalaureate), it develops a school support plan with assistance from the central office. In addition, targeted intervention plans with which schools must comply are developed for schools that have not met goals for adequate yearly progress and/or are rated F, D or low C based on FCAT scores. The district's investment in this process has yielded significant results with the

most recent 2003 school grades showing 76% of the district schools receiving an “A” and 90% of Title I schools receiving an “A” or “B.”

College Board PSAT Program. In an effort to increase participation by all students, with particular targets for underrepresented groups, in honors and advanced placement classes, the district has embarked on a joint program with the College Board. PSAT testing is performed at district expense for all students in grades eight through 11. This program provides comprehensive PSAT performance information by individual student including item and instruction strand analysis. The data both support guidance counselors in working with parents and students in scheduling students’ secondary course of study and provides a nationally accepted method of evaluating the performance of district students over a four-year period on a standardized instrument.

Other Activities of Interest. Three additional activities of interest in the area of education service delivery are the district’s approach to serving students in the least restrictive environment, the district’s 2002-2003 reading adoption process and the collaborative process of planning for schools’ student support service needs.

The district has developed a comprehensive approach to serving students in the least restrictive environment. Over the past ten years the district has closed two special education centers and is currently in the process of phasing out its last ESE center for disabled students. The district has approached this effort in a systematic manner, incorporating the needs of these students into the design of new buildings and school renovations and by actively involving principals, parents, and teachers in the process. This thoughtful approach has not only transitioned students into integrated schools closer to home but has also provided them with barrier-free, state of the art learning facilities.

The district’s approach to adopting a new reading series was not only a model of inclusiveness - teachers, parents, principals and the community were actively involved in the process – but also reflected a national best practice. The process involved assembling a 70-person adoption committee who participated in a variety of subcommittees. Members of this committee and all teachers were trained about the required components of a reading series based on national best practice and the requirements of the federal No Child Left Behind Act and the Reading First program. After the committee selected the finalists, all schools had the opportunity to field test materials and provide feedback. In addition, once the series was selected, the district worked to ensure all materials were delivered in advance of the end of the 2001-02 school year so teachers would have the opportunity to review the materials while on break and before inservice training was provided. Moreover, throughout the 2002-03 school year, on-site training and coaching, as well as continuing inservice training, has been provided to ensure consistent implementation across the district.

The district approach to planning for student support service needs includes participation and joint decision making by support service staff and school-based administrators. District student support service staff and administrative leaders have designed a process that allocates support services staff to each school based on the needs of the school’s identified student population, working to ensure all schools have the resources to meet compliance requirements while taking into consideration the unique needs of each school. Then, prior to the start of the school year, student support staff and principals work together to prioritize each school’s needs and develop a student support services plan for the coming year. This approach ensures student support services are aligned with the needs of the school and provides a collaborative foundation to addressing students’ support needs.

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	4-9
	2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	Yes	4-10
	3. The district provides effective and efficient programs to meet the needs of at-risk students (including English for Speakers of Other Languages (ESOL), Title I, and alternative education).	Yes	4-12
	4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment).	Yes	4-13
	5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	Yes	4-14
	6. The district ensures that schools use effective planning and evaluation processes to improve student outcomes, including school improvement plans and other data driven processes such as the Sterling process.	Yes	4-16
	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	4-17
	8. While the organization of the district's educational programs is generally sound, organizational roles and responsibilities should be clarified in one area and some administrative resources can be redirected to schools.	No	4-18
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	4-22
	10. The district has sufficient school library or media centers to support instruction.	Yes	4-23
	11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	Yes	4-23
	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	4-24

EFFECTIVE AND EFFICIENT INSTRUCTIONAL PROGRAMS

Best Practice 1: Using

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

Effective school districts use academic and nonacademic data to drive decisions related to their instructional programs and to improve the performance of all students. To meet this best practice, districts should collect, analyze, and use data regularly to monitor the performance of 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 Volusia County School District has strong systems for utilizing both academic and nonacademic data to drive change and improve instruction at the district, school, classroom, and individual student level. The adequate appraisal process the district has developed provides each school disaggregated data on student performance on the FCAT, analyzed by sex, race, socio-economic status (SES), exceptional student education (ESE) status, and English for Speakers of Other Languages (ESOL) status. It also includes disaggregated student performance data on the SAT, ACT and advanced placement (AP) tests, student attendance, and dropout and graduation rates. The district utilizes this data not only to set goals and drive change at the individual school level but also to evaluate school performance at the district level, identifying schools where additional district support and/or targeted assistance is needed. Volusia's district-level review process ensures that performance data for all schools, not just those considered low performing, is evaluated and that support is provided whenever the school or a population within a school is not showing consistent performance growth.

Compared to the state and peer districts Volusia County students scored well on the Florida Comprehensive Assessment Test (FCAT). A majority of the district's students scored at a Level 3 or above. Students performing at Level 1 and 2 have little success with the challenging content of the Sunshine State Standards. Students performing at Level 5 have success with the most challenging content of the Sunshine State Standards. The district's average test scores in both reading and mathematics exceeded state averages at all grade levels and were comparable to the average test scores for students in peer districts (see Exhibit 4-6).

**Exhibit 4-6
Students of the Volusia County School District Score Well on the FCAT**

FCAT Reading—Average Student Score								
District	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
Lake	301	309	293	303	303	302	289	297
Lee	300	307	292	295	297	304	293	304
Manatee	297	308	293	302	302	302	294	302
Pasco	294	302	291	296	298	302	296	311
Sarasota	319	320	307	307	309	312	304	311
Volusia	304	313	302	302	306	305	296	311
State	298	305	290	295	297	301	291	302

FCAT Math—Average Student Score								
District	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10
Lake	308	300	322	309	300	310	291	315
Lee	302	297	322	302	295	313	294	320
Manatee	301	297	319	303	301	312	298	321
Pasco	303	293	316	302	294	311	296	327
Sarasota	329	314	334	315	311	323	309	331
Volusia	316	305	330	307	297	309	294	324
State	308	298	320	302	296	310	293	320

Source: Florida Department of Education, 2003 FCAT.

Relatively high FCAT scores translate into a large proportion of the schools in the district earning an “A” grade. Exhibit 4-7 compares Volusia’s most recent school grades with those of its peer districts. More than three out of four Volusia County schools (76%) are “A” schools.

**Exhibit 4-7
Volusia County School District Had the Largest Percentage of “A” Schools Compared to Peer Districts**

District	Number of Schools Receiving Grades	Percentage of “A” Schools	Percentage of “B” Schools	Percentage of “C” Schools	Percentage of “D” or “F” Schools
Lake	36	44%	39%	11%	5%
Lee	53	49%	36%	13%	2%
Manatee	42	40%	24%	33%	2%
Pasco	50	38%	44%	18%	0%
Sarasota	29	72%	17%	10%	0%
Volusia	64	76%	15%	8%	0%

Source: Florida Department of Education, 2002-03.

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 Volusia County School District provides effective and efficient quality education services in compliance with state and federal requirements to Exceptional Student Education (ESE) students with special education and/or gifted education needs. During the 2002-03 school year, the district evaluated students for exceptional student education services within sixty school days 96% of the time, with an average of fifty-three school days from time of receipt of parental consent to evaluation report distribution. The district also ensures that the individual education plans (IEP) supporting ESE students with disabilities are completed within thirty days of the evaluation being performed and that these plans are developed with the full involvement of the school team and parents.

The district uses a range of support models to serve ESE students including full inclusion, resource, self-contained special education classrooms, pull-out gifted programs, cluster programs for low-incidence special education students, gifted cluster programs, self-contained gifted classrooms, and one center program. Within these models, the district provides ancillary services as specified in each student's IEP. The district has an effective system in place to obtain reimbursement for these ancillary services and administrative claims for Medicaid eligible students. Medicaid revenue has increased by 200% over the past four years. In 2001, the district received a total of \$820,419 for administrative claims and \$325,493 for the direct services it provides to students. The district has maximized its Medicaid reimbursement through renegotiating the fee paid for individual student claim processing and by participating in the Seminole County Administrative Claim Medicaid consortium.

Students in self-contained programs are integrated into the school milieu and mainstreamed in accordance with their individual education plans (IEP). The district has been working aggressively to increase least restrictive environment opportunities for all students and has closed two center schools over the past ten years. It is currently in the process of implementing a comprehensive plan to phase out its current center school. To support these efforts, the district has developed a strong professional development program to assist regular and special education teachers in analyzing student performance data and then, based on that analysis, modifying instruction and adapting curriculum materials to promote the achievement of students with a range of special education needs. ESE program specialists, psychologists, and social workers provide additional disability-specific consultation to school teams and work with them in helping students maximize their potential. The district has also developed an array of model classrooms where master teachers demonstrate effective practice and coach new and non-certified ESE teachers in each specialty area.

The district's ESE students with disabilities participate in the FCAT above state and peer district averages, at an average of 95% at the elementary level (compared to the state average of 87%), 87% at the middle schools level (compared to the state average of 80%) and 65% at the high school level (compared to the state average of 62%). As demonstrated in Exhibit 4-8, the percentage of Volusia County students with disabilities who score level 3 or higher is generally comparable to peer districts.

Exhibit 4-8

The Percentage of Volusia County Students with Disabilities Who Score Level 3 or Higher Is Generally Comparable to Peer Districts

District	Grade 4		Grade 5		Grade 8		Grade 10	
	Reading	Math	Reading	Math	Reading	Math	Reading	Math
Lake	27%	23%	9%	16%	9%	26%		
Lee	24%	13%	12%	19%	7%	19%		
Manatee	26%	19%	15%	21%	14%	24%		
Pasco	21%	20%	16%	22%	11%	32%		
Sarasota	38%	32%	22%	31%	18%	35%		
Volusia	26%	22%	11%	13%	10%	26%		

Source: Florida Department of Education, 2003 LEA Profiles.

ESE parents are actively involved in the development and implementation of their children’s instructional programs. The ESE Parent Advisory Committee works with the district to increase parent involvement, plan parent training and research methods to solicit input from parents. The district does not, however, currently have a system to gain input from ESE parents regarding their satisfaction with the services their children receive. Although the district provides schools with suggested school climate survey questions related to ESE students, schools have discretion concerning whether or not to include these questions. In addition, no system exists to capture information on parent satisfaction from individual schools into one district wide ESE report. The district has identified the need for a formal system to evaluate parent satisfaction with ESE services and is currently working to develop a web-based survey system linked to its online IEP system. The district intends to pilot this survey when all components of the IEP system are fully implemented in January 2004.

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.²

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 adjusting programs as needed to ensure that students perform to their capacity.

The Volusia County School District supports students who are at risk through effective Title I services, English for Speakers of Other Language (ESOL) programs, the student success team process, and alternative education programs. These programs provide at-risk students services to increase their academic achievement and to enhance their ability to be successful in a regular education setting. These programs include an early reading program, math and science fusion programs, intensive student tutoring models in Title I schools, reading coach models, and reading specialist models. The performance of

² These are students who need academic and/or social skills interventions to assist them in performing to their capacity.

district students supported through these programs is good when compared to students in peer districts from similar programs. The district also uses analysis of data, ongoing student assessment results, as well as professional development and supplementary instructional materials to assist students and teachers in remediating difficulties and in narrowing achievement gaps. The student success team process brings together support staff, general education teachers, school administrators, parents and other curriculum specialists to develop strategies that support students experiencing difficulties or who need extra support. Parental involvement is a key component of the district's at-risk programming and the district views parents as critical to the success of these programs in improving student achievement.

District schools that receive Title I support plan the utilization of these funds through the school improvement planning process, using disaggregated student performance data to determine the areas of greatest need. Based on this assessment, Title I funds are used for a variety of purposes including to provide support for reduced class sizes, to purchase supplementary instructional materials, to support additional professional development, to provide parent education and training, and to provide additional support services to assist both students and their families. The success of the district's Title I programs is best evidenced by their performance—90% of the district's Title I school were graded "A" or "B" based on 2003 FCAT data.

The district provides ESOL services to eligible students in their local schools and supports these students with staff designated as ESOL liaisons and teachers with ESOL endorsement. The district has comprehensive systems in place to identify, evaluate and develop plans for students with ESOL needs, and these systems comply with all state requirements. FCAT performance of students in LEP programs for one year or less is consistent with state averages in reading, mathematics and writing.

The district provides at-risk students supplemental academic support through the credit-retrieval labs located in each comprehensive high school and alternative education site. These labs provide the opportunity for students who have failed courses or who are behind to gain graduation credits by accessing the district's curriculum. The labs use a variety of instructional modes and allow students to progress at their own pace. In addition, because the labs are available at all schools they ensure continuity in instruction among all secondary at-risk programs.

At-risk students who demonstrate repeated discipline problems, have repeated suspensions, or meet the district's criteria for expulsion are placed in alternative education programs. These programs, located on both the east and west sides of the district, specialize in providing alternative education services in small settings that incorporate a range of therapeutic interventions to promote student success. These intervention models, which include drug and alcohol education and/or treatment, mental health services, intensive individual counseling, outdoor education, and on-the-job training, are provided in collaboration with community support services (funded and supported by community agencies) staff working with district staff that provide the academic components of the process. The district also provides academic instruction in juvenile justice settings located throughout the county. Through a comprehensive referral process, the district and juvenile justice service providers place students in the most appropriate educational and treatment programs. These programs include behavioral contracting with both the students and their parents and the development of both a program plan and criteria for return to a district secondary school.

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 Volusia County School District offers a wide array of accelerated programs including two International Baccalaureate (IB) programs, a range of gifted programs, advanced placement courses at all district high schools, dual enrollment programs with Daytona Beach Community College, and a range of magnet/choice programs at district high schools. The number of students enrolled in advanced placement programs has increased by 53.8% over the past five years. This growth is most remarkable compared to advanced placement growth in peer districts during the same period, 7.3% in Lake, 33.0% in Lee, 15.5% in Manatee, -6.0% in Pasco, and 31.8% in Sarasota. Accelerated program options exist in every high school and are geared to meet a wide range of student’s interests and career goals, including performing arts, marine science, graphic design, and traditional academic areas. The district’s dual enrollment programs have also grown significantly over the past five years. During the 1998-99 school year 314 students completed a total of 381 dual enrollment courses (as evidenced by a grade of C or better). During the 2002-03 school year 707 students completed 1929 courses.

Two district high schools, Spruce Creek High School and Deland High School, offer International Baccalaureate (IB) Programs. The district produced the largest number of both IB diploma candidates and IB diplomas earned compared to all Florida districts. As Exhibit 4-9 illustrates, Volusia County’s number of diploma candidates and number of IB diplomas earned significantly exceeds their peer districts.

Exhibit 4-9

Volusia County Schools’ Number of IB Diploma Candidates and Number of IB Diplomas Earned Significantly Exceeds Its Peer Districts

District	Number of IB Diploma Candidates	Number of IB Diplomas Earned
Lake	N/A ¹	N/A ¹
Lee	70	53
Manatee	0	0
Pasco	0	0
Sarasota	0	0
Volusia	126	103

¹ Lake County has no International Baccalaureate programs.

Source: Florida Information Note - International Baccalaureate (IB) Diploma Program, January 2002.

Best Practice 5: Using

The district provides effective and efficient secondary vocational/technical and career development 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

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. To assess student success and improve programs, districts should monitor changes in performance funding, student completion, and job placement.

The Volusia County School District provides K-12 career and technical education opportunities for students. Daytona Beach Community College operates adult basic education and adult high school programs within the county. In addition, the Career Connection Consortium, a partnership among Volusia County Schools, Flagler County Schools, Daytona Beach Community College, and the Flagler-Volusia Workforce Development Board, supports career and technical education by developing program strategies in the areas of career education, technical education, workforce education, and workforce development. These strategies are developed as part of a comprehensive review of each constituent institution's programs that is completed once every five years. This review includes an analysis of labor market supply and demand for programs, articulated program agreements, future industry trends, current program curriculum, and program equipment and tools. This review also provides recommendations for the program and an action plan identifying the resources needed for implementation over the next three years. The district has used these reviews to make changes in programs offered both at the individual school and district level by developing new programs, discontinuing programs, such as woodshop and some childcare programs, adjusting curriculum to meet current industry standards, and purchasing new equipment and technology for programs.

The district has a formal program review and planning process in place to evaluate programs with low enrollments or poor performance. Career cluster committees and Volusia's Community Technical Education (CTE) team review the data gathered through the program review process. Decisions around what programs to offer are based on industry feedback, job placement success, and high skill/high wage jobs that become available in the area. The district starts a new program, ends a current program, modifies a program or continues a program based on the data and recommendations developed during the review process. This review process resulted in a program shift in the area of business education and the development of tech-prep labs at the middle school level.

Each middle and high school also develops specific goals and objectives related to workforce development. School performance related to these goals and objectives is measured and utilized when evaluating the success of these programs and is also used to guide program changes and to set targets for the coming year. To ensure students with disabilities involved in supported competitive employment and non-traditional work programs are provided systematic, data driven instruction to support work competency development the district has developed an objective system of evaluation that includes regular progress reports to measure success and drive program change.

As Exhibit 4-10 illustrates, Volusia County Schools high school graduates are employed and/or enrolled in post-secondary education at rates consistent with or exceeding their peer districts.

Exhibit 4-10

Volusia County Schools High School Graduates Are Employed and/or Enrolled in Post-Secondary Education At Rates Consistent With Or Exceeding Their Peer Districts

District	Percentage Continuing Education	Percentage Continuing Education and Employed	Percentage All Employment Full and Part-time
Lake	51.9%	63.8%	61.1%
Lee	48.8%	64.6%	59.2%
Manatee	56.0%	66.1%	61.1%
Pasco	52.2%	70.0%	59.1%
Sarasota	54.3%	61.0%	57.7%
Volusia	56.3%	65.2%	58.7%

Source: Department Of Education, Florida School Indicators Report 2002.

Best Practice 6: Using

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

High-performing districts and schools use effective processes to assess and improve student outcomes. Florida law requires that each district school have a school improvement plan (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 I, 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.

All schools in the Volusia County School District have board-approved school improvement plans. These plans are linked to the district’s charter district contract and strategic plan and are aligned with state education goals. The district’s school improvement planning process integrates all major school improvement planning mandates to ensure that each school advisory council (SAC) develops one integrated plan to address the unique needs of all students served across all program components provided at the school. The school’s budget, intervention assistance plan, and technology plan are integral components of each school’s improvement plan and are linked through strategies to implement specific goals and objectives targeted for that school year.

The district assesses school improvement throughout the school year based on quarterly assessment data that provides information on students’ success in meeting curriculum benchmarks and standards. Based upon those assessments, the district takes appropriate actions. The district develops targeted assistance plans for schools with a grade of C or below and develops school support plans for schools where student performance is not improving at expected rates. While both of these approaches focus on helping schools develop strategies to improve student performance, targeted assistance plans are directive—schools are required to implement them—while school support plans are more collaborative. The district also utilizes supplemental academic instruction (SAI) dollars and targeted federal, state and competitive grants to provide support for programs identified by data analysis as having an impact on improved performance. For example, after analyzing student reading data, the district identified schools in which student reading

performance was lagging. The district then used this analysis to apply for the state's reading first grant for these schools. The state selected twelve district schools for this program. This type of analysis has also resulted in the placement of reading specialists in district high schools, expansion of the early reading program in selected schools, and expansion of the implementation of math fusion, science fusion, and teacher coach models.

The district also has a comprehensive system for providing training and assistance to district staff and SAC members to support the development of school improvement plans. Training is provided throughout the school year to all principals and their staffs. This training begins each summer with a hands-on workshop on the adequate appraisal report, where principals receive support in understanding their school's disaggregated student performance data and how to link this data to the development of interventions. Other training covers revisions to the planning process, new federal requirements that affect the planning process, and any district initiatives related to the planning process.

The district also provides annual training for all new SAC members, with specific training targeted to parent and community members. Interviews with parents and community members suggest the district's current training can be complex for non-educators to understand. This results, in part, because parents are often invited to training designed for principals and teachers that is not geared to their understanding of the planning process or data analysis. Parents also indicate that they had difficulty understanding the training materials the district provides about the school improvement planning process. The district needs to evaluate the content of training offered to parents and community members to ensure the content is understandable and explore the development of additional training tools to support parents and community members.

We recommend that the district evaluate the content of the school improvement plan training offered to parents and community members to ensure the content is understandable and that the district explore the development of additional training tools to support parent and community SAC members.

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 Volusia County School District's curricular framework and correlation guides are aligned across all content areas with Sunshine State Standards and Florida's accountability standards. Each district standard in reading, writing, mathematics, science, and social studies is cross-referenced to the state standards. In the main curricular areas, the assessments used to gauge student progress are also aligned to the state benchmarks and give teachers and parents ongoing feedback related to student progress in meeting curriculum benchmarks and standards. Additionally the district has developed curriculum guides in all core academic areas that include teaching strategies aligned to the Sunshine State Standards.

Prior to the 2002-03 school year, the school board approved a revised student progression plan. District staff developed this plan, with input from the community, after a detailed analysis of all state-mandated changes in both requirements and terminology. The plan, written with as little jargon as possible to ensure that parents and students understand it, provides a comprehensive outline of what is required for a student to progress from one grade level to the next in the Volusia County Schools.

The district also has a comprehensive system in place to regularly assess student progress in meeting performance targets. This system includes ongoing classroom and district assessments to ensure student mastery of student performance benchmarks. Schools develop academic improvement plans for all students who are not meeting district and state proficiency criteria. These plans give particular priority to students who are at risk of retention. Student success teams (SSTs) provide support in developing strategies for supporting these students. SSTs then monitor the effectiveness of these strategies and make modifications as needed. Teams focus on using instructional strategies that link research-based interventions with individual student needs to ensure student progress.

The district provides a comprehensive system of professional development and teacher and principal support throughout the school year and during the summer. Teachers and intervention assistance team members are also able to access curriculum support at the district level when needed to support the selection of alternative instructional materials and to request onsite training relating to a particular curricular area or support strategy. School teams also receive strong support from the district in the areas of data analysis, school improvement planning, and grant procurement.

Best Practice 8: Not Using

While the organization of the district's educational programs is generally sound, organizational roles and responsibilities should be clarified in one area and some administrative resources can be redirected to schools

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 discussion of the issues relating to this best practice is divided into four sections: organization, district office staffing, budgeting, and school-based staffing.

Organization. The Volusia County School District's organizational structure in the area of curriculum and school improvement services provides schools with the support and oversight needed to provide effective educational services to district students. On an annual basis, the assistant superintendent reevaluates staffing within the division to maximize the efficiency of staff and ensure efficient operations. Over the past three years, this evaluation has resulted in a reduction in the number of administrative positions in this division.

Lines of authority within the division are generally clear and well understood by district and school staff. However, confusion exists in the areas of responsibility assigned to the Department of Exceptional Student Education (ESE) and the Department of Special Needs Programs. Some of this confusion comes from the title, as most district staff interpret the “special needs” in “Special Needs Programs” as referring to “ESE students with disabilities”. To add to the confusion, the departments have distinct but similar responsibilities. Both departments, for example, are responsible for portions of ESE compliance, services to severely emotionally disturbed (SED) students, and support to ESE parents. Additionally because of the interdependence between ESE and psychology services (which is assigned to the Department of Special Needs Programs) in the evaluation and placement process, both departments are involved in the oversight of that process. Consequently, accountability for the overall performance of the evaluation and placement process is not clearly defined.

The roles and responsibilities of these departments should be clarified and the functions assigned to them restructured to ensure a seamless service delivery system. As part of this effort the district should consider renaming the Department of Special Needs Programs to prevent unnecessary confusion. The district has already begun to address this recommendation. The steps necessary to implement this recommendation are detailed in Action Plan 4-1 at the end of this section.

District Office Staffing. The district’s Office of Grants and Federal Programs is staffed by an array of program managers, teachers on assignment, and compliance specialists. The positions within this office are funded through grants and federal programs. The office’s organizational structure and staffing configuration was developed during an era when Title I programs were supervised centrally and were largely pull-out programs and before the district had developed a strong system of site-based management. Although individual schools and SACs now have decision making authority over the use of Title I funds, the structure and level of oversight provided by the central Title I office has not changed appreciably. Title I program managers continue to manage schools’ Title I budgets, approving each purchase order and expenditure, even when those expenditures are already specified in the schools’ budget plan. Consequently the Title I funds expended to support central operations is unnecessarily high. These resources could be redeployed to provide additional supports to district schools, either through increased district curriculum/teacher coaching support or through increased direct allocations to schools if roles and responsibilities were realigned to better reflect the current Title I program and the district’s philosophy with regard to site based management.

The district should redesign the structure of the Title I office to better provide better alignment with the current Title I program and the district’s approach to site-based management. Care should be taken when implementing this recommendation to ensure compliance with federal and state Title I requirements. The district has already begun to move forward to implement this recommendation. The steps required to implement this recommendation are presented in Action Plan 4-2 at the end of this section.

Budgeting. The district provides each school with a budget that specifies some basic staffing positions (i.e. minimum classroom and ESE teacher requirements, elementary resource teacher allocations and assistant principals). As long as these requirements are met, schools have the flexibility to use any additional budgeted resources to purchase positions based on school and community needs. The district reviews and compares staffing levels at schools on a formal basis twice per year, during the budget development process (based on projected enrollment) and after the 10-day count (based on actual enrollment). The district then makes budget and staffing adjustments to ensure reasonable and consistent student-teacher ratios where enrollment projections and actual enrollment differ

School-Based Staffing. The district’s school staffing allocations exceed those of peer districts in three school-based administrative areas: resource teachers, assistant principals, and deans. The district deploys resource teachers to support the implementation of school improvement plans within schools. Due to the inefficiency of the district’s management information systems and the lack of an accessible data

warehouse, these resource teachers and additional support staff at the middle and high school level (often assistant principals functioning as data analysts) spend a minimum of 50% of their time disaggregating student performance data and managing student information to support instruction. As the district works to improve its data warehouse and system for managing and accessing student performance data, reevaluation of the allocation of resource teachers and data analyst positions at the school level should be considered as the MIS system will eliminate a minimum of 50% of their responsibility.

We recommend that, when a new data warehouse and MIS system for managing and accessing student data is complete, the district reevaluate the allocation of resource teachers and school-based data analyst positions. Action Plan 4-3 details the steps required to implement this recommendation.

The district employs more non-instructional administrative staff at its schools than is typically needed to perform administrative and management functions. At present, the district uses a staffing ratio of one assistant principal per 500 to 525 students, one resource teacher for each elementary school, and two deans per high school. Schools with fewer than 500 students are still allocated an assistant principal and resource teacher. Peer districts, by contrast, assign assistant principals based on ratios ranging from 650 students per assistant principal to 1,024 students per assistant principal and employ no administrative resource teachers. Additionally, the Southern Association of Schools and Colleges (SACS) recommends a ratio of assistant principal to students of 750 students per assistant principal and one dean per school.

In addition, assistant principal staffing is high because the district typically assigns two additional assistant principal positions to each high school to function as deans. This results in high schools having six or seven assistant principal positions. This allocation results in more “dean positions” than in peer districts, many of which assign only one dean position to each high school.

Modifying (650 per assistant principal) the number of school-based administrators assigned to schools to more closely align with peer districts has the potential to free up significant resources to be redeployed to address other needs. For example, if the district modified its staffing formula for school based administrators based on the most conservative peer district, the district could reduce the number of school based administrators by 20 resulting in savings of an estimated of \$1.38 million in salaries and benefits per year and \$6.9 million over five years. Given the number of school and district administrators projected to retire over the next several years, implementing this recommendation should not result in any layoffs. These positions can be reduced as school-based administrators are promoted, retire, or leave the district.

The district should develop ratios of school-based administrators to students taking into consideration SACs accreditation minimums, peer district ratios, job responsibilities, and district need. The district has already begun the process of implementing this recommendation for the 2003-2004 school year by reducing the number of assistant principals and resource teachers. The steps necessary to implement this recommendation are outlined in Action Plan 4-4.

Action Plan 4-1

We recommend that the district evaluate the units assigned to the Departments of ESE and Special Needs Programs and restructure them to ensure a seamless service delivery system.		
Action Needed	Step 1.	Evaluate the current areas of responsibility of the Departments of ESE and Special Needs Programs.
	Step 2.	Determine areas where units are interdependent and best assigned to one office to improve delivery of services to students
Who Is Responsible	Assistant Superintendent, Curriculum and School Improvement Services	
Time Frame	June 30, 2004	

Action Plan 4-2

We recommend that the district redesign the structure of the Title I office to better provide better alignment with the current Title I program and the district's approach to site-based management.

Action Needed	Step 1.	Determine current state and federal Title I compliance and oversight requirements.
	Step 2.	Determine support needs of schools and central office based on district's Title I program.
	Step 3.	Begin with a "blank sheet" and develop an organization structure for the Title I office based on the district's current Title I program and regulatory requirements.
	Step 4.	Determine staffing allocations based on this structure.
Who Is Responsible	Assistant Superintendent, Curriculum and School Improvement Services	
Time Frame	June 30, 2004	

Action Plan 4-3

We recommend that when a new data warehouse and MIS system for managing and accessing student data is complete the district reevaluate the allocation of resource teachers and school-based analyst positions and adjust staffing as needed.

Action Needed	Step 1.	Determine the school based staff assigned to data analysis functions (or the percentage of work time a staff person is assigned to those functions) that can be performed by the data warehouse and MIS system
	Step 2.	Develop a formula for determining the staffing needs of schools based on the change in job responsibilities.
	Step 3.	Reassign staff based on this analysis.
Who Is Responsible	Assistant Superintendent, Curriculum and School Improvement Services	
Time Frame	June 30, 2005	

Action Plan 4-4

We recommend the district develop ratios of assistant principals and school based administrators to students consistent with its peer districts and consider reclassifying deans as department heads rather than assistant principals.

Action Needed	Step 1.	Develop assistant principal and school based administrators to student ratios for the elementary, middle, and high school levels taking into consideration peer district ratios, SACS accreditation standards, job responsibilities and district need.
	Step 2.	Assign assistant principals and school administrators to schools for the 2004-05 school year based on these allocations.
Who Is Responsible	Deputy Superintendent	
Time Frame	June 30, 2004	

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.

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 Volusia County School District ensures students and teachers have sufficient and current textbooks and instructional materials through an integrated curriculum selection and material management system. The district, as part of the charter district contract, has been allowed to waive two state regulations. It has received state waivers to s. 233.34(2), *Florida Statutes*, that requires school districts to use at least 50% of their instructional materials budget on state-adopted materials and s. 233.22, *Florida Statutes*, that requires the district to purchase state-adopted instructional materials from the depository of the publisher with whom a contract has been made.

The district follows the state's adoption cycle for instructional materials beginning the selection process by establishing adoption selection committees that include teachers, administrators and curriculum leaders from across the district. These committees review potential materials and texts, seek community input, and determine what materials the district will select. Optimally three texts or series are selected as finalists and formal field testing of these materials occurs before final selection. The district allocates categorical funding to the schools to purchase texts in accordance with the state adoption cycle. Schools can request a waiver to use a text other than that adopted by the district. Schools order textbooks and instructional materials directly through an online ordering system. Principals are responsible for ensuring materials are purchased in accordance with the district curriculum.

The district also has effective procedures in place to ensure sufficient textbooks and other instructional materials are in schools. In particular, the instructional materials specialist has established effective systems to ensure that the number of textbooks and other instructional materials needed for the coming school year is determined in early spring. Staff from the Instructional Materials Office then work with schools to order the appropriate allocation of any new adoption, other textbooks, and instructional materials needed based on a projected increase in student enrollment and the school's recent inventory. The office works to ensure books and materials are delivered to the school before the end of the school year so that teachers will have the opportunity to review any new materials over summer break in preparation for the new school year.

District policy requires schools to collect money from students for lost or damaged instructional materials. However, the district does not consistently utilize the formal monitoring systems it has developed to ensure these funds are collected. At present, as part of the district's annual inventory of instructional materials, schools report lost or damaged materials and submit a check for the funds collected to the Instructional Materials Office to replace these materials. It is left to the discretion of the principal to determine how aggressive the school will be in collecting these funds from students.

Interviews and a review of district documentation indicate that implementation of district policy, the use of available monitoring data needs and action by district administrators are also inconsistent when a school fails to follow district policy. To address this issue, the district should develop a system to ensure that schools move aggressively to implement the current district policy by tracking student specific data regarding lost/damaged books and collecting payment for them.

We recommend that the district develop a system to ensure schools comply with district policy and collect payment for lost and damaged books by tracking student specific data on the number of books that have been lost or damaged and the amounts assessed and collecting payment for these books.

Best Practice 10: Using

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

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

The Volusia County School District maintains well-equipped, up-to-date libraries through a comprehensive system of automated inventory, collection weeding, and centralized order management. The district has put in place a number of processes to ensure media center resources are sufficient to support instruction. These include school media advisory committees, which the district has established at each school to identify long and short-term media related goals and to facilitate continuing progress in providing state-of-the art media/library services.

The district has well-articulated procedures in place to support the cost effective purchasing of library and media equipment and materials. In particular, the Purchasing and Warehousing Services Department works with the Media Services Office to facilitate bulk purchasing. The August 2002 upgrade of the media circulation program demonstrates the benefits of this cooperation. Because the software was purchased in bulk, each school saved \$400 on the purchase (the software was purchased at a cost of \$775 per school because it was purchased in bulk as compared to the \$1175 cost if each school had purchased the software individually). The Purchasing Department also supports media services by putting out annual bids for audio-visual and video equipment and for audiovisual repairs. The audiovisual bid allows each school to place orders with vendors without paying shipping costs on the items being purchased. When the district is replacing audiovisual items in quantities, as part of the equipment replacement program, the Purchasing Department negotiates volume pricing for those products to further reduce the price paid. In addition to working with the Media Services Office to reduce the cost of purchased goods, purchasing staff also train media center personnel on the procedures required to requisition materials. In addition, media center personnel are trained in using the automated system the district uses to purchase media equipment and materials.

Best Practice 11: Using

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

Technology has the potential to enhance curriculum and instruction, help improve student achievement, and assist students in attaining basic computer skills needed for the 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 Volusia County School District has invested significant resources in providing schools the resources, both human and equipment, to support the integrated use of instructional technology across the curriculum. The district provides a range of opportunities for students at all grade levels to use technologies. For example, at the elementary level, the use of technology is integrated into core academic areas (math, reading, social studies, and science). Moreover, at the middle and high school level, technology is not only integrated into the core academic areas, but is also a critical component of all career and technical education programs. Integration of technology occurs both in teacher lesson plans and in curriculum benchmarks in each core area. Additionally teachers integrate the use of technology and curriculum specific software programs into student assignments. For these programs, the district has developed compressive curriculum across a cadre of career pathways. This curriculum is either driven by technology or has technology is infused into it. In addition, at the high school level, in all comprehensive and alternative school sites, the district makes extensive use of technology labs to support at-risk students in credit retrieval and adapted instructional opportunities.

The district has also developed a comprehensive list of software that is aligned with the district curriculum and Sunshine State Standards. The Management Information Services (MIS) Department has approved this list. As discussed in Chapter 5, the district's technology acquisition plan clearly states that MIS technical staff must approve software and hardware requisitions before the purchasing department can issue a purchase order. For the most part, in addition to recommending software, MIS actually purchases the software, works with school staff through the installation process, and provides ongoing support. These requirements not only ensure the cost effective purchase of computer hardware and software but also ensure that the district's technology purchases are consistent with the hardware and system capacity available at each school site.

