

oppaga

Sharpening the Pencil

Best Financial Management
Practices Review



*Hernando
County
School
District*



Office of Program Policy Analysis
and Government Accountability

an office of the Florida Legislature

Report No. 03-67



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



Gary R. VanLandingham, Interim Director

December 2003

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

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

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

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

Marti Harkness was the project manager for this review, which was supervised by David Summers. Other OPPAGA staff included Bryan Conrad, Karen Helland, Don Krug, Marcus Mauldin, and Deborah Wagar. Auditor General staff included Jim Kiedinger and Denis Jessen under the supervision of David Martin.

We wish to express our appreciation to the staff of the Jefferson 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
Commissioner Jim Horne, Commissioner of Education

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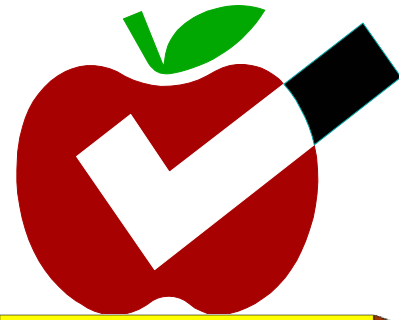
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Digest of the Best Financial Management Practices Review

Hernando County School District



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Results in Brief

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

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

In accordance with Florida law, the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General conducted a Best Financial Management Practices Review of the Hernando County School District during Fiscal Year 2002-03. The review determined that the Hernando County School District currently is using 82% (121 of 148) of the best practices adopted by the Commissioner of Education. The percentage of best practices used by the Hernando County School District is higher than the percentage used by most of the other districts reviewed. 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. A detailed listing of all the best practices that identifies the district's status in relation to each starts on page 6 of this report.

Exhibit 1

The District Is Using 82% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	13	1
Performance Accountability System (3)	2	1
Educational Service Delivery (12)	9	3
Administrative and Instructional Technology (9)	7	2
Personnel Systems and Benefits (11)	9	2
Facilities Construction (24)	20	4
Facilities Maintenance (22)	18	4
Transportation (20)	17	3
Food Service Operations (11)	7	4
Cost Control Systems (22)	19	3
All Areas (148)	121	27

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 \$2,455,904 over a five-year period. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district uses these opportunities to reduce costs and increase revenue, it would be able to redirect the funds to other priorities, such as directing more money into the classroom or making improvements suggested by this report.

Exhibit 2

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

Ways to Save	Projected Five-Year Cost Savings or Increased Revenue
<u>Educational Service Delivery</u>	
• Reduce inappropriate ESE referrals. (Best Practice 2, page 4-10)	\$ 279,375
<u>Facilities Maintenance</u>	
• Modify custodial staffing formula and reduce staff. (Best Practice 6, page 8-8)	1,020,000
<u>Transportation</u>	
• Reduce the number of courtesy riders by half. (Best Practice 3, page 9-9)	625,000
• Improve student discipline by seeking reimbursement from students who vandalize school buses. (Best Practice 16, page 9-16)	90,000
<u>Food Service Operations</u>	
• Reallocate existing food service employees to fill vacant positions. (Best Practice 2, page 10-8)	141,525
• Limit participation in open campuses. (Best Practice 6, page 10-11)	119,794
• Avoid maintenance costs on unneeded delivery vehicles (Best Practice 6, page 10-11)	4,130
• Sell unneeded delivery vehicles (Best Practice 6, page 10-11)	2,000
<u>Cost Control Systems</u>	
• Reduce the number of cellular telephones assigned to district staff. (Best Practice 4, page 11-10)	131,580
• Eliminate warehouse manager position and add an additional warehouseman position. (Best Practice 21, page 11-20)	42,500
TOTALS	\$2,455,904

Purpose

The purpose of Best Financial Management Practices Reviews is to improve Florida school district management and use of resources and to identify cost savings.¹ Florida law directs OPPAGA and the Auditor General to review the financial management practices of school districts. Florida law also provides that the best financial management practices, at a minimum, must instill public confidence by

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

Background

Two of the most important provisions of the Sharpening the Pencil Program are that it specifies those districts scheduled to undergo a Best Financial Management

¹ A list of cost saving opportunities identified in prior best practices reviews is available under [Ways to Save](#) on OPPAGA's website, the *Florida Monitor*, at <http://www.oppaga.state.fl.us>.

Practices Review each year of a five-year-cycle and requires public input during the review process and after the distribution of the final report.

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

The best practices are designed to encourage districts to

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

In accordance with the schedule of Best Financial Management Practice Reviews in Florida law, the Legislature directed that OPPAGA review the Hernando County School District during Fiscal Year 2002-03. With 18,601 students in fall 2002, the Hernando County School District is the twenty-ninth largest school district in the

state. Located on Florida's east coast approximately 46 miles north of Tampa, the district operates 21 schools; 10 elementary, 4 middle, 4 high, and 3 other types of schools including 1 charter school.

OPPAGA and Auditor General staff conducted fieldwork and developed report findings and recommendations. The report contains findings related to each best practice and detailed action plans to address best practice standards not met. These action plans were developed with input from the school district and describe the specific steps the district should take if it decides to implement the action plan within two years. Pursuant to s. 1008.35, *Florida Statutes*, OPPAGA made the final determination on whether the school district is using best practices adopted by the Commissioner of Education based on information in the final report and the independent assessment of the district's use of each best practice.