Best Practice 12: Using

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

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

The Volusia County School District has developed effective practices to ensure necessary support services are available to address student needs. To this end, the district deploys psychology, social work, clinical support, and health support staff to all schools. Guidance counselor positions are assigned to each school based on student enrollment. Additional supports, such as home liaisons, parent support programs, richer ratios of psychologists, nurses and social workers, are provided to schools with high student need based on student socio-economic status and the number of ESOL and the needs of ESE students enrolled. Schools also have the ability to purchase additional counselor and support positions from their budget based on their school improvement plans. The district uses a wide range of databases and planning processes to analyze student needs. These databases include disaggregated student performance data,

demographic data, student support services' principal survey data, student success team tracking data and school climate survey data.

The number of support staff employed by the district is reasonable given the roles and responsibilities that have been assigned to these staff. On the surface the number of psychologists and social workers employed by the district is low as the ratios of psychologist to student and social worker to student are well below national caseload norms. However the district ensures compliance with all state and federal mandates by utilizing supplementary contracted services (additional work hours by current district staff) and by scheduling summer evaluation clinics. The psychology department's system to monitor compliance and maximize its resources is excellent. In the face of staffing constraints, the department not only meets evaluation timelines but also exceeds them, while also continuing to maintain a significant level of additional direct support services to teachers and students. On the other hand, while the ratio of counselors to student is somewhat more generous than in peer districts, counselors within the Volusia County School District have assumed additional responsibilities over the past two years that are not reflected in these comparisons. In particular, district counselors have been charged with coordinating the PSAT initiative in grades eight through 11. This not only involves coordinating testing but also requires extensive data analysis to assist students and families with scheduling. Counselors also often chair their school's student success team program and play a major role in the development of academic improvement plans (AIPs). In addition, they work with families related to third grade retention requirements and high school graduation requirements.

The district has also shown a strong commitment to increasing the level of support services provided to schools and has worked collaboratively with community agencies to provide the resources to fund additional services. For example, the district works with local mental health and family service agencies to coordinate services and has established several school-based programs, such as collaborative programs with Department of Juvenile Justice and BRIDGES (Building Respect, Independence, Growth and Development Through Extended Services) to address the therapeutic needs of district students and their families.

The district performs internal evaluations and contracts for external evaluations of effectiveness of its student support services. This includes an annual survey of principals to evaluate their satisfaction with services provided by student success teams, health service providers, psychologists, psychologists and other support providers. During focus groups, principals and student success team members indicated that the district leaders regularly consult them about the effectiveness of the support services they receive and gave positive feedback with regard to the collaborative process between principals and support services in developing plans to meet their school needs.

5 Administrative and Instructional Technology

Summary

The Volusia County School District is using all nine of the administrative and instructional technology best practices. The district does a good job of overall planning for its technology needs and providing training for the various technology applications purchased. In addition, the district's network infrastructure is dependable and district staff makes good use of the Internet to support both internal and external communications. The data management of the district is meeting the state minimum requirements. The district also has well-established standards that allow them to operate in a cost-effective manner. Technology acquisitions are centralized allowing the district to realize some economies of scale. In addition, the district has an effective technology support staff that are well-trained and efficient in response.

Funding for district technology programs comes from local, state and federal funds. State and federal funds come from Public School Technology Funds (PSTF), Carl D Perkins funds, Title I, Comprehensive School Reform Grants and Enhancing Education Through Technology (EETT) entitlements.¹ The PSTF and EETT allocations are based on student full-time equivalent (FTE) students served. Exhibit 5-1 illustrates the funds allocated for technology in Volusia County Schools. It should be noted that the expenditures per FTE is at or lower than comparative districts in Florida.

**Exhibit 5-1
Volusia Technology Funding Source and FTE Expenditures**

Technology Funding	Fiscal Year		
	1999-00	2000-01	2001-02
<i>Funding from Sources Earmarked for Technology</i>			
Public School Technology Funds	\$1,586,736	\$1,573,392	\$1,564,747
State/Federal Grants	3,014,987	3,290,123	3,495,284
Total from Funding Sources Earmarked for Technology	4,601,723	4,863,515	5,060,031
<i>Funding from Other Sources</i>			
Other Funding Sources	7,265,897	7,623,353	8,438,875
Total from All Funding Sources	\$11,867,620	\$12,486,868	\$13,498,906
Funding per FTE			
FTEs	59,388	59,756	61,130
Total Expenditures per FTE	\$200	\$209	\$221

Source: Volusia County School District.

¹ Enhancing Education Through Technology is a part of the No Child Left Behind Act.

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.

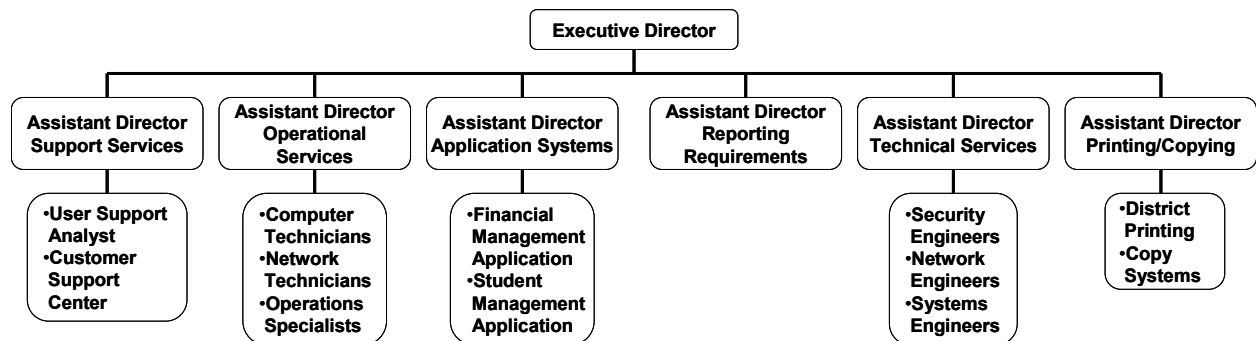
The instructional and administrative technology resources in the Volusia County School District serve more than 62,000 students in 45 elementary schools, 12 middle schools, 9 high schools, 3 charter schools and an alternative education program located at multiple sites throughout the county. The district has deployed a wide variety of technology resources throughout the district and has established an infrastructure to support networking and telecommunications.

The Volusia County School District has invested in the personnel, hardware and software needed to ensure students and administrators have adequate technology resources readily available to them. Computers and other technology are available in all district classrooms. In addition, all classrooms have access to the Internet and multiple software programs. The district’s commitment to supporting the effective use of technology is evident by its significant investment in technical support resources.

A centralized Management Information Services Department supports the instructional and administrative technology programs. Campuses and instructional programs are supported by maintaining the district’s technology and communications infrastructure and by working with the Curriculum and School Improvement Department to support instructional technology initiatives. The department also handles the operation and support of all financial and student data records and provides printing and copying services.

As Exhibit 5-2 shows, an executive director oversees the department. Reporting to the executive director are six assistant directors who oversee the following six units: support services; operational services; application systems; reporting requirements; technical services; and printing/copying.

Exhibit 5-2
The District’s Management Information Services Department



Source: Volusia County School District.

Activities of particular interest

Volusia County School District's Customer Service Center (CSC) is of particular interest. Several years ago the district implemented a phone support process to serve as a helpdesk for technical support. Since that time the function has expanded to the point that the CSC now provides one-on-one telephone support to all end users. This support covers network and telephone equipment, email, applications, and information searches. Additionally, the CSC serves as the first point of contact for the community regarding operations and information requests. The database that CSC staff use to respond and track inquiries was originally created to track technical issues, but now includes information on every aspect of the district's operations. District employees can call the CSC for help on specific software programs, web design issues, professional development and even student data while community members call the center to obtain information concerning district programs and calendars. If the CSC database does not have the information needed to respond to a request, a CSC employee will contact the appropriate department to get the needed information. Logs from the database indicate the CSC receives between 300 to 500 requests per day. Establishing this clearinghouse of information has also increased lines of communication within the district and with community members.

Conclusion and Recommendations

Summary of Conclusions for Administrative and Instructional Technology

Practice Area	Best Practice	Using the Best Practice?	Page No.
Technology Planning	1. The district has a comprehensive technology plan that provides for administrative and instructional technology decision-making.	Yes	5-5
Cost Effective Technology Acquisition	2. The district acquires technology in a manner that will best meet its instructional and administrative needs.	Yes	5-6
Technology Professional Development	3. District and school staff receives professional development training for all technologies used in the district.	Yes	5-6
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	5-7
Infrastructure and Network Communications	5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	Yes	5-8
	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	5-10
	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	5-11

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 should also serve to meet the administrative needs of decision makers, including administrators, teachers, and non-instructional personnel. An effective planning process identifies and addresses the technology needs of users, develops strategies to acquire needed technology in a cost-effective manner, and identifies funds available required for acquisitions. To ensure that all critical needs are identified, the planning process should include broad 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 and breadth of the technology plan will vary based on the size of the district, it should include a mission statement and reasonable goals and objectives that can be accomplished, in most cases, within 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 mechanisms 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. Districts should identify who is responsible for implementing and updating the technology plan.

The Volusia County School District's comprehensive technology plan provides overall direction for the district's use of administrative and instructional technology. The plan, which is linked to the district's strategic plan, outlines four goals for technology and describes short term (one to two years) and long term (three or more years) action plans to reach the goals. In addition, the plan addresses the funding needed to support technology and outlines several funding sources including the district general fund, supplemental funding (e.g., Title I funds and Carl Perkins funds), and local capital allocations. The plan also addresses technology acquisition, support needs, professional development, and program evaluations. Exhibits in the plan include: district performance goals; network infrastructure; hardware selection information; policy 518 (which covers the use of electronic information services and computer usage); acceptable use policy; a staff development calendar of workshops; independent study modules; computer training and online training. The plan is revised every two years.

Technology planning for the district incorporates broad stakeholder involvement. In addition to the strategic planning committee, Management Information Services department representatives meet regularly with the assistant superintendent of curriculum and improvement services and department directors to determine technology and associated professional development needs. Additionally, input from community members and business partners is solicited. Those partners include Daytona Beach Community College (DBCC) and Stetson University. Ongoing needs assessments utilizing tools such as TAGLIT (Taking a Good Look at Instructional Technology) are also performed. Thirty-one of the district's principals have been trained to use TAGLIT.

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 or 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, 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 Volusia County School District's has established a number of effective practices to controls the costs of acquiring technology. First, technology purchasing is centralized - all purchases and installations are coordinated at the district office through the Management Information Services (MIS) department. While MIS asks users—the Curriculum and School Improvement Services Department, for example - to identify technologies that will meet their need, MIS assumes responsibility for negotiating the purchase of the technology with the manufacturer. Taking this approach allows the district to achieve economies of scale. If, on the other hand, purchases were made for each campus or department separately, the district would likely pay more for the same products. Centralizing technology purchasing also ensures that the technologies purchased will work within the limits of the district's infrastructure.

Second, the district controls the costs of technology purchases by using the state bidding process to ensure a competitive pricing structure for the technologies purchased. Third, standardizing platform hardware and software controls acquisition costs. Creating and supporting a dual platform system increases costs. The Volusia County School District has avoided those costs by standardizing on a single platform.

Last, the costs associated with purchasing technology are controlled because the district has established a relatively lengthy five-year replacement cycle for technologies in schools. This replacement cycle is not unreasonable—the life cycle of school curricular technology is four to five years—and acquisition costs are lower than they would be if a shorter replacement cycle (four years, for example) were used. It is important to note that many campuses have computers that are older then five years. These computers have been replaced in the cycle, but the campus wished to retain the equipment and find alternative uses for it. This is a reasonable practice while the hardware and software continues to work, but, because of its obsolescence, the district no longer supports older hardware and software.

TECHNOLOGY PROFESSIONAL DEVELOPMENT

Best Practice 3: Using

District and school-based staff receive professional development training for all 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 professional development and then focus training efforts using this information. The district must define the level of competency to be mastered, clearly state the training expectation, and develop strategies to provide the needed training. The level of competency is related to the job function of the employee. For example, classroom teachers will use word processing software differently then a clerical

employee in the personnel office. Strategies for providing training include traditional classroom, one-on-one, and computer lab instruction, as well as 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 Volusia County School District's Staff Development and Media Services Department provides training for each technology application purchased by the district. The department uses multiple training approaches to ensure all district personnel receive the technology training they need. The district technology plan outlines the guidelines for technology training in the district. By far, the largest group to be trained is teachers. Most teacher training is conducted through independent study modules, district workshops and online training. Regardless of who is being trained, however, all employees are required to complete an assessment following training. This assessment must show that the employee met a minimum standard of proficiency before they receive credit for the training.

TECHNICAL SUPPORT

Best Practice 4: Using

The district generally provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace but improvement is needed at some campuses.

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 interrupted. Districts should provide responsive technical support to all users, regardless of location and job function. 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 Volusia County School District is committed to providing high quality technical support. Section 7 of the district's technology plan reflects this commitment and clearly articulates the need to provide technical support for all users. This commitment to technical support is also reflected in the fact that the district provides significant resources to support the use of technology. Indeed, three levels of technical support are available to all users. The first level of support, the Customer Service Center (CSC), provides phone support to all end users in the areas of network, telephone equipment support, email, and software applications support. The district also employs eighteen user support analysts (USAs) who are assigned to specific campuses or sites to provide end-user technical support. The USAs are responsible for responding to end-user requests for assistance in a timely manner. While USAs are assigned to multiple elementary campuses and one secondary campus within a common geographical area, a review of the records and interviews with end users suggest that a USA's time is devoted primarily to the larger secondary campuses. If the USA cannot rectify the technical request, then the problem is forwarded to an appropriate district-level technician or specialist. The district provides six computer technicians, seven network technicians and six computer operations specialists to provide this "second echelon" assistance.

These individuals are deployed through the Operations Services Department and are responsible for addressing all repair, network, and computer issues that cannot be handled by the USAs.

District records indicate the CSC receives between 300 and 500 calls a day from district personnel and community members seeking information. Records also indicate that the USAs average response time is less than five hours. However, this data is skewed by the fact that the USAs spend most of their time on the larger secondary campuses. Therefore, they are able to respond quickly to the campuses where they spend the most time but have trouble quickly responding to needs at other campuses. This finding is supported by employee survey results in which 39% of respondents were neutral or believed district technical support is not timely. It should be noted that technology department managers have begun work to improve response time. The department has requested additional USA positions. If the request is approved, each secondary campus will have a single USA while elementary campus will continue to share USAs.

INFRASTRUCTURE AND NETWORK COMMUNICATIONS

Best Practice 5: Using

The district maintains a dependable, standards-based infrastructure employing strategies that cost effectively maximizes 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 district-wide 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 protects its network from viruses and provides high-speed 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 Volusia County School District has implemented a dependable technology infrastructure. This infrastructure is comprised of a series of leased T-1 lines through an asynchronous transfer mode (ATM) cloud. As a standard, each high school has two T-1 lines and all other campuses have one T-1 line. The ATM system supports the data network and a voice over IP (Internet Protocol) network that the district implemented in 2001. Every location in the district utilizes the voice over IP system. Due to geographic issues with the local utilities, the district uses two telecommunication providers for its leased T-1 lines. This is an established practice and should not prove to be a hindrance in the performance of the district's network.

The district has established a standard configuration for infrastructure at all sites. Each campus is provided with one file server, which houses the instructional software for that campus. In addition, the campus network has fiber connections located throughout the site. Each classroom is supplied with at least three 10/100 megabit per second (mbs) "drops" for connecting classroom computers and printers. District personnel use a wide area network to connect to the district student management system, financial management system and the Internet. In addition, all schools have access to the Internet through the district's connection to the Florida Information Resource Network (FIRN). The network hardware in all locations is industry standard equipment.

By ensuring uniformity in the electronics used to support the network, the district also ensures its ability to provide a dependable network cost-effectively. The stability of the infrastructure, in turn, is essential to ensuring technology resources are available and will be used to improve classroom instruction.

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 Volusia County School District has embraced technology as a vehicle for communicating information both internally and to external stakeholders. In particular, the district makes effective use of email as a communication tool for administrators and teachers. All professional personnel have a “network account” which enables them to access the district’s network infrastructure and establishes their own email accounts. Network accounts are not established for users until they have completed training and signed a user agreement as described in Policy 518 and outlined in the employee handbook.

The district uses the Internet to share information and to communicate internally and with the community. Most departments have some form of a web page and use these web pages to describe services and present personnel directories. Schools also have embraced the Internet as a means of sharing information. Each school has established a website that is used to share program information and to facilitate communication with parents. It is also worth noting that the professional development unit has established online training and staff development catalog pages. These pages can be accessed through both the intranet and Internet.

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 Internet 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 Volusia County School District has taken a number of steps to ensure the appropriate use of information technology. Policy 518: *Use of Electronic Information Services and School Office Equipment* states the appropriate use of district equipment and materials. All district employees are required to sign this document before they are given a network email account. In addition, the district’s *Code of Conduct* booklet is given to every parent and student attending Volusia County Schools. Within

this document are the district's Acceptable Use Policy (AUP) and Policy 518. Every student and parent is required to sign the AUP before they will be given access to the district's network and Internet connection.

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 generally accepted electronic data processing (EDP) practices and have controls to promote the proper functioning of all information systems.

The Volusia County School District's MIS Department has taken a number of appropriate steps to ensure the integrity and security of district data. First, staff roles and responsibilities have been structured to ensure appropriate segregation of duties. For example, USAs have the responsibility to control the instructional software used by the campuses. No other group inside the MIS department has that ability. This ensures that the people responsible for securing the applications are the only ones capable of making changes to it. The same can be said for the financial and student management systems. Only application systems programmers have the ability and the training to control the application. This ensures the integrity of the data. The district also ensures that all physical access to the mainframe and computer printing systems is restricted to MIS staff only. Locks have been placed on all access points to ensure the security of the room. In addition, student and financial information systems data resides inside the district's firewall. This ensures the data cannot be accessed from outside the district's intranet. Additionally, the system has inherent security features that require personnel to use a login and password within the intranet.

The Volusia County School District's MIS Department has also done a good job of documenting all procedures and practices associated with its responsibilities. Documented procedures are easily accessible to staff on the district's website. Department managers review these procedures on a regular basis and make adjustments when required. The fact that the current leadership of the MIS Department is well versed in information technology processes and procedures also helps to ensure the existence of effective control procedures.

In its June 2001 report, the Auditor General's made several recommendations to improve the Volusia County School District's acquisition and implementation of information technology systems:

- the District should follow a competitive procurement process;
- the District should perform sufficient monitoring to ensure that money is efficiently and correctly expended;
- the District should ensure it has full understanding of its business needs in advance of purchasing software;
- the District should develop and distribute formal policies and procedures addressing subsequent application modifications, testing, and job submission related to the new computer system; and,

- the District should implement stronger security features.

Since that time, the district has had two additional EDP audits conducted by independent auditors, which have documented the changes that were made to address the problems cited in the Auditor General's report.

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 purchasing, developing, and the timing of delivering IT products and services requested.

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 and prioritize information system requests. Districts should have mechanisms 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 Volusia County School District considers both customer feedback and technological trends in determining what technology-related products and services to acquire and when to acquire them. Feedback from the USAs and campus personnel are used to understand the technology needs of specific sites or departments. In addition, the district works to stay abreast of the latest technological trends and advancements when determining what technology to acquire. To this end, Management Information Services Department personnel attend regular training sessions. When making technology-related acquisitions, the district also does a good job of assessing what technologies are cost-effective for district use. Before acquiring a given technology, the technology will be reviewed and studied to assess both its efficacy in supporting instructional or administrative processes and the extent to which it can be cost-effectively implemented. The current student information system functions well in meeting the needs of campuses and in ensuring compliance with state reporting requirements.

6 Personnel Systems and Benefits

Summary

The Volusia County School District is using 9 of the 11 personnel systems and benefits best practices. In particular, the district has developed and successfully implemented a number of cost efficient and effective strategies for managing absenteeism and the use of substitute personnel. The district has also taken a number of noteworthy steps to improve the management of its workers' compensation program and to contain costs. The district has streamlined the hiring process by reducing the paperwork required before applicants can be considered for job openings. In addition, it has developed pools of teachers in shortage areas and administrators for future openings through various programs. The district's staff development program is tailored to instructional and non-instructional staff needs. The district also maintains extensive historical databases on employee evaluations and hiring practices and uses this information to conduct trend analysis and to support long-term planning.

To use the remaining best practices, the district should develop a more effective process for analyzing, reporting and using data to monitor issues related to employee retention and morale, especially for non-instructional staff. In addition, the Personnel Services Department needs to revisit its written strategic plan and ensure that it has measurable objectives that consider district and departmental needs, resources and is consistent with the district's overall strategic plan.

Background

The Volusia County District employed 7,759 full-time employees during the 2002-2003 school years, of which 3,875 or 49.9% were full-time instructional personnel. (See Exhibit 6-1.)

Exhibit 6-1
The Volusia County District Employs
7,759 Full-Time and 199 Regular Part-Time Employees ¹

Type of Employee	Full-Time	Regular Part-Time
Instructional Personnel ²	3,875	92
Instructional Aides ³	909	21
Principals/Consultants/Supervisors ⁴	250	0
Other Administrative Staff ⁵	47	0
Clerical/Secretarial Personnel ⁶	695	9
Plant Operation/Maintenance ⁷	742	13
Cafeteria Employees ⁸	485	64
Bus Transportation Employees ⁹	378	0
Health and Recreation Employees ¹⁰	76	0
All Other Employees (Technicians, Technology, Aides, & Other Support) ¹¹	302	0
Total All Employees	7,759	199

¹ These figures constitute tallies established from active file records on 6/16/03. Leaves of Absence were not counted. Definition of full time for instructional personnel is 3.83 hours and above. Definition for full time for all other employees is 4 hours and above.

² Includes all employees in VTO collective bargaining unit, including classroom teachers, guidance counselors, media specialists, and support instructional staff.

³ Includes all paraprofessionals.

⁴ Principals/Consultants/Supervisors—all principals, assistant principals, interns, and instructional specialists, including administrators of instructional programs

⁵ This number excludes administrators.

⁶ This number includes office specialists at the school and district level.

⁷ This number includes all employees in AFSCME collective bargaining unit which are assigned to Facilities and Maintenance, including all custodians.

⁸ All employees in AFSCME collective bargaining unit which are assigned to School Way Café.

⁹ All employees in AFSCME collective bargaining unit which are assigned to Transportation.

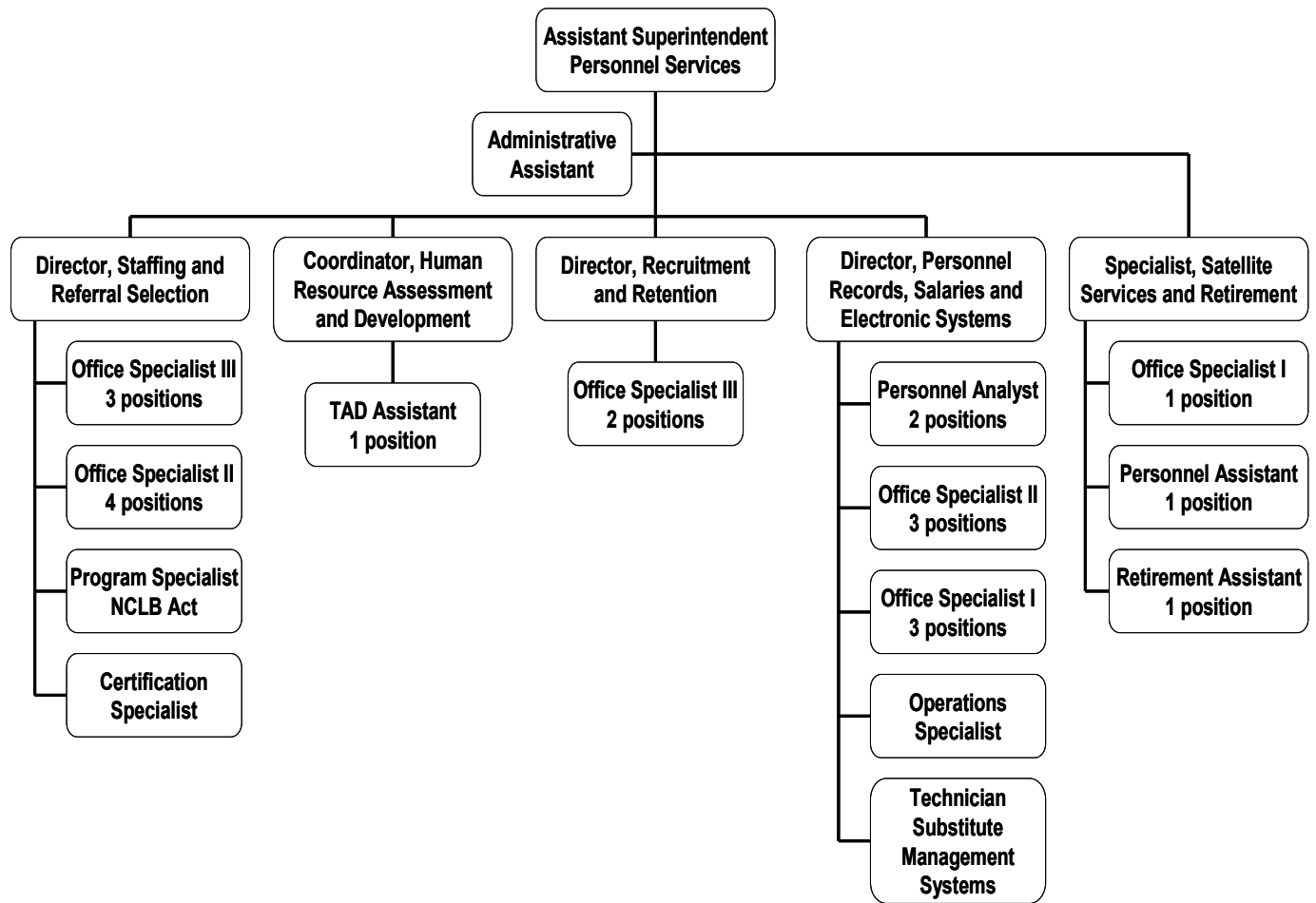
¹⁰ All employees assigned to Student Health Services,

¹¹ All employees not included in accumulation of groups above.

Source: Volusia County School District.

The Personnel Services Department employs 32 full-time staff to carry out the various human resource activities for the district's 7,759 employees. To fulfill these responsibilities the department has been organized into five core units: staffing and referrals; human resource assessment and development; recruitment and retention, personnel records; salaries and electronic systems; and satellite services and retirement. As shown in Exhibit 6-2, the directors, coordinator and specialist who oversee these units report to an assistant superintendent who oversees overall department operations.

**Exhibit 6-2
The Personnel Services Department Is Divided Into Five Core Units**



Source: Volusia County School District.

In the current structure, the Personnel Services Department shares responsibility for several human resource related functions with other units. For instance, responsibility for collective bargaining is shared between the district’s chief negotiator (who is also the district’s chief counsel) and the assistant superintendent for personnel services. Likewise, the director of staff development is within the Curriculum and School Improvement Services Department. The Personnel Services Department works closely with the Curriculum and School Improvement Services Department’s staff development unit to provide orientation, mentoring, and general professional development. In addition, while the non-instructional (classified) department heads have the primary responsibility for staff development within their individual departments, the director of staff development is available to support these staff development activities when needed.

The district has budgeted approximately \$1.5 million for the Personnel Services Department, including expenditures for salaries, benefits, materials and supplies. (See Exhibit 6-3.) This does not include training funds.

**Exhibit 6-3
The Personnel Services Department's Budget for the
2002-03 School Year is \$1,508,747 With Approximately
92.0% committed to Salary and Benefits**

Allocation	Amount
Salary and Benefits	\$1,392,941
Other Purchased Services	22,000
Discretionary Funds	93,806
Capital Dollars	N/A
Total	\$1,508,747

Source: Volusia County School District

Activities of particular interest

The district's long-standing practice of only hiring individuals with completed applications has become a lynch pin to the Florida Department of Education's Bureau of Educator Certification efforts to achieve greater operation efficiency. The district realized that considerable staff time was spent answering phone calls and dealing with complaints related to the status of incomplete applications. All districts will be expected to follow this practice.

Conclusion and Recommendations

Summary of Conclusions for Personnel Systems and Benefits Best Practices

Practice Area	Best Practice	Using the Best Practice	Page No.
Human Resource Management	1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	Yes	6-6
	2. To the extent possible given factors outside the district's control, the district works to maintain a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale.	No	6-7
	3. The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among non-instructional, instructional, and administrative employees.	Yes	6-9
	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	6-10
	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	6-11
	6. The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	Yes	6-11
	7. The district maintains personnel records in an efficient and readily accessible manner.	Yes	6-12
	8. The district uses cost-containment practices for its Workers' Compensation Program.	Yes	6-13
	9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	Yes	6-13
	10. The district's human resource program is managed effectively and efficiently.	No	6-14
	11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	Yes	6-15

HUMAN RESOURCE MANAGEMENT

Best Practice 1: Using

While the district's recruitment and hiring practices are generally effective, processes for reporting and filling vacancies can be improved.

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 Volusia County School District has significantly improved the efficiency and effectiveness of its recruitment and hiring practices in recent years. For example, the district's longstanding policy of hiring only individuals with completed applications eliminates the need for staff to spend unproductive time handling incomplete applications. The district has also maintained a strong flow of applicants by initiating a registration program, which gives individuals a 90-day grace period to apply for job openings before finalizing their written application. Another example of the department's efforts to enhance effectiveness is its decision to accept references only from the candidate's most recent supervisors rather than friends and family, and to provide special training for applicant interviewers. In addition, the district has aggressively sought to recruit teachers in critical shortage areas by offering select candidates letters of (hiring) intent earlier in the recruitment year and by offering signing bonuses. Non-instructional recruiting efforts have become more effective as a result of the district's decision to use a separate application and recruitment process. Overall, these efforts have significantly improved the efficiency and effectiveness of the district's recruiting efforts.

The district employs a wide range of strategies, such as automation and alternative certification programs, to facilitate principals' access to qualified applicants. The district is planning the implementation of a new software solution that will support applicant tracking and reduce the time it takes for principals to identify candidates that have entered the system. The automation efforts will also complement the district's internal efforts to develop a pool of qualified teachers in shortage areas, which include math, science, foreign language, science, computer science, exceptional student education, as well as paraprofessionals and school psychologists.

While the district is using this best practice, the district is put at a competitive disadvantage in its teacher recruitment and hiring efforts because it has difficulty identifying accurate vacancy needs in a timely fashion. Under the district's current collective bargaining agreement, current district teachers can initiate a voluntary transfer as late as August 1 of each year, only a few days before the start of school. Accordingly, some positions are held for teachers currently employed but the district does not advertise the position. According to the district's personnel services department, it advertised 76, 36, and 53 instructional vacancies at the beginning of the 2000, 2001, and 2002 school years, respectively. However, the district's budget department position control system reported instructional vacancies of 111, 84, and 123 at the beginning of the 2000, 2001, and 2002 school year, respectively. Consequently, the district advertised for fewer teaching positions than it actually needed: 35 fewer in 2000, 48 fewer in 2001, and

70 fewer in 2002. As this under advertisement grows (it has increased over 40% per year between 2000 and 2002), the district's ability to effectively attract enough teachers to meet its educational needs will be jeopardized. To avoid jeopardizing its ability to attract, recruit, and retain teachers in the future, the district should encourage staff to hire and transfer individuals earlier in the recruitment and hiring cycle, and develop measurable objectives against which progress in achieving this goal can be assessed to include consistent reporting timelines and dates. There may also be a need to address this matter through changes in the collective bargaining agreement.

We recommend that the district revise its process for administrators to identify and report vacant positions to enable that the district to minimize the number of teacher vacancies at the start of the school year.

Best Practice 2: Not Using

The district maintains a reasonably stable work environment for teachers but needs to develop a more effective process for analyzing, reporting and using data to monitor issues related to employee retention and morale, especially for non-instructional staff.

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. The 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 and that it has clear and effective channels of communicating with its employees.

While the district does not use this best practice, it has done a good job of providing opportunities for communication with employees and also does a good job of recognizing outstanding employees. With regard to its communications practices, the district provides an employee handbook, collective bargaining agreements and benefits orientation to all new employees. In addition, district newsletters are distributed by individual departments, a payroll website is maintained and a salary information manual is provided to staff. In addition, the Community Information Services Department develops and distributes a newsletter twice each school year to communicate news and changes in policy to all district employees. A range of committees has also been established to facilitate communication between labor and management and e-mail is used effectively to receive information or address issues of concern. The district also takes a variety of approaches to recognize outstanding employees including the Superintendent's Challenge Award (to recognize the exemplary efforts of non-instructional staff.), the Teacher of the Year Program (to recognize outstanding teachers in each school), and a Principal of the Year Award. The goal of these recognition initiatives is to improve employee morale and to assist in maintaining a stable workforce.

According to the district, it is committed to ensuring a high quality stable workforce the district currently lacks all of the information it needs to determine what steps it should take to enhance workforce stability within the constraints of its budget. In some areas, the district already makes effective use of information. For example, the district evaluates its needs for principals and assistant principals each year and has also analyzed the impact of Florida's retirement system on future staffing needs. In addition, information relating to employee separation has been used to establish a program to increase the retention of ESE teachers. The district has also conducted an internal pay study and the results of this study have been used to make pay adjustment which have begun to be implemented (albeit slowly due to budget constraints).

However, the district is not using this best practice for two reasons. First, the district needs additional information to determine how best to improve workforce stability within the constraints of the district's budget. For example, climate surveys are not conducted on a regular basis to determine how to improve

working conditions in the district. In addition, with the exception of ESE teachers, the district does not systematically use information from exit interviews to review and address issues related to employee turnover. Improving the consistency with which these surveys are performed and making more rigorous use of data that is already collected would be extremely helpful in better understanding the extent to which issues raised by the union and employees during this review (e.g., concerns about the level of paperwork, competitive compensation, job stress, internal pay equity, uneven implementation of pay adjustment for clerical workers) are widely shared and the extent to which these factors contribute to employee dissatisfaction and affect turnover. In short, the district needs to expand its use of information to improve the management of issues relating to staff retention to determine what the trends are in the number of people leaving, why they are leaving and what strategies may be effective in reducing turnover.

The second reason the district is not using this best practice is that it needs to continually evaluate its merit pay system to ensure that it meets district needs. The district has a merit system of pay for teachers which provides a bonus up to a maximum of \$200 or a pro-rata amount based on the number of employees qualified for the bonus and the pool of dollars available. While the establishment of this system of merit pay is a positive development, the district does not continually evaluate the system to ensure that it meets district needs. For example, in interviews and focus groups some teachers indicated that the bonus program requirements might be disproportionately stringent in comparison to the size of the bonus pay amount. In addition, improved student achievement is not a direct criterion to receive merit pay. Moreover, while Article 28 of the Volusia Teachers Organization collective bargaining agreement requires the establishment of performance standards for supplemental pay, these standards (which are currently set by individual principals at each school) are not consistent across the district. To address these concerns the district should systematically review its merit pay program to ensure the program achieves its objectives and, based on this analysis, should make appropriate modifications (that can be implemented within the district’s limited budget.) This review should be conducted to include the state required Pay for Performance Plan to avoid duplication of effort and determine the effectiveness of both plans in meeting the program objectives.

Accordingly, we have two recommendations that should enable the district to start using this best practice within two years. First, we recommend that the district develop a more structured process for analyzing, reporting and using data to determine the factors that may be contributing to turnover or low morale. The steps required to implement this recommendation are presented in Action Plan 6-1. Secondly, we recommend that the district conduct a systematic review of its merit pay program to ensure that the program achieves its objectives of improved staff morale, workforce stability and improved student performance. The steps required to implement this recommendation are presented in Action Plan 6-2.