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

General Overview and District Obligations

Currently, the Hernando County School District is using 82% of the best practices adopted by the Commissioner and at this time is not eligible for a Seal of Best Financial Management. Appendix B of the full report contains an action plan detailing how the district could meet the best practices within two years.

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

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

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

If the school board votes to implement the action plan, the district must submit two annual status reports, the first

report no later than one year after receipt of the final report and the second report one year later.

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

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

Conclusions by Best Practice Area

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

Management Structures

The Hernando County School District is using 13 of the 14 best practices in management structures. For example, the district's school board effectively carries out its role and responsibilities, the district has a successful working relationship with the county, and the district involves parents, businesses, and the local communities in educational decisions. To meet the remaining best practice standard and ensure its performance, efficiency, and effectiveness, the district should develop measurable objectives for its strategic plan.

Performance Accountability Systems

The Hernando County School District is using two of the three performance accountability best practices. For example, the district conducts annual teacher/parent focus groups and has created a new program evaluation process that will help it to continually improve services for students. To improve its accountability system, the district should develop program-level mechanisms to routinely measure progress toward meeting program goals and objectives.

Educational Service Delivery

The Hernando County School District is using 9 of the 12 educational service delivery best practices. The district regularly uses data to assess program performance, provides a wide variety of programs to students who need academic or social skills interventions, and has a strong relationship with local business and industry to enhance career and technical education program offerings. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its educational programs, the district should improve the accuracy of ESE referrals, regularly track the number of retentions and administrative assignments, provide additional training to teachers in the use of the student progression plan, and ensure that teachers and students at all schools have sufficient access to computers and instructional technology. The district could attain a cost savings of approximately \$279,375 over five years by reducing the number of inappropriate ESE referrals.

Administrative and Instructional Technology

The Hernando County School District is using seven of the nine best practices in administrative and instructional technology. The district provides comprehensive administrative and instructional technology to its schools and support divisions. The district's technology initiatives include individual school networks, instructional software, administrative information systems, classroom computers and network connections, and a computer for most teachers. To use the remaining best practices, the district should take additional steps to improve technology planning and coordinate districtwide technology curriculum activities.

Personnel Systems and Benefits

The Hernando County School District is using 9 of the 11 personnel systems and benefits best practices. The district has successful training programs for teachers and those interested in becoming administrators, and has taken steps to better share information regarding collective bargaining and teacher certification. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its personnel function, the district should address factors causing turnover among its employees and should modify its performance evaluations.

Facilities Construction

The Hernando County School District is using 20 of the 24 facilities construction best practices. The district is using all of the construction funding, design, and renovation best practices. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its construction activities, the district should develop a facilities five-year work program, regularly conduct post-occupancy evaluations, develop written accountability measures to evaluate the performance of the construction

program, and analyze performance of the construction program based on performance measures.

Facilities Maintenance

The Hernando County School District is using 18 of the 22 best practices relating to facilities maintenance. The district is using all of the best practices in the areas of resource allocation and utilization, information management, and health and safety. However, the district could improve performance in the areas of program direction and accountability and organizational structure and staffing. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should establish measurable, comprehensive objectives, develop performance standards for frequently repeated maintenance tasks, establish written procedures and employee performance standards, and revise the custodian staffing formula. By modifying the staffing formula and reducing excess custodial staff, the district could attain a cost savings of \$1,020,000 over five years.

Transportation

The Hernando County School District is using 17 of the 20 transportation best practices. The district provides timely routine servicing for its buses and other vehicles, has modern maintenance facilities with adequate service areas and storage, and provides technological support for transportation operations. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should improve its bus routing, student discipline, and performance accountability. The district could attain a cost savings of \$715,000 over five years by reducing the number of courtesy riders and seeking reimbursement for bus vandalism.

Food Service Operations

The Hernando County School District is using 7 of the 11 food service operations best practices. The district has developed strategic plans and a training program, has performed well in its official inspections, and uses customer information to develop and improve its program. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should improve its performance accountability system and take steps to improve student participation. In addition, the district should improve its fund balance through its cost-savings initiatives. The district could attain \$267,449 over five years in cost savings or cost avoidance by reallocating existing food service employees to fill vacant positions, limiting student participation in open campuses, and selling unneeded delivery vehicles.

Cost Control Systems

The Hernando County School District is using 19 of the 22 cost control systems best practices. For example, the district is using all of the best practices relating to external and internal audits and has policies and procedures in place to ensure effective capital asset management, debt management, risk management, and purchasing. For the district to meet the remaining best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should improve evaluation processes for use of wireless communication resources, establish budget planning processes that tie the district's strategic plan objectives to the development of the budget, and reorganize warehouse staff for more cost effective warehouse management. The district could attain \$174,080 in cost savings over five years by reducing the number of district cell phones and eliminating a warehouse manager position.