Action Plan 6-1

We recommend that the district develop a more structured process for analyzing, reporting and using data to determine factors that may be contributing to turnover or low morale		
Action Needed	Step 1.	Identify data needs, including the number of resignations annually by employee group and the factors contributing to those resignations.
	Step 2.	Develop data collection strategy and tools to effectively and efficiently collect data to guide management decisions.
	Step 3.	Collect and analyze data to determine causes of turnover and to identify causes and solutions that can be effectively addressed by management.
	Step 4.	Develop and implement a retention plan based on analysis
	Step 5.	Evaluate the effectiveness of the retention plan
	Step 6.	Report to the school board in a more structured process the results of the data on turnover and the effectiveness of retention efforts
Who Is Responsible	Assistant Superintendent for Personnel Services	
Time Frame	Six months (to develop data collection instruments and approaches)	

Action Plan 6-2

We recommend that the district conduct a systematic review of its merit program and state required Pay for Performance Plan to avoid duplication of effort and determine the effectiveness of both plans in meeting the program objectives.

Action Needed	<p>Step 1. Establish joint labor management committee to review the merit pay plan and state required Pay for Performance plan. (A committee representing teachers and a committee representing non-instructional staff should be established.)</p> <p>Step 2. Obtain feedback from district employees as to the effectiveness of the current plans and recommendations for improvement.</p> <p>Step 3. Make modifications to the current plans based on the analysis of employee feedback and an analysis of fiscal impact.</p> <p>Step 4. Implement modifications to current plans with School Board approval.</p> <p>Step 5. Evaluate the impact of new plan on staff morale, workforce stability and improved student performance.</p>
Who Is Responsible	Chief Negotiator, Assistant Superintendent for Finance Services
Time Frame	Six months (to review and recommend modifications to current plan) One year (to begin implementations as determined by fiscal impact analysis).

Best Practice 3: Using

The district provides a comprehensive staff development program that is geared towards helping instructional staff and administrators improve student achievement and towards supporting non-instructional, instructional, and administrative employees’ efforts to maintain high levels of productivity and performance.

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.

A review of the district’s annual needs assessment survey as well as a review of the results of staff interviews, and focus groups reveals that the staff development unit offers a broad range of professional development opportunities that meet the needs of instructional and non-instructional staff. In particular, the staff development unit supports the development of new teachers by operating a one-year intensive training program that provides each participant with a mentor teacher and 17 hours of training. Teachers and principal focus group participants noted that the support provided in the program has been very helpful to first-year teachers. Additionally, course offerings support tenured teachers’ FCAT centered professional development plans. All teachers receive frequent information about the National Board of Professional Teaching Standards Certification process. The district also offers frequent leadership training to its administrators that provide useful information, according to principal and assistant principal focus group participants. To ensure these professional development opportunities are accessible to staff, offerings are presented on-site, off-site and through independent study modules.

While the district and various departments provide a range of staff development and orientation programs to employees, the overall participation in professional development opportunities for non-instructional employee efforts can be tracked more effectively. For example, the district maintains comprehensive historical databases on instructional employee participation in professional development, as well as their performance evaluations. This information is aggregated and stored in one or two central locations. As a result, school and district level administrators can identify trends in professional development usage and

in its effect on performance issues. However, the district does not have historical databases that aggregate non-instructional participation in professional development or data from employee performance evaluations. As a result, the district may not be able to identify significant need areas, or the extent to which professional development programs have addressed performance deficiencies.

We recommend the district develop a historical database that tracks non-instructional employee participation in professional development as well as employee performance evaluations to enable the district to better manage the professional development and performance of its non-instructional employees.

Best Practice 4: Using

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

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 Volusia County School District has effective procedures for communicating performance expectations to instructional and non-instructional staff, an effective system for providing support to teachers who struggle, and a noteworthy historical database of teacher performance evaluations. Both instructional and non-instructional employees receive written notification as to performance expectations when they enter the district and have access to it throughout their employment. New teachers receive a copy of the Teacher Handbook that explains the district's performance evaluation process and expectations. School administrators also discuss the performance evaluation process with new teachers at the school level. (This process is described in the Administrators Handbook that all school administrators receive.) The evaluation process for teachers and administrators considers the input of parents, while administrator evaluations also consider feedback from non-administrative personnel. The district has a three stage process to help under performing teachers improve (school level success plan, district intervention, and notification of potential termination). At each stage of the remediation process, teachers can access the staff development department, other teachers, and their principal for assistance. This extensive process provides the under performing teacher with ample time and resources to address weaknesses. The district also maintains an historical database of teacher performance evaluations that enables managers to monitor the supervisory practices of its administrators and to assess teacher professional development needs.

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 Volusia County School District has established effective procedures to address issues relating to poor employee performance. As discussed previously (in the discussion of Best Practice 4), the district does a good job of communicating its performance expectations to employees. When employees do not meet those expectations a well-defined process has been established to help them improve their performance. This process, which requires remediation assistance, performance monitoring, and documentation at the school and district levels, provides under performing staff with ample notification, opportunity, and resources to address weaknesses. When performance does not improve, termination proceedings are initiated. Administrative staff members are given sufficient instruction to ensure that cases warranting termination are properly documented.

The district seeks to mitigate conduct issues by screening all applicants and volunteers, explaining the code of conduct and consequences for failing to meet expectations and providing services to employees that proactively deal with problems. All applicants and volunteers are required to submit to finger printing, a criminal background investigation and drug testing. In addition, both new hires and existing staff receive written guidance on the expected code of conduct and the process for dealing with allegations of misconduct. If children are perceived to be in danger due to the conduct of an employee that employee is immediately removed from interaction with students until an investigation is conducted. The district also provides an Employee Assistance Program for its staff and their families to help employees deal with problems that may contribute to conduct issues. In addition, the district has for eight-years maintained a database that tracks misconduct issues by school, date and disposition.

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 district has developed and successfully implemented a number of cost efficient and effective strategies for managing absenteeism and the use of substitute personnel. First, the district uses an automated substitute deployment system—the Substitute Employee Management System (SEMS)—to manage its use of substitutes. This system provides reports on teacher absences and absenteeism that are used to monitor and assess the district’s use of substitutes. The district has also established effective recruiting practices that have resulted in an increase in the size of the pool of available substitute teachers by 91.9% (from 461 in the 1999-2000 school year to 885 in the 2001-02 school year). The district has also taken effective steps to train substitutes. To this end, the district has established a Substitute Training and Retention (STARS) program to train individuals who express an interest in substitute teaching. (1,122 substitutes have completed training in the last three years). Another effective practice relating to substitute teachers that the district has established is to give substitutes for extended teacher absences a temporary contract and treat them as contract teachers.

In addition to taking appropriate steps to ensure substitutes are available when absences occur, the district has also taken steps to reduce absenteeism. To this end, merit pay is provided to teachers for exemplary attendance. (Teachers with a 95% attendance rate receive a five percent supplement.) Additionally, teachers are paid for unused sick leave at the time of retirement. It should be noted, however, that in interviews a number of teachers indicated that the amount of money received when divided among all recipients is insufficient to provide a strong incentive. (The annual payment in the 2001-02 school years was \$200.) Non-instructional employees in the AFSCME bargaining group are also encouraged to participate in a quarterly attendance recognition program. These employees earn a bonus equal to one day’s pay for every quarter of perfect attendance in the employee’s contract year and an additional bonus equal to one day’s pay if there is perfect attendance throughout their contract year.

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 district is using this best practice for a number of reasons. First, personnel records are maintained in accordance with the Florida Statutes. In addition, to ensure records are well organized and that statutory requirements are adhered to, a records management web site is maintained. Principals and department heads also receive training on how to organize their records and manage information in a manner that is consistent with statutory requirements. Moreover, the district updates and maintains personnel files in a timely manner even during peak hiring and reappointment times.

While the district is using this best practice, there are two areas where improvement is needed. The first area has to do with electronic maintenance of application and personnel records. In 1994 the Personnel Service Division initiated and implemented the use of electronic imaging of employment applications and personnel records using a software program provided by a particular vendor. However, staff reports that due to technical and procedural difficulties with that vendor, the department discontinued the use of the program in 2001 thereby eliminating the electronic maintenance of application and personnel records. (Please note, however, that the district does maintain employee job records, employment history, substitute pay history, certification and employee in-service records on a computerized database.) In addition, the district does not have procedures in place to allow staff at school sites to access automated personnel records. While school-based staff can access in-service training records, certification information and the automated substitute deployment system they are not allowed to amend personnel

records. Consequently, even when making relatively simple changes (for example, address changes, W-2 changes; changes in marital status, or changes in grade assignment) staff is required to physically travel to the Personnel Services Department.

Implementation of the new Human Resource Information System, which was recently approved by the board, should resolve these issues. The new system is an upgrade of an old system previously used by the district. The Request for Proposals for this upgrade has been issued and implementation of the system is expected to begin July 2003. Full implementation is expected to be completed by July 2004.

Best Practice 8: Using

The district uses cost containment practices for its workers' compensation program and has taken a number of steps to improve the management of its worker's compensations 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 district has taken a number of noteworthy steps to improve the management of its worker's compensation program and to contain program costs. For example, the district uses a third party administrator to evaluate claims and expenses for worker's compensation and uses a managed care provider to manage medical claims. (The vendor's on-site telephonic voice case manager monitors claims.) In addition, a joint district labor safety committee has been established to review data and to promote workplace safety and minimize accidents. A worker's compensation procedures manual has also been developed and is available at each site/school/department. Moreover, the district has established an effective safety inspection program. As part of this program, safety inspections are conducted and corrective action plans are submitted to the Safety Department, capital outlay and the site-based administrator. Follow-up inspections are then conducted to ensure that corrective action plans are implemented. An effective light duty program has also been established to make temporary modifications in job duties (authorized by the attending physicians) to workers who are receiving worker's compensation. (93 employees have been assigned to light duty assignments over the past three years). The success of these efforts is evidenced by a significant increase in the district's worker's compensation reserve fund balance. This fund balance has increased from \$33,965 in fiscal year 1999-2000 to \$242,281 in fiscal year 2001-2002.

Best Practice 9: Using

The district uses cost containment practices for its employee benefits programs but would benefit from working collaboratively with the union to explore and implement health benefit design changes to reduce health benefits costs.

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 district actively evaluates its benefits costs and has adjusted its benefits package over time as part of an ongoing effort to control costs. To support these efforts the district has, since 1998, contracted with AON Consulting. Evaluations performed by this consulting firm include trending and forecasting of health insurance benefit costs in the health care industry in general, assessing district's claims and utilization, and conducting extensive comparisons of health care costs and plan designs with peer districts. AON consulting also provides the district with information relative to the long and short-term fiscal impact of changes in the benefits packages (including forecasting based on industry trends and district utilization). AON Consulting also assists the district in working with employee unions to evaluate plan options.

The ongoing evaluations conducted by the district have resulted in significant changes being made to its benefits plan. Most recently the district recommended, as part of the 2003 renewal, to provide multiple Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. (The HMO option was subsequently dropped, however, due to a proposed 60% increase in premiums.) The current plan, which was approved by the board, provides employee access to an expanded network, low cost alternatives, and a point of service option. In addition to health benefits, the district also pays for life insurance (at one times the employee's annual salary) and allows employees to purchase vision care, disability insurance, long-term care insurance and personal accident insurance. While the district does not provide a cafeteria plan, employee premium payments are offered as a pre-tax deduction. The district moved from self-insured to fully insured status in 1999 and offers variable family benefit options at the employee's expense.

The district currently has not recently offered an early retirement option to district employees but did offer such an option five years ago. This option continued health insurance benefits to about 150 employees who took early retirement. These former employees also receive a supplemental policy when they become eligible for Medicare at district expense. Given this long-term fiscal impact of this early retirement option, the district has not offered any other early retirement options. DROP and the Florida Retirement Plan are the only retirement plans currently available to district employees.

Best Practice 10: Not Using

While the personnel services program employs a number of effective management practices, several steps can be taken to strengthen program management.

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 district has a thoughtful and professional Personnel Services Department that has implemented several initiatives in recent years to improve efficiency and enhance effectiveness. As discussed, the district has developed and successfully implemented a number of cost efficient and effective strategies for managing absenteeism and the use of substitute personnel. It has also taken a number of noteworthy steps to improve the management of its worker's compensation program and to contain costs. Additionally, the district has streamlined the hiring process by reducing the paperwork required before applicants can be

considered for job openings and developed pools of teachers and administrators to fill future positions. The department is also pursuing the use of automation (a new software solution) to provide applicant tracking to principals and to increase employees’ access to personnel files. Moreover, in recent years, the department has surveyed surrounding districts at statewide conferences or via telephone on a range of issues including compensation and benefits, employment requirements, and staffing levels to inform its thinking on these issues. In addition, the department makes strategic use of consultants to support its improvement efforts. For example, the department hired a consultant to conduct a comprehensive review of job descriptions in 1999 and since then has reviewed them every 12 to 18 months. The department also hired a consultant to conduct exit interviews of staff that leave the district. Currently, the department is seeking resources to further study retention issues and to help prepare staff to address retention issues more systemically. Perhaps most importantly, the department encourages staff to share ideas on how to improve efficiency and effectiveness throughout the organization.

Despite these significant efforts, the district does not adequately use this best practice because the Personnel Services Department is in the early stages of implementing its recently developed strategic plan and has not yet demonstrated that it is implementing its established goals and measurable objectives. While elements of the Personnel Services strategic plan have been incorporated into the recently approved district wide strategic plan, it is too early to tell how well the department is achieving the goals and objectives of its plan. Particular attention should be paid to whether objectives are measurable and reflect the key goals of the program (as reflected in the district’s overall strategic plan recently approved by the school board). Action Plan 6-3 presents the steps to implement this recommendation. No additional resources are needed to implement this action plan.

Action Plan 6-3

We recommend the district revisit its written strategic plan for Personnel Services to ensure that it includes measurable objectives that reflect the purpose and expected outcomes of the program as reflected in the district’s overall strategic plan.

Action Needed	Step 1.	Select individuals to serve on a strategic planning task force.
	Step 2.	The task force should gather information from reports, stakeholders, and staff about the appropriate goals and objectives of the Personnel Services department.
	Step 3.	Establish written goals and measurable objectives that are aligned with the goals. Incorporate baseline data and benchmarking standards into the plan.
	Step 4.	Review all HR job descriptions for alignment with written goals and objectives
	Step 5.	Share with appropriate HR staff and select district stakeholders to ensure the plan’s consistency with other strategic planning initiatives being undertaken in the district.
	Step 6.	Include procedures for monitoring progress towards stated objectives, and for annually updating the plan.
	Step 7.	Assign responsibilities for tracking progress.
	Step 8.	Seek board approval once plan is completed.

Who Is Responsible	Assistant Superintendent, Personnel Services
Time Frame	June 2004

Best Practice 11: Using

The district maintains an effective collective bargaining process for classes of employees that are unionized.

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

Personnel Systems and Benefits

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 district uses this best practice. First, roles and responsibilities relating to bargaining are well defined. The chief council for labor relations, contract services and policy development leads the district's labor relations and negotiations efforts. Both senior district level staff and principals who serve as members of the bargaining team assist him. (The composition of the bargaining team varies depending on the bargaining unit). The roles and responsibilities of each member of the bargaining team are effectively communicated and understood. (While the district does not have written policies governing the negotiation process interviews with negotiation team members indicate that they have a clear understanding of their roles and responsibilities.) In addition, the process is generally inclusive. Each department is responsible for forwarding their suggestions for negotiations to the chief negotiator. The district also ensures that the negotiations team systematically evaluates the advantages and disadvantages of contract proposals from the union. In particular, the assistant superintendent for financial services is responsible for estimating the costs associated with various union proposals.

7 Facilities Construction

Summary

The Volusia County School District is using 23 of the 24 facilities construction best practices. The district is generally doing a good job with facility construction planning, funding, design, renovation, and remodeling. The facilities services division as a team works well together and with educators throughout the system. However, to meet the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its facilities construction services, the district should develop procedures and performance accountability systems for the facilities' construction program.

Background

Background information on the district's facilities operations and needs are 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 district facilities construction operations are managed.

Facilities utilization. With 72,865 satisfactory student stations (58,804 permanent student stations and 14,061 student stations located in relocatables) and Capital Outlay Full-Time Equivalent student enrollment of 60,527 for school year 2002-03, the Volusia County School District's 68 schools operate with a facilities utilization rate 83%. "Capital outlay full-time equivalent" is the basis for capital outlay funding for the districts. According to the district's 2001 Educational Plant Survey, the district plans to eliminate the use of relocatables, but has deferred those plans because of uncertainty about class size reduction requirements. If the district eliminated the use of relocatables and used permanent student stations to determine facility utilization, the district's utilization rate would be closer to 103%. Exhibit 7-1 shows the student capacity by school level and the number of students enrolled.

Exhibit 7-1
Overall the District Uses 83% of Its Capacity

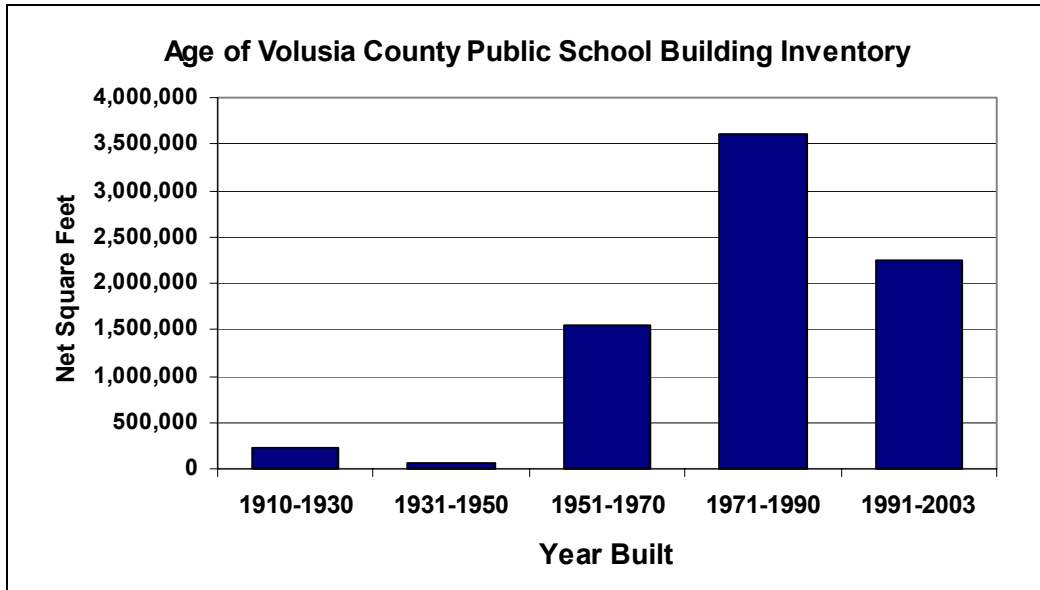
Description	Number	Total Satisfactory Student Stations		Satisfactory Permanent Student Stations	Capacity of Permanent Facilities	Capital Outlay Full-Time Equivalent
		Total Satisfactory Student Stations	Full Capacity			
Elementary	45	31,592	31,592	27,351	27,351	28,087
Middle	11	18,697	16,827	14,279	12,851	14,559
Senior High	8	21,135	20,078	16,030	15,228	16,708
Exceptional Student	1	143	143	98	98	89
Combination	1	1,145	1,030	927	834	917
Alternative Education	2	153	153	119	119	167
Vocational Technical						
Total	68	72,865	69,823	58,804	56,481	60,527

Source: Florida Inventory of School Houses School Year 2002-03.

Although the school district is highly utilized, the average gross square feet per student is considerable higher than the state average. At the elementary level it is 127 square feet per student in Volusia County and the state average is 107 square feet; at the middle school level, Volusia County is 127 square feet and the state is 119; and at the high school level, Volusia County average is 146 square feet and the state average is 119. This is a result of school design and utilization that is closely integrated with curriculum. Examples of some of the design elements that increase the average amount of square feet per student are: middle schools that are organized into grade level “houses” with teaching support, administrative areas and computer labs dedicated to each grade level area; integration of special education support space into the regular school, including such spaces as an apartment in a high school for life skills training.

Facilities inventory. The facilities inventory of the Volusia County School District is relatively new. There has been tremendous growth in the county since 1970, which is reflected in the sharp increase in school construction during the period between 1971 and 1990. While the condition of schools is good, largely as a function of their relative newness, the new one-half cent sales tax building program recognizes the need to invest in the district’s older schools reflected in the fact that over half of the projects are for improvements to existing schools.

Exhibit 7-2
76% of Volusia County School Building Inventory Was Built Since 1971



Source: FISH Report, Volusia County Public Schools.

Capital budget. The Volusia County School District citizens passed a one-half cent sales tax increase in October 2001 to build and renovate nearly \$500 million worth of school design and construction. Initially the district identified \$271 million worth of projects. The district brought this proposal to a broad-based committee of citizens comprised of supporters as well as critics of the measure. However, once this committee reviewed the needs assessment and the proposal, the committee recommended that the district seek \$461 million from voters. This passed with 55.76% of the voters in favor.

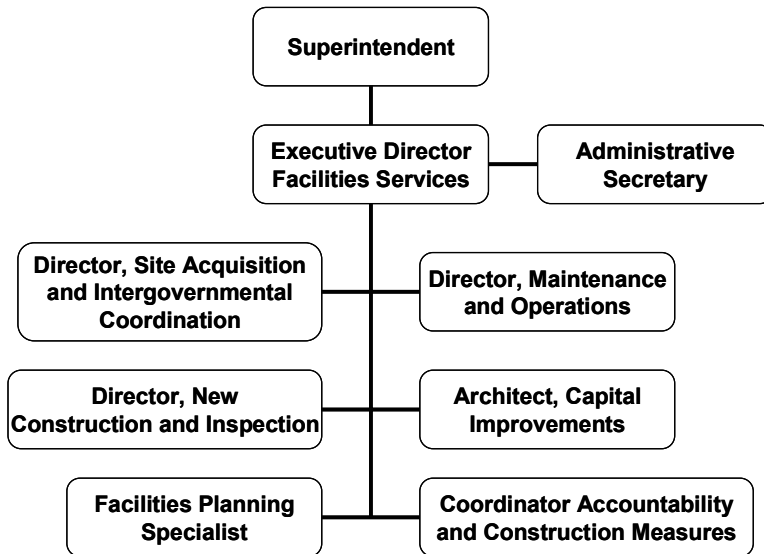
**Exhibit 7-3
The Bulk of the District's Capital Budget for the Next Five Years
Is for Remodeling and New Construction**

Project Descriptions	Fiscal Years						Total
	2002 Actual	2003 Projected Budget	2004 Projected Budget	2005 Projected Budget	2006 Projected Budget	2007 Projected Budget	
Remodeling, renovations, repairs	\$40,134,950	\$91,835,000	\$19,879,000	\$39,213,750	\$30,310,000	\$17,569,250	\$238,941,950
New school construction	17,734,310	76,000,000	4,450,000	26,800,000	61,400,000	6,800,000	193,184,310
Debt Service	18,893,799	19,368,730	25,560,442	24,726,188	24,706,761	24,710,893	137,966,813
Maintenance	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	8,700,000	52,200,000
Technology	4,070,413	6,498,680	7,000,000	7,500,000	8,000,000	8,000,000	41,069,093
System Wide Equipment and Vehicles	2,457,726	3,006,633	3,144,465	3,259,188	3,441,147	3,600,704	18,909,863
Buses	2,276,466	2,968,484	3,027,854	3,088,411	3,150,179	3,213,183	17,724,577
Facilities Management	-	1,921,500	1,998,360	2,078,294	2,161,426	2,247,883	10,407,463
Various Capital Projects	2,560,639	1,596,717	1,373,390	860,000	870,000	880,000	8,140,746
Total	\$96,828,303	\$211,895,744	\$75,133,511	\$116,225,831	\$142,739,513	\$75,721,913	\$718,544,815

Source: Fiscal Year 2003 Fiscal Forecast for Capital Outlay Five Year Work Program, Volusia County Public Schools Capital Outlay Fund.

Organization and management. The senior management of the Volusia County School District facilities services division is experienced and key managers have a long history of working together. The facilities staff works well with the budget office, the maintenance division and with educators and local school administrators. The facilities construction division of facilities services has a total of 46 positions with 9 vacancies as of July 2003. Facilities planning and real estate services has 10 positions; Facilities design and existing school construction has 21 staff positions; facilities new construction and Uniform Building Code inspections has 7 staff positions; and facilities administration/accountability and construction measures has 8 staff positions.

**Exhibit 7-4
The Volusia County School District's Facilities Services
Division Functions with a Streamlined Staff**



Source: Volusia County School District, June 2003.

Activities of particular interest

The district does an exemplary job tracking the cost of projects and working to create a disciplined fiscal environment for design and construction work. One example of how they do this is rather than building project contingencies into each project, as is often the case in design and construction projects, the budget office tries to keep a pool of funds for contingencies and then work closely with the project managers to provide funds when necessary. This provides an external control over spending. The contingency funds are in the fund balance.

Another cost saving initiative from the budget office is that the district is using a \$90 million revenue anticipation note to bring projects on line, rather than financing the entire amount while projects are in the early stages of planning and design. With the revenue anticipation note, the district can encumber funds for the design of projects and not have to borrow funds for the future construction spending until the constructions funds are actually needed. In this way it manages its cash in an economical way, only paying interest on the funds that are actually being expended. Using this as a sort of “line of credit” in the first year cost the district \$108,000 in interest and principal expense rather than \$6 million, if the district had borrowed the planning, design and construction costs once projects were approved.

As a credit to the Facilities Services division, the State of Florida Department of Community Affairs has entered into a contract with the Volusia County School District to have them develop a Best Practices Guide to Siting School Facilities and Renovating Existing Public Schools. The collaborative culture of the division and their skills and knowledge about how best to work across sectors and areas are a major part of what will be included in the Community Affairs Guide.

Conclusion and Recommendations

Summary of Conclusions for Facilities Construction Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Construction Planning	1. The district has effective long-range planning processes.	Yes	7-8
	2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	Yes	7-9
	3. The five-year facilities work plan establishes budgetary plans and priorities.	Yes	7-10
	4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	Yes	7-11
	5. The district has an effective site selection process based on expected growth patterns.	Yes	7-12
	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	7-13
Construction Funding	7. Funds collected for school projects were raised appropriately.	Yes	7-13
	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	7-14
Construction Design	9. The district develops thorough descriptions and educational specifications for each construction project.	Yes	7-15
	10. The architectural design fulfills the building specification needs as determined by the district.	Yes	7-16
	11. New construction, remodeling, and renovations incorporate effective safety features.	Yes	7-16
	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	7-17
New Construction, Renovation and Remodeling	13. The district has effective management processes for construction projects.	Yes	7-18
	14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	Yes	7-19
	15. All projects started after March 1, 2002, comply with the <i>Florida Building Code</i> .	Yes	7-20
	16. The district requires appropriate inspection of all school construction projects.	Yes	7-21
	17. The district retains appropriate professionals to assist in facility planning, design, and construction.	Yes	7-21
	18. The district follows generally accepted and legal contracting practices to control costs.	Yes	7-22
	19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	Yes	7-23

Practice Area	Best Practice	Using the Best Practice?	Page No.
	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	7-23
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	7-24
	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.	Yes	7-25
	23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	No	7-26
	24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	Yes	7-27

CONSTRUCTION PLANNING

Best Practice 1: Using

The district has effective long-range planning processes.

Long-range facility 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 Volusia County School District has the foundation and elements for long range planning. The school district collects and analyzes student demographic data, information on county development, and current educational practice and trends for the purpose of facilities planning. There are two facilities personnel who work exclusively on district wide planning issues—a facility planning specialist and director of site acquisition. The director of site acquisition has a municipal planning background, with experience as a planner in Volusia County.

The facility planners work with the assistant superintendent's office for administration and student support services to obtain information on enrollment projections and boundary changes. They work with other local planning agencies on planned and proposed residential developments and use the cohort project data from the Florida Department of Education to plan future capacity needs. The district uses the Florida Inventory of School Houses (FISH) capacity report and compares it to the 20 day count as baseline to determine the need for additional space or for reductions in space, particularly related to removing relocatables. The facilities division completed a comprehensive update of its building utilization in spring 2003.

The office of site acquisition works closely with the county and municipalities to obtain current information on planned development—both private and public. The school district has a representative at meetings of the Metropolitan Planning Organization, Volusia County Growth Management Commission and the Volusia County Association for Responsible Development (V-Card) to keep abreast of housing and other private building developments, as well as plans for roads, community colleges, libraries, recreation centers, parks, and other public amenities. The school district maintains good connections to the county and municipalities, and uses current development information to plan for future growth.

To incorporate educational issues into facilities planning, there is an in-house facilities review committee comprised of area superintendents, principals from each school level, a representative from the finance department, and the deputy superintendent. This committee gathers data and evaluates the renovation and construction needs of the district. It prioritizes projects and helps to develop and update the annual work plan.

To assist with the passage of the sales tax initiative, there was a 15-member panel that included district employees and community representatives. This capital outlay committee, helped define the long-term direction of the capital program. Following the passage of the sales tax, this committee was disbanded. Although a 7-member project oversight committee was created with some members who had been on the capital outlay committee, the only long-range planning body is the inter-local planning committee. The inter-local committee does not include sufficient public education stakeholders to fully address planning issues that arise with schools. While oversight is an important part of a major building program, and the inter-local planning committee provides a part of a public planning program, it is still necessary to provide for on-going public participation in long-range planning to help the district as it needs to make adjustments to its capital plans.

Although the district involved the public to assist it in passing the one-half cent sales tax referendum, it has no provisions in policy or practice for continued public participation in long-range planning. Therefore, the school board should develop a policy on public involvement in long range facilities planning and there be a capital planning workshop to review long-range planning issues every 2-3 years in addition to the annual capital budget workshop.

We recommend that the school board develop a policy on public involvement in long-range facilities planning and that there be a capital planning workshop to review long-range planning issues every 2-3 years in addition to the annual capital budget workshop.

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 can avoid the high costs associated with building new space. Alternative methods of using existing facilities can help to mitigate the peaks and valleys in future student enrollments.

The Volusia County School District has a short, medium and long term approach to mitigating the peaks and valleys of student enrollments. To respond to short-term enrollment changes, the district uses relocatable classrooms and maintains the in-house capability to move them. This enables the school district to utilize portables on a quick turn around basis, so if in the fall enrollments are unexpectedly high, portables can be moved to the school to accommodate the students in a timely fashion. In-house capability for moving portables also means they can be moved from a school site when they are no longer needed.

A medium-term strategy for managing student capacity requirements is boundary changes. The district has a process for regular boundary changes to eliminate the need for new construction. To make changes, the school district initiates “listening sessions” in schools that will be affected by the boundary changes. The school district presents issues, offers “what if” scenarios, and lets the audience speak. The district returns with presentations on best options and gets further feedback and comments. Depending upon whether the proposal is changed, the district makes a public presentation to the school board. The school board requests a hearing and letters are sent to all affected families informing them about the hearing. Then the board holds the public hearing and finally votes on the proposal as is or with modifications. This process is done one year before changes are to take place.

The long-term strategy for meeting the enrollment demands is new school construction. The district works to identify need for new construction far enough in advance to have sites in its inventory able to

Facilities Construction

accommodate new construction, as site acquisition can be a tremendously time consuming part of a new school construction plan.

As part of its long-term strategy, the school district seeks shared and joint use agreements to reduce the cost of construction, operation and maintenance. The Advanced Technology Center is an example of a shared county/district educational facility. It serves Flagler and Volusia county school districts and is operated by the Daytona Beach Community College. The Advanced Technology Center has programs in business computer technology, engineering, and manufacturing. During the Fiscal Year 2003 school year, 171 high school juniors and seniors took classes at the community college technology center. In addition, the school district entered into an agreement with Stewart Marchman Center, a residential adolescent program. The Center agreed to pay \$319,000 of the cost of the lease and installation of a portable classroom including furniture, software, computers and MIS hook ups for three COMPASS labs in exchange for use of the facility. Stewart-Marchman paid for site preparation, utility and technology hookups.

Within the Volusia County School District, an example of joint planning and shared use is the Taylor Middle High School. It is in design at this time, but the campus will include career and technical education program facilities that will be used for high school and middle school students.

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 Volusia County School District and community engaged in an intensive process to prioritize projects to be funded by the one-half cent sales tax. The school board determined that high school renovation and new construction should be the highest priority and that half of the budget should be allocated to major improvements and renovations at existing schools.

The Facilities Review Committee, which is made up of the local school principal and staff from the facility construction and maintenance divisions, collects project requests early each year. Routine assessments of facilities are done for safety, security, Americans with Disabilities Act (ADA) accessibility, and asbestos by the Maintenance Division. The Planning Department reviews information from the local school and the Maintenance Division to eliminate duplicate requests. The facilities planning office also combines projects where possible to be most cost effective. The assembled project request list is reviewed and priorities are set by the planning department and then returned to the Facilities Review Committee. The Facilities Review Committee selects and estimates project cost to incorporate into the School District Five Year Work Plan. The district uses an inflation factor of 4% per year in developing its plan.

The Fiscal Year 2003 Fiscal Forecast for Capital Outlay Five Year Work Program report indicates 14 sources of revenue for school construction. It provides broad categories for expending these revenues, including new construction, new projects at existing schools and facilities, facilities management, technology, systemwide equipment and vehicles, buses, debt service, various capital projects, and maintenance. It also includes a list on a school-by-school basis of all new school construction projects and all facility renovation projects for the current budget year.

While the district uses this best practice, it should make the annual facilities review process a multi-year one by adding a comments line clarifying the status of deferred projects. This would provide clarification to district personnel whether these projects would be considered for subsequent funding. For example, at Atlantic High School, a request on the list was to upgrade lighting in the auditorium because the theatre is extremely dark even when lights are working. The recommendation of the Facilities Review Committee for 2002-2003 was no. However, there was no indication whether anything will ever happen with this, and why not.

We recommend, making the annual facilities review process, become a multi-year one, by adding a comments line to clarify the status of deferred projects.

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.

In Volusia County School District, there is an annual workshop on the budget with a separate workshop for the capital budget. Since the passage of the sales tax, in addition to the workshops there is a monthly written report and a quarterly power point presentation given to the school board on the progress of the projects. Information on the status of construction projects is also carried on the school district's web site <http://www.volusia.k12.fl.us/CustomerService/UPDATE.htm>.

The District used a 15-member capital outlay committee composed of citizens who helped define the scope of the sales tax resolution for the 2001 referendum. This committee disbanded and a new seven member citizen Project Oversight Committee was formed. Its job is to oversee the projects approved for funding under the recently enacted Sales Tax Initiative. They are responsible for reporting to the school board on the implementation, progress, status, and completion of projects listed in the resolution within 90 days of the end of each calendar year.

The workshops and regular reports to the school board on the status of projects provide opportunities for the public to get information. In addition, there is a speakers bureau established by the district staff to inform the public on the status of each project using public TV, radio, and personal presentations to school advisory committees. At budget workshops and in other public forums, the public is able to raise questions and concerns about the priorities and progress of the district's capital program.

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 Volusia County Public School district uses a ten-year planning approach and, as such, has developed a land bank to respond to future growth needs. Typically, the district has used certificates of participation (1991) to finance site purchases.