Hernando County School District Best Financial Management Practices

Currently, the Hernando County School District is using 82% (121 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.	✓		2-4
2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	✓		2-4
3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	✓		2-5
4. The district routinely obtains legal services to advise it about policy and reduce the risk of lawsuits. It also takes steps to ensure that its legal costs are reasonable.	✓		2-5
5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	✓		2-6
6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	✓		2-6
7. The superintendent and school board exercise effective oversight of the district's financial resources.	✓		2-6
8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to district-wide policies and procedures.	✓		2-7
9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.		✓	2-7
10. The district has a system to accurately project enrollment.	✓		2-9
11. The district links its financial plans and budgets to its annual priorities in the strategic plan and its goals and objectives; and district resources are focused towards achieving those goals and objectives.	✓		2-9
12. When necessary, the district considers options to increase revenue.	✓		2-10
13. The district actively involves parents and guardians in the district's decision making and activities.	✓		2-10
14. The district actively involves business partners and community organizations in the district's decision making and activities.	✓		2-10

Best Practices

Is the District Using Best Practices?

<u>PERFORMANCE ACCOUNTABILITY SYSTEMS</u>	YES	NO	PAGE
1. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. These major programs are <ul style="list-style-type: none"> • Vocational/Technical Education, English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security.² 		✓	3-3
2. The district formally evaluates the performance and cost of its major educational and operational programs and uses evaluation results to improve program performance and cost-efficiency.	✓		3-5
3. The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	✓		3-5

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
1. District administrators use both academic and nonacademic data to improve K-12 education programs.	✓		4-10
2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. ³		✓	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	✓		4-12
4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	✓		4-12
5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	✓		4-13
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.	✓		4-13
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		✓	4-14
8. The district’s organizational structure and staffing of educational programs minimizes administrative layers and processes.	✓		4-15
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.	✓		4-16
10. The district has sufficient school library or media centers to support instruction.	✓		4-16

² Each district should define those programs considered “major” within these two broad areas. At a minimum, they should include the programs listed. However, the district should have some defensible, logical criteria to identify major educational and operational programs. Criteria may include funding, number of children or full-time equivalents (FTEs) served, or state or federal requirements.

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

⁴ These are students who need academic and/or social skills interventions to assist them to perform to their capacity.

Best Practices

Is the District Using Best Practices?

<u>EDUCATIONAL SERVICE DELIVERY</u>	YES	NO	PAGE
11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.		✓	4-17
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.	✓		4-19

<u>ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY</u>	YES	NO	PAGE
1. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.		✓	5-5
2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs. ⁵		✓	5-6
3. District and school-based staff receive professional development training for all technologies used in the district.	✓		5-8
4. The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.	✓		5-9
5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	✓		5-10
6. The district uses technology to improve communication.	✓		5-10
7. The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	✓		5-11
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.	✓		5-11
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

<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
1. The district efficiently and effectively recruits and hires qualified instructional and non-instructional personnel.	✓		6-4
2. To the extent possible given factors outside the district's control, the district works to maintain a reasonably stable work force and a satisfying work environment by addressing factors that contribute to increased turnover or low employee morale. ⁶		✓	6-4

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

⁶ A reasonably stable work force is characterized by a turnover rate that is low enough so that vacancies can be filled in a timely manner without requiring extraordinary recruitment efforts. This includes both a focus on the district as a whole as well as individual schools and departments. Evidence of an unstable work force could include situations in which school sites or a support departments have been beset by an extremely high turnover rate so that programs and activities have been disrupted, discontinued or have decreased value.

Best Practices

Is the District Using Best Practices?

<u>PERSONNEL SYSTEMS AND BENEFITS</u>	YES	NO	PAGE
3. The district provides a comprehensive staff development program to improve student achievement and to achieve and maintain high levels of productivity and employee performance among non-instructional, instructional, and administrative employees. ⁷	✓		6-5
4. The district's system for formally evaluating employees improves and rewards excellent performance and productivity, and identifies and addresses performance that does not meet the district's expectations for the employee.		✓	6-5
5. The district ensures that employees who repeatedly fail to meet the district's performance expectations, or whose behavior or job performance is potentially harmful to students, are promptly removed from contact with students, and that the appropriate steps are taken to terminate the person's employment. ⁸	✓		6-7
6. The district has efficient and cost-effective system for managing absenteeism and the use of substitute teachers and other substitute personnel.	✓		6-7
7. The district maintains personnel records in an efficient and readily accessible manner.	✓		6-7
8. The district uses cost-containment practices for its Workers' Compensation Program.	✓		6-8
9. The district uses cost-containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.	✓		6-8
10. The district's human resource program is managed effectively and efficiently.	✓		6-8
11. For classes of employees that are unionized, the district maintains an effective collective bargaining process.	✓		6-9

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
1. The district has effective long-range planning processes. ⁹	✓		7-6
2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	✓		7-7
3. The five-year facilities work plan establishes budgetary plans and priorities.		✓	7-7

⁷ In some districts, the staff development programs and issues related to non-instructional, instructional, and administrative employees may vary widely. In such cases, it is acceptable to separate this best practice into two or three separate best practices, and to deal with these employee groups separately.

⁸ Evidence of a problem in this best practice area could include one or more of the following examples

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

Evidence that a district is performing this best practice should include

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

⁹ Long-range covers 5-20 years out.

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

¹⁰ This includes such descriptions as a rationale for the project; a determination of the size of the facility and that it meets the space requirements of current *Laws of Florida*; a determination of the grade level the facility will serve; a determination of whether the new facility will serve all parts of the district on an open enrollment basis or will be a "magnet" school or a special school; a map has been prepared that shows the location of the planned facility within the community and the proposed attendance area of the school; construction budget that meets the state averages or requirements of current *Laws of Florida*, relative to cost per student station; the source of funding for the project; planning and construction time line; durability and maintenance costs; an estimate plan for the time of construction; the date of completion and opening.

Best Practices

Is the District Using Best Practices?

<u>FACILITIES CONSTRUCTION</u>	YES	NO	PAGE
22. The district conducts comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance.		✓	7-15
23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.		✓	7-16
24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.		✓	7-16

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

Best Practices

Is the District Using Best Practices?

<u>FACILITIES MAINTENANCE</u>	YES	NO	PAGE
17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	✓		8-13
18. A computerized control and tracking system is used to accurately track work orders and inventory.	✓		8-14
19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	✓		8-14
20. District policies and procedures clearly address the health and safety conditions of facilities.	✓		8-15
21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	✓		8-15
22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	✓		8-15

<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.	✓		9-8
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.	✓		9-8
3. The transportation office plans, reviews, and establishes bus routes and stops to provide cost-efficient student transportation services for all students who qualify for transportation. ¹¹		✓	9-9
4. The organizational structure and staffing levels of the district's transportation program minimizes administrative layers and processes.	✓		9-10
5. The district maintains an effective staffing level in the vehicle maintenance area and provides support for vehicle maintenance staff to develop its skills.	✓		9-11
6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	✓		9-11
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.	✓		9-12
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.	✓		9-12
9. The district provides timely routine servicing for buses and other district vehicles, as well as prompt response for breakdowns and other unforeseen contingencies.	✓		9-13
10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	✓		9-13
11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	✓		9-13
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.	✓		9-14

¹¹ Measures of cost-efficient student transportation services include reasonably high average bus occupancy and reasonably low cost per mile and cost per student.

Best Practices

Is the District Using Best Practices?

<u>TRANSPORTATION</u>	YES	NO	PAGE
13. The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and any unexpected contingencies affecting vehicle operations are handled safely and promptly.	✓		9-14
14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	✓		9-15
15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns	✓		9-16
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.		✓	9-16
17. The district provides appropriate technological and computer support for transportation functions and operations.	✓		9-17
18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	✓		9-17
19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	✓		9-18
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.		✓	9-18

<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
1. The program has developed strategic or operational plans that are consistent with district plans, the program budget, and approved by the district.	✓		10-8
2. The district and program are organized with clear lines of responsibility and in a manner that provides the food service program sufficient authority to succeed.	✓		10-8
3. Program management has developed training designed to meet basic program needs as well as improve food services, both based on a needs assessment.	✓		10-9
4. Program management has developed comprehensive procedures manuals that are kept current.	✓		10-9
5. The district performs sound cash and account management.		✓	10-10
6. District and program management optimizes its financial opportunities.		✓	10-11
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.		✓	10-14
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.	✓		10-15
9. District and program administrators effectively manage costs of the food services program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.		✓	10-16
10. The food service program and district complies with federal state and district policy.	✓		10-17

Best Practices

Is the District Using Best Practices?

<u>FOOD SERVICE OPERATIONS</u>	YES	NO	PAGE
11. The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.	✓		10-17

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

¹² Most school districts do not have an internal auditor. They generally do have internal accounts auditors, whose responsibility is to audit the school internal accounts. These internal accounts auditors should not be confused with internal auditors. However, school districts that do have internal audit functions often assign the audits of the school internal accounts to the internal auditor for efficiency purposes.

Best Practices

Is the District Using Best Practices?

<u>COST CONTROL SYSTEMS</u>	YES	NO	PAGE
20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing agreements.	✓		11-18
21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.		✓	11-20
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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Florida Monitor: <http://www.oppaga.state.fl.us/>

Project supervised by David D. Summers (850/487-9257), OPPAGA

Project managed by Marti W. Harkness (850/487-9233), OPPAGA

OPPAGA staff included Bryan Conrad, Darwin Gamble, Karen Helland, Jeanine King,
Donald Krug, Marcus Mauldin, and Deborah Wagar

Auditor General staff included Denis Jessen and Jim Kiedinger
under the supervision of David Martin.

Gary VanLandingham, OPPAGA Interim Director

1 Introduction

Overview

The 2001 Florida Legislature passed the Sharpening the Pencil Act 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's office. Under these reviews, OPPAGA and the Auditor General examine school district operations to determine whether districts are using the best practices to evaluate programs, assess operations and performance, identify cost savings, and link financial planning and budgeting to district policies. As illustrated in Exhibit 1-1, the practices include 10 review areas.

Exhibit 1-1 Best Financial Management Practices Review Areas

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

Districts found to be using the Best Financial Management Practices will be awarded a Seal of Best Financial Management by the State Board of Education. Districts that are found not to be using Best Financial Management Practices will be provided a detailed two-year action plan for achieving compliance. The district school board must vote whether or not to implement this action plan.