The district has a land purchase strategy that anticipates need in advance of demand. The school district works to identify sites with willing sellers; low site cost preparation requirements with road access and utility services in place, nearby, or planned; potential for joint use with municipality; minimal environmental constraints; and least cost. The inventory of the school district is sufficient to build the schools that are planned as part of the capital program. Two school sites currently in design/permitting were purchased well in advance of need—elementary school “W” in Deltona was purchased in 1992 and elementary school “X” in Orange City was purchased in 1997. However, the district is working to secure an alternate site for high school “DDD” that would be closer to the current population need area and save the other high school site for later growth.

The office of site acquisition works closely with local planning agencies to understand and identify locations which will appropriately support school demographic needs. As part of the decision making process, site acquisition, feasibility, land values, and anticipated growth are all considered.

The process undertaken for site acquisition is as follows:

- School or schools to be relieved are identified using student transportation, attendance, and enrollment data.
- A search area is identified.
- The search area is advertised in order to identify available parcels using legal ads, notices to boards of realtors and in meetings with affected planning departments.
- At the same time the district does a search for vacant land parcels and contacts landowners directly.
- An inventory of available parcels of suitable size and location is assembled and sent to municipal planning bodies for comment about availability of water/waste water, fire, police, storm water, etc.
- The municipality or county is asked if they are interested in joint ownership or use.
- Based on the municipal review, the inventory of parcels is refined.
- A civil engineer is contracted to conduct a preliminary feasibility evaluation.
- Following preliminary feasibility, sites are ranked and presented to the superintendent, deputy superintendent, area superintendent and transportation office for final selection.
- An option to purchase is prepared and presented to the school board for approval—with comparative analysis of cost and other factors.
- During the option period a full due diligence investigation is conducted.
- A recommendation to the school board is made based on full feasibility.

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.

Through its inventory selection process, the preliminary and full feasibility evaluation, the Volusia County School District comes to understand the potential costs and benefits of its site selection choices. The preliminary feasibility study reviews the cost of off-site and on-site improvements, and the suitability of the site for a school, including such things as proximity to an airport (there are 16 in Volusia County), or to noxious odors or other special traffic conditions. The full feasibility study includes an environmental phase one audit, appraisals, and preliminary soil borings and flood elevation studies, if relevant.

One advantage of site acquisition based on a ten-year planning period and the philosophy of purchasing in advance of need is the reduction of need for condemnation. However, when condemnation is needed, the district has exercised it, as in the case of Debarry Elementary School.

As part of the site selection process, the school district asks related municipalities if they have an interest in sharing use of a particular parcel. In the case of one 640-acre parcel, the district teamed with the county to lease the 640 acres from the state for \$300 per year for 50 years. This land will be used for two elementary schools, one middle school, a county library, transportation and maintenance center, and 100 acres for a community college. The county will manage the land to help with environmental mitigation, so a portion can be used to relocate endangered species.

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.

In October 2001, the Volusia County voters approved a school board resolution to increase the sales tax in Volusia County from 6% to 6.5% in order to pay for new construction and improvements to existing school buildings. The one-half cent sales tax resolution contained a complete listing of all projects to be funded from this revenue source. It was properly advertised and the scope of projects was spelled out. In

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the allocation of projects, the district made sure the resolution included projects located in the eastern and western parts of the county. Most sales tax revenue comes from the eastern part of the county, near the beaches, but more student enrollment growth is taking place in the western part of the county—closer to Orlando.

In preparation for a one-half cent sales tax referendum, the Volusia County School District evaluated the benefits of a sales tax increase over a General Obligation bond property tax increase. They decided that since the property tax rate in Volusia County was already one of the highest in the area, that they would offer voters the sales tax option. The Volusia County sales tax was 6%, with some neighboring counties having a 7% sales tax. It was also argued that since tourists contribute 30% of revenue from sales tax, that sales tax would be less of a burden to residents. In fact, of the \$206 million under contract as of September 30, 2003, 40% of the revenue is from tourists.

The Volusia County School District budget office looks to local sources of revenue to fund planned construction projects before relying on state dollars, such as PECO funding. The sales tax is a good example of the district's willingness to fund needed school improvements themselves. However, when state funds are used, they are budgeted and expenditures are tracked to be sure they are spent only for the purposes permitted by Florida law.

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 Volusia County School District budget office monitors the day-to-day expenditures of capital funds, indicating that funds are available before contracts are signed or change orders are approved. The budget office tracks sales tax revenue and uses a special database to track capital expenditures throughout the fiscal year. The assistant superintendent for financial services monitors capital spending through financial reports from the budget office and regular meetings with facilities budget staff. In the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, there were no concerns about the capital budget identified in the management letter.

In the annual capital budget book, the Volusia County School District capital budget office identifies all capital revenue sources and assigns them to the appropriate projects. This capital budget book is presented to the school board and general public at the budget workshop before it is adopted by the board.

Regarding the cost efficiency of new construction, the Volusia County School District uses the state-specified total cost per student station for new construction to set their budget. The district has historically been within the state average, as demonstrated in the Annual Construction Reports presented to the board. The examples given were Freedom Elementary, with a \$115.66 cost per square foot compared to the state average for new construction for elementary schools of \$124.71 and Creekside

Middle with a \$126.69 cost per square foot compared to the state average for new construction for middle schools of \$140.54 per square foot.

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 Volusia County School District has developed a system for integrating educational side review of facility improvement projects and new construction. The district established Instructional Council composed of members appointed by the superintendent who review construction and renovation work to ensure it is consistent with curriculum and program needs. The council meets approximately twice a month and is charged with informing the construction department of planned changes to programs—for example converting demonstration labs into full-blown labs.

The ESE and career technical educators are beginning to work much more closely with the facilities services division, as these areas have been changing rapidly and require specialized spaces. ESE educators attend facilities division staff meetings so they can review projects and ensure they meet their legal and programmatic requirements. Any grants out of ESE or any office, for example, Career and Technical Education, such as Federal Perkins grants, are sent to the facility division for review to make sure there is not a facility requirement needed for program implementation.

District MIS staff members meet with facilities personnel to review plans on all new/remodeling projects to determine if the network wiring infrastructure is adequate. The district surveyed each school to determine if the classrooms used for technology labs have infrastructure requirements. The results of this survey will be included in the 2003-2004 facilities review.

What does not emerge is a set of space standards by school level and type of space or defined processes or procedures for site specific facility planning. For example, in one high school educational specification an art room is 850 square feet with 90 square feet of storage. In an elementary school educational specification the art room is 1036 square feet with an additional 365 square feet for kiln, material and project storage. The high school art room and storage seemed particularly small. A 1994 educational specification for DeBary Elementary School, however, was extremely complete. No recent educational specifications for new schools were provided, but the principal of Seabreeze High School, a recently renovated high school, reported that the architect, each department head, principal, teachers, school advisory committee, students, and affected agencies in the local jurisdiction were all involved in developing the educational specifications for Seabreeze High School. There was a two day meeting at which these stakeholders offered input to the architects on the program and use requirements for the school. The architect did a full evaluation of facilities and then worked to match up the programmatic needs with the existing space and identify the new space needs. The six educational specifications

provided for review for major remodeling projects, were not nearly as complete. There was little text explanation of the programmatic requirements.

Because the district is using prototype designs for elementary and middle schools, it is not engaged in a comprehensive educational specification process. But given the importance of the design decisions, it would make sense to review the educational specifications for each level, to integrate ESE requirements, career technical, as well as other educational program requirements.

Although the district has the foundation for good educational specifications, through its systematic communication between the facilities division and the educational managers, this area could be improved. This is particularly important with the class size amendment which requires a system-wide plan for providing classrooms to reduce class size. It is therefore recommended that the district develop a set of space standards and procedures for site-specific facilities planning to include local school, curriculum specialists and a facilities services planner.

We recommend that the district develop a set of space standards and procedures for site-specific facilities planning to include local school, curriculum specialists, and a facility services planner.

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 overall campus designs and classroom designs in the Volusia County School District are designed to be flexible and adaptable. Interior spaces were simple with inherent versatility—site visits to a prototype elementary school, prototype middle school, and two senior high schools near the end of major renovation confirmed this.

In the site specific school facility improvement process, whether for new school or remodeling, the project team works closely with the contractor, architect, the facilities review committee and the instructional council.

Best Practice 11: Using

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

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

In the Volusia County School District, an architect submits preliminary plans for review for code compliance using the Preliminary Plan Review Application. In the preliminary review, plans are checked for code compliance with Florida Accessibility Code, the Life Safety Code, and the Florida Building

Code. A second review is done on the final plans when the architect submits a Building Permit Application. During this review, the Florida Building Code is used as a guide. The building permit is issued only after all issues are addressed and corrected in the design plans.

All schools undergoing renovation are brought up to meet the new code requirements. If the district requires safety features above and beyond the code requirements, these are incorporated through joint work by the facilities planning department and the architect. These “added” features are reflected in the educational specifications.

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 Volusia County School District facilities division has the philosophy, standards and processes to create the conditions for cost efficient design and operating and maintenance savings. In the one-half cent sales tax referendum, passed on October 9, 2001, the district promised its voters that it would build frugal schools with the proceeds of the bond. The district already had a history of accomplishment in this area, with four SIT awards since 1998—Pathways Elementary School, 1998-99; Heritage Middle School, 1999-00; Creekside Middle School, 1999-00; and Freedom Elementary School, 2000-01. In the new bond program, the district will be reusing the designs for Freedom Elementary School and Heritage Middle School. The design team evaluates construction cost, energy conservation, life cycle costing and operational costs of a facility. To the extent possible, the design team incorporates passive design elements such as tinted windows, overhangs, roof insulation, and light colored roofs to reduce energy consumption. In landscaping they use indigenous plants and maintain as many natural areas as possible to reduce the need for watering.

The facilities maintenance division reviews plans for all new construction, remodeling and renovation. In their review, they identify fire alarm and extinguisher locations, sprinkler locations, traffic flow for buses, traffic flow and safety for semi-truck loading and unloading locations, dumpster access, accessibility for maintenance, and trees and shrubs for safety and water conservation. In addition, they analyze performance of equipment, and materials as they affect energy consumption and maintenance demand. Since the Volusia County School District only has enough painters to paint a school every 13 years, the district uses durable finishes to reduce demand for painting. The district uses high impact glass in all windows, even those without special frames for hurricane hardening, thereby eliminating the need for shutters. The district is starting to use a sloped metal roof system with a life up to 40 years. This roof system has the important benefit of producing clear run off, so in environmentally sensitive areas there is no need to cover a standard flat roof with toxic free material. The district uses 2x2 foot ceiling tiles, rather than 2x4 foot tiles, because they are less likely to sag. It uses plywood rather than particle board in cabinets, block walls inside the classroom rather than drywall, steel doors, heavy duty hardware, and brick veneers on the exterior of its buildings. The district reviews operational cost against the DOE benchmark data to ensure operational costs are in line with efficiency guidelines. It is possible to see results of the implementation of their philosophy standards and processes in this comparison. The district is able to use these savings to afford more space to support their curriculum and program requirements.

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 Volusia County School District has become familiar with and experienced in using a variety of project delivery methods. Small capital projects can be and are often managed in-house by school district project managers. Large renovation projects use construction management at risk. New construction projects are generally managed as traditional design/bid/build projects, although the new facilities administration building is a design/build.

In February 1998, the school district conducted a workshop for the school board on the construction management at risk delivery system. Up until this time, the school district had been using only the traditional design/bid/build delivery system. In the workshop, the facilities division prepared a presentation on how construction management at risk and design/bid/build were different and described the benefits of construction management at risk vs. design/bid/build. This was done to support the recommendation from the facilities department to undertake the construction of Deland High School as a construction management at risk project.

Even though the Deland High School project has been one of the district's most difficult, the school district now uses construction management at risk for major renovation projects. It used this delivery system for the renovation of Seabreeze High School to a completely satisfactory end.

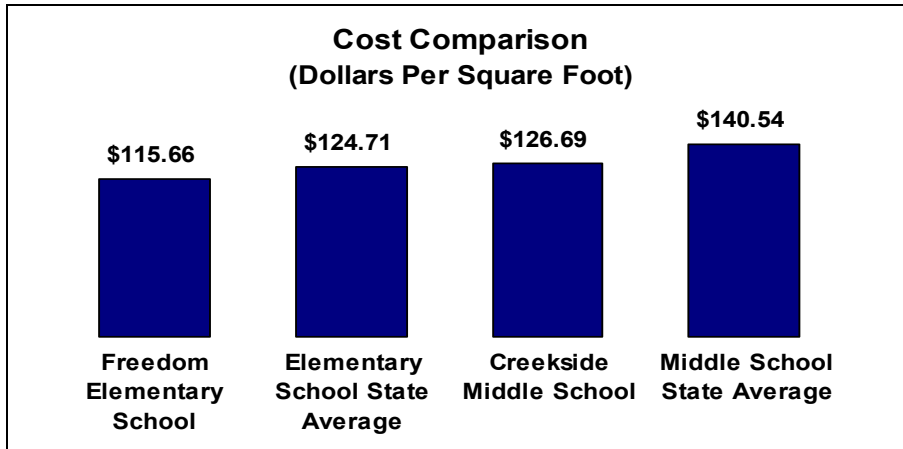
The district uses hard bid for new construction projects and has found that this gives them the best price. For example, in a hard bid of middle school "GG," which is the same design as Campbell Middle School, now under construction, the bid came in lower than the earlier Campbell Middle School bid.

The district used design/build for its administrative building and was extremely pleased with the cost of the building and its design—\$67.50 per square foot including fixtures, furniture, and equipment (FF&E). However, it does not have plans to use this method for future school construction. This is in part because design/build would not make sense for new construction when re-using designs, because the design is already done. For renovation, design/build does not allow for as much quality control as construction management at risk, hence the reluctance to use design build for renovations.

Experienced project managers track construction projects to see that they stay within budget and on schedule. The project managers meet regularly with the project team to ensure the appropriate level of communication throughout the construction process. Project managers report to supervisors who are responsible for the implementation of the five-year facilities work plan.

For new construction, the district uses the Florida Department of Education guidelines of total cost per student station to set its budget. The Volusia County School District typically falls below the state average cost per square foot.

**Exhibit 7-6
Comparison of New Construction Costs and the State Averages**



Source: Florida Department of Education.

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 are 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 also 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 Volusia County School District project timeline incorporates considerations for the school calendar in order to minimize the disruption of classroom/student activities. The district develops contingency plans in case the project is not completed as scheduled. The district typically charges \$1,500 per day in liquidated damages for construction that goes beyond contract stipulated deadlines. The district will not move into a building until the punch list is completed. They have found that if you take the building too soon, it is much more difficult to get the contractor to finish. The back-up planning, liquidated damages and policy to occupy only after the punch list is completed, has meant that schools have opened on schedule, or that there has not been disruption of the educational program and services. In Volusia County School District, Freedom Elementary School experienced a delay in the delivery of windows. If the contractor had waited for the windows to start the interior work, the schedule would not have been met. In order to avoid paying liquidated damages, he decided to board-up the window openings and start interior work, rather than delay the school opening.

While the district is using this best practice by providing realistic time frames for construction projects, it does not always provide good initial cost estimates for projects. Budgeting for new construction and

major renovation projects is more reliable, however, weaknesses exist in the budgeting for small capital projects. In a review of 16 closed projects that had been fully implemented, the average variance—over and under spending the budgeted amount—was less than 2%. However, in a review of open projects, 15 of them exceeded their original budget amount by anywhere from 23%-199%, for an average of 57%. The total expenditures over the original budget for these 15 projects were \$1,691,459. The projects included such work as roof replacements, HVAC upgrades, replacing air conditioning units, and renovating auditorium seating. The variance is a result of the project development process. Initially the scope of work for a renovation project—such as a component replacement or a system upgrade can come from a principal, the maintenance department, the superintendent or deputy superintendent. If it is determined that this should be brought before the school board for approval, the initial estimate is based on the historical cost of similar projects. If the project is approved, it goes to an architect to develop a more detailed study of the project and a scope of work with a new estimate. This project scope and estimate are brought before the school board, and a decision is made whether or not to go forward with the project. The budget is then revised to reflect the new estimate and the school board decision. Finally, once a project goes out to bid, and contracts are approved, the budgets are adjusted to reflect the actual costs. Because the initial budget may affect the decision of the school board improving the initial budgeting is in order.

Although the district is using this best practice, it could improve its budgeting for construction on existing schools.

We recommend that the district conduct a thorough review of the initial work scope and budgets to improve the estimates for small capital projects to provide decision makers with the best information to base their decisions.

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 Volusia County School District's building code division has five licensed building code inspectors. All inspectors regularly attend courses to maintain and expand their knowledge of the building code. The building code division is developing updated school board policies to reflect current practice that is in compliance with the Florida Building Code.

Prior to the revisions made to the state building code, the district had its own building code division. They have provided training at the Florida Education Facility Planning Association (FEFPA) on the Florida Building Code.

The building code division works with architects early in the design process to make sure they understand and comply with Florida Building Code requirements in their designs. The district has processes in place to request code permits and inspections. The district utilizes a stamp which is imprinted on the plans/drawings. It is a highly visible indicator that provides the inspector "at-a-glance" notification of the status of the applicable building code for that project.

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 which contains extensive information about school sites, capacity, and condition.

The Volusia County School District building code division is directed by the head of new construction, a building construction professional. The building code employees are appropriately licensed and trained with documentation of current training. There is a well developed process for inspections.

A final inspection is conducted and a certificate of occupancy is issued before buildings are occupied. After the final inspections are completed and passed, the district will complete an overall inspection, noting items on the Certificate of Occupancy/Completion Checklist. The Certificate of Occupancy Checklist indicates the criteria for code approvals and indicates the reasons for failure. Notice of failure provides indication of what is needed to meet code.

In the case of relocatables, the district uses a Renovation Permit and Occupancy Checklist. The district does issue Temporary Certificates of Occupancy, but indicates that this is limited to administrative staff so they can access the school while minor, non-safety related issues are addressed. The district's policy is not to occupy a building before a full certificate of occupancy is issued.

The FISH database is updated by the district. The DOE requires online updates of its data. The capacity and room data is up-to-date; however, the most recent plant survey is 1994. According to the school district this is because the Florida Department of Education is behind in uploading the most recent plant survey.

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 out-sourcing, 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 Volusia County School District utilizes the Consultants Competitive Negotiation Act (CCNA) selection process in accordance with s. 287.055, *Florida Statutes*. The district uses this selection process for all projects with a budgeted cost in excess of \$500,000. This allows the district to use project specific fee based contractors and one year term contracts of architects and engineers, and others for an undetermined set of projects, when the fee for such professional services does not exceed \$50,000.

Facilities Construction

The criteria used during the selection process of an architect or a construction manager are as follows:

Architect		Construction Manager	
Criteria	Points	Criteria	Points
Location	1-10	Knowledge of site/local conditions	1-10
Volume of work in Volusia County	1-4	Proposed project staff function	1-20
Past Performance	1-10	MBE utilization/local subs/small business	1-5
Timeline and budget adherence	1-10	Insurance/safety program	1-10
Experience and ability	1-10	Overall approach/methodology	1-20
		Cost control/value engineering	1-15
		Scheduling this project	1-20

Source: Volusia County School District.

However, interviewers consider a much wider set of factors when rating the candidates, including adequacy of technical and support personnel and availability of particular individuals for the type of project management selected; creativity within the context of sound construction practices and wise expenditures of public funds; adequacy of project supervision; sound business procedures and record keeping on the job; financial responsibility; suitability of size and type of organization; methods of operation; willingness of the candidate to make changes in plans at various points in the process; ability and inclination of the candidate to protect the district's interests in his or her dealings with the contractor; and references contacted when selecting project professionals.

The district uses a large selection committee consisting of various members of the facilities construction and maintenance area to select professionals for construction projects. The members include the executive director of facilities, director of new construction and inspections, director of renovations, supervisor of project managers, director of site acquisitions, director of maintenance/operations, building supervisor and coordinator of accountability and construction. On occasion, representatives from the PTA, or a school improvement or community representative participate in the selection process.

A pre-qualification process is used to support decision making by the committee. However, contractors, subcontractors, and suppliers must go through a complete pre-qualification process in order to be considered for use on a facilities construction project. The district has standardized forms that contractors, subcontractors and suppliers fill out as part of the pre-qualification process.

The district holds mandatory pre-bid conferences with architects and contractors that may be interested in submitting a bid on a particular project. These conferences are designed to ensure good communication with the architect and contractor and to make sure they are fully aware of the bid criteria.

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 Volusia County School District follows generally accepted and legal contracting practices. The district holds mandatory pre-bid conferences with architects and contractors. The district advertises where bids are opened and read to all members in the bid process and the public at exactly the designated time. The terms of the bid process allow questions at the end of the bid reading. This helps eliminate future bid protests. Each contract is approved by the school board, and then signed by the superintendent/secretary to the school board. Contractors awarded a contract are required to submit a signed owner-contract agreement, workers' compensation insurance certificate, payment bond, a performance bond, and a guarantee of completion. The district uses construction management at risk for remodeling projects and traditional design/bid/build for new construction. Because of the district's success in keeping costs down with hard bid for new construction, it is committed to this approach.

For example, Freedom Elementary School was originally built for \$11 million; the estimate for Elementary School "W" currently in the bond program was \$12.7 million, but the actual bid came in at under \$11 million. Volusia Pines Elementary School addition was estimated at \$2.175 million, but the hard bid came in at \$1.6 million. Particularly, with a down turn in commercial construction, hard bid is enabling the district to benefit from the excess capacity of construction contractors.

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 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.

New construction projects have an average change order amount of 1%. With renovation, especially in the case of phased renovation, the school district avoids the problem by entering into construction management at risk contracts. However, there is a premium for trying to "sell" the budget risk. District reports that in capital renovation projects that the district provides "contingency" dollars in the overall budget to fund change orders that arise due to unforeseen circumstances and changes in the construction plan by the owner.

The district uses standard forms for change orders with back up information to justify a change to the contract. All change orders over \$6,000 must be approved by the school board. However, a proposal has been written to increase this amount to \$25,000.

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 Volusia County School District uses procedures for payment that protect the district and are fair to the architect, construction manager, and contractor. In each case, the district uses a contract that stipulates that payment is to be based on the percentage of work that has been correctly completed. In most cases, 10% of each requested amount is retained until completion of the project and the certificate of occupancy is certified and all pending matters are finalized.

Payment approvals must have multiple signatures before being processed. When a construction manager applies for payment the architect reviews the construction manager's application for payment and signs off if it meets the progress and quality criteria, then the Volusia County School District project manager reviews the application and signs off. At this point it can go forward for payment. Payment is made the Thursday following the prior weeks Wednesday receipt of the approved application by facilities construction. The budget office tracks actual payment against the budgeted amount.

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 Volusia County School District provides a customized orientation program for maintenance personnel and school staff before school opening. The architect, the facilities planner, the contractor, and/or the educational administrator share the responsibility for the orientation program. Before completion of the project facilities construction, maintenance, architect, construction manager, contractor and educational administrator plan the orientation. A sign-in sheet documents attendance and participation in the orientation by the principal, custodians and maintenance professional who will be responsible for the new school.

In addition to the formal orientation, at substantial completion, there is a walk through and explanation of the building with the contractor, maintenance technician and project manager. The substantial completion certificate helps prepare for the orientation, as the inspector, contractor, engineers, subcontractors, architect, project manager, maintenance personnel, and site administrator all participate in portions or all of this preliminary inspection. When the facilities division does the walk through for punch list, the principal and custodian attend in order to begin to become familiar with the building.

As part of the contract with the district, contractors are required to provide training classes on the use and maintenance of new facilities. The operating instructions, or owners' manuals and warranties for the systems are incorporated into a school specific "operating manual."

Best Practice 22: Using

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.

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.

As the end of the first year of operation approaches, the Volusia County School District facilities department conducts an End of First Year Warranty Inspection on the project to document any needed warranty repairs. The facilities planning and maintenance department coordinate to notify the contractor if action is warranted. As part of the preventative maintenance program, the maintenance department performs annual inspections of every school to evaluate safety and maintenance in each school.

An example of a change the district has made as a result of an evaluation process, is the elimination of dishwashers in the kitchens, as Food Service converted to disposable ware. The district continues to rough in plumbing and electric for dishwashers if they decided to use them in the future, but eliminating the dishwashers has enabled the district to reduce the size of the water heaters, thus saving utility costs and boiler insurance expense.

The school district in partnership with Florida Solar Energy Center completed an analysis of utility consumption of portable classrooms. They found that changing the lighting system, using a high efficiency heat pump with enthalpy recovery ventilation, a metal white reflective roof, and an occupancy-based control system for lighting and AC resulted in large reductions in energy consumption and improved air quality and illumination in the portable classroom.

Although the school district has feedback systems on the construction side, the feedback systems on the design side are less formal and are typically meetings, memos, and discussions about how well a design is working in order to inform a new project that is being planned. However, the district's post occupancy evaluation does not effectively evaluate the quality of the educational specifications and design and to evaluate whether each new building is being used is consistent with its design intent. While the informal system of "continuous" improvement has clearly been effective for the district, as 83% of employee respondents agreed with the statement: "The school in which I work provides an appropriate teaching environment." And 84% agreed with the statement: "The school in which I work provides an environment that is conducive to student learning." This District could benefit from a formal post occupancy evaluation such as they used for the Galaxy Middle School in Deltona in the late 1980s. This

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post occupancy user survey included a thorough review of overall satisfaction, and also of very specific design elements of the building, such as windows, noise levels, flexibility, and tack boards, as well as issues of community, privacy and educational appropriateness.

Such a survey may help resolve issues that are of concern with the middle school prototype being built in the district. Heritage Middle School is a prototype middle school. The site based administrator and custodian indicated that the school was overcrowded, and approximately 60 students were eating lunch, at a 10:40 AM lunch shift because of the crowding. The school does four lunch shifts in order to be able to serve all students. The local school indicated that the school was about 200 students over capacity. However, according to the capacity report in the Florida Inventory of School Houses (FISH), the actual FISH capacity is 1,488 and the enrollment is 1,396. While there is little luxury there, it should not be as crowded as the school is experiencing it. When following up on this, the district reported that four lunch shifts was the practice in all of the prototype middle schools because of state guidelines on the size of the lunch room, which permits a lunch room capacity of one third of the school capacity. This needs to be fully evaluated before the Middle School “GG,” which is identical goes into construction. A post occupancy evaluation can help determine whether the crowding issues are a design problem, as the district suggests, or a scheduling problem.

We recommend that the district develop a written report of a post occupancy review to report the quality and usability of designs. This will enable the district to enhance accountability and create institutional, as well as personal memory and knowledge about building designs.

Best Practice 23: Not Using

The district has not established and implemented all necessary 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 Volusia County School District has all the elements of a well-managed program:

- Defined project scope
- Project schedules
- Project budget and project expenditure tracking
- Spending plan
- Ability to adjust schedule for cash flow Construction standards
- System for inspection
- Good records
- Regular reporting

- Internal review schedules
- Monthly staff meetings
- Monthly oversight committee meetings
- Regular communication with the school board

However the district has not historically developed an overall set of management goals and measurable objectives for the site acquisition, planning, design, construction and inspection of its schools. The district’s revised strategic plan process has been improved by including operations effectiveness, but the goals, indicators/strategies and benchmarks for this should be better developed.

Although the district has important elements of the best practice in the area of evaluation and accountability, it does not use this best practice for two reasons: it does not have a system for evaluation and while it does have project level goals and objectives, it does not have management level goals and objectives. In order to meet best practice standards, the facilities services division should develop management goals and objectives for the facility planning, design and construction functions and a system to evaluate progress and efficiency toward meeting these ends.

Action Plan 7-1 includes the steps needed to implement this recommendation.

Action Plan 7-1

We recommend that the facilities services division develop management level goals and objectives for the facilities planning, design and construction functions and a system to evaluate progress and efficiency toward meeting these ends.

Action Needed	<p>Step 1. Establish performance accountability committee to include facilities administration from the maintenance and capital sides, a representative of the bond oversight committee, principal, and a school district educational planner.</p> <p>Step 2. Revise the goals, indicators/strategies and benchmarks in the District’s Strategic Plan to meet the level of specificity of the educational goals, indicators/strategies and benchmarks. Alternatively these elements can be developed separately at program level and not included in to strategic plan.</p> <p>Step 3. Identify relevant areas for which data is already collected that can be linked to goals.</p> <p>Step 4. Create a matrix of the goals, indicators/strategies and benchmarks and the relevant data.</p> <p>Step 5. Prepare a report for the superintendent and school board of the management goals and objectives of the facilities construction division and how well they are meeting them.</p> <p>Step 6. Create a policy to report performance on key measures to the superintendent and the board.</p> <p>Step 7. Bring proposed policy for reporting performance to superintendent and board, along with first report on performance accountability.</p>
Who Is Responsible	Executive Director of Facilities
Time Frame	December 2004

Best Practice 24: Using

The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.

Evaluation of completed projects is an important management tool because it assesses how tax dollars were spent and whether a district took full advantage of available, usually scarce, public funds. Districts should assess their facilities construction operations as a whole at least annually using performance data and their established benchmarks. They should report their progress towards meeting established goals,

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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 Volusia County School District, through its bond oversight committee, and by its facilities division keeps the school board and the public informed of the progress on projects approved in the bond. The facilities services division reports on overall progress and cost to the school board on a monthly basis. Quarterly, the director of facilities prepares an in depth presentation to indicate the progress of the district in the implementation of the bond program. Annually, the school district has a capital workshop, at which the public can participate. The bond oversight committee is also involved in monitoring and evaluating the progress of the bond program. This reporting could be expanded to include accountability mechanisms developed in Action Plan 7-1.



Facilities Maintenance

Summary

The Volusia County School District is using 19 of 22 of the best practices relating to facilities maintenance. The district’s performance is particularly strong in areas relating to environment, safety, and site-based maintenance. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should improve its use of goals and objectives, its cost estimation of major maintenance projects, and its monitoring of energy management system controls.



This review identified three opportunities that the district has to reduce costs: one opportunity concerning maintenance operations; one concerning custodial operations; and one concerning energy management. The opportunities are described in detail under Best Practices 6 and 16, while the calculated cost savings are shown in Exhibit 8-1. Determining whether to take advantage of these opportunities is a district decision that should be based on many factors including district needs, public input, and school board priorities. If the district implements these opportunities, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing other deficiencies identified in this report. These opportunities to improve in the area of facilities maintenance would have a position financial impact of approximately \$3.7 million over the next five years.

**Exhibit 8-1
Opportunities for the District to Improve in Facilities Maintenance**

Best Practice Number	Fiscal Impact					
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Total
6 Maintenance Operations	\$23,680	\$ 47,361	\$ 47,361	\$ 47,361	\$ 47,361	\$ 213,124
6 Custodial Operations	0	250,120	850,120	850,120	850,120	2,800,480
16 Energy Management	0	102,522	205,043	205,043	205,043	717,651
Total	\$23,680	\$400,003	\$1,102,524	\$1,102,524	\$1,102,524	\$3,731,255

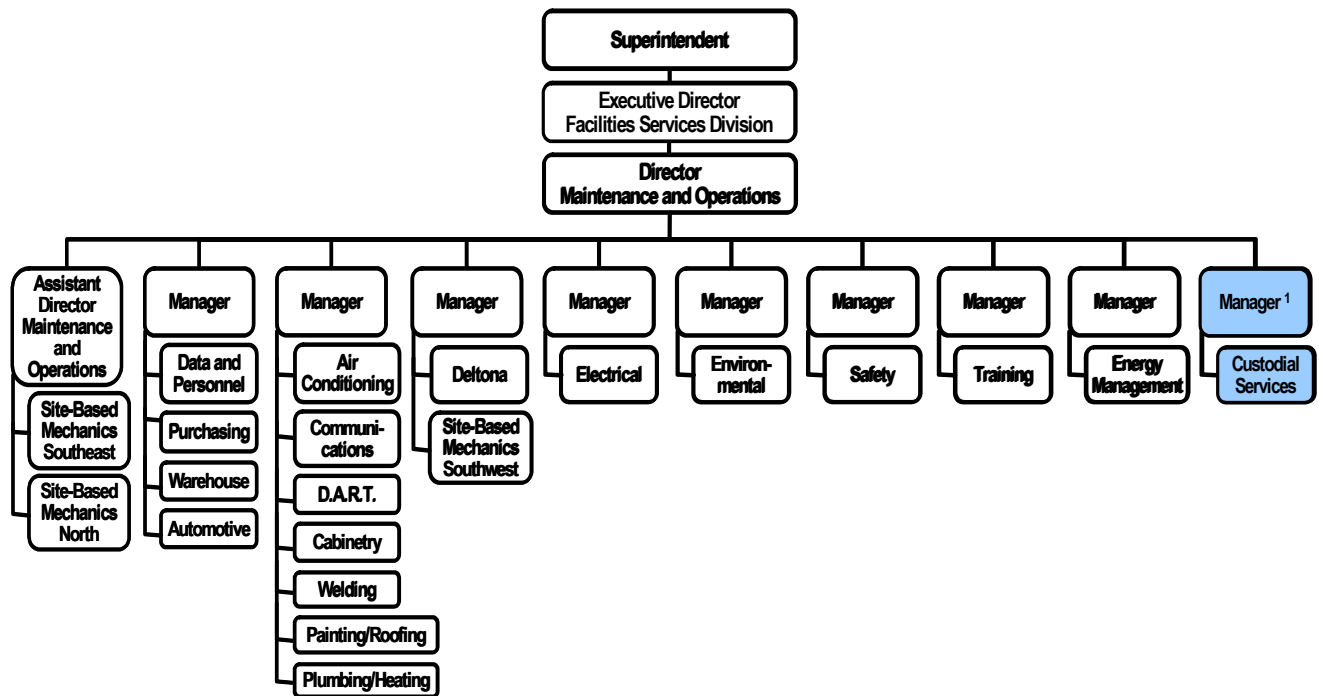
Background

The Volusia County School District Facilities Maintenance and Operations Department is within the district's Facilities Services Division, and is responsible for all aspects of preventive, routine, and emergency upkeep for the district's 68 school and 10 other facilities. In total, the department maintains approximately 7.9 million net square feet of building space. Additional responsibilities include the maintenance of all grounds and athletic fields, and the installation and relocation of relocatable classrooms.

The maintenance department employs approximately 235 people in various skilled trades, clerical, supervisory and maintenance support positions. It had an operating budget of approximately \$11.9 million for the 2002-03 fiscal year. The department is headquartered at 3750 Olson Drive in Daytona Beach, and is managed by a director. This director reports to the executive director of the Facilities Services Division, who in turn reports to the superintendent.

As Exhibit 8-2 shows, 10 staff managers report to the maintenance director, and these managers oversee 21 department sections. The 21 sections are: air conditioning/refrigeration, automotive, cabinetry/carpentry, communications, custodial, diagnose and repair team, data and personnel support, Deltona, electrical, energy management, environmental, painting/roofing, plumbing and heating, purchasing, safety, training, warehouse, welding, and three site-based mechanics groups. Custodial services are outsourced, but custodians are supervised and evaluated by the school principals. There are currently 540 custodial positions and 482.7 custodial FTEs.

Exhibit 8-2
The Volusia County School District's Facilities Maintenance and Operations
Organizational Structure Is Hierarchical



¹Custodial management services are outsourced to a private contractor

Source: Volusia County School District.