Methodology

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

To put Hernando's programs and activities in context with other Florida school districts, OPPAGA and the Auditor General gathered information from five peer districts around the state: Charlotte, Citrus, Collier, Indian River, and Lake. The peer districts were selected based on their similarities across a number of categories, including the size of the student population and demographic information.

County Profile

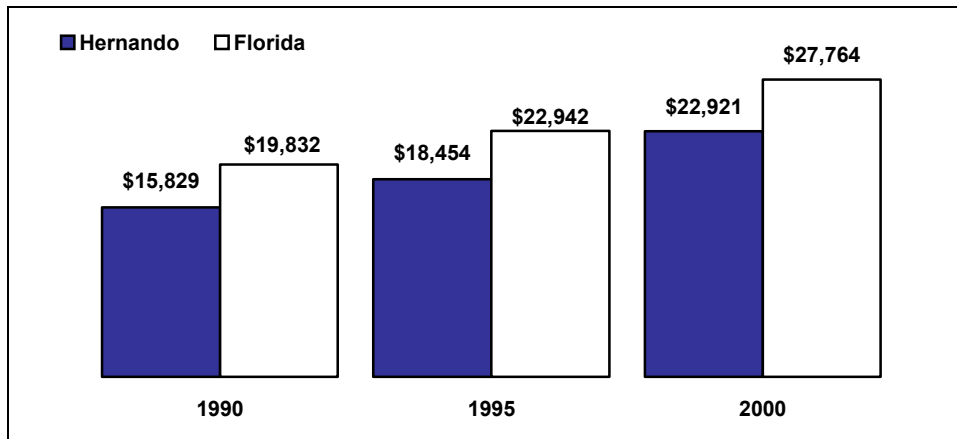
As of July 1, 2001, the U.S. Census Bureau estimated that the total population of Hernando County was 135,751. The county's population increased by 29.4% between 1990 and 2000, which was faster than the state's growth rate of 23.5% during that same time period. The major population centers include Brooksville (the county seat), Spring Hill, and Weekie Wachee.

Of the county's population, 98.9% consider themselves to be one race, while the remaining 1.1% consider themselves multi-racial. The largest proportion of the population is white, with persons of Hispanic or Latino origin comprising 5.0% of the population, a fraction of the statewide figure of 16.8%. In addition, 4.1% of the county's residents are Black or African American, which is smaller the statewide figure of 14.6%. These percentages are similar to the racial/ethnic composition of the student population.

Hernando County's population is relatively older than the state average. The percentage of Hernando County's population that are school age (5 to 19 years old) is 16.1%, compared to the state average of 19.4%. By contrast, 30.9% of the county's population is 65 years old or older, while the state average is 17.6%. Approximately 78.5% of the county's residents aged 25 years or older are high school graduates, while 12.7% have graduated from college. These percentages are lower than the statewide figures of 79.9% and 22.3%, respectively. This means that the level of educational attainment in Hernando County is slightly lower than it is across the rest of the state.

Hernando County's per capita income in 2000 was \$22,921, which was \$4,843 below the state average. As shown in Exhibit 1-2, the per capita income of Hernando County residents has been consistently lower than the per capita income of the state as a whole. This can affect the school district's Workforce Development Education Performance Funding.

Exhibit 1-2
Per Capita Income of Hernando County Residents
Was \$4,843 Below the State Average in 2000



Source: Florida Research and Economic Database, 2002.

While 10.3% of the county’s residents live below the poverty level, a larger percentage of the county’s children (19.1%) live below the poverty level. This figure is slightly higher than for the state as a whole.

The unemployment rate in Hernando 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 Hernando County should not have more difficulty finding employment than graduates in other parts of the state. Hernando County has a civilian workforce of 51,147 people. The county’s primary sources of employment include the service industries related to retail trade, healthcare, construction/real estate, and local government.

School District Profile

The district operates 21 schools, as shown in Exhibit 1-3.

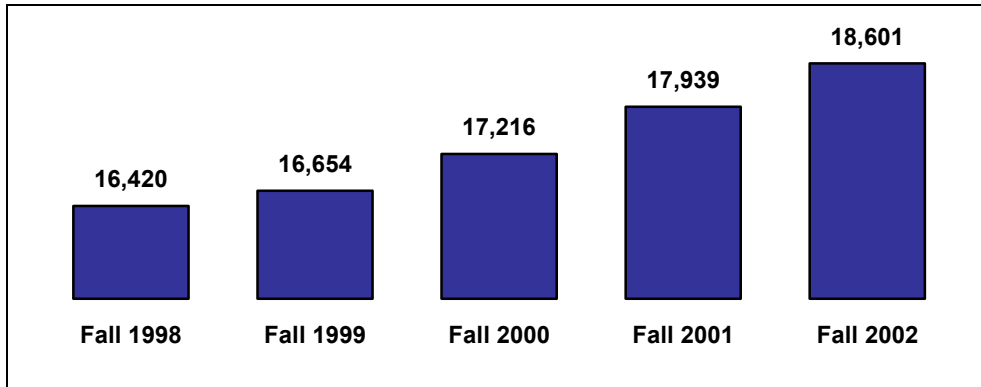
Exhibit 1-3
Hernando County Operates 21 Schools

Number and Type of School		
10 - Elementary Schools	1 - Other Types of Schools	1 - Charter Schools
4 - Middle Schools	0 - Vocational Schools	0 - Exceptional Student Education Schools
4 - High Schools	0 - Adult Schools	1 - Juvenile Justice Facility Schools

Source: Florida Department of Education (2002-03).

With 18,601 students in fall 2002, the School District of Hernando County is the twenty-ninth largest school district in the state. The student population growth has grown steadily between fall 1998 and fall 2002, a net increase of 13.3%, as shown in Exhibit 1-4. This rate was larger than the 8.7% increase in enrollment across the state.

Exhibit 1-4
Enrollment Has Grown in Hernando County Over the Past Five Years



Source: Florida Department of Education.

The Hernando County School District expended \$140 million for the 2001-02 fiscal year. The district receives revenues from federal, state, and local sources. Most of the revenue that the district receives from the state is generated through the Florida Education Finance Program (FEFP). The FEFP takes into consideration a number of factors in distributing funding to Florida's 67 school districts, such as varying local property tax bases, education program costs, costs of living, and costs for equivalent programs due to the sparsity and dispersion of the student population. This funding source, established by the Legislature, annually prescribes state revenues for education as well as the level of *ad valorem* taxes (property taxes) that can be levied by each school district in the state. It also includes some restricted funding provided through categorical programs, through which the Legislature funds specific programs such as instructional materials or student transportation. Exhibit 1-5 describes the district's revenue, expenditures, and fund balances for the 2001-02 fiscal year.

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

Revenues and Expenditures		Total (Millions)
Revenues		
Federal Direct		\$0.23
Federal Through State		10.70
State		56.26
Local		59.04
Total Revenues		\$126.23
Expenditures		
Instruction		\$56.19
Pupil Personnel Services		5.69
Instructional Media Services		1.63
Instruction and Curriculum Development Services		2.42
Instructional Staff Training		1.21
Board of Education		0.32
General Administration		0.65
School Administration		6.29
Facilities Acquisition and Construction		0.39
Fiscal Services		0.73
Food Services		5.08
Central Services		2.32
Pupil Transportation Services		6.24
Operation of Plant		6.95
Maintenance of Plant		3.34
Community Services		0.40
Fixed Capital Outlay:		
Facilities Acquisition and Construction		24.90
Other Capital Outlay		3.45
Debt Service:		
Principal		7.22
Interest and Fiscal Charges		4.49
Total Expenditures		\$139.91
Excess (Deficiency) of Revenue Over Expenditure		\$ (13.68)
Other financing sources:		
Operating Transfers In		\$ 13.71
Inception of Capital Lease		2.40
Insurance Loss Recoveries		0.08
Operating Transfers Out		(15.65)
Total other financing sources		\$ 0.54
Total Excess or Deficiency		\$ (13.14)
Fund Balances, July 1, 2001		44.84
Fund Balances, June 30, 2002		\$ 31.70

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

As Exhibit 1-6 illustrates, the ratio of administrators to staff in the Hernando County School District is more favorable than its peer district. That is, Hernando County has fewer administrators per classroom

Introduction

teacher, per total instructional staff, and per total staff than any of its peer districts. Exhibit 1-7 illustrates the actual numbers of administrators, instructional personnel, and support positions in the district.

**Exhibit 1-6
Hernando’s Staffing Ratios Are Consistently Better Than Peer Districts**

School District	Staff Ratios					
	Administrators to Classroom Teachers	Administrators to Total Instructional Staff	Administrators to Total Staff	Classroom Teachers to Students ¹	Teacher Aides to Classroom Teachers	Guidance to Students
Charlotte	1: 12.97	1: 15.22	1: 30.04	1: 18.54	1: 3.01	1: 444.17
Citrus	1: 11.83	1: 13.45	1: 24.96	1: 16.28	1: 3.99	1: 447.94
Collier	1: 11.37	1: 13.11	1: 25.71	1: 18.34	1: 2.77	1: 317.52
Indian River	1: 13.62	1: 15.75	1: 28.98	1: 18.55	1: 3.40	1: 642.50
Lake	1: 14.04	1: 15.77	1: 30.60	1: 18.99	1: 4.06	1: 403.65
Hernando	1: 14.28	1: 16.02	1: 33.18	1: 17.69	1: 2.97	1: 351.76
State	1: 14.45	1: 16.20	1: 29.64	1: 18.26	1: 4.28	1: 455.37

¹ This is not the same as average classroom size. This ratio is calculated by DOE by numbers reported through the EE0-5 survey of salaries in districts. The classroom teacher ratio includes all staff paid under the instructional salary schedule, and some of these positions may actually be administrative positions. The OPPAGA team is trying to produce more appropriate ratios at the time of this draft.

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

**Exhibit 1-7
Hernando County School District Employed 2,356 Staff in Year 2001-02**

Full-Time Employees	Number	Percentage
Administrators	71	3.0%
Instructional	1,138	48.3%
Support	1,147	48.7%
Total	2,356	100.0%

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

2

Management Structures

Summary

The Hernando County School District is using 13 of the 14 best practices in management structures. Three key examples of how the district uses these best practices are the board's on-going recognition for Master Board training, the district's successful working relationship with the county, and the multiple activities that involve parents, businesses, and the local communities. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its management structures, the district should develop measurable objectives for priority areas.