Activities of particular interest

The district has a strong maintenance department, with a number of noteworthy programs. Three programs that have been initiated in recent years to improve efficiency and reduce costs are a site-based Facility Maintenance Technicians Program, a Preventive Maintenance Program, and a Diagnose and Repair Teams (DART) Program. The Facilities Maintenance Technician Program, which has placed approximately 40 highly-trained and multi-skilled mechanics at various schools and facilities throughout the district on a permanent basis, has reduced total labor hours and costs by eliminating the need for these technicians to travel to their work site. In addition, equipment downtime has been reduced because on-site technicians are available to respond to repair needs immediately. The Preventive Maintenance Program, which involves scheduled proactive maintenance on a variety of operating systems, has significantly reduced the number of reactive work orders. In addition, the DART Program, which consists of a roving multi-skilled team of mechanics on second shift, has also reduced total labor hours and costs. The productivity of the mechanics assigned to these DART teams is enhanced because they do not have to “work around” students when repairing and maintaining the district’s infrastructure. All three of these programs are in the early stages of development. While there is opportunity for growth and improvement in each one, they have already demonstrated their usefulness to the district.

The maintenance department also has notable programs in the areas of environment, safety, and training. With regard to environment, indoor air quality management plans/coordinators exist for each school; 24-hour response procedures and a second shift preventive maintenance program are in place; and information is readily shared with building occupants. In safety, site safety committees have been established at each school, resulting in a reduction of safety violations, and an infrared reporting and repair program has also been recently developed to inspect electrical components for fire hazards. And in training, a Career Path program has been developed and is scheduled to be implemented this year. The Career Path program provides employees the opportunity to increase their expertise and compensation through on-the-job and outside training.

Conclusions and Recommendations

Summary of Conclusions for Facilities Maintenance Best Practices

Practice Area	Best Practice	Using 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	8-6
	2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	Yes	8-7
	3. The district obtains and uses customer feedback to identify and implement program improvements.	Yes	8-8
	4. The district has established procedures and staff performance standards to ensure efficient operations.	Yes	8-9
	5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	Yes	8-9
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	8-10
	7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	Yes	8-12
	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	8-12
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	8-13
	10. The district accurately projects cost estimates of major maintenance projects.	No	8-14
	11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	Yes	8-15
	12. The district minimizes equipment costs through purchasing practices.	Yes	8-15
	13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	Yes	8-16
	14. The district uses proactive maintenance practices to reduce maintenance costs.	Yes	8-17
	15. The maintenance and operations department identifies and implements strategies to contain energy costs.	Yes	8-18
	16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	No	8-18
	17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	Yes	8-19

Practice Area	Best Practice	Using Best Practice?	Page No.
Information Management	18. A computerized control and tracking system is used to accurately track work orders and inventory.	Yes	8-20
	19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	Yes	8-20
Health and Safety	20. District policies and procedures clearly address the health and safety conditions of facilities.	Yes	8-21
	21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	Yes	8-22
	22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	Yes	8-22

Program Direction and Accountability

Best Practice 1: Not Using

There is an adequate mission statement that represents the district's maintenance department, but most of the department's goals need to be revised, and there are no discernable 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 Volusia County School District maintenance department played an integral role in the development and adoption of a mission statement by the entire Facilities Services Division in 1995. Although the maintenance department does not have its own mission statement, the division's mission statement adequately represents the work of the maintenance department. This mission statement is as follows: "With the spirit of teamwork and a pledge to excellence, we will design, construct, and maintain a safe, clean learning environment that enhances student achievement and instills a sense of pride and accomplishment throughout the community."

While there is an adequate mission statement, the district does not use this best practice because most of its existing goals are activity-based rather than outcome-based. For instance, the department's goals for 2003 are to: (1) implement career path; (2) site safety program; (3) preventative maintenance program; and (4) roofing program. These goals represent activities the department intends to focus on rather than specify outcomes the department expects to achieve. Nor is it possible with such goals to assess progress in achieving its mission or to determine whether the activities specified in these goals actually support department efforts to achieve its objectives. The district's written goals need to be revised to be outcome-based, and there are no written objectives that either identify expected outcomes or that are tied to the existing cost-efficiency and performance measures.

Currently, the district is not able to link desired performance with the budget allocation process. Such a system would allow the district to assess performance against specific goals and objectives and redirect resources if desired objectives are not achieved. Instead, staffing needs are currently based on the anticipated square footage of the buildings that needs to be maintained. If, however, performance goals—for example, relating to the speed with which maintenance service requests should be completed—were in place, additional factors would need to be considered when developing staffing projections. Changing the staffing projection methodology, in turn, could have an affect on projected budget needs and staffing as the preponderance of the department's budget is devoted to staff related expenditures.

The district should establish outcome-based goals and specific measurable objectives for its maintenance operations. Action Plan 8-1 outlines the steps necessary to implement this recommendation.

Action Plan 8-1

We recommend that the district establish outcome-based goals and specific measurable objectives for its maintenance operations.

Action Needed	Step 1.	Develop outcome-based goals for each discrete maintenance program area.
	Step 2.	Develop specific measurable objectives for each discrete maintenance program area that are linked to cost-efficiency and performance expectations.
	Step 3.	Obtain comments from a broad range of department customers and other stakeholders prior to finalizing goals and objectives.
	Step 4.	Establish a periodic mechanism for collecting and assessing performance data against the established measurable goals and objectives.
	Step 5.	Link the performance measurement and budget allocation processes.
	Step 6.	Provide for the periodic reporting of performance to the superintendent and the school board.
Who Is Responsible	Director, Facilities Maintenance and Operations	
Time Frame	December 2004	

Source: Berkshire Advisors, Inc.

Best Practice 2: Using

The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.

An effective accountability system includes performance and cost-efficiency measures, and interpretive benchmarks, such as comparisons to adjoining districts or an industry standard, to evaluate the program and use these 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 Volusia County School District maintenance department uses appropriate performance and cost-efficiency measures and interpretive benchmarks to evaluate its programs. Performance measures include the number of outstanding work orders; the days work orders are open; actual versus estimated hours to complete work orders; and the results of customer satisfaction surveys and facility quality inspections. Cost-efficiency measures, which are benchmarked against averages for all Florida school districts, include maintenance and operations and energy costs per square foot. Cost-efficiency measures and benchmarks are regularly reported to the school board for its review.

Most of the cost and performance data are collected via a computerized work order system called "Enterprise Asset Management." The system tracks work order costs (labor, parts, and travel), as well as the number of outstanding work orders, days work orders are open, and actual versus estimated hours. To ensure data reliability, information system operators generate monthly validation reports. Monthly reports are prepared on the number of outstanding work orders; the days work orders are open; and the

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

estimated vs. actual hours to complete work orders. In addition, customer satisfaction surveys and facility quality inspections are conducted and results are reported annually. The survey and inspection results are shared with principals, area superintendents, and facilities staff.

To improve management and efficiency and to reduce costs, the district has undertaken two site-based programs: the Facility Maintenance Technician Program and the Preventive Maintenance Program. The Facilities Maintenance Technician Program has placed 40 permanent multi-skilled mechanics at various schools and facilities, and by eliminating the need for mechanics to travel from site to site the district estimates that it has reduced maintenance labor hours by more than 65,000 since 1995 (an average of almost 9,300 hours a year or the equivalent of approximately 5.0 FTEs). The Preventative Maintenance Program, which involves scheduled proactive maintenance, has reduced the number of reactive work orders by more than 50% since 1996.

Best Practice 3: Using

The district obtains and uses customer feedback to identify and implement program improvements.

Customer feedback drawn from surveys is another tool to evaluate the efficiency and effectiveness of the maintenance program. Customer evaluation surveys should ask stakeholders, such as principals and school-based employees, to provide their perceptions of response times, work order completion times, quality of work, overall facility appearance and cleanliness, and the professionalism of employees in the maintenance program.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.

Each year, the Volusia County School District surveys principals and facility administrators to determine their satisfaction with the maintenance department. Survey questions include: routine response time; communications with the maintenance department; overall work quality and completeness; employee work ethics; employee appearance; ability to complete tasks in one trip; work order process; and emergency response time. Results from the district self-analysis of the survey data from the last three years show an overall satisfaction level of the maintenance department ranging from approximately 3.8 to 4.0 out of a possible 5.0. The highest rated areas were safety and emergency response, and the lowest were communications about work order status and the ability to complete work in one trip. The survey results are communicated to principals, area superintendents, and facilities staff, but not to the school board.

The department uses survey results to improve its productivity and performance. For example, when the customer survey results indicated inability to complete tasks in one trip the department identified the cause – the repair parts needed to handle jobs were often not stocked on maintenance trucks. Once this problem was identified the department took immediate action (stocking more specialized parts on trucks) to address the problem.

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

Best Practice 4: Using

The district's maintenance department has established written 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, trades 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 policies, and set clear expectations for job performance, giving managers tools that allow them to consistently evaluate employees.

The Volusia County School District maintenance department makes effective use of written procedures and performance standards both to clarify expectations for how work is to be performed, and as the basis for conducting employee performance evaluation. Written procedures have been established for each major operational area including: purchase and replacement of equipment, supplies, and materials; personnel staffing and hiring; maintenance and operations budget criteria; facilities standards; and use of facilities and equipment.

In addition, performance standards for each department position are clearly specified in position descriptions. The performance standards are used to make hiring decisions and to evaluate employee performance. The district has also developed a process for improving performance when an employee does not meet performance expectations. This process includes verbal and written notification of performance deficiencies, development of a plan for improvement, and counseling employees if problems persist. District managers and supervisors then monitor work order reports, attendance, and other staff performance measures.

The department has also developed an annual facilities review process that includes inspections of every building and room. Inspection results are then used to prioritize needs based upon predetermined criteria.

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's maintenance program should include routine condition inspections, a preventive maintenance component, regularly scheduled repairs, methods of responding to emergencies, plans for the modernization of building systems, facility enhancements, and general renovations as primary functions.

The Volusia County School District facilities are well maintained. Results from department-sponsored facility quality inspections and customer satisfaction surveys, an employee survey conducted as part of this study, and feedback from tours of 15 district schools consistently indicate that district facilities are effectively maintained, provide an appropriate teaching environment, are conducive to student learning, and create appropriate working conditions for district employees.

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), and geographic distribution of a district’s physical facilities; and the scope of services that have been assigned to the department. In general, however, the organizational structure of the maintenance function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner. It is expected that smaller districts with fewer staff will require staff to individually handle multiple areas of responsibility (such as facilities maintenance and transportation) that may be done by different individuals in larger districts.

The Volusia County School District maintenance department has established an effective organizational structure. This structure is detailed in a board-approved organizational chart. Supervisory spans of control are reasonable and are based on both Florida Department of Education staffing formulas and Clemson University guidelines. Custodial management services are outsourced through a private firm, but staff are evaluated and supervised by the principals. Interviews with several principals and head custodians indicated there are typically no problems with supervision and control of the custodial staff. In addition, the department does a good job of defining position responsibilities (which are documented in the job descriptions for each position).

Each year the department also projects its staffing needs over the next five years (as part of the five-year budgeting process) and reviews current year staffing. Staffing needs are first determined using Florida Department of Education staffing guidelines (which call for one mechanic per 45,000 square feet), and adjustments are made through an annual facilities review process to reflect the condition and aging of facilities (the district currently employs one mechanic per 53,000 square feet). Results from custodial inspections and customer satisfaction surveys indicate that there currently is an adequate level of maintenance service.

The department has taken a number of useful steps to improve the productivity of maintenance workers, including: (1) selected maintenance employees have been reassigned to individual schools to reduce the time required to respond to requests for service, and to eliminate unproductive travel time; (2) parts and tool inventories on trucks have been modified to reduce the need for workers to travel to the maintenance shop for tools or parts after reporting to a job site; and (3) many workers have been assigned to four ten-hour shifts each week (instead of the five eight-hour shifts that they previously worked), therefore reducing unavoidable downtime by 20%. Concerning the third step, some downtime is unavoidable at the beginning of each shift (when workers assemble and receive their work orders for the day), and at the end of each shift (when they return to the shop and clean vehicles and equipment). These steps reflect an understanding on the part of department managers that a key to improving the productivity of maintenance workers is to reduce the amount of time spent on unproductive activities during the course of a day.

Although the district uses this best practice, we identified two opportunities for the district to improve the productivity of its staffing. First, for maintenance operations, the district should consider increasing to

the maximum possible the number of workers assigned to four ten-hour shifts each week. Assuming that maintenance workers have a minimum of 70 minutes of unproductive time each day—leaving the shop 15 minutes after the start of their shift, returning 15 minutes before their shifts ends, and traveling 20 minutes to and from their work sites—and that 58 maintenance workers can still be assigned to four 10-hour shifts, the district could increase maintenance capacity to respond to work orders by about 1.5 FTEs. Based on an average salary and benefits of \$31,574 per year, implementing this would allow the district to avoid \$47,361 annually in future costs.

Second, the district should also consider an opportunity to improve the productivity of custodial operations, and therefore reduce custodial staffing costs. The district should reduce custodial staffing to more closely agree with a Florida Department of Education standard of 19,000 square feet and industry median of 20,000 net square feet per custodian median of (21,429 square feet less 1,429 square feet for light mowing duties near school facilities), and establish a system-wide grounds maintenance program in order to eliminate grounds and fence line duties for custodians. No custodians would be assigned extensively to grounds, as is the case where the district currently has an average of one custodian at each school assigned to grounds maintenance and fence line duty. The district currently has 482.7 custodial FTEs and a ratio of approximately 16,438 net square feet per custodian. Revising their staffing to one custodian per 20,000 net square feet would allow the district to reduce its custodial staffing by approximately 86 custodial FTEs. This would provide an annual savings of \$2.16 million.

However, there would be new costs in implementing a system-wide grounds program. This approach to grounds keeping is much more efficient due to using better equipment which requires fewer staff. To implement the system-wide grounds maintenance program the district would need to hire a program manager, 35 grounds maintenance staff, and purchase new grounds equipment. As shown in Exhibit 8-3, the district could save about \$2.80 million over the next five years by changing its current custodial and grounds maintenance practices.

**Exhibit 8-3
By Modifying Its Custodial Function and Creating a Districtwide Grounds Maintenance Program, the District Could Save \$2.80 Million Over the Next Five Years**

	Costs and Savings by Fiscal Year(s)			Total
	2003-04	2004-05	2005-08	
Gross savings from eliminating 86 custodians	\$0	\$ 2,155,504	\$ 6,466,512	\$8,622,016
Cost of new districtwide grounds program:				
Salaries				
1 Program manager	\$0	\$(75,000)	\$(225,000)	\$(300,000)
35 Grounds maintenance staff	0	(930,384)	(2,791,152)	(3,721,536)
Supplies	0	(300,000)	(900,000)	(1,200,000)
Equipment/Capital outlay	0	(600,000)	0	(600,000)
Total Additional Investment for Grounds Program	0	\$(1,905,384)	\$(3,916,152)	\$(5,821,536)
Net Savings to District	\$0	\$ 250,120	\$ 2,550,360	\$ 2,800,480

Source: Berkshire Advisors, Inc.

We recommend that the district:

- **establish a staggered four-day work week for the remaining 58 maintenance employees that are currently on five eight-hour shifts. This should be done in such a way to ensure that sufficient staff is available each of the five days schools are open, in order to handle emergencies.**
- **reduce its custodial staffing level to be more consistent with an industry standard of 20,000 net square feet per custodian, and establish a systemwide grounds maintenance program in order to eliminate grounds and fence line duties for custodians.**

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 Volusia County School District maintenance department employs effective hiring and retention practices. Appropriate job descriptions have been developed, and are readily available for review by staff and applicants in the form of vacancy announcements. The announcements include all of the information that applicants need to apply for employment. A hiring manual, which outlines hiring procedures, has also been established. In addition, the department is diligent in obtaining reference letters and contacting references prior to making an offer of employment. The department director notes no recent problems with hiring and retaining qualified staff.

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. Some enhancement to the training program could be beneficial, however.

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 (DOE), 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 Volusia County School District maintenance department has established an effective training program for both maintenance trades and custodial staff. A master training plan has been developed to guide the training of trades personnel. The written goals of the program are to “improve safety awareness; increase productivity; strengthen product quality; build employees confidence in abilities; and comply with mandated regulatory guidelines.” Other important goals such as cross trades utilization, interpersonal skills, district policy awareness, department procedures, and trades enhancement are not written, but all are adequately covered with the possible exception of trades enhancement for new technology (discussed below). Custodial training is provided by the firm with which the district contracts to provide custodial services. Both training programs include technical and personnel interaction courses and provide opportunities for individualized training. The actual training is provided by a mix of internal supervisors and external instructors and the training programs are evaluated using a course evaluation questionnaire. Moreover, in addition to the formal training programs, maintenance staff also has development opportunities through memberships in professional organizations and by subscribing to relevant publications.

Resource Allocation and Utilization

Best Practice 9: Using

The district 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 that 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 Volusia County School District currently complies with all rules and regulations relating to the allocation of maintenance funds. At present, these funds are segregated and tracked in three separate categories: Public Education Capital Outlay (PECO); Local Capital Improvement Funds (LCIF); and general operating funds. PECO funds are provided by the state. The district complies with the requirement that 10% of these funds be used for safety related purposes. LCIF is raised locally through property taxes (2 mil). A review of the Comprehensive Annual Financial Report of the district for the fiscal year ended June 30, 2002 indicated no problems with the use of these funds.

The district has established an effective planning and budgeting process. This process, which is zero-based, starts with an examination of actual versus adopted expenditures from the prior year. Individual

programs then submit their annual request. Once the budget has been approved, expenditures against budget are tracked throughout the year. An evaluation of actual versus planned expenditures (available online) is conducted each month by the district budget office, and annual reports of actual versus adopted budgets are also prepared and evaluated. As noted, the district also updates five-year maintenance and operations budget projections each year to ensure long-term needs are anticipated and planned for.

One notable feature of the budget process is that the district ensures that its Preventative Maintenance Program, which is a specific line item, is adequately funded. In addition, deferred maintenance also appears to be sufficiently funded and addressed, although there is no line item in the budget for that work.

The only area where district maintenance needs are not adequately addressed relates to painting, where a backlog of work orders currently exists. To address this one area of deficiency, the district should consider whether it is possible (within existing budget constraints) to shift some of the funding currently spent on deferred maintenance to an expanded preventive maintenance program for painting. The district should study this issue to determine if its feasible, and then develop a reasonable plan for implementation. In addition, some of the resources freed up by implementing the recommendations presented in the discussion of Best Practice 6 might be used to address unmet painting needs.

We recommend that the district establish a process for analyzing the costs and benefits of shifting some deferred maintenance resources (or using resources freed up from implementing productivity improvements) to additional preventive maintenance for painting. The district might go about this analysis by comparing the average cost of preparation, painting, and related repairs needed at different time intervals based on actual historical data. Such an analysis will then assist the district in both establishing an optimal time frame for this task, and in determining if cost savings would justify a new or revised painting program schedule.³

Best Practice 10: Not Using

The district does not accurately project 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.⁴ 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 plans out years.

The Volusia County School District prepares cost estimates of major (mid- to large-sized) maintenance projects, and monitors the project costs associated with change orders. For these projects—which are handled by the New Construction and Inspection Department, and are typically contracted out through a bid process—a cost estimate is prepared by an engineer prior to projects being put out to bid, based upon previous similar projects and current cost estimating standards. The bids received are also expected to reflect previous experience, current cost estimating standards, and local market conditions. For multiyear projects, a 4% factor is used to account for inflation.

³ For example, in the area of painting, the department should analyze the average cost of painting building exteriors at between 7 and 10 years compared to the average cost for buildings painted after longer intervals. By projecting out the two approaches over, say, a 20-year period, the district can better determine if the added cost of more frequent painting is more or less cost-efficient.

⁴ Individual projects that are beyond the scope of routine maintenance work are considered major maintenance projects.

However, the District does not use this best practice because it does not regularly evaluate the accuracy of these estimates. Moreover, a review of recent and current projects indicates a significant level of inaccuracy. While the average variance from budget for 16 closed projects that had been completed was less than 2%, 15 open projects that were reviewed exceeded their original budget estimate by anywhere from 23% to 199%. The average cost overrun for these 15 projects was 57%, and the total is approximately \$1.7 million. The projects included such work as roof replacements, HVAC upgrade, replacing air conditioning units, and renovating auditorium seating. (See the Facilities Construction chapter for more details on these cost overruns.) Several steps should be taken to improve cost estimation for major maintenance projects. Action Plan 8-2 outlines the steps necessary to implement this recommendation.

Action Plan 8-2

We recommend that the district conduct a detailed evaluation of major maintenance project cost estimates for the past two to three years; establish procedures to develop detailed project specifications prior to cost estimates in the future; and establish procedures to regularly evaluate future cost estimates for such projects.

Action Needed	<p>Step 1. Conduct a detailed evaluation of major maintenance project cost estimates for the past two to three years.</p> <p>Step 2. Establish procedures to develop detailed project specifications prior to cost estimates in the future.</p> <p>Step 3. Establish procedures to regularly evaluate future cost estimates for major maintenance projects.</p>
Who Is Responsible	Director, Architectural Services
Time Frame	December 2004

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 Volusia County School District currently maintains sufficient unreserved funds in both the operating and capital budgets that can be used for unforeseen maintenance expenses. At the end of Fiscal Year 2002, the amount of unreserved operating and capital funds was over \$7 million and \$22 million, respectively.

Best Practice 12: Using

The district minimizes equipment costs through its 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 Volusia Count School District's maintenance department uses a number of effective practices to minimize the cost of purchased equipment. For example, it uses a state-required bid process for purchases over \$25,000, and volume purchases are made when feasible and cost-effective. In certain cases, volume pricing is possible by obtaining bids based on yearly projections for parts and supplies. The items are then ordered on an as-needed basis. To achieve volume purchase discounts the district also co-bids painting supplies with Volusia County government.

In addition to taking reasonable steps to control purchasing costs, the department also ensures that other appropriate factors are considered when making purchasing decisions. For example, the department also considers ease of delivery, warehousing costs, maintenance costs, and product quality when determining what equipment to buy. When warranted, the department will also compare repair versus replacement costs when determining whether acquisition of new equipment is warranted. Feedback from maintenance worker focus groups indicated high satisfaction with the equipment and tools that are purchased.

Best Practice 13: Using

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

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

The Volusia County School District provides maintenance employees with the tools they need to effectively perform their jobs. Tools are available to workers either on repair trucks or at centralized storage locations. Feedback from interviews and a focus group with maintenance staff indicated satisfaction with the tools that are provided and that seldom-needed tools are readily available. Effective procedures have been established for the acquisition of new tools and equipment. However, the department has not performed an evaluation of the costs and benefits of purchasing versus renting equipment. In addition, the district does not have procedures for an equipment rental process.

We recommend that the district incorporate sections into its current procedures for the acquisition of new tools and equipment. These procedures should cover the need to conduct cost-benefit analyses of purchasing versus renting equipment, and should prescribe a process for renting equipment. Such updated procedures would ensure maximum cost-effectiveness in the use of seldom-needed tools and equipment.

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 surplus 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 Volusia County School District established an effective preventive maintenance program that has been designed to reduce long term facility maintenance costs. This program, which was established in 1995, is currently in place for roofing, painting, and HVAC. In addition, costs are tracked on HVAC equipment to help determine and schedule replacement. Infrared scanning is also being evaluated as a means to assist with the maintenance of electrical panels and motors. In addition to preventive maintenance, regularly scheduled inspections are performed on emergency generators. Feedback from school tours and an analysis of work order data indicate that this program has been effective in reducing the number of reactive work orders.

The existing Preventive Maintenance Program, however, may not be extensive enough. Preventive maintenance programs have not yet been established for other maintenance areas including paving, lighting, and flooring.

The district has established effective policies for disposing of surplus furniture and equipment. Items are either transferred to other schools or departments that need them, or depending on the age, type, and condition of the item they may be sold or destroyed. Items having a potential sales value over \$50 are sold through bid offerings. For disposed items, inspections are then done and identification tags are checked to ensure proper disposal.

We recommend that the district consider establishing preventive maintenance programs in other high frequency, large-scale maintenance areas such as paving, lighting, and flooring. Up-front costs for instituting preventive maintenance programs in these areas may result in long-term savings. To decide what new level of preventive maintenance is appropriate, the department should: (1) identify potential preventive maintenance activities for each area and estimate the annual costs to perform them; (2) estimate the likely future problems that will take place if each preventive maintenance activity is not performed, and the probability, time frame, and likely cost of these problems; and (3) compare future preventive and corrective maintenance costs on a present value basis.

Best Practice 15: Using

The Facilities Services 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, 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 Volusia County School District has taken a number of steps to control energy costs. For example, the district has developed a written energy management handbook that covers such topics as energy bill analysis, energy laws, summer operating procedures, energy conservation guidelines and practices, and water conservation. Other steps the district has taken to control energy costs include utility-provider collaboration and audits, user education, and use of technology (e.g., controls). The district collaborates with its main provider, Florida Power & Light, by conducting energy evaluations and audits to determine peak time and usage. (Twenty such audits have been conducted in past two years.) The department is also working with the Florida Solar Energy Center to make portables more energy efficient.

Best Practice 16: Not Using

The district has a growing energy management system in place, but does not adhere to the system's original specifications thus compromising its effectiveness.

Ever-increasing energy costs and limited budgets make it advantageous for school districts to install comprehensive, modern energy management systems, which can substantially reduce energy costs. An energy management system enables a school district to remotely operate and monitor HVAC equipment with controls that 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 Volusia County School District is off to a good start in installing and using energy management technology in its facilities. Approximately 30% of the schools have advanced energy management systems that control temperature, humidity, and start/stop times, and that can be remotely operated and monitored for troubleshooting. An additional 50% of the schools have more basic on/off controls. Only approximately 20% of the district's schools have no EMS at all.

However, the district does not meet best practice standards because there is no evidence that the district regularly monitors its energy management system controls, or generates routine reports to verify that their energy management systems are working properly. Also, feedback from discussions with maintenance and custodial staff during several school visits indicated that these systems are not routinely monitored.

Because the district is not using this best practice, it may be spending too much for energy. With more effective energy management, the district could reduce energy costs about \$718,000 over the next five years. In 2001-02, the district's energy costs were \$0.96 per square foot, which is higher than the average of its peer districts (Manatee, Lake, Lee, and Pasco), which were about 3% less, or about \$0.93 per square foot. If the district reduced their energy consumption to the average of its peers, it could save about \$205,000 annually.⁵

We recommend that the district establish and follow procedures to regularly monitor and report on energy management systems operations, and adequately train staff to follow these procedures. The steps required to implement this recommendation are presented in Action Plan 8-3.

Action Plan 8-3

We recommend that the district establish and follow procedures to regularly monitor and report on energy management systems operations, and adequately train staff to follow these procedures.

Action Needed	Step 1. Establish detailed procedures to regularly monitor proper energy management systems operations.
	Step 2. Establish a reporting mechanism to verify proper energy management systems operation.
	Step 3. Hire a staff person to cover the second shift.
	Step 4. Adequately train staff in energy management systems operations.
Who Is Responsible	Director, Facilities Maintenance & Operations
Time Frame	July 2004

Source: Berkshire Advisors, Inc.

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 manage 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.

⁵ The potential annual savings is based upon 7,934,761 square feet of total building space at \$0.03 difference per foot (i.e., 7,934,761 X \$0.03, or \$238,043. However, to realize any savings, the district will have to hire another person to work the late afternoon and evening shift to monitor the energy management system at the close of the day. The district already has an employee to monitor the energy management system at the start of school in the mornings. In any event, a second system monitor could be hired, according to the district, for about \$33,000. The district would have use part of its savings to pay the cost of the second employee, reducing the net annual savings to about \$205,000. We also assumed that the potential savings during the first year would be gradual, therefore only half of the total potential savings would be realized during the first year, and \$205,000 in savings for the next three years, or a total savings of about \$718,000.

The Volusia County School District uses private vendors for services whenever possible. Many services (e.g., custodial, solid waste management, and fleet maintenance) have been evaluated for outsourcing, and some of them (e.g., custodial) are outsourced. Services that require specialized skills or that are not cost-effective for the department to provide are sent for quote or advertised for bid. Notably, as each vendor contract expires, a new cost study is prepared to determine whether it continues to be cost effective for the service to be outsourced or whether the service should be performed in-house. Recent evaluations in which in-house versus contracted provision of services were assessed include carpet/tile removal and installation, concrete removal and installation, and sod and landscaping.

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.⁶ There are several types of computerized maintenance management systems available, some specifically designed for a single organization as well as “off the shelf software.” Any system in use should include work order control, scheduling, assignment and billing, inventory, and preventive maintenance scheduling and record keeping as integrated functions. The system should provide statistical information that can be used to assist managers in determining employee productivity, and in developing cost reports and estimates, equipment histories, and facilities condition assessments, while interfacing with other district financial programs. District administrators should receive sufficient training to maximize the potential of the system.

The Volusia County School District maintenance department uses an electronic tracking system to record work requests from a school or other facility, which are logged into the system by a trade specialist. The work order is then sent to an appropriate mechanic. The mechanic then logs into the system the estimated job cost and hours, and the necessary warehouse, vehicle, or non-stock parts required to complete the job. The system enables the district to tie into the work order estimated versus actual labor hours, materials, travel time, and contracted service costs for the life of the specific job, which enables back work order expenses to be appropriately charged. Work orders summary reports are produced and analyzed monthly, which includes outstanding work orders, the average number of days work orders are open, and work order workload by supervisor are produced and analyzed to improve performance. The system also provides a means to automatically re-order supplies.

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.

⁶ 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.

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 Volusia County School District has established an effective system for prioritizing maintenance needs. To this end, work order priority codes have been established, with the highest priority being “emergency,” for “safety hazard that can cause bodily injury or loss of life.” Other priority codes include preventive maintenance, disruptive to learning environment, routine maintenance, non-essential, projects, and proactive. Work orders include the priority codes, with repairs completed accordingly. Feedback from tours of nine schools, as well as a review of outstanding work order reports, indicated good adherence to the prioritization system. This review also suggests that repairs are timely and effective.

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.⁷ 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 fire safety inspections. Districts should have established written health and safety standards and ensure that documented evaluations are made of the condition of each educational plant and ancillary facility. Districts should have a written plan for maintaining healthy indoor air quality, which includes monitoring of indoor air quality and corrective action plans necessary to address indoor air quality issues.

The Volusia County School District has established effective procedures to ensure the health and safety conditions of district facilities. In particular, the department has documented 41 written “Safety and Security Standards” which are divided into the following six categories: training and implementation; violence prevention; emergencies and disasters; student and staff protection; physical plant; and community involvement. In addition, the Safety Services Department conducts and documents regular comprehensive safety inspections, noting deficiencies and corrective actions to be taken.

The district has developed indoor air quality management plans for each school. These plans describe the HVAC system and relevant construction materials (e.g., floor covering); set air handler unit operating parameters; and designate an indoor air quality coordinator and his/her duties (e.g., monitor handler unit operating conditions each week). In addition, the district has established a process for handling complaints about indoor air quality, which can be e-mailed to the environmental services unit. Within 48 hours of receiving a complaint, environmental services conducts a site survey to investigate the complaint and to determine what corrective action is warranted.

The district has also established safety committees at each school, which committees meet monthly. A site-based safety manual has been developed by the district for these committees to use, and is available at

⁷ See s. 1013.12, *Florida Statutes*.

each facility. This manual details safety committee organization, management involvement, safety and health training, first aid procedures, accident reporting, recordkeeping procedures, general site safety rules, and school safety procedures.

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, 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 Volusia County School District maintenance department complies with the Americans with Disabilities Act, U.S. Occupational Safety and Health Administration, U.S. Environmental Protection Agency, Florida Department of Education, State Requirements for Educational Facilities, and National Fire Protection Association requirements. In addition, the safety services unit has received several awards and acknowledgements for excellence in areas such as fleet safety, safety program improvement, safety committee activity, and safe and healthy workplaces. Besides meeting all mandated requirements, the district has also taken voluntary steps to ensure the safety of district facilities. In particular, the district has implemented an infrared scanning and inspection program for electrical component fire hazards.

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.

The Volusia County School District maintenance department follows the permitting provisions of the *Florida Building Code*, Section 104, 2001 Edition, requiring permits prior to the start of projects. To comply with these provisions, permit applications and permit forms have been developed. The department logs permit applications when they are received, but it does not issue permits. Instead, to ensure appropriate segregation of responsibilities a separate New Construction and Inspection Department (also reporting to the Facilities Services Division director) issues the permits.

The maintenance department also ensures compliance with building code provisions by ensuring that all staff is familiar with them. To this end, maintenance staff is trained two to three times a year on issues relating to the *Florida Building Code*, as well as on issues relating to other applicable state and local requirements. Adherence to these standards is also assured because staff is evaluated, in part, on the extent to which building code provisions have been followed.

The district also follows the inspection provisions of the *Florida Building Code*, Section 105, 2001 Edition, requiring inspections prior to occupancy. Code Inspection Correction Notices and Certificate of Occupancy forms are used to conduct these inspections (performed by the New Construction and Inspection Department). As with the permit process, maintenance staff receives training on inspection provisions, and compliance with these provisions is considered as part of the employee performance evaluation process.

9 Transportation

Summary

The Volusia County School District is using all 20 student transportation best practices. While the district effectively transports over 24,000 students to and from school each day, it can still enhance its effectiveness by establishing uniform procedures to document and track parent and citizen concerns and reduce spare bus inventory to no more than 10-12% of its total fleet.



As shown in Exhibit 9-1, the fiscal impact of the recommendations to improve transportation would total \$172,000 in reduced costs or cost avoidance over the next five years.

Exhibit 9-1
Implementing the Recommendations for Student Transportation Will Have a Five-Year Fiscal Impact of Approximately \$172,000 in Cost Savings and Cost Avoidance

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
8 Reduce Spare Buses	\$60,000	\$28,000	\$28,000	\$28,000	\$28,000	\$172,000

Background

Background information on Volusia County School District transportation services is presented in two subsections. The first subsection presents general information on the scope of the transportation services provided by the district, amount of state support for transportation services, the number of students transported, district budgets and expenditures for transportation, and an overview of the Student Transportation Services organization. The second subsection provides comparative transportation information for the Volusia County School District and eight peer districts.

General Information

Volusia County, which is situated on the east coast of central Florida, consists of 1,207 square miles and includes 2,641 miles of paved roads. The county had a population of 443,343 as of the 2000 census.

Transportation

While the county seat is located in Deland, about 25 miles inland, the primary areas of population concentration are located along the Atlantic coast, including Daytona Beach, Port Orange, Ormond Beach, New Smyrna Beach, and Edgewater. In addition to Deland, incorporated areas located inland include Deltona and DeBary.

The Volusia County School District's Student Transportation Services currently employs over 450 people—including 271 bus drivers—and is responsible for the home to school transportation of over 24,000 students on more than 240 routes. The district also maintains over 680 vehicles, including school buses, delivery trucks, and various other vehicles. These vehicles are maintained at either Student Transportation Services garages or at garages operated by the facilities department's Maintenance and Operations unit, which has its own garages to maintain the facilities department's vehicles and equipment. Fiscal year 2002-03 annual operating and capital budgets for the totaled \$14.7 million (see Exhibit 9-2).

Florida law requires school districts to provide student transportation. The state helps districts fulfill this mandate by providing transportation funding for the following groups of students:

- Students who live two or more miles from their school
- Elementary school students (sixth grade and under) who live within two miles of their school but who would be required to walk through hazardous conditions (as defined by the state) to attend school
- Students with disabilities
- Participants in teenage parenting, exceptional student education and vocational programs
- Dual enrollment students who must be transported from one school to another

Transportation costs for other students (courtesy riders), extracurricular trips, and costs that exceed the state allotment are paid with district funds.¹

Students Transported

As Exhibit 9-2 shows, the District transported more than 24,000 eligible students in 2002-03. Of these students, the vast majority are regular education students although exceptional student education (ESE) students comprise over 1,000 students or 4% of the students transported.