Background

The Hernando County School District's management structure is a standard hierarchical structure, with the policy-setting entity elected by the general population. The district has five board members and an appointed superintendent. The district's board members are elected at-large, although they do represent specific districts within the county. Each member is elected to a four-year term. Two members are elected at the time of the presidential general election, and three are elected at the time of the gubernatorial general election.

The Hernando County School District has an experienced board. The newest member was elected for his first term in 1998, and three members were recently reelected during the 2002 primary elections. Exhibit 2-1 shows the length of time board members have served and their previous experience.

Exhibit 2-1
Hernando County School Board Members, Fiscal Year 2002-03

Board Member	Tenure	Background
John Druzbeck, Chair	Elected for first term in 1994, reelected 1998, reelected in 2002, up for reelection in 2006	Owner of home décor services company
Sandra Nicholson, Vice Chair	Elected for first term in 1994, reelected in 1998, reelected in 2002, up for reelection in 2006	Office manager in family engineering company; previous school volunteer and paraprofessional
Gail David	Elected for first term in 1992 (Gail Coleman), did not seek reelection in 1996, elected in 2000, up for reelection in 2004	Bereavement counselor; previous teacher and guidance counselor
Jim Malcolm	Elected for first term in 1992, reelected in 1996, reelected in 2000, up for reelection in 2004	Previous teacher, city manager, and county planner
Robert Wiggins	Elected for first term in 1998, reelected in 2002, up for reelection in 2006	Customer service manager for county utilities department

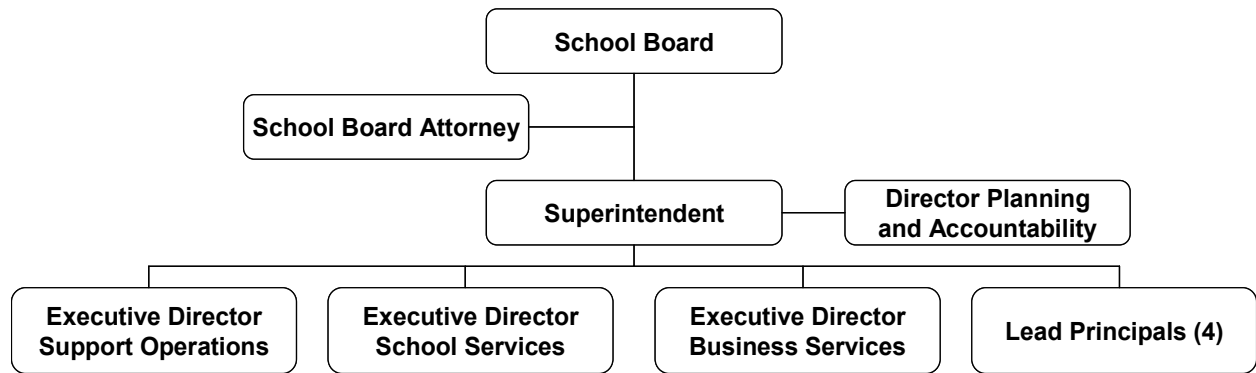
Source: Hernando County School Board.

Management Structures

The current superintendent, Wendy L. Tellone was appointed on September 4, 2001. She previously served as a classroom teacher for eight years before being promoted to a school-level administrator. Dr. Tellone has served as a dean of students, an assistant principal, and a principal in the Hernando County School District. In 1989, she was promoted to the district office where she has worked as a director and assistant superintendent to improve instructional and human resources services. The superintendent holds a doctoral degree in education from Nova Southeastern University and is certified through the Florida Superintendent Special Certification Program.

The superintendent is the chief executive and administrative officer of the board and, as such, is responsible for organizing the district’s administration. Exhibit 2-2 illustrates the current district-level administrative structure. The district’s school-level administration includes the principals and assistant principals of the district’s 10 elementary schools, 4 middle schools, and 4 high schools.¹

**Exhibit 2-2
Hernando County School District’s Organizational Structure, Fiscal Year 2002-03**



Source: Hernando County School District.

¹ The district also has an alternative school, Star Education Center, for students who are considered to be at risk for dropping out, a charter school and a Department of Juvenile Justice (DJJ) school.