Exhibit 9-2

The Vast Majority Of Students

Transported By The District Are Regular Education Students

Category	Number Transported Per Day	Percentage Of Transported Students
Regular Students	22,462	92.7%
ESE Students	1,027	4.2%
Vocational Students	290	1.2%
Teen Parent Students	84	.3%
Hazardous	390	1.6%
Total Eligible Students	24,253	100.0%

Source: Volusia County School District, Student Transportation Services. February 2003 FEFP Transportation Survey.

In addition, the District transported 914 courtesy riders (students not otherwise eligible for state funding) in 2002-03.

¹ Courtesy riders refers to students who live within two miles of their school and who do not have to traverse hazardous areas

District school buses were driven 5,118,000 miles during the 2001-02 year, including 461,000 extracurricular activity trips miles (9%). Of the 323 buses in inventory as of March of 2003, 237 were in daily service on the district’s school bus routes, 55 were used as spares, 22 were assigned to schools as activity buses, and nine were assigned to special programs.² Most buses operate on three routes each morning and afternoon, typically transporting students to a high school, then to an elementary school, and then to a middle school. Coordinating multiple trips per bus with staggered school start times maximizes the efficient use of the district’s school buses and drivers.

Budget and Expenditure Data

As Exhibit 9-3 indicates, operating funds have accounted for the greatest portion of the student transportation budget over the past two fiscal years. Operating funds provided \$11,240,855 of the district’s Fiscal Year 2002-03 budget while capital outlay funds provided \$14,746,905.

Exhibit 9-3 Operating Funds Account For The Greatest Portion Of The Student Transportation Services Budget

	Budget 2000-01	Actual 2000-01	Budget 2001-02	Actual 2001-02	Budget 2002-03
Operating Funds	\$10,977,365	\$10,817,988	\$11,086,116	\$10,958,736	\$11,240,855
Capital Outlay Funds	2,407,945	1,667,842	3,051,297	2,418,844	3,506,050
Total	\$13,385,310	\$12,485,830	\$14,137,413	\$13,377,580	\$14,746,905

Source: Volusia County School District, Budget Office.

The budget for the operating fund includes specific direct expenses such as personnel, fuel, and parts. The capital outlay budget is primarily for the acquisition of new school buses.

Organization

The Director of Student Transportation Services provides overall oversight of the department and reports to the Assistant Superintendent of Administrative Services. In 2003 the district reorganized the Student Transportation Services based on recommendations by an outside consultant engaged by the district to evaluate the department. As illustrated in Exhibit 9-4, in this new organizational structure one of the two assistant directors of transportation oversees the major operational functions, which includes the four area bus operations offices, dispatch, and training. The second assistant director oversees administration including the routing unit, fleet maintenance, and the financial unit.

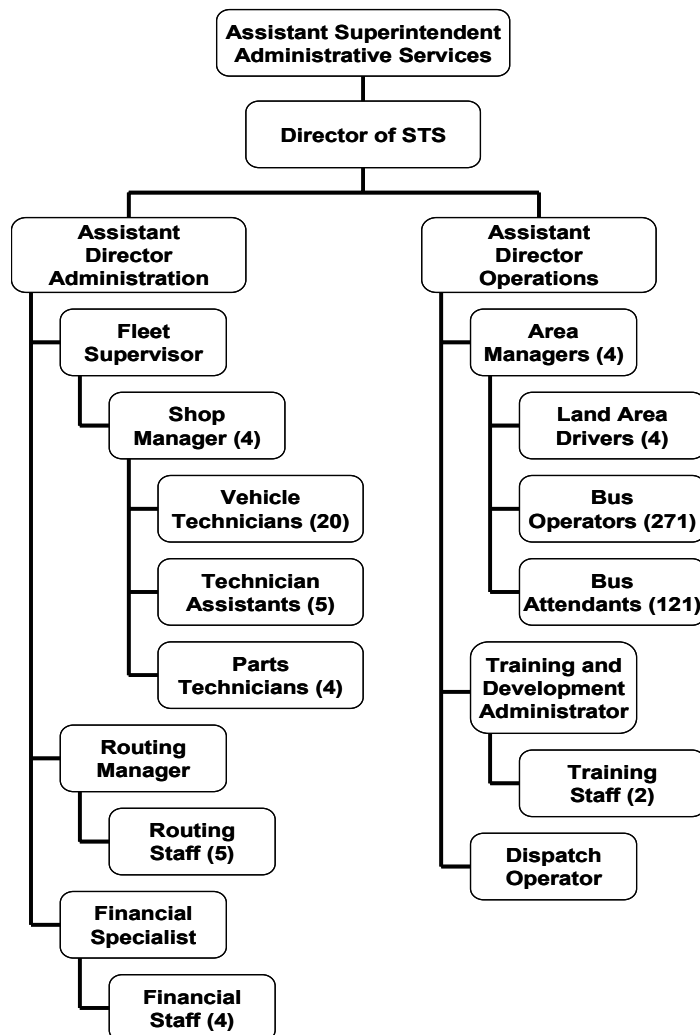
The department’s organization is depicted in Exhibit 9-4. District operations are divided into four geographic areas, each of which is led by an area manager (who reports to the assistant director for operations) and includes a lead driver, bus operators, bus attendants, safety training officers and office specialists. In addition, the bus dispatch function is staffed with a single position and the training unit is staffed with a training and development administrator and two staff positions. The training unit is responsible for initial and re-certification training for all bus operators and attendants as well as the development of all training materials.

The district’s administrative and support functions are divided into three primary functions—fleet, routing and financial management. The fleet maintenance unit is responsible for maintaining and repairing the district’s 323 school buses as well a number of support vehicles. Fleet maintenance services are

² District buses used for activities and special programs are assigned to specific schools and are not used for daily school bus routes.

performed primarily at four garage facilities geographic located throughout the district. In addition, the district has two satellite locations that are used for bus inspections, parking, fueling, and minor repairs. Maintenance staff reporting to the fleet manager consists of four shop managers (who serve as lead mechanics and managers of the four garages), 20 vehicle technicians (i.e., mechanics), five assistant vehicle technicians, and four parts technicians. The fleet manager is responsible for managing a parts inventory worth almost \$231,000 and the fuel inventory at each of the district’s six fueling locations. The routing unit, which consists of a routing manager and five staff positions, is responsible for the routing and scheduling of all school buses and also resolves complaint and problems relating to routes. The finance unit consists of a finance specialist and four staff positions. The unit is responsible for employee payroll, purchasing, FEFP reporting, all budget allotments, encumbrances, and expense reporting and purchase orders.

**Exhibit 9-4
A Director Oversees The Operations
Of District’s Transportation Department**



Source: Volusia County School District, Student Transportation Services.

Comparison With Peer Districts

Exhibit 9-5 presents selected student transportation data for the Volusia County School District (VCSD) and eight peer districts within the state for the 2000-01 school year. Five of these peer districts (Lake, Lee, Manatee, Pinellas, and Pasco) were selected for comparison by the district, in consultation with OPPAGA, based on their similarities to VCSD and are shown for comparative purposes in other parts of this report. The remaining three peer districts (Brevard, Escambia, and Polk) were selected because the district currently uses these districts for its own comparison and benchmarking purposes. The district also compares itself with Pinellas and Lee—two of the districts selected for comparison by the district in consultation with OPPAGA—for internal benchmarking purposes.

Exhibit 9-5

The Performance Of Volusia County School District Operations Compared Favorably With The Performance Of Eight Peer Districts During The 2000-01 School Year

Measure	Volusia	Lake	Lee	Manatee	Pasco	Pinellas	Brevard	Escambia	Polk	Peer Average
Square Miles	1,113	954	803	747	738	280	995	661	1,823	875
Number of Students Enrolled	61,351	29,290	58,351	36,557	49,703	113,007	70,590	45,007	79,479	60,248
Number of Eligible Students Transported	23,639	16,814	32,434	12,937	25,461	40,383	26,277	30,347	41,403	28,257
Percentage of Students Transported	38.53%	57.40%	55.58%	35.39%	51.23%	35.73%	37.22%	67.43%	52.09%	46.90%
Number of School centers Served	74	43	68	45	56	138	86	72	124	79
Number of Buses (Daily Service)	239	200	527	163	301	532	354	382	469	366
Total Annual Miles (Millions)	5.1	4.3	12.6	3.2	5.9	12.3	6.4	6.3	6.4	7.2
Average Bus Occupancy	99	84	62	79	85	76	74	80	88	78.5
Non-Eligible students transported	477	392	2,753	271	1,956	1,420	1,055	1,670	1,801	1,415
Non-eligible percentage of Transported	1.98%	2.28%	7.82%	2.05%	7.13%	3.40%	3.86%	5.22%	4.17%	4.76%
Percentage of Fleet Used Primarily for Special Needs	26.2%	18.0%	18.0%	36.0%	35.0%	29.6%	35.0%	25.0%	31.0%	28.5%
Number of Student Transportation Staff	457	308	803	297	499	760	489	554	745	557
Number of Supervisory Positions	15	5	24	5	15	27	13	11	17	14.6
Supervisory Ratio	30.5	61.6	21.0	59.4	32.3	28.1	37.6	50.4	43.8	38.2
State Allocation (Millions)	\$9.982	\$7.251	\$12.296	\$5.504	\$10.970	\$16.767	\$9.934	\$12.109	\$17.640	\$11.559
Percentage of Student Transportation Funding by State	76.92%	79.68%	48.90%	51.93%	72.01%	53.78%	66.08%	65.33%	85.16%	65.36%
Student Transportation Expenditures (with	\$12.774	\$8.968	\$24.947	\$10.198	\$14.991	\$27.590	\$14.883	\$18.346	\$20.552	\$17,559

Transportation

Measure	Volusia	Lake	Lee	Manatee	Pasco	Pinellas	Brevard	Escambia	Polk	Peer Average
10% bus replacement cost) (Millions)										
Student Transportation Expenditures Per Annual Mile	\$2.50	\$2.09	\$1.97	\$3.16	\$2.53	\$2.24	\$2.40	\$2.91	\$3.21	\$2.44
Transportation Expenditures Per Transported Student	\$529.72	\$521.21	\$708.98	\$772.11	\$546.78	\$660.00	\$544.53	\$573.01	\$475.70	\$591.77

Source: Q-Link: Florida School District Transportation Profiles for 2000-01, Florida Department of Education. Calculations by Berkshire Advisors.

As Exhibit 9-5 shows, the performance of the district's transportation operations compared favorably with that of the peer districts during the 2000-2001 school year. For example, the Volusia County School District's average bus occupancy rate not only compares favorably with the statewide rate of 69, but also exceeds the average rate for the peer districts by a wide margin (the occupancy rate for the district was 99.0 as compared to a 78.5 average for the peers). For the 2000-2001 school year, VCSD ranked 3rd highest among Florida's 67 districts in average bus occupancy.³ These comparisons also reveal that on average, a greater percentage of transportation costs in the Volusia County School District are paid for from state funds than for peer districts. During the 2000-01 school year the district received 76.9% of its funding for student transportation from the state, as compared to an average of 65.4% received by the eight peer districts. This difference may be attributed primarily to the district's higher bus occupancy rate.

This comparative data also suggests that the district's transportation operations may be more efficient than transportation operations of peer districts. The district's transportation expenditures per student were somewhat lower than the average for the peer districts (\$529.72 for the Volusia County School District as compared to an average of \$591.77 for the peer districts).⁴ However, the district's student transportation expenditure per annualized mile was \$2.50, which is slightly more than the average cost per annualized mile of \$2.44 for the eight peer districts.

³ The district also ranked 3rd for average bus occupancy in 1999-2000.

⁴ These expenditures include 10% for bus replacement.

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	9-9
	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	9-10
	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. ⁵	Yes	9-10
	4. The organizational structure and staffing levels of the district's transportation program minimize administrative layers and processes.	Yes	9-11
	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	9-12
	6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	Yes	9-12
	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	9-13
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	9-13
	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	9-14
	10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	Yes	9-15
	11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	Yes	9-16
	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	9-17
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	9-18

⁵ Measures of cost-efficient student transportation services include reasonably high average bus occupancy and reasonably low cost per mile and cost per student.

Transportation

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	9-18
	15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.	Yes	9-19
	16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.	Yes	9-19
	17. The district provides appropriate technological and computer support for transportation functions and operations.	Yes	9-20
	18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	Yes	9-21
	19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	Yes	9-21
	20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.	Yes	9-22

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 Volusia County School District coordinates transportation planning in the context of overall district planning efforts. Some of this coordination takes place through the annual budget process. As part of this process, key district administrators review potential cost saving opportunities, including reductions in staff, reduction in spare buses, buy versus lease options for capital expenditures, the appropriateness of five year vehicle replacement plans and whether bell schedules (the times schools start and end) might be modified to reduce transportation costs. Decisions are then made as to what actions will be incorporated into the district's budget. In addition, coordination of transportation planning with overall district planning efforts is facilitated by the active involvement of transportation staff in various district and county planning initiatives. For example, district transportation staff is actively involved in the planning to assess and address the impact new schools have on the district's overall transportation needs. Routing staff is also actively involved in the annual assessment performed by the district of the effect of school rezoning. Moreover, on an ongoing basis the director works with instructional staff, including principals, to address the needs of the students related to special areas such as the advanced technology center, academy programs and charter schools.

Student Transportation Services staff also serves as active members of the county growth management committee. Through this committee the district works with area municipalities and the county to consider the impact future population growth will have on student transportation. Participation on this committee ensures Student Transportation Services managers understand countywide initiatives and supports their efforts to understand student transportation needs in the context of the transportation needs of the broader community.

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 (FDOE). 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 cannot 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 Volusia County School District uses this best practice. The district takes a number of steps to ensure that regular, accurate and timely data on the number of students it transports is reported to FDOE. For example, bus drivers receive training on how to correctly complete the survey forms during initial bus driver training and during in-service training. Both the transportation staff and the routing staff then review the completed survey form to ensure its accuracy before this information is used to update the computer database of students and routes. Survey results are also monitored to verify trends in student transportation, identify underutilized buses, and to identify unauthorized courtesy riders.

The most recent Auditor General report of student transportation counts for the Volusia County School District found the district to be in compliance, in all material respects, with state laws and administrative rules. No corrective actions were required of the district as a result of the most recent review; however the Auditor General did recommend that the district exercise more care in the categorization of data.

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 Volusia County School District plans and establishes bus routes and ensures cost-effective operations without compromising safety by using a computerized system to annually route and schedule its school buses. The effectiveness of these efforts is reflected in the fact that the district maintains one of the highest average bus occupancy rates in the state of Florida (99 as compared to an average of 69 for the state). The district also staggers school start times to ensure the effective utilization of its buses. The

district had the lowest rate of non-eligible ‘courtesy riders’ among its peer districts in 2000-01. (The rate of courtesy riders for the Volusia County School District is 1.98% as compared to 4.76% for the eight peer districts.) However, in more recent years the number of courtesy riders has increased (from 477 in 2000-01 to 1,035 in 2001-02, and 914 in 2002-03) due primarily to safety issues relating to area construction projects. To ensure the safety of students, a ‘Hazardous Walk Committee’, comprised of representatives from the county, the sheriff’s office, schools and Student Transportation Services meets every few months to evaluate potentially hazardous situations and determines if any route, schedule, or stop changes are appropriate. Areas with potentially hazardous conditions as defined by specific criteria are identified and documented in the *Safety Survey, Hazardous Walking Conditions* report which is reviewed and updated by the district each year.

A review of a sample of district bus routes indicated that routes were planned effectively. While the data provided by the district disclosed a significant number of instances of stops within one-half mile of each other (42% of all stops), reasonable explanations for these “short stops” were demonstrated for specific situations. These explanations included divided roads, proximity to major highways, or roads without sidewalks. In other cases “short stops” have been added because of the high concentration of students at a particular bus stop site, ESE student pick ups, or public/parent requests.

While the district has established procedures to respond to parent complaints in a timely manner, complaint resolution is not well documented in the district’s records. Several different forms are used by various offices to record parent and citizen concerns. In addition, the extent to which resolutions are documented and retained varies from office to office. Furthermore, this information is not currently summarized or analyzed to detect problematic trends or reoccurring problems.

We recommend that Student Transportation Services establish uniform procedures to document and track parent and citizen concerns. This information should be summarized and analyzed to identify trends and problem areas.

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.

On July 1, 2003 the Volusia County School District undertook a major reorganization of Student Transportation Services based on the recommendations of an outside consultant. These changes included a reduction in the number of bus operations areas from five to four (eliminating one area manager position) to more appropriately represent the geographic areas of the district; the addition of a training and staff development function; and implementation of a more effective alignment of responsibilities between the two assistant directors. The span of control for supervision and evaluation of employees is reasonable in the Student Transportation Services.

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The district has a second, separate unit responsible for maintenance of other district-owned vehicles (“white fleet”). Attached to the facilities maintenance department, this unit maintains vehicles of a different type and variety from those maintained by the Student Transportation Services, which is responsible exclusively for school buses. The two units do not duplicate one another as one Student Transportation Services is exclusively for bus transportation, and the other is exclusively for the white fleet. This apparent organizational redundancy does not appear to result in extra cost to the district. Like the Student Transportation Services, the span of control for supervision and evaluation of employees assigned to maintain the white fleet is also reasonable.

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 Volusia County School District has appropriate staffing levels for its mechanic positions in both the Student Transportation Services and the facilities department’s vehicle maintenance unit based on the state Department of Education’s technician staffing formula. The district currently employs 20 mechanics and 5 helpers in student transportation and 4 mechanics in the facilities department. To ensure mechanics have needed skills, the district provides periodic in-house and outside training. The district provides incentive pay to mechanics who have obtained Automotive Service Excellence certificates.

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 Volusia County School District effectively and efficiently recruits and retains the bus drivers and attendants it needs. A variety of approaches are used to publicize job openings including advertising in the local newspaper and at movie theaters, posting positions on the district's web site, and broadcasting job openings on Instructional Television. In addition, many candidates become aware of transportation job openings by "word of mouth." The district's bus driver turnover rate of approximately 17% in 2002 is higher than in other districts. Student Transportation Services managers recognize this and have taken steps to reduce the turnover rate.

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 Volusia County School District provides the training, supervision, and assistance bus drivers need to enable them to meet bus-driving standards and maintain acceptable student discipline on the bus. To this end, the district conducts new bus driver training classes each year and comprehensive in-service training meetings for existing employees four times per year. These meetings include safety training and the sharing of other information of interest to bus drivers. In addition, lead drivers in each area conduct "check rides" twice a year for each of the bus operators to ensure adherence to district and state standards and expectations. The district has also adopted the state's point system as its safe driver policy and tracks traffic violations of district drivers.

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

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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 Volusia County School District has an effective process for acquiring new vehicles and determining when the replacement of existing vehicles is warranted. The district prepares five-year vehicle replacement plans for school buses and for its “white fleet.”⁶ Incorporated into this plan, is an Student Transportation Services expectation that school buses will be replaced every 12 years or 150,000 miles. The white fleet replacement plan considers the age of the vehicle, its condition, the urgency of replacement, reparability, the relative cost of replacement versus repair, and safety considerations. The district uses the annual state contract to purchase school buses. Other vehicles are purchased from state bids or by piggy backing on other local government contracts. Old buses and other vehicles are auctioned off several times a year. On average a school bus brings about \$4,000 at auction, depending on its age, size and condition.

Historically, the district had maintained too many spare buses for its needs, but is taking steps to reduce unnecessary spare bus inventory. In 2001, the percentage of the fleet used for spares was about 22%. In 2002, an independent consultant commissioned by the district to study the cost of student transportation recommended that the district reduce its number of spares to 10-12%, an amount considered typical of a fleet the district’s size and configuration.⁷ As of June 2003, the district’s spare buses accounted for about 16% of the bus fleet and the district plans to further reduce this to 13% by the end of fiscal year 2003-2004. Reducing the district’s excess bus inventory could reduce the district’s costs. Selling excess buses could generate non-recurring revenue of about \$4,000 per bus and reduce recurring routine maintenance costs by as much about \$3,500 a year per bus. By reducing the number of spare buses by an additional eight over the already planned reduction for 2003-2004, the district could achieve a 10% spare bus level, which would be within the 10-12% range recommended by the recent study. We estimate that the district could save approximately \$172,000 over five years by reducing the spare bus level to 10%.

We recommend that Student Transportation Services reduce its spare bus inventory to no more than 10-12% of its total fleet.

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

⁶ “White fleet” refers to all other types of district vehicles except school buses, such as service trucks and passenger vans.

⁷ Maximus, Inc., Student Transportation Cost of Service and Privatization Analysis, March 25, 2002.

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 Volusia County School District generally uses effective methods to ensure the timely routine inspection of buses. The overall success of these efforts is reflected in the fact that in the most recent review of district inspection practices by FDOE, dated October 31, 2002, the district was found to be in 90% compliance (the “no findings” level) with state mandated bus inspection practices. While the district is using this best practice, it is taking steps to further increase the effectiveness of its inspection practices. At present, school bus drivers are required to maintain a logbook in which they initial an inspection checklist before each trip. These logbooks are collected and reviewed by the area supervisors each week. Supervisors periodically conduct “gate check” of logbooks to help ensure compliance. Nonetheless, random inspections of logbooks at the four primary school bus facilities yielded an “error rate” of 21%. Situations that were considered an “error” included failure to indicate in the logbook that an inspection was conducted and completing the logbook checklist prior to actually doing the inspection. However, the district believes this problem is the result of poor employee supervision and is making personnel changes to address it.

The district also employs a computerized Vehicle Maintenance System (VMS) to track the servicing of all district vehicles and to schedule preventive maintenance in coordination with the 20-day inspections.⁸ The VMS contains comprehensive information for each vehicle such as; vehicle identification number, type of vehicle, vehicle identification number, manufacturer, model, year, storage location, mileage, fuel type and capacity, oil type and capacity, tire size, and also includes a detailed maintenance history. Data from the VMS system is used to bill other departments for maintenance services provided by Student Transportation Services. The district’s white fleet is also maintained based on VMS schedules. The district has established effective procedures for responding to vehicle breakdowns, which are well known to bus operators based on random interviews with drivers.

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 to 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 could result in large district costs to clean up ground contamination especially if the contamination is underground and in the groundwater.

⁸ During the course of this review, state requirements were amended to allow a maximum interval of thirty school days between school bus inspections. Inspections conducted within a 20-day inspection cycle would meet this requirement. However, this 30-day inspection cycle should reduce the number of buses to be inspected each day and reduce the number of spare buses districts need for inspection purposes.

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The Volusia County School District has established effective procedures for acquiring fuel at a competitive cost and for managing, securing, and controlling the use of district fuel supplies. The district obtains fuel for school buses from master contracts that are competitively bid for periods of three, six, or twelve months, depending on market conditions. The district also retains the right to buy fuel on the open market, if it is advantageous to do so. The vehicle service specialist in each garage monitors fuel inventories on a daily basis and coordinates replenishment orders. Reordering is done when a full 7,500-gallon load can be accommodated at the site.

Practices relating to managing, securing and controlling the use of district fuel supplies are also effective. While Student Transportation Services does not use close-circuit video cameras to monitor access, fences and gates are used to secure fueling areas. Fuel disbursements are controlled and monitored by a computer system. The system provides access to fuel pumps by electronically encoded keys, which are programmed with fuel type, maximum/minimum gallons, and maximum/minimum mileage for each individual vehicle. Miles per gallon reports are generated each month for district vehicles. These reports are reviewed for reasonableness and exceptions are investigated. Stick measurements of fuel levels are also made each day to verify automated system readings. The district ensures that underground tanks are inspected regularly by appropriate outside agencies and any unidentified problems are immediately addressed.

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 Volusia County School District operates four facilities for the repair and maintenance of the fleet and two satellite locations for fueling and storage. Two of the district's maintenance facilities need improvements and are currently scheduled for upgrading. Upgrades will include additional enclosed work bays, enhanced lift equipment, and tool replacement. Secured bus parking areas are located at these facilities and drivers are required to park their buses at these locations when not in use. Drivers are not allowed to take buses home and, of the "white fleet", only five executive vehicles and two service trucks

are taken home by employees.⁹ The district contracts with a private company for hazardous waste disposal.

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 Volusia County School District maintains an adequate inventory of parts, supplies and equipment to support transportation functions. The physical inventory of parts and supplies is monitored through a computerized inventory records system that tracks quantities on-hand as well as usage data. At present, the district bids a number of master contracts for transportation parts and supplies to control acquisition costs. The fleet manager then orders supplies from these contracts as they are needed. The central parts coordinator receives and inspects all parts and supplies shipments. The fleet manager also checks all orders and compares them to the computerized inventory record. The Student Transportation Services has reduced excess inventory and slow moving items. While improvements can still be made, the district has increased the number of inventory turns from 2.2 in the 1999-2000 Fiscal Year to 3.7 in the 2001-02 Fiscal Year.¹⁰

The Student Transportation Services maintains an aggressive warranty claims tracking system (including engines and transmissions) to capture reimbursements where possible. Work orders are coded as warranty work to facilitate tracking and billing. Shop personnel also have access to warranty terms and work order reports are reviewed to identify warranty work that may have been overlooked. Defective parts are also tracked and returned to vendors for credit.

⁹ "White fleet" refers to all other types of district vehicles except school buses such as service trucks and passenger vans. Executive vehicles are driven by the district superintendent and assistant superintendents and service trucks are driven by employees on 24-hour call.

¹⁰ "Inventory turns" is the ratio of inventory usage to the value of the inventory. The greater the number of inventory turns means that the district has less of its resources tied up in its investment in inventory and that it is less likely to incur losses due to inventory obsolescence. A turnover ratio of 3-4 is considered reasonable.

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 Volusia County School District's student transportation services department has procedures in place to effectively deal with breakdowns and other unexpected contingencies that may occur on regular routes or activity trips. Random interviews with school bus drivers confirmed that they uniformly knew the process to be followed in case of an accident or breakdown, including the guidelines for the movement of students from one bus to another. The district also has effective procedures in place to ensure services are maintained when bus drivers are absent. A procedure has been established for the advance notification of absences and drivers are required to use a voice mail system for reporting unanticipated absences. Certain days are identified as "Critical Days" during which no paid leave may be taken. These days include the first and last five days of the school year and one day before or after a student holiday. In addition, the district maintains a cadre of substitute drivers who can be called upon to when regular drivers are absent.

Best Practice 14: Using

The district provides efficient transportation services for exceptional students which 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).¹¹ 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

¹¹ The ESE population in a school includes gifted students, slow learners, emotionally handicapped students, and physically handicapped students.

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 Volusia County School District transportation staff works effectively with ESE instructional staff on addressing the special transportation needs of ESE students and attends Individual Educational Plan (IEP) meetings as appropriate. The district places ESE students on regular routes where possible, as provided for in board policy. During the February 2003 FEFP survey period 1,027 ESE students were transported (see Exhibit 9-1). Based on an analysis of ESE students eligible for transportation, 42% are transported on regular bus routes and 58% of ESE students are transported on routes with special equipment.

The district secures Medicaid reimbursement to offset the cost of transporting ESE students. In fiscal year 2001-02 the district received \$31,673 Medicaid reimbursements for the transportation of ESE students.

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 compliance with federal and state laws.¹²

The Volusia County School District’s Student Transportation Services has procedures in place to ensure that staff responds promptly and appropriately to vehicle accidents and breakdowns. These procedures are included in the bus driver’s handbook and are reviewed with drivers during in-service training sessions. Random interviews with district school bus drivers confirmed that they uniformly knew the process to be followed in case of an accident or breakdown, including the guidelines for the movement of students from one bus to another. In addition, to ensure prompt notification when an accident or breakdown occurs, all district buses are equipped with two-way radios and the district maintains a radio dispatch operation during regular bus operation hours. Area supervisors complete accident reports and comprehensive accident files are maintained in the transportation department’s central office. A review of state FDOE accident data indicated significant improvements in the district’s safety record over the past three years.¹³

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

¹² 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.

¹³ Comparison of FDOE accident data from Fiscal Year 1999-00 and 2001-02

Year	Total Accidents	Accidents with Injuries
Fiscal Year 1999-00	43	4
Fiscal Year 2001-02	11	2
Reduction	32	2
Percentage reduction	74%	50%

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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.

The Volusia County School District makes effective use of technology and has established appropriate procedures to encourage appropriate student behavior on buses. To this end, the district has made a significant investment in technology. All district buses have video cameras that record activity inside the bus while the vehicle is in service. The district also has a number of buses equipped with multiple digital cameras and automatic closed-loop recorders. The video cameras provide documentation of student vandalism. Parents are held responsible for damage done to school buses by students.¹⁴ In addition, procedures have been established that assign appropriate accountability for addressing student discipline problems and ensure appropriate follow-up. At present, offenses and rule infractions by students are categorized by level of seriousness. Bus drivers attempt to directly resolve the minor infractions. More serious offences or multiple minor infractions are referred to schools for action. Student Transportation Services also uses bus incident reports to convey violations of the standards of student conduct. These forms show the type of problem encountered with the student and the action taken by school. This information is made available on-line for review in the Student Transportation Services area offices. In addition, copies of bus incident reports forms are returned to drivers indicating the action taken by the school.

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 Volusia County School District provides appropriate technological and computer support for student transportation. For example, the department utilizes a computerized web-based routing and scheduling system with GPS mapping that includes related student information. This system is linked to the district's student data system and updates are run several times per week. Bus scheduling information is also available on web-based files generated from the routing and scheduling system. The district also makes effective use of technology to maintain training records. School bus training records are also maintained in off-line computer files as well as manual files at the central transportation office. In addition, the Professional Standards Office maintains mandatory drug testing records on its off-line computers, while personnel evaluations maintained at the Employee Services Office. School bus driver licenses are monitored on the state computer system to which the District has access.

¹⁴ In 2002-03 billing to parents for damage to school buses amounted to \$635.

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 Volusia County School District's transportation managers monitor the department's fiscal condition on a regular basis. These managers receive regular monthly reports of budget and expenditures and use these reports to compare spending rates to available resources. A computerized Vehicle Maintenance system (VMS) also provides managers with a comprehensive computerized history of repairs (life-cycle data) for each vehicle. Since the inception of the VMS system in 1996, managers have been able to trace repairs and service by vehicle and work order. In addition, transportation managers use the VMS for cost modeling and to identify "outliers" (higher cost vehicles based on actual cost per mile). The district has also implemented a number of routing efficiencies, including the development of reports comparing actual ridership to eligible ridership in an effort to improve load factors and reduce costs.

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.

In 2002, the Volusia County School District commissioned an outside independent study of the Student Transportation Services to evaluate, among other things, if it would be more efficient and cost effective to outsource the school bus transportation function or to continue to provide the function in-house.¹⁵ The study concluded "transportation would cost more if busing services were contracted". Options for contracting the maintenance of the district's white fleet is reviewed every five years (last done in

¹⁵ Maximus, Inc., Student Transportation Cost of Service and Privatization Analysis, March 25, 2002.

Transportation

November of 1998).¹⁶ As a result of cost analyses, Student Transportation Services currently outsources some of its transportation-related repair work. Examples include the routine maintenance of the Drivers Education fleet and major engine and transmission jobs. Student Transportation Services staff performs quality assurance checks on work contracted to outside agencies to ensure that tasks are conducted in accordance with the agreements. Checklists are used, depending on the complexity of the work under review.

The computer system for fleet maintenance provides for the coding of work order tasks so that costs of specific repairs and services performed by district staff can be compared to the costs of outsourcing these jobs. While the district does a good job of comparing costs, allocating non-productive and benefit time of district employees in these cost analyses could improve the accuracy of these comparisons.

Best Practice 20: Using

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.

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. District should compare their 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 Volusia County School District has adopted an organization-wide strategic plan and the Student Transportation Services strategic plan is well integrated into the district's overall plan. The plan contains measurable goals and objectives and the process includes benchmarking of Student Transportation Services critical functions. The district has identified Brevard, Lee, Escambia, Pinellas, and Polk counties as peer districts and has compared its performance over the past five years with these districts. These districts were selected for peer comparison based on a number of factors including number of students, number of buses, student demographics, geographic configuration, and square miles. In addition to these comparisons, Student Transportation Services also conducts an annual evaluation of costs and revenues. This evaluation focuses on the proper accounting for transportation services, revenue recovery, and the cost effectiveness of bus service, fleet maintenance and support operations. Information on peer comparisons and performance was presented to the board last year in the context of the presentation of the

¹⁶ "White fleet" refers to all other types of district vehicles except school buses, such as service trucks and passenger vans.

outside consultants report on transportation.¹⁷ In the future, this information will be presented to the board in the context of the strategic plan updates.

¹⁷ Maximus, Inc., Student Transportation Cost of Service and Privatization Analysis, March 25, 2002.

10 Food Service Operations

Summary

The Volusia County School District is using 10 of the 11 food service operations best practices. The district has established an effective training program for employees, and makes effective use of customer information to support program operations. In addition, the district has performed well on official inspections conducted by the state. To use the remaining best practice standard and ensure the performance, efficiency, and effectiveness of its food service program, the district should finalize the development of a financial statement which provides timely and accurate information on profits and losses on a monthly and year-to-date basis for both the entire department and the individual cafeterias.



As seen in Exhibit 10-1, the district has opportunities to reduce food service related costs and increase revenues. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these plans, it would be able to redirect the funds to other priorities, such as addressing needs identified in this report.

Exhibit 10-1 Our Review Identified Two Ways the District Could Reduce Costs and Increase Revenues in the Area of Food Service Operations

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2003-04	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	
2 Reduce the number of benefit packages	None	\$10,900	\$21,800	\$32,700	\$43,600	\$109,000

Background

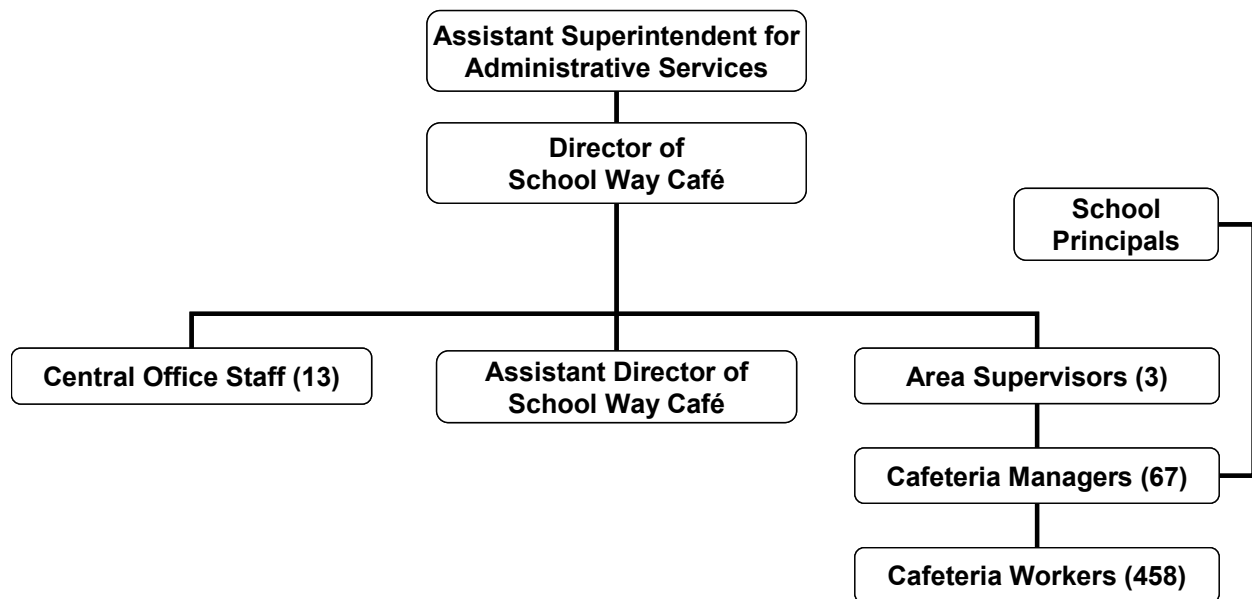
The Volusia County School District's food service program (School Way Café) provided 8,725,801 meals during 2001-02 school year. In doing so, the program produced 1,438,839 breakfasts, 5,100,734 lunches, and sold the equivalent of 2,186,228 meals in the form of a la carte items. The program provided meal services at 67 schools and ten satellite locations. Further the program employs 542 people. Of these, 77 are full-time employees, 433 are part-time employees who receive benefits, and 32 are part-time workers

who did not receive benefits.¹ In addition, 13 employees work from the central office. The food service budget for 2002-03 school year was approximately \$19,157,700.

Program organization

As shown below in Exhibit 10-2, the director of School Way Café reports directly to the district's Assistant Superintendent for Administrative Services and oversees the School Way Café program. An assistant director and three area supervisors, reporting to the director, oversee 67 cafeteria managers. The evaluations of these managers are conducted jointly by the area supervisor and the principal assigned to the school to which the manager is assigned.

Exhibit 10-2
Food Service Organizational Chart



Source: Volusia 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 to provide and encourage the consumption of nutritious domestic agricultural commodities (USDA Donated Foods).

These breakfast and lunch programs are administered through the Florida Department of Education and the Florida 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,

¹ Full time employees work seven to eight hours a day and part-time employees work between four and 6.5 hours per day.

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. Exhibit 10-3 shows the federal reimbursement rates for the National School Lunch Program for 2002-03 school year. Based on relative economic need, districts receive a standard reimbursement of either \$0.20 or \$0.22 for each lunch meal served, plus additional monies based on the number of free and or partially paid (called “reduced”) meals served. Under the program guidelines, the Volusia County School District receives the \$0.22 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 Volusia County School District serves breakfast in each of its schools.

**Exhibit 10-3
Per Meal USDA Reimbursement Rates and Fees for School Year 2002-03**

Meal	Federal Assistance	Fees Paid by Student	Program Total Revenue
Elementary Schools—Volusia County			
Full price paid			
Breakfast	\$0.22	\$0.75	\$0.97
Lunch	\$0.22	\$1.35	\$1.57 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17
Breakfast	\$0.22 + \$0.88	\$0.30	\$1.40 ²
Lunch	\$0.22+ \$1.54	\$0.40	\$2.16 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17
Breakfast	\$0.22 + \$1.18	\$0	\$1.40 ²
Lunch	\$0.22 + \$1.94	\$0	\$2.16 ¹
Middle Schools—Volusia County			
Full price paid			
Breakfast	\$0.22	\$0.75	\$0.97
Lunch	\$0.22	\$1.45	\$1.67 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17
Breakfast	\$0.22 + \$0.88	\$0.30	\$1.40 ²
Lunch	\$0.22+ \$1.54	\$0.40	\$2.16 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17
Breakfast	\$0.22 + \$1.18	\$0	\$1.40 ²
Lunch	\$0.22 + \$1.94	\$0	\$2.16 ¹
High Schools—Volusia County			
Full price paid			
Breakfast	\$0.22	\$0.75	\$0.97
Lunch	\$0.22	\$1.50	\$1.72 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17
Breakfast	\$0.22 + \$0.88	\$0.30	\$1.40 ²
Lunch	\$0.22+ \$1.54	\$0.40	\$2.16 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17
Breakfast	\$0.22 + \$1.18	\$0	\$1.40 ²
Lunch	\$0.22 + \$1.94	\$0	\$2.16 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 for free and reduced meals only.

Source: United States Department of Agriculture and Florida Department of Education.

As Exhibit 10-4 illustrates, the Volusia County food service program account balance at the end of the 2001-02 school year was approximately \$8,723,000. As these financial results indicate, the program is financially healthy and pays for services, such as purchasing and payroll, which are provided by the district. Typical for school food programs, reimbursement from 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. The loss in the 1998-99 school year was due to a one time

expenditure to bill the department for custodial services that had not been billed the previous three years. The Florida Department of Education requires that food services maintain a cash reserve of no more than three months operating expenses. As a result the program had to spend the excess fund balance from the 1997-98 school year.

Exhibit 10-4

The Volusia Food Service Program Has Earned Revenue In Excess of Expenditures In The Last Three Years

	Fiscal Year			
	1998-99	1999-00	2000-01	2001-02
REVENUE				
Food Sales Revenue				
Federal Meals Program	\$7,959,097	\$7,975,237	\$8,486,953	\$9,037,945
State Supplement	358,584	343,261	339,687	353,532
Meal Sales	1,932,655	1,858,808	1,769,008	1,680,435
A La Carte Sales	4,446,069	4,850,920	5,593,305	6,161,400
Other Food Sales	425,437	355,658	492,770	397,285
Other Revenue				
USDA Donated Food	1,518,095	927,260	1,062,091	1,284,334
Interest	313,686	464,219	299,346	161,742
Other Revenue	67,578	214,852	50,520	35,450
Total Revenue	\$17,021,201	\$16,990,215	\$18,093,680	\$19,112,123
EXPENDITURES				
Salaries	\$5,286,691	\$5,630,837	\$6,057,760	\$6,802,244
Employee Benefits	2,464,383	2,169,716	2,290,216	2,663,573
Purchased Services	454,416	490,885	627,035	645,204
Energy Services	0	0	55,164	73,344
Material and supplies	6,815,445	6,453,425	6,989,642	6,906,966
Capital Outlay	2,028,251	850,735	631,653	581,054
Other Expenses	1,434,304	525,497	552,811	640,336
Total Expenditures	\$18,483,490	\$16,121,095	\$17,204,281	\$18,312,721
Net Income (Loss)	(1,462,289)	869,120	889,399	799,402
Account Balance	\$6,164,653	\$7,033,773	\$7,923,172	\$8,722,574

Source: Volusia County School District.

Peer districts used for comparison

To evaluate the Volusia County School District food service program, we compared it to a set of similar, or peer, districts. The five districts selected were Lake, Lee, Manatee, Pasco, and Sarasota Counties. As illustrated in Exhibit 10-5, the lunches served per student per year for the Volusia County School District is comparable to the peer districts.

**Exhibit 10-5
Comparison of Volusia County and Its Peer Districts (Fiscal Year 2001-02)**

Districts	Reported Student Population ¹	Total Schools in District Serving NSLP Meals	Total NSLP Claimed Lunches Served	Lunches Served per Student for the Year	Free and Reduced Eligibility Percentage
Volusia	58,004	67	5,100,734	87.9	43.0%
Manatee	38,250	76	3,517,079	91.9	36.5%
Lake	30,626	50	2,986,001	97.5	39.5%
Lee	60,661	82	5,772,138	70.4	43.1%
Pasco	52,632	74	5,841,221	111.0	44.4%
Sarasota	36,697	44	2,961,005	80.7	29.4%

¹ Unweighted FTE, all programs.

Source: Florida Department of Education data sources.

Activities of particular interest

The district’s food service program has a number of exemplary features. For example, the Director of School Way Café has developed an innovative program to encourage employees to continue their education beyond the food service courses offered by the district. Employees who have completed district courses may enroll in approved college level courses and receive a stipend when they are completed. In addition, program management has developed a management intern training program that has received recognition from USDA. This program allows potential managers to receive both classroom and practical hands-on experience before being assigned to a school. In addition, the USDA selected the Volusia County School District to serve as a pilot district for its summer feeding program. After this program was successfully implemented, district staff instructed food service directors in other districts on how to implement the program. Further, the School Way Café mascot “Ted e Bear” has been selected by the Florida Department of Education as the statewide nutrition mascot.

Conclusion and Recommendations

The Volusia County School District Is Using 10 Food Service Operations Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Planning, Organization, and Staffing	1. The program has developed strategic or operational plans that are consistent with district plans and the program budget, and approved by the district.	Yes	10-8
	2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.	Yes	10-8
	3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	Yes	10-10
Management	4. Program management has developed comprehensive procedures manuals that are kept current.	Yes	10-10
	5. The district performs sound cash and account management.	Yes	10-11
	6. District and program management optimizes its financial opportunities.	Yes	10-12
Performance and Accountability	7. Food service program management has developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and better manage operations.	No	10-13
	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	10-14
	9. District and program administrators effectively manage costs of the food service program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.	Yes	10-15
	10. The food service program and district complies with federal, state, and district policy.	Yes	10-15
	11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	Yes	10-16

PLANNING, ORGANIZING, AND STAFFING

Best Practice 1: Using

The food service program has developed strategic or operational plans that are consistent with district plans and the program budget, and approved by the district.

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 Volusia County School District has taken several steps to provide an overall direction and plan for the food service program. The district has established vision and mission statements that articulate the objectives and purpose of the food service program. In addition, operating plans and goals are established to guide the program while ensuring that district policies, state requirements, and federal regulations are met. The department, known in the district as "The School Way Café", also has a five-year plan that addresses department needs and district goals. At the end of each school year, the Director of School Way Café and the Assistant Superintendent for Administrative Services review the five-year plan, analyze results for the past year and add a new year to the plan. In addition, an annual report is provided to the board outlining the financial performance of the department as well as any other significant accomplishments or changes in food service operations over the past year. The department also prepares detailed forecasts of revenue and expenses at the district level. The director has been actively involved in the design of kitchens during new construction or renovation. Based on a review of design plans, her involvement has resulted in improvements to the traffic flow and equipment placement in some redesigned schools.

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; however an opportunity exists to reduce benefit costs by changing the staffing configuration at some schools.

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 Volusia County School District’s food service program is well organized and its organizational chart is current. Department staff and school principals work together to ensure that the food services program is well managed and effectively integrated into school operations. As part of this coordination, a principal and the assistant director or an area supervisor from the School Way Café jointly review the performance of the cafeteria managers at the end of each school year. The assistant director and each area supervisor oversee approximately 20 schools. In addition, each area supervisor specializes in an area such as computers, point of sale, or nutrition information and assists schools with needs in that area.

While the district’s overall organizational structure is sound, benefit costs can be reduced by modifying the staffing configuration at some schools. When analyzing the number of food service employees that are needed at a school, two primary factors should be considered: the number of staff needed to perform needed activities during periods of peak activity and the total amount of work hours required to perform all activities over the course of the day. When the number of employees was analyzed it was determined that it may be possible to make a change to staffing that would maintain the hours needed but allow a reduction in the number of employees.

In a district such as Volusia County where most part-time workers receive the benefits package, food service staffing configurations should be structured to spread as many hours as possible over the core number needed during periods of peak activity. Doing this reduces the number of part-time positions needed and therefore, reduces the number of benefits packages paid. In Volusia County, where 433 part-time food service employees currently are paid benefits, there is a potential to reduce the number of part-time positions at some sites without affecting service or the hours needed for food production. Some of these sites may have special needs or other conditions that would prevent the implementation of this recommendation.

Making this change in eight schools over the next five years is an achievable goal. As an example, a typical elementary school, that according to the district’s meals per labor hour (MPLH) formula requires 38 hours of capacity, should ideally be staffed with six employees including an eight-hour manager and five six-hour cafeteria employees. This staffing configuration is sufficient to meet peak workload demands during lunch service. However, an identical elementary school may be staffed with seven employees including an additional cafeteria employee. By changing the staffing at the second school to the same configuration as the first school, the hours worked remain the same but the number of employees is reduced by one, saving the cost of a benefit package. The district currently has elementary schools that reflect the example noted here and can achieve the goal of two schools per year beginning in School Year 2004-05. According to the district, it can save \$5,462 per reduced position or approximately \$10,900 each year for two positions or \$109,000 over the next five years as shown in Exhibit 10-6. This change should be implemented through a process of managed attrition.

**Exhibit 10–6
The Volusia County School District Can Save Approximately \$109,000
Over Five Years in Benefits Costs by Reducing Food Service Positions**

	2003-04	2004-05	2005-06	2006-07	2007-08	Total Estimated Savings
Year 1: No Savings	\$0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Year 2: Schools 1 and 2		10,900	10,900	10,900	10,900	43,600
Year 3: Schools 3 and 4			10,900	10,900	10,900	32,700
Year 4: Schools 5 and 6				10,900	10,900	21,800
Year 5: Schools 7 and 8					10,900	10,900
Total Savings	\$0.00	\$10,900	\$21,800	\$32,700	\$43,600	\$109,000

Source: Volusia County School District.

We recommend that the district assess the feasibility of modifying the staffing at sites where the workload and serving hours would allow the hours earned according to the MPLH formula to be maintained while reducing the number of benefit packages paid.

Best Practice 3: Using

The district's training program is based on an assessment of needs and is designed to meet basic program requirements and to improve food services.

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 the Florida Department of Education.

The Volusia County School District has established a training program for both new employees and potential managers as evidenced by the fact that it has received the USDA best practices award for manager training. The training program effectively addresses the needs of a broad range of employees including new employees, existing employees, and managers. Basic skills training for new employees, which takes advantage of materials offered by the American School Food Service Association and the Florida Department of Education, must be completed within the first year of employment. Existing employees who have completed this training are offered additional classes by the district. After completion of all district classes, employees are encouraged to enroll in selected college level classes, such as Quantity Food Preparation, that benefit their job performance. They are paid a stipend when these courses are successfully completed. In addition, to address management training needs, an intern training program has been established to ensure that all newly hired managers are trained in district procedures prior to their assignment. In addition to training its own employees, the department also provides training for other selected district employees who support food service operations. For example, school office personnel are trained each year in how to process applications for free and reduced meals.

MANAGEMENT

Best Practice 4: Using

The district 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 Volusia County School District has developed a comprehensive procedures manual that is up to date, is available to all staff at all sites, and posted on the district's web site. While the department's procedures are generally sound, several opportunities have been identified to strengthen them. In most cases, the department has already taken steps to implement the suggestions. For example, we observed that some information concerning menu changes and newly purchased items, while available, was not easy for school level managers to find. The department has already taken steps to address this issue and now requires that all of the relevant information for each menu be available in one location within each cafeteria. This change, particularly with new items, will allow all the nutritional, cooking, portion sizes and servings procedures to be in one place for easy reference and use by the managers.

While the district and program management have taken measures to maintain the comprehensiveness of its procedures manuals, it could improve by assuring that its warehouse record the receipt dates of products. We found that the district warehouse does not consistently date the receipt of commodities on the pallets as they are received. To better affix accountability for the storage and timely use of commodities, the district should record the arrival of products. If a receiving date is marked on the pallets when they arrive from the state warehouse then there is no question of how long the product has been in the district. We recommend that the district modify its procedures to address this issue.

We recommend that the district modify its procedures to assure that its warehouse record the receipt date of commodities.

Best Practice 5: Using

The district performs sound cash and account management, but the School Way Café is overcharged for armored car service.

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 account 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 Volusia County School District has sound cash and account management procedures. The department had a fund balance of \$8,722,574 for the year ending June 30, 2002 and its budget projections indicate that the program will not require use of general fund dollars over the next five years. The district has been timely in submission of claims for federal grant funds in support of the National School Lunch and Breakfast Programs. In addition, the district received all reimbursements in a timely manner.

In one area, however, the charging of expenses to the program is excessive. Both the cafeterias and schools require the use of armored car services. At present, the entire cost of armored car pick-ups, which has averaged about \$87,000 per year over the past five years, is borne by the food services program, even

on days when no pick-up is required by the cafeteria. Requiring all the costs associated with armored car pick-ups to be assumed by the program is not appropriate as schools would still need an armored car pick-up even if the food service program did not exist. For example, a typical elementary school that currently receives armored car service three times per week for cafeteria and school related pick-ups would need armored car service once a week for pick-up of money collected by the school office for non-cafeteria receipts. Consequently, based upon current usage, approximately two-thirds of the costs of armored car services are applicable to the food service program and one-third are applicable to non-food service programs or the general fund. If the cost of armored car services were more accurately allocated, about \$29,000 per year would be borne by other programs through the general fund, or about \$145,000 over the next five years

We recommend that the district change the way it allocates the cost of armored car services so that two-thirds of the costs are charged to the food services program and one-third are charged to the district's general fund.

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 Volusia County School District is enhancing the food service program's financial results both by working to increase revenue and by controlling costs. The department is effective in maximizing sales in the schools. For example, the department's point of sale system allows for the prepayment of meals or a la carte items. Further, the department offers a choice of entrees at all grade levels and the sale of a la carte items where appropriate. The department also increases revenues by providing meals to privately contracted vendors who operate the federal Head Start program. To control costs, the department orders its full annual allocation of commodities and processes some commodities. The department occasionally takes advantage of items that are overstocked or over produced by a manufacturer. As such items are purchased at a reduced cost, the district can experience food cost savings.

PERFORMANCE AND ACCOUNTABILITY

Best Practice 7: Not Using

The Volusia County School District management has developed performance and cost-efficiency measures; however, the information used to assess the measures is not timely or accurate.

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 should 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 district has developed and uses performance standards such as meals per labor hour. However, at the time of this report the existing information systems did not support the efforts of Volusia County food service managers to ensure cost effective operations. For example, despite more than three years of effort the department has been unable to develop a timely profit and loss statement that provides operating data on a month by month and year to date basis. Consequently, it significantly limits managers' ability to identify areas where attention should be focused to improve financial performance. In addition, the food cost information available to the department was not accurate due to the inability of the district to coordinate the payment of invoices with the closing of the calendar month. Further, sales information for the Head Start programs was not credited to the school providing the service. These two problems combine to both distort the food cost of the individual units and also make it impossible to discover food cost problems in time to take corrective action. For example, elementary schools that used the same menu had food cost percentages that varied across locations by as much as seven percent. This variance was due to the district's failure to capture Head Start revenue. However, the district has corrected this problem. The recommended financial statement will allow the School Way Café to compare the actual financial performance with the district standards for food and labor costs. Without accurate information, however, it is impossible for managers to ascertain the reasons for these differences and to take appropriate action. This problem has a direct impact on the food service program's revenue margin. The district has identified this problem, has resolved some of these issues, and has completed the first three steps of the action plan.

However, the district is not using this best practice and can improve its operations and by collecting accurate and timely financial information to enhance its system of performance measures to monitor the food service program. Data will be readily available in current program records and reports required for NSLP participation, the district's improved accounting system, and the program's automated point-of-sale system. Program management could use this information to maintain a timely, comprehensive performance measurement system that allows for a comparison of actual performance with district standards. Some examples of food service performance measures include:

- Gross margin (revenue less expenses);
- Participation rates (regular and free and reduced lunch);

Food Service Operations

- Labor margin (percentage of total expenses comprising labor and benefits);
- Materials margin (percentage of total expenses comprising food and materials); and
- Average meals served per labor hour.

Action Plan 10-1 describes the steps necessary to enable the district to improve its operations and begin using this best practice.

Action Plan 10-1

We recommend that the district develop an integrated profit and loss statement that accurately reflects unit and department revenue and expenses on a monthly basis.

Action Needed	Step 1.	Determine the information needed on the profit and loss statement.
	Step 2.	Provide the information needed to the computer consultant that has been hired by the department.
	Step 3.	Determine the information needed from other district departments and coordinate the integration of this information into the department profit and loss statement.
	Step 4.	Evaluate the statement for accuracy and timeliness.
	Step 5.	Use the statement to provide financial information to the district, department staff and unit managers on a monthly basis.
Who Is Responsible	Assistant Superintendent for Administrative Services	
Time Frame	June 2004	

Best Practice 8: Using

The program inspects and evaluates its operational components and the system as a whole on a regular basis, 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 Volusia County School District monitors its operations on a regular basis and uses information from these evaluations to improve performance. The department has established a comprehensive unit level inspection program that exceeds the requirements of the Florida Department of Education and USDA. The inspection, conducted by the area coordinator, checks for food quality, food preparation techniques, serving procedures, and production record keeping, among other checks. Inspections and the accompanying recommendations are reviewed, as necessary, by the principal and the cafeteria manager. The department then uses the information from these inspections to improve the program. For example, the district is able to modify batch cooking instructions based on these site visit inspections. The department also has an effective preventive maintenance tracking program and addresses equipment replacement needs in its five-year plan. The department also evaluates its staff allocations on a monthly and annual basis. At the beginning of each school year the area coordinators compare the number of work hours needed with the number of hours assigned for each cafeteria. Adjustments are then made to ensure a consistent and equitable allocation of resources across locations.

Best Practice 9: Using

District and program administrators effectively manage the 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. However, timeliness of these activities could be improved.

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.

As noted in the discussion of Best Practice 7, food service managers do not have access to timely, accurate information on profits and loss, food costs, and sales. Despite this limitation, the managers make effective use of the information they do have to evaluate performance and initiate change. For example, the department compares the number of hours each unit has assigned with the number of hours the unit has earned and adjusts staffing as appropriate. The department also compares unit sales with previous performance and the performance of similar units and makes recommendations to the managers on how to improve sales. The district can further improve its use of performance information by obtaining it in a timely manner and assuring that the information is accurate.

We recommend that the district incorporate the information obtained from the profit and loss statement recommended in Best Practice 7 to bolster the performance measurement system used by the School Way Café staff.

Best Practice 10: Using

The district complies with federal, state, and district policy for the NSLP, nutrition, and competitive foods.

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 department has taken steps to ensure compliance with the district's food service related policies. For example, the Volusia County School Board district has approved a policy for competitive food sales and the sale of foods of minimal nutritional value. The policy is consistent with USDA and Florida Department of Education requirements regarding competitive foods and nutritional content. The department has also established procedures to ensure that the sale of a la carte items is conducted in coordination with the principals at each site. Establishing these procedures and ensuring that they are

implemented guarantees that a unified approach relating to the sale of a la carte items is achieved at each school and also ensures uniform compliance with board policy.

The district's compliance with state and federal policies is evidenced by the results of program reviews. The Florida Department of Education reviewed the department this year for the Coordinated Review Effort (CRE) and the School Meals Initiative (SMI). The CRE has been completed and closed. The SMI review concluded, "improvements were needed to the production record in order to determine compliance with the USDA nutrition standards." However, department management has addressed this issue by modifying its production record and submitting an improvement plan to the Department of Education.

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 solicit feedback actively and use it to identify needed improvements, eliminate barriers to student meal participation, and gauge reactions to changes in program operations, promotional campaigns, and service levels. The 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 Volusia County School District has programs in place to receive input from students, parents, staff, principals and district employees concerning the operation of the School Way Café. For example, the district conducts annual surveys of students and staff. In addition, the department employs student focus groups to evaluate new menu items. To improve food quality and safety the district has begun the implementation of the Hazard Analysis Critical Control Point (HACCP) food safety procedures and will continue the implementation during the 2003-04 school year. HACCP is a USDA food safety system based on the time and temperature that food is subject to as it is stored, prepared, cooked, served and put back into storage.

11

Cost Control Systems

Summary

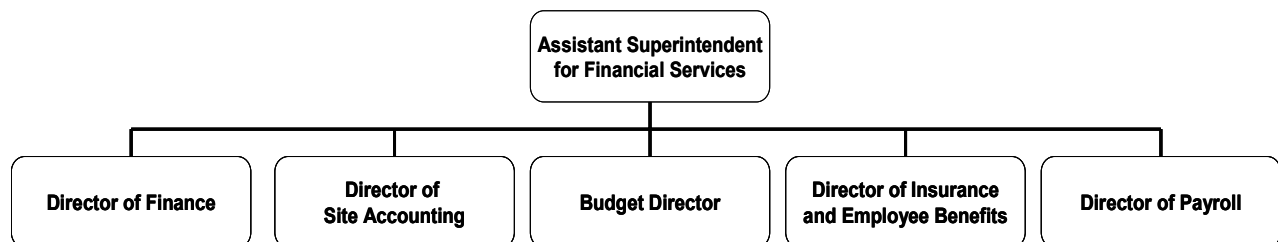
The Volusia County School District is using 20 of the 22 cost control systems best practices. Generally speaking, the district has effective practices for internal control and the management of finances, cash, capital assets, debt, purchasing, and inventory. To use all the best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should document its approach to risk assessment and develop written risk management policies.

Background

The Volusia County School District's cost control activities are primarily managed by the Financial Services Department which is headed by the assistant superintendent for financial services. Operational functions performed by the Financial Services Department include budget, finance, site accounting, payroll, and insurance and employee benefits. There are 6 administrative staff, 9 professional staff, and 28 clerical staff performing these functions. The department's expenses for the 2001-02 fiscal year was \$1,883,369. The warehouse and purchasing units, which also play an important role in the district's financial controls, report to the assistant superintendent of administrative services.

As shown in Exhibit 11-1, the assistant superintendent for financial services, who is a certified public accountant with more than 20 years of experience in private practice prior to his employment with the district, has been in this position for approximately five years and was a member of the district's budget advisory committee prior to becoming the district's chief financial officer. Reporting to the assistant superintendent for financial services are five administrative positions—directors of budget, finance, site accounting, payroll, and insurance and employee benefits. These directors have four-year degrees in business administration, finance, or other related disciplines. Three of the directors have 17 years of experience with the district; one director has 14 years of experience with the district, while the remaining director has 5 years of experience with the district and 12 years of related experience.

Exhibit 11-1 District Finance Activities Are Organized Into Five Units



Source: Volusia County School District.

Fund Accounting

As a governmental entity, the district uses governmental accounting to report its financial position and results of operations. Governmental accounting breaks up parts or segments of 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 self-insurance plans). Significantly all of the district's resources are accounted for in the governmental funds. As Exhibit 11-2 shows, the district reported revenues of \$440,843,317 in its governmental funds during the 2001-02 fiscal year.

Exhibit 11-2

The General Fund was the Largest Governmental Fund for the 2001-02 Fiscal Year

General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
\$314,720,407	\$45,241,568	\$12,546,443	\$68,334,899	\$440,843,317

Source: Audited Financial Statements.

Within the governmental funds, 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.

Resources of the general and special revenue funds are used to finance ongoing operating activities of the district. Special revenue fund resources consist of moneys restricted by federal and state grantors to be used for specific educational program purposes. Examples include federal Title I and National School Lunch Act revenues. Because these resources are restricted, school districts can use them only for those educational activities that meet the specific purposes of the granting agency. Most federal grant programs contain grant terms under which revenue is earned when appropriate expenditures are incurred. As a result, grant resources frequently equal the amount of grant expenditures.

General fund. 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 revenue sources reported in the general fund for the 2001-02 fiscal year.

Exhibit 11-3

General Fund Revenues—2001-02 Fiscal Year

Federal	State	Local	Total
\$1,605,052	\$196,785,838	\$116,329,517	\$314,720,407

Source: Audited Financial Statements.

Revenue sources. The preponderance of the resources the district receives from state and local sources are allocated to the district through the Florida Education Finance Program (FEFP). This program, which is designed to provide a base level of educational resources for all school districts, is the primary mechanism for financing the operating costs of Florida public schools. Florida Education Finance Program moneys are primarily generated by multiplying the number of full-time equivalent (FTE) students in funded educational programs by various weights and cost factors determined by the Legislature to determine base funding from state and local FEFP funds. Each school district participating

in the state allocation of funds for the current operation of schools must levy the millage set for its required local effort from property taxes.

State revenue sources provided approximately 62 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 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 proceeds earmarked for educational enhancement and school advisory council activities.

Local revenues are primarily generated from ad valorem (property) taxes and represent 37% of the district’s general fund resources.

The general fund and capital projects funds tax levies are non-voted levies provided by law and appropriations act provisions. As mentioned previously, the required local effort is tied to state FEFP funding and represents the amount school districts must levy in order to receive FEFP funding.

Expenditures. 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 70 percent of the 2001-02 fiscal year expenditures of all governmental funds. 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
Instruction and Instructional Support Services Expenditures Made Up 70 Percent
of General Fund Functional Expenditures during the 2001-02 Fiscal Year**

Instruction	Instructional Support Services	General Support Services	Total
\$203,889,914	\$29,159,873	\$98,679,244	\$331,729,031

Source: Audited Financial Statements.

Instruction and instructional support expenditures represented 70.6 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 providing administrative, technical, and logistical support for the instruction program. These services include such activities as attendance, guidance, health, and psychological services. General support services expenditures represented 29.4 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 (school 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. As primarily a service organization, the major expenditure objects for the district are salaries and employee benefits, which comprised approximately 85 percent of total expenditures. Expenditures for purchased services, energy services, materials and supplies, capital outlay, and other expenses in the 2001-02 fiscal year were consistent with those of previous years.

**Exhibit 11-5
Compensation Related Expenditures Accounted For by Far the Greatest Percentage of General Fund Object Expenditures in the 2001-02 Fiscal Year**

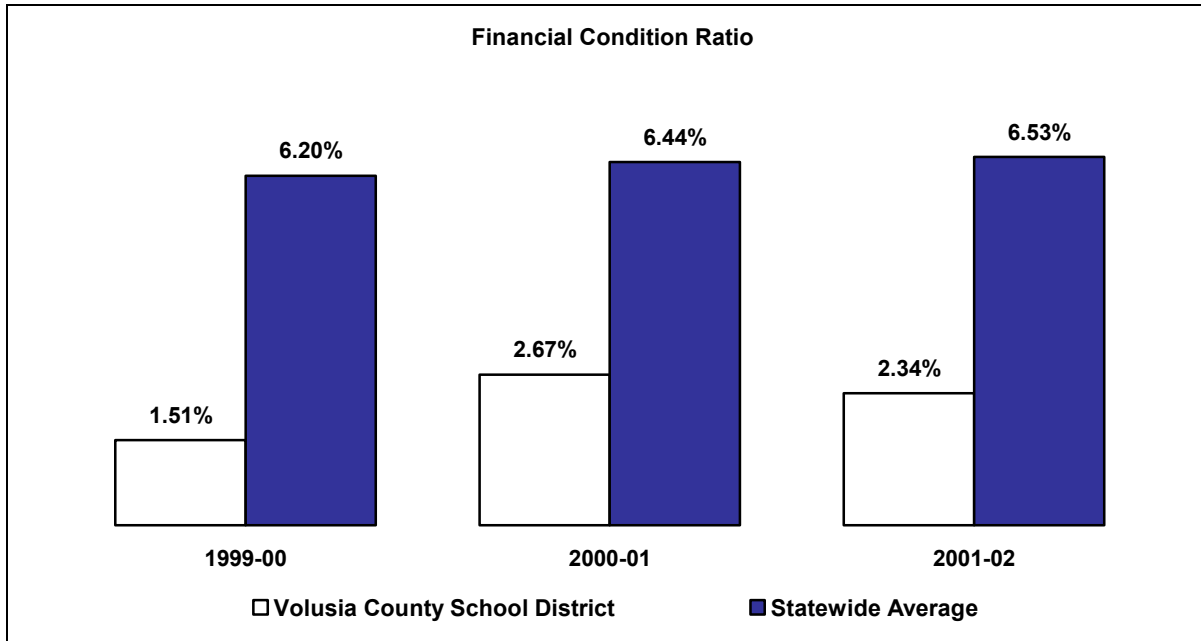
Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	Total
\$224,626,764	\$59,584,573	\$20,368,252	\$9,027,676	\$11,670,364	\$1,696,459	\$4,754,943	\$331,729,031

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 funds to pay for budgeted maintenance activities. This transfer resulted in revenues and other financing sources exceeding expenditures and other financing uses.

Fund balance. The district’s general fund balance was analyzed to determine if the district’s efforts to control costs and enhance revenues have had a beneficial impact on its financial position. The most common measure of financial position is the ratio of fund balance to operating activity. The fund balance of most school districts includes reserved and unreserved portions. Fund balances are often reserved for legal and other commitments of the entity. Common examples of reserves in Florida school districts include amounts reserved for outstanding purchase orders and contracts (encumbrances) and amounts reserved for restricted purposes (categorical programs). As a result, only the unreserved portion of the fund balance is actually available to offset unexpected needs and this portion is referred to as the “rainy day” fund. For 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 general fund unreserved fund balance with the statewide averages for the three-year period ending June 30, 2002.

Exhibit 11- 6
The District’s General Fund Financial Position Ratio
is Below the Statewide Average



Source: Audited Financial Statements; Auditor General.

Although the district’s unreserved fund balance is below the statewide average, district management has thus far been able to effectively manage the district’s resources to avoid deficit fund balances.

Activities of particular interest

The Volusia County School District’s purchasing area has its current warehouse catalog accessible on-line. Employees using the Web site can view pictures and information regarding brand and model for each warehouse item. When accessing the district’s Web site, employees are also able to link to manufacturers’ Web sites, thereby allowing them to access detailed specifications that provide additional information on which to base their purchasing decision.

Conclusions and Recommendations

Summary of Conclusions for Cost Control Systems Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Financial Management	1. The district periodically analyzes the structure and staffing of its financial services organization.	Yes	11-8
	2. Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management practices.	Yes	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	11-10
Internal Controls	5. The district has established adequate internal controls.	Yes	11-11
	6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	Yes	11-11
	7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	Yes	11-11
	8. Management analyzes strategic plans for measurable objectives or measurable results.	Yes	11-12
External and Internal Auditing	9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	Yes	11-13
	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 its internal funds and 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	11-17
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	11-18
Risk Management	17. The district has established written policies and procedures and periodically updates them to provide for effective risk management.	No	11-18
	18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	Yes	11-19

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

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 Volusia County School District’s financial services unit is well-organized and managed, and staff receives the training it needs to be effective. The unit’s organizational chart is current and position descriptions exist for all unit positions. (Our review of these position descriptions indicates that educational and experience requirements for established positions are commensurate with the responsibilities for each position.) The structure and organization of the financial services unit is periodically reviewed for efficiency and effectiveness by the assistant superintendent of financial services and management. Although financial activity has increased, the number of staff over the past ten years has not changed significantly. Critical financial and accounting processes have been identified and appropriate staff is cross-trained to perform these processes when the employees who are primarily responsible for performing those processes are absent. The financial services unit staff receives periodic training and updates that include training courses at state finance officers’ association meetings and other training relative to emerging issues in their responsibility areas.

Significant duties related to accounting, payroll, budget, and purchasing functions are performed by school-based bookkeepers. At elementary and middle schools, bookkeepers also perform accounting for school internal accounts. At the high school level, there are internal accounts bookkeepers in addition to school bookkeepers. The district provides support and training for bookkeepers through individual on-site training (budget office personnel are responsible for training and support for school bookkeepers while site accounting personnel are responsible for training and support for school internal accounts bookkeepers) and through periodic meetings in which budget, accounting, and purchasing personnel provide updates on relevant topics.

Best Practice 2: Using

Management has developed and distributed written procedures for critical accounting processes and developed a process for reporting suspected improprieties.

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 ensure compliance with board policies as well as document the intent of those policies;

- Protect the institutional knowledge of an organization, so that as experienced employees leave, new employees will 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 Volusia County School District's financial and accounting managers express their commitment to maintaining a system of internal controls. This commitment has been fully documented and communicated via written, comprehensive procedures for the critical processes, which are essential to maintaining a system of internal controls and to processing financial data in an efficient and effective manner. These procedures manuals are useful reference sources for staff, an important tool for training new staff, and also provide assistance to new employees when they replace key finance-related personnel. In addition, if individuals take actions that compromise needed controls, it is much easier to take appropriate corrective action if procedures documenting district policies, procedures, and standards relating to internal controls are in place. District Policy 418—Standards of Conduct describes the ethical obligation of students, parents, guardians, and other individuals as well as district employees. An employee survey disclosed that 81.2 percent of the staff is familiar with this policy.

Policies that emphasize the timely reporting of suspected financial and ethical improprieties by employees also imply a strong commitment to internal controls. Such policies enable the district to become aware of weaknesses in internal controls that might otherwise have been overlooked. The process of reporting improprieties should be designed to ensure:

- Anonymity of the person reporting the impropriety.
- A process for providing feedback on the results of the investigation.
- Immunity from reprisals.
- A process for allowing the suspected impropriety to be reported to someone other than the direct supervisor.

District Policy 418—Standards of Conduct identifies the board policy for reporting allegations and the district's fraud procedures (adopted by superintendent's staff on July 16, 2003) outlines the specific guidelines and responsibilities for detecting and reporting fraud and irregularities. Suspected fraud and/or irregularities can be reported via the district's fraud hotline, which is operated by the Office of Professional Standards. The district should periodically monitor the application and enforcement of the newly adopted fraud procedures in order to ensure effectiveness.

Best Practice 3: Using

The district has adequate financial information systems that provide useful, timely, and accurate information.

Florida school districts are subject to significant federal, state, and local (board) oversight of their financial activities. Also, given the limited financial resources provided 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 Volusia County School District has an enterprise accounting system that uses various subsystem modules (such as accounts payable, fixed asset accounting, and payroll accounting) to interface seamlessly with the general ledger module. This accounting package facilitates collecting, processing, maintaining, and reporting the district's financial transactions. The system also permits users to make entries at the subsidiary level and these entries are then automatically updated in the general ledger. As a result, the degree of manual reconciliations required between subsidiary ledgers and the general ledger are minimized. District finance staff also considers the reporting features of the system to be effective. Users can create user-defined reports at any time with the assurance that these reports (for example, accounts payable details) agree with general ledger balances. In addition, the system facilitates the timely completion of the superintendent's Annual Financial Report and other reports needed by users. Our interviews and surveys showed that users are satisfied with monthly financial report products they receive and that they believe they receive these reports in a timely fashion.

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 contracts, payments, 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 Volusia County School District assigns responsibility for analyzing significant contract methods and financial negotiations to department managers, procurement and finance staff, and to the district's legal counsel. Department managers, procurement and finance staff, and the legal counsel, as applicable, are all responsible for monitoring, identifying, and analyzing significant contracts and billings for reasonableness and compliance with contract terms. They review all bills and invoices related to these contracts and must approve them prior to payment. Department managers are also responsible for understanding contract terms and discussing any questionable issues related to payment and request for proposal terms with the Purchasing Department and the district's legal counsel. The Finance Department will process invoices for payments only after receiving final approval from department managers. The district also has adequate procedures in place for monitoring, approving, and processing recurring expenditures, such as utility and travel expense payments.

INTERNAL CONTROLS

Best Practice 5: Using

The district has established adequate internal controls.

School districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended.

The Volusia County School District receives an annual external audit and is also subject to monitoring reviews by federal and state grant monitors. A review of the report issued by the Auditor General for the year ended June 30, 2000, indicated that the district had established and implemented procedures that generally provide for internal control of district operations. Also, a review of reports by independent certified public accountants for the fiscal years ended June 30, 2001 and 2002, disclosed that internal controls over financial reporting and operations were adequate. During our interviews, financial and accounting managers consistently expressed a commitment to maintaining an effective system of internal controls.

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.

As part of this engagement, we reviewed the Volusia County School District's efforts to resolve internal control weaknesses identified in the external financial audits and other monitoring reviews made over the past three years. This analysis disclosed that district staff responded promptly to the findings related to internal controls and corrected them in a timely manner.

Best Practice 7: Using

The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to its users.

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

Effective strategic planning includes:

- Identifying priorities through surveys of students, parents, teachers, administrators, and community leaders;
- School board input on goals and major priorities;
- Developing objectives for strategic plan goals that include measurable outcomes and achievement dates as appropriate;
- Assignment of responsibility for achieving objectives;
- Annual performance monitoring and adjusting of objectives as necessary to ensure achievement of strategic plan goals; and

Cost Control Systems

- Budgets that require expenditures to be tied directly to the strategic plan priorities of the district.

The Volusia County School District's operating budget presents budget data in tables and charts in an understandable, readable format and includes organization charts for each major area. The budget staff has identified enhancements for presentation of budget data such as adding more narrative information that will make the document clearer and that addresses criteria established by the Government Finance Officers Association (GFOA) for its Distinguished Budget Award which is given for quality presentation. The district expects to begin implementation of changes for the 2003-04 fiscal year and will then seek the GFOA's seal.

Overall, the budget development process is sound, involves the appropriate stakeholders, and conforms to state requirements. District staff is generally satisfied with the process; our employee survey showed that 79 percent of respondents for instructional areas agreed (9 percent disagreed) that the budget development process results in school needs being effectively addressed. In addition, the district has linked the development of the budget for instructional areas to the strategic plan such that priorities and goals established by the strategic plan have clearly directed budgetary resources and resulting expenditures. However, based on our survey results, the budget development process is not as effective for non-instructional areas. Our survey showed that of respondents related to non-instructional areas, 43.8 percent of respondents agreed (28 percent disagreed) that department and program needs are addressed through the budget development process. Our survey showed that, for all respondents, 49.5 percent agreed (23 percent disagreed) that district needs were addressed through the budget development process.

In addition, the district identified priorities for its strategic plan for the 2001-03 fiscal years which were indirectly linked to the development of the budget. The strategic plan for the 2003-08 fiscal years encompasses six focus areas such as academic excellence, access and equity, high performing instructional and non-instructional staff, involved family and community, safe and orderly environment, and effective operations. The new plan establishes district goals and areas of focus as well as identifies best practices, best practice indicators, strategies, and objectives with five-year benchmarks for instructional and non-instructional areas that include personnel, student services, facilities, and budgetary functions.

Best Practice 8: Using

Management analyzes strategic plans for measurable objectives or measurable results.

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

The Volusia County School District established certain priorities for its strategic plan for the 2001-03 fiscal years that provided direction to and established goals for instructional and non-instructional areas that were quantifiable and measurable. However, the district has developed a strategic plan for the 2003-08 fiscal years that more clearly articulates priorities and provides benchmarks that will facilitate performance monitoring and measurement.

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 principles 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.

A review of Volusia County School District's annual financial audits for each of the last three years indicates that the audits were performed in accordance with generally accepted auditing standards and government auditing standards. A review of these audit reports also makes clear that the district makes reasonable efforts to resolve findings related to financial and accounting issues and improve operations.

Best Practice 10: Not Using

The district does not have an internal audit function.

Section 1001.42(10)(l), *Florida Statutes*, permits school boards to employ internal auditors to perform ongoing verification of the financial records of the school district. This law requires the internal auditor to report directly to the board or to the board's 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 Volusia County School District does not have an internal audit function. However, the district does use a combination of in-house and external resources to perform some of the responsibilities usually assigned to an internal audit function. For example, the operations of school internal accounts, generally a high risk area for school districts and which are audited by the internal auditor in many districts, are audited by a certified public accounting firm. District staff also performs some investigations and other functions that might traditionally be performed by an internal audit function, such as reviewing full-time equivalent student counts, reviewing purchasing card activities, and conducting investigations into possible missing or mishandling of cash collections by school bookkeepers.

Regardless of whether or not the district has an internal audit function, it should document a risk assessment of its operations and activities on an annual basis to determine and prioritize risks that should be addressed and corrected. Risk assessments are typically conducted in all large organizations as a means to protect against undesirable acts and to identify ways to improve the efficiency and effectiveness of operations. For a risk assessment to be most effective, it should include input from many stakeholders such as the superintendent, board members, and financial and operational management, including principals. District staff has the capability to perform the risk assessment. Indeed, the assistant superintendent for financial services has indicated that a risk assessment will be performed in-house and should be completed by January 2004.

Upon receiving the risk assessment and determining how the district is addressing or intends to address identified risks, the district should analyze the costs of addressing these risks with various district staff,

contracted certified public accountants and/or other resources with the costs of having its own internal audit function. If cost-beneficial to do so, the district should consider establishing an internal audit function. As previously noted, the law requires that the internal audit function report directly to the board or the board’s designee. Accordingly, even if the district determines that other district staff will be used to address the prioritized risks (from its risk assessment), district staff assigned these duties should report the results of the review directly to the board or the board’s designee.

Action Plan 11-1

We recommend that the district conduct annual risk assessments.		
Action Needed	Step 1.	Identify staff with appropriate skills to develop a risk assessment of operations.
	Step 2.	Identify and include input from stakeholders in the process.
	Step 3.	Perform risk assessment, identifying various levels of risks for district activities and functions.
	Step 4.	Review the results of the risk assessment and prioritize high-risk activities.
	Step 5.	Assign responsibility for addressing and resolving prioritized risks.
Who Is Responsible	Assistant Superintendent for Financial Services	
Time Frame	January 2004	

Best Practice 11: Using

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

The financial transactions of individual school activities and organizations are accounted for in the school internal accounts (funds). The law requires that school districts provide for annual audits of the school internal funds. School districts may also have related organizations such as foundations and charter schools. Due to the nature of these related organizations, their financial activity generally should be included with that of the school district. However, this law requires that these related 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. Frequently, school district monitoring responsibilities are achieved by reviewing the related organizations 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.

Internal funds. The Volusia County School District currently engages a certified public accounting firm to conduct annual audits of school internal accounts. These audits are completed on a timely basis and the results are presented to the board. A review of the results of the audits of school internal accounts for the 1999-00, 2000-01, and 2001-02 fiscal years performed by independent certified public accountants disclosed that 1.5 percent, 15.0 percent, and 20.0 percent, respectively of district schools had no specific audit findings. While the most recent audit included general comments including a recommendation to standardize documentation for receipts and disbursements and for the accounting of specific items, the auditors also noted that significant improvements had been made by the district in those areas.

Charter school and direct support organization. The Volusia County School District has a direct support organization, the Volusia County Education Direct Support Organization, Inc., and one charter school, the Reading Edge Academy, Inc. From an accounting perspective, both are considered discretely presented component units whose financial statements are included in the district’s Comprehensive Annual Financial Report (CAFR). Legal requirements for these discretely presented component units provide that these organizations be audited by auditors other than those employed by the district. To meet this requirement, the district requires that these organizations provide audited financial statements on an annual basis and that these financial statements be submitted by September 20 after the June 30 fiscal year-end to ensure sufficient time to include this information in the district’s financial statements. The

charter schools have followed these guidelines for the three most recent fiscal years. To further enhance the monitoring process, the district also requires its charter school and direct service organization to annually submit unaudited financial statements by July 31.

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 Volusia County School District has adequate policies and procedures regarding the cash management function, which include using qualified public depositories and providing for timely deposit of collections, ensuring adequate segregation of duties relating to bank reconciliations, and forecasting cash needs.

Cash management. The district maintains eight bank accounts at a local bank including a master deposit account and an account used for cafeteria receipts. The district receives the majority of its cash in the form of wire transfers from the state or the local tax collector. These funds are sent directly to the district's investment account with the State Board of Administration. Adequate segregation of duties has been established for the cash receipts and disbursement functions. In addition, the bank reconciliation process is performed by an accountant with no cash handling responsibilities. The district has a five-year contract (for the fiscal years beginning in 2001 and ending in 2006) for banking services that were secured through a formal competitive bidding process.

Investment activities. The district's investment policy provides guidance on how to invest excess funds, including portfolio diversification of, suitable and authorized investments, and competitive selection of investment instruments. Investment objectives include (1) safety of principal, (2) maintenance of liquidity, and (3) return on investment. Authorized investments include those with the State Board of Administration's Florida Local Government Surplus Funds Trust, United States Government Securities, United States Government Agencies and Instrumentalities, repurchase agreements, and interest-bearing time deposits or savings accounts.

District accounting staff prepares cash-flow analyses, and excess funds are typically and promptly invested. The district places most of its investments in money market funds and government securities. It also has funds invested 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 withdrawal penalties. The district is exploring opportunities to increase its investment income; therefore, it recently retained an investment advisor and according to management will establish benchmarks and performance measures for its investment activities. The investment advisor will also provide customized investment training for district staff.

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 Volusia County School District does an effective job of ensuring that the responsibility for initiating, evaluating, and approving capital asset transactions are segregated from the responsibilities for project accounting, property records, general ledger, and custodial functions. The Financial Services Department is charged with accounting for tangible personal property and the Site Accounting Department ensures the proper assignment of property record numbers and the issuance of property record tags, as appropriate. School principals and department administrators, or their designees, serve as custodians for capital items and are responsible for safeguarding assets. Additionally, the Site Accounting Department is also responsible for ensuring that appropriate asset values for completed construction projects are transferred in a timely manner to detailed subsidiary records and that monthly and annual analyses of real property transactions are maintained.¹ In the 2001-02 fiscal year, the district effectively implemented Government Accounting Standards Board Statement No. 34 that relates to the reporting of fixed assets, including depreciation, in governmental financial statements.

The district has procedures to ensure that fixed assets are inventoried in a timely manner. In the 2001-02 fiscal year, inspection results indicated that only 0.4 percent of total property costs were not accounted for. This is attributable, at least in part, to the district's establishment of written policies and implementation of detailed procedures that aid the district in adequately accounting for capital assets and ensuring that capital assets are effectively managed. These policies and procedures adhere, for the most part, to state law and the *Rules of the Auditor General*, which stipulate a district's responsibility as it relates to fixed assets.

Section 274.02, *Florida Statutes*, and Chapter 10.400, *Rules of the Auditor General*, require that property of a "non-consumable nature" with a value of \$750 dollars or more and a normal expected life of "one year or more" be capitalized and recorded as a fixed asset in the accounting system. Currently, the district's policy is to capitalize property of a non-consumable nature with a value of \$500 or more and a normal expected life of one year or more. While the \$500 threshold is acceptable, certain economic benefits can be derived from raising the capitalization limit to \$750. For example, the district can redirect man hours formerly used to assign property record numbers and issue property record tags for items valued under \$750 toward other duties in the office of site accounting. The district is currently assessing the costs and benefits associated with raising the dollar threshold to the state limit.

¹ During our review, we noted that the monthly reconciliations were not performed in a timely manner. The accounts were reconciled and analyzed at year-end and only immaterial differences were noted.

Best Practice 14: Using

The need for significant capital outlay purchases is related to 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 Volusia County School District's approach to managing the acquisition of capital assets is generally effective. To account for these assets, the district maintains separate accounts for all capital outlay and maintenance projects. In-progress costs are properly recorded and completed and project costs are transferred to fixed asset accounts. The district also has procedures in place to ensure compliance with funding source restrictions on allowable and appropriate expenditures. In addition, the current accounting system maintains and tracks project cost detail on a fiscal-year basis and clearly assigns responsibility for adequately monitoring progress payments, unsatisfactory contractor performance, and construction delays.

The capital budgeting process also has a number of strengths. As part of this process, the district prepares a capital outlay work program, which identifies and makes recommendations for new schools, major renovations, and classroom replacement for a five-year period. The work program and the capital projects funds budget highlight the funding and financing composition and the amounts funded for each projected capital outlay project. The capital outlay budget can be directly tied to the district's 10-year construction program and the one-half cent sales tax. In addition, the newly developed strategic plan for the 2003-08 fiscal years affirms the construction program.

DEBT MANAGEMENT

Best Practice 15: Using

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

In addition to property taxes for construction and state funding, most school districts issue debt instruments to finance construction projects as authorized by law. 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 Volusia County School District evaluates and effectively manages its debt and long-term financing arrangements. In addition, the district has engaged a financial advisor that assists it in evaluating financing options and providing recommendations on the financing options that are the most closely aligned with the district's needs. As of June 30, 2002, the district had bonds payable of \$213,370,000, which includes \$146,845,000 of sales revenue bonds issued in 2002 secured by the one-half cent sales tax. The district also had \$99,850,000 in certificates of participation. According to the cash manager, the district had approximately \$280,000,000 available in debt capacity using the ad valorem revenue (2 mill) and sales tax collections. During the 2001-02 fiscal year, the district refunded \$41,057,000 of general obligation bonds, which will save the district approximately \$2.5 million in interest expense over the life of the bonds. Also, the board recently approved an agreement for a fixed spread basis swap which has the potential to save the district \$3 million over 14 years. Management is also considering entering into an

agreement with a financial institution for an \$80 to \$90 million line of credit as an alternative to issuing debt. Doing so would enhance the district's ability to enter into construction contracts by providing the district with the ability to allocate and encumber funds without incurring other debt.

District financial staff is also knowledgeable about debt service requirements, which are documented in its debt service booklet and are reported in the district's audited financial statements. Prudent steps are taken to ensure timely payment and compliance with bond covenants and other debt requirements.

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 capital acquisition program, and links them to the achievement of institutional goals.

The Volusia County School District evaluates financing alternatives when considering major capital projects. As stated in Best Practice 14, the capital outlay budget can be tied to the district's 10-year construction program and the one-half cent sales tax. As also noted, the district's current strategic plan affirms the 10-year construction program.

RISK MANAGEMENT

Best Practice 17: Not Using

The district has not established written policies and procedures relating to 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.

The Volusia County School District's risk management activities are managed by the director of insurance and employee benefits, who is a certified risk manager and the district's general counsel. The risk manager is responsible for ensuring that the district has acquired all insurance coverage required by law while the general counsel focuses on managing general liability claims and claims related to fleet liability. In addition, the district's insurance consultants review the district's risk management needs and provide recommendations on the applicability of coverage, availability of coverage, the market regarding the cost of coverage, and on reasonable limits of liability for insurance coverage.

The district has developed a procedures manual which contains pertinent information regarding the types of commercial insurance maintained by the district. This manual also states that the insurance must be competitively bid if the district decides to change carriers but that there is no legal requirement for the district to competitively bid its insurance at certain intervals. In addition, the manual indicates the policy renewal date, that the RFP process should be started at least three months prior to the policy renewal date, and that the RFP process should be coordinated with the Purchasing Department.

Although the district does have written documentation regarding certain types of insurance, a written board policy has not been established to guide risk management activities. This policy should address such matters as thresholds/limits for approval for payments of claims, provisions for competitive quotations or direct negotiations, and should describe who will review proposals. In addition, this policy should establish requirements that managers submit a comprehensive risk management program to the board for approval, that the reviewers be free of a personal or financial relationship with providers, and that insurance contracts and contracts with third-party administrators be entered into on the basis of RFPs on a periodic basis. In addition, the district needs to develop written procedures related to the review, approval, and processing of claims related to fleet and general liability, which are self-insured.

We recommend that the district develop a written board policy to direct risk management activities and develop written procedures for implementing this policy. The steps to implement this recommendation are delineated in Action Plan 11-2.

Action Plan 11-2

We recommend that the district develop a written policies and procedures manual for risk management.		
Action Needed	Step 1.	Establish written policy for risk management activities.
	Step 2.	Seek board approval of the policy.
	Step 3.	Develop written procedures to implement the policy.
	Step 4.	Develop written procedures related to processing, review, and approval for fleet and general liability claims.
	Step 5.	Combine all written documentation into a policies and procedures manual for the risk management function.
Who Is Responsible	Risk Manager	
Time Frame	June 30, 2004	

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. The district’s Risk Management Department is charged with the responsibility for implementing the district’s risk management policy and ensuring that the district has acquired all insurance coverage required by law.

The Volusia County School District annually prepares an insurance program summary that identifies the commercial coverage employed to indemnify the district against various risks of loss. For general and fleet liability claims, the district is self-insured as of July 1, 2003, and has purchased excess insurance in the amount of \$100,000 per person, \$200,000 per occurrence.² For property insurance, there is layered commercial coverage for a total insured value of \$880,000,000 with a \$5,000,000 deductible for wind damage from a named storm and \$100,000 for all other perils.

² Limited sovereign immunity is afforded public entities under Section 768.28, *Florida Statutes*, and may protect the district from being liable for catastrophic loss.

Best Practice 19: Using

The district prepares appropriate written cost and benefit analyses for insurance coverage, and compares insurance costs with peer districts.

As mentioned previously, managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and to identify ways to contain costs. To maximize effectiveness, school districts should regularly evaluate the costs of their risk management programs, compare their costs with their peers, and continually evaluate new risk management products to determine the cost benefit.

The Volusia County School District prepares written cost and benefit analyses when evaluating insurance coverage. An analysis prepared by an insurance consultant two years ago indicated that the district's self-insured program for general liability claims was more cost-effective than acquiring commercial coverage. More recently, the district has reviewed alternatives for insurance coverage such as a pooling arrangement with other public entities and has completed various other analyses of its costs and coverage in an effort to reduce the costs associated with its insurance program. The district recently compared its costs and coverage to other districts. According to the risk manager, and based on the results of these recently completed analyses of the cost effectiveness of the insurance program, the district has decided to self-insure its fleet liability claims as of July 1, 2003. To implement this plan, the district will hire a claims adjuster and will engage a third-party administrator to process fleet claims. The district will also establish a separate fund for these claims and will engage a consultant to perform an actuarial valuation of its liability.

PURCHASING

Best Practice 20: Using

The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements.

An effective purchasing system allows a school district to provide quality materials, supplies, and equipment in the right quantity in a timely, cost-effective manner. A good purchasing system has established purchasing policies implemented through effective and well-developed procedures. Careful planning and cost-effective practices such as bulk-purchasing and price/bid solicitation provide the framework for the efficient procurement of goods and services. School districts must also ensure that goods and services are obtained to the specifications of the users, at the lowest possible costs, and in accordance with applicable state laws and regulations.

Purchasing and warehousing services for the Volusia County School District is handled by a department that is organizationally separate from the Finance Department (and which reports to the assistant superintendent for administrative services). This department is responsible for ensuring that board-adopted purchasing policies and procedures are followed and for ensuring that goods and services that meet the district's needs are purchased at a reasonable cost and in a timely manner.

The district has established a number of effective practices and procedures relating to its purchasing operations. For example, district procedures provide for the decentralized requisitioning and receiving of goods and services (the Purchasing Department is physically and functionally separate from these activities). In addition, the district works to consolidate bidding for recurring purchases when feasible to obtain volume purchase discounts. To determine feasibility of consolidating purchase requests, the Purchasing Department surveys departments to understand their upcoming equipment and supply needs.

When practical, the district also uses various state purchasing contracts, piggybacks on the bids of other school districts, and conducts searches of various Web sites to reduce the cost of purchased goods and services. In addition, to enhance efficiency, customer service, and convenience, the district's purchasing polices, current and active bids, new bids, vendor applications, and warehouse catalogs are maintained on the district's Web site. The success of these efforts is reflected in the fact that a recent employee survey disclosed that 59.6 percent of district employees strongly agree that the district has an effective purchasing system.

The district has also established purchasing card programs that serve both to reduce administrative costs associated with the purchasing process and to improve services. Two programs have been established – a district wide purchasing card program (managed by the Purchasing Department) and an internal accounts purchasing card program (managed by the Site Accounting Department). The two purchasing card programs are used to supplement the purchase order process; however, all purchasing policies remain in effect when using the cards. The district has established controls over the use of the cards, using card features that prohibit certain classes of purchases or using the card at certain classes of vendors. From time to time the district generates reports that show total dollar volume and number of transactions by school or department. This enables the district to target sites that are not using the card efficiently or appropriately. Additionally, the district evaluates the purchasing card transactions in order to identify bid opportunities or areas for negotiating discounts.

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.

Effective policies and procedures for inventory management should include cost-effective methods for conducting annual physical inventories, the results of which should be compared to control counts to ensure that all inventories have been properly accounted for. Additionally, procedures would exist to provide effective accountability for inventory issues and receipts as well as establish reorder points so that items are always available when needed and ensure that stale-dated inventory items are kept to a minimum.

The Volusia County School District's approach to inventory management is sound. To minimize the risk of loss and theft, it is important that the duties and responsibilities relating to inventory management be appropriately segregated and the district has taken appropriate steps to ensure segregation of these responsibilities. In particular, the district has established and implemented controls for requisitioning items from inventory and for ensuring that the responsibilities for inventory requisitioning, approving, accounting, and custody are properly segregated. In addition, the district's central warehouse has established security controls and environmental safeguards to protect warehoused goods. The district also does a creditable job of manually performing the annual physical inventory count at the warehouse. As part of this process, inventory results are reconciled with the district's perpetual inventory accounting system and discrepancies are resolved. The district has also documented its procedures relating to inventory management.

Best Practice 22: Using

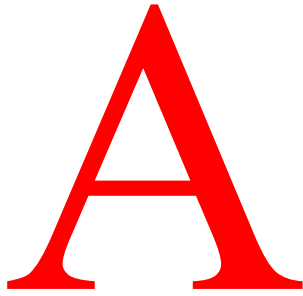
The district periodically evaluates the warehousing function to determine cost effectiveness.

School districts that have centralized warehousing functions can meet this best practice by evaluating the total cost of its warehousing operation and comparing this cost with alternative inventory procurement

Cost Control Systems

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.

In general, the Volusia County School District has established procedures to suitably monitor and evaluate warehouse services and user satisfaction. In the 2001-02 fiscal year, a district-generated user satisfaction survey indicated that 96 percent of all respondents are satisfied or very satisfied with warehouse and distribution products and services. The district also frequently evaluates the competitiveness of its warehouse prices with state contracts and retail vendors. The district also compared various aspects of its operations with peer districts and completed a Department of Agriculture "Self Assessment of Warehouse Cost" questionnaire to determine the overall cost of warehouse operations related to food service. Additionally, the district analyzed the cost savings associated with using a supply vendor for limited purchases, developed an on-line purchasing program utilizing another supply vendor's Web site, has evaluated the overall cost-effectiveness of the warehousing function, and it has identified the overall costs of its warehouse operations (salaries and salary-related costs, direct costs and indirect costs). In addition, a systematic analysis of the costs and benefits of maintaining the warehouse functions as compared to other alternatives (for example, contracting for a next day inventory service) has been performed.



Action Plan

Educational Service Delivery

Action Plan 4-1

We recommend that the district evaluate the units assigned to the Departments of ESE and Special Needs Programs and restructure them to ensure a seamless service delivery system.

Action Needed	Step 1.	Evaluate the current areas of responsibility of the Departments of ESE and Special Needs Programs.
	Step 2.	Determine areas where units are interdependent and best assigned to one office to improve delivery of services to students

Who Is Responsible Assistant Superintendent, Curriculum and School Improvement Services

Time Frame June 30, 2004

Action Plan 4-2

We recommend that the district redesign the structure of the Title I office to better provide better alignment with the current Title I program and the district’s approach to site-based management.

Action Needed	Step 1.	Determine current state and federal Title I compliance and oversight requirements.
	Step 2.	Determine support needs of schools and central office based on district’s Title I program.
	Step 3.	Begin with a “blank sheet” and develop an organization structure for the Title I office based on the district’s current Title I program and regulatory requirements.
	Step 4.	Determine staffing allocations based on this structure.

Who Is Responsible Assistant Superintendent, Curriculum and School Improvement Services

Time Frame June 30, 2004

Action Plan 4-3

We recommend that when a new data warehouse and MIS system for managing and accessing student data is complete the district reevaluate the allocation of resource teachers and school-based analyst positions and adjust staffing as needed.

Action Needed	Step 1.	Determine the school based staff assigned to data analysis functions (or the percentage of work time a staff person is assigned to those functions) that can be performed by the data warehouse and MIS system
	Step 2.	Develop a formula for determining the staffing needs of schools based on the change in job responsibilities.
	Step 3.	Reassign staff based on this analysis.

Who Is Responsible Assistant Superintendent, Curriculum and School Improvement Services

Time Frame June 30, 2005

Action Plan 4-4

We recommend the district develop ratios of assistant principals and school based administrators to students consistent with its peer districts and consider reclassifying deans as department heads rather than assistant principals.

Action Needed	Step 1.	Develop assistant principal and school based administrators to student ratios for the elementary, middle, and high school levels taking into consideration peer district ratios, SACS accreditation standards, job responsibilities and district need.
	Step 2.	Assign assistant principals and school administrators to schools for the 2004-05 school year based on these allocations.

Who Is Responsible	Deputy Superintendent
Time Frame	June 30, 2004

Personnel Systems and Benefits

Action Plan 6-1

We recommend that the district develop a more structured process for analyzing, reporting and using data to determine factors that may be contributing to turnover or low morale

Action Needed	Step 1.	Identify data needs, including the number of resignations annually by employee group and the factors contributing to those resignations.
	Step 2.	Develop data collection strategy and tools to effectively and efficiently collect data to guide management decisions.
	Step 3.	Collect and analyze data to determine causes of turnover and to identify causes and solutions that can be effectively addressed by management.
	Step 4.	Develop and implement a retention plan based on analysis
	Step 5.	Evaluate the effectiveness of the retention plan
	Step 6.	Report to the school board in a more structured process the results of the data on turnover and the effectiveness of retention efforts

Who Is Responsible	Assistant Superintendent for Personnel Services
Time Frame	Six months (to develop data collection instruments and approaches)

Action Plan 6-2

We recommend that the district conduct a systematic review of its merit program and state required Pay for Performance Plan to avoid duplication of effort and determine the effectiveness of both plans in meeting the program objectives.

Action Needed	Step 1.	Establish joint labor management committee to review the merit pay plan and state required Pay for Performance plan. (A committee representing teachers and a committee representing non-instructional staff should be established.)
	Step 2.	Obtain feedback from district employees as to the effectiveness of the current plans and recommendations for improvement.
	Step 3.	Make modifications to the current plans based on the analysis of employee feedback and an analysis of fiscal impact.
	Step 4.	Implement modifications to current plans with School Board approval.
	Step 5.	Evaluate the impact of new plan on staff morale, workforce stability and improved student performance.

Who Is Responsible	Chief Negotiator, Assistant Superintendent for Finance Services
Time Frame	Six months (to review and recommend modifications to current plan) One year (to begin implementations as determined by fiscal impact analysis).

Action Plan 6-3

We recommend the district revisit its written strategic plan for Personnel Services to ensure that it includes measurable objectives that reflect the purpose and expected outcomes of the program as reflected in the district's overall strategic plan.

Action Needed	Step 1.	Select individuals to serve on a strategic planning task force.
	Step 2.	The task force should gather information from reports, stakeholders, and staff about the appropriate goals and objectives of the Personnel Services department.
	Step 3.	Establish written goals and measurable objectives that are aligned with the goals. Incorporate baseline data and benchmarking standards into the plan.
	Step 4.	Review all HR job descriptions for alignment with written goals and objectives
	Step 5.	Share with appropriate HR staff and select district stakeholders to ensure the plan's consistency with other strategic planning initiatives being undertaken in the district.
	Step 6.	Include procedures for monitoring progress towards stated objectives, and for annually updating the plan.
	Step 7.	Assign responsibilities for tracking progress.
	Step 8.	Seek board approval once plan is completed.
Who Is Responsible	Assistant Superintendent, Personnel Services	
Time Frame	June 2004	

Facilities Construction

Action Plan 7-1

We recommend that the facilities services division develop management level goals and objectives for the facilities planning, design and construction functions and a system to evaluate progress and efficiency toward meeting these ends.

Action Needed	Step 1.	Establish performance accountability committee to include facilities administration from the maintenance and capital sides, a representative of the bond oversight committee, principal, and a school district educational planner.
	Step 2.	Revise the goals, indicators/strategies and benchmarks in the District's Strategic Plan to meet the level of specificity of the educational goals, indicators/strategies and benchmarks. Alternatively these elements can be developed separately at program level and not included in to strategic plan.
	Step 3.	Identify relevant areas for which data is already collected that can be linked to goals.
	Step 4.	Create a matrix of the goals, indicators/strategies and benchmarks and the relevant data.
	Step 5.	Prepare a report for the superintendent and school board of the management goals and objectives of the facilities construction division and how well they are meeting them.
	Step 6.	Create a policy to report performance on key measures to the superintendent and the board.
	Step 7.	Bring proposed policy for reporting performance to superintendent and board, along with first report on performance accountability.
Who Is Responsible	Executive Director of Facilities	
Time Frame	December 2004	

Facilities Maintenance

Action Plan 8-1

We recommend that the district establish outcome-based goals and specific measurable objectives for its maintenance operations.

Action Needed	Step 1.	Develop outcome-based goals for each discrete maintenance program area.
	Step 2.	Develop specific measurable objectives for each discrete maintenance program area that are linked to cost-efficiency and performance expectations.
	Step 3.	Obtain comments from a broad range of department customers and other stakeholders prior to finalizing goals and objectives.
	Step 4.	Establish a periodic mechanism for collecting and assessing performance data against the established measurable goals and objectives.
	Step 5.	Link the performance measurement and budget allocation processes.
	Step 6.	Provide for the periodic reporting of performance to the superintendent and the school board.

Who Is Responsible	Director, Facilities Maintenance and Operations
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Time Frame	December 2004
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Action Plan 8-2

We recommend that the district conduct a detailed evaluation of major maintenance project cost estimates for the past two to three years; establish procedures to develop detailed project specifications prior to cost estimates in the future; and establish procedures to regularly evaluate future cost estimates for such projects.

Action Needed	Step 1.	Conduct a detailed evaluation of major maintenance project cost estimates for the past two to three years.
	Step 2.	Establish procedures to develop detailed project specifications prior to cost estimates in the future.
	Step 3.	Establish procedures to regularly evaluate future cost estimates for major maintenance projects.

Who Is Responsible	Director, Architectural Services
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Time Frame	December 2004
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Action Plan 8-3

We recommend that the district establish and follow procedures to regularly monitor and report on energy management systems operations, and adequately train staff to follow these procedures.

Action Needed	Step 1.	Establish detailed procedures to regularly monitor proper energy management systems operations.
	Step 2.	Establish a reporting mechanism to verify proper energy management systems operation.
	Step 3.	Hire a staff person to cover the second shift.
	Step 4.	Adequately train staff in energy management systems operations.

Who Is Responsible	Director, Facilities Maintenance & Operations
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Time Frame	July 2004
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Food Service Operations

Action Plan 10-1

We recommend that the district develop an integrated profit and loss statement that accurately reflects unit and department revenue and expenses on a monthly basis.

Action Needed	Step 1.	Determine the information needed on the profit and loss statement.
	Step 2.	Provide the information needed to the computer consultant that has been hired by the department.
	Step 3.	Determine the information needed from other district departments and coordinate the integration of this information into the department profit and loss statement.
	Step 4.	Evaluate the statement for accuracy and timeliness.
	Step 5.	Use the statement to provide financial information to the district, department staff and unit managers on a monthly basis.

Who Is Responsible	Assistant Superintendent for Administrative Services
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Time Frame	June 2004
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Cost Control Systems

Action Plan 11-1

We recommend that the district conduct annual risk assessments.

Action Needed	Step 1.	Identify staff with appropriate skills to develop a risk assessment of operations.
	Step 2.	Identify and include input from stakeholders in the process.
	Step 3.	Perform risk assessment, identifying various levels of risks for district activities and functions.
	Step 4.	Review the results of the risk assessment and prioritize high-risk activities.
	Step 5.	Assign responsibility for addressing and resolving prioritized risks.

Who Is Responsible	Assistant Superintendent for Financial Services
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Time Frame	January 2004
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Action Plan 11-2

We recommend that the district develop a written policies and procedures manual for risk management.

Action Needed	Step 1.	Establish written policy for risk management activities.
	Step 2.	Seek board approval of the policy.
	Step 3.	Develop written procedures to implement the policy.
	Step 4.	Develop written procedures related to processing, review, and approval for fleet and general liability claims.
	Step 5.	Combine all written documentation into a policies and procedures manual for the risk management function.

Who Is Responsible	Risk Manager
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Time Frame	June 30, 2004
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