Conclusion and Recommendations

Summary of Conclusions for Management Structures Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Board and Superintendent Roles and Responsibilities	1. The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have policies to ensure that they have effective working relationships.	Yes	2-4
	2. The board and superintendent have procedures to ensure that board meetings are efficient and effective.	Yes	2-4
	3. The board and superintendent have established written policies and procedures that are routinely updated to ensure that they are relevant and complete.	Yes	2-5
	4. The district routinely obtains legal services to advise it about policy and reduce the risk of lawsuits. It also takes steps to ensure that its legal costs are reasonable.	Yes	2-5
Organization, Staffing and Resource Allocation	5. The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.	Yes	2-6
	6. The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.	Yes	2-6
	7. The superintendent and school board exercise effective oversight of the district's financial resources.	Yes	2-6
	8. The district has clearly assigned school principals the authority they need to effectively manage their schools while adhering to districtwide policies and procedures.	Yes	2-7
Planning and Budgeting	9. The district has a multi-year strategic plan with annual goals and measurable objectives based on identified needs, projected enrollment, and revenues.	No	2-7
	10. The district has a system to accurately project enrollment.	Yes	2-9
	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	2-9
	12. When necessary, the district considers options to increase revenue.	Yes	2-10
Community Involvement	13. The district actively involves parents and guardians in the district's decision making and activities.	Yes	2-10
	14. The district actively involves business partners and community organizations in the district's decision making and activities.	Yes	2-10

BOARD AND SUPERINTENDENT ROLES AND RESPONSIBILITIES

Best Practice 1: Using

The roles and responsibilities of the board and superintendent have been clearly delineated, and board members and the superintendent have policies to ensure that they have effective working relationships.

To be effective, a school district must have a constructive, trusting relationship between the school board and the superintendent. This relationship is jeopardized most often when the parties do not understand or fail to adhere to their distinct roles in the educational process. The 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 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 structured and impromptu mechanisms to ensure that each entity adheres to its proper roles and responsibilities. At a minimum, the district should have policies in place that comply with state statutes regarding these roles and responsibilities.

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

We recommend that the board regularly evaluate its performance. A facilitator should be used to help guide the board member discussions about major issues that arose during the prior school year.

Best Practice 2: Using

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

The primary goal of all school board meetings should be to come to a decision in a timely manner on the majority of policy issues presented during a particular meeting. To meet this best goal, the school board and superintendent should have formal and informal mechanisms in place to ensure that board meetings are efficient, effective, open, and accessible. Board meetings that consistently last longer than the time allotted is usually a 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. More importantly, regardless of how well board meetings are run, board members and the superintendent should ensure that meetings are accessible and open to the public at large. For example, meetings should be located in large population concentrations at times that are not in conflict with the work hours of the majority of the public (e.g., board meetings should usually begin after 6 p.m.). If possible, board meeting should be broadcast live, or taped for later broadcast, on local public access television channels.

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

We recommend that the district continue to develop the district's master calendar. The district anticipates that a final calendar with the administrative deadlines and events will be available by August 2003.

Best Practice 3: Using

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

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

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

We recommend that the district update statutory references to be consistent with the 2002 Florida School Code rewrite. Although the district has annually updated the policies and procedures after the passage of new laws, the district has not corrected all statutory citations needed as a result of the 2002 Legislature's reorganization of the Florida School Code.

Best Practice 4: Using

The district routinely obtains legal services to advise it about policy and reduce the risk of lawsuits. It also takes steps to ensure that its legal costs are reasonable.

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

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

ORGANIZATION, STAFFING AND RESOURCE ALLOCATION

Best Practice 5: Using

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

A school district’s organizational structure should enable 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. Irrespective of organizational structure, staff and the general public should be able to clearly understand who is responsible for what in the district.

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

Best Practice 6: Using

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

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

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

Best Practice 7: Using

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

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

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

Best Practice 8: Using

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

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

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

PLANNING AND BUDGETING

Best Practice 9: Not Using

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

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

The Hernando County School District's first strategic plan in Fiscal Year 2002-03 was a good start toward building an accountability system (see Exhibit 2-3). We commend the district for its hard work in developing a plan. The breadth of the areas covered is good, the time frames are reasonable, the staff assignments are clear, and the district provides quarterly status updates.

**Exhibit 2-3
Hernando County School District Strategic Plan Goals and Objectives**

Goals		Objectives	
1.	To prepare all students with the skills to be life-long learners and become responsible and productive citizens.	1.1	Implement a seamless PreK-12 curriculum in compliance with the state's seamless K-20 system.
2.	To have the financial resources necessary to support our mission and achieve our goals	2.1	Develop a financial plan to fund the current and future needs of the school district.
3.	To develop an atmosphere of pride in our school district which radiates within and beyond our community.	3.1	Create an environment that reflects our expectation of excellence and embraces a strong sense of pride and family while encouraging teamwork among a diverse population.
		3.2	Implement a comprehensive staff training program for all classifications of employees.
4.	To ensure that all district facilities are designed, constructed and maintained to support the district's educational programs and to provide for the safety and health of the students and staff.	4.1	Maintain our grounds and facilities at a level of excellence.
		4.2	Enhance procedures to ensure the safety and security of students and staff.
5.	To establish, continuously align, and improve systems throughout the district to maximize the quality, efficiency, and effectiveness of our services while considering future needs as a result of growth.	5.1	Restructure and realign resources to improve services from all divisions to support and enhance the learning environment.
		5.2	Develop a system for growth management for all divisions to anticipate and meet the future needs of the school system.

Source: *Strategic Plan: School Board of Hernando County*, Hernando County School District, September 3, 2002.

However, the district is not using this best practice because the strategic plan is lacking measurable objectives. For example, the district plans to prepare all students with the skills to become life-long learners and good citizens by implementing a seamless curriculum (see goal 1 in Exhibit 2-3). But the plan does not include measurable objectives to improve the FCAT test scores of minority students, a desired improvement that was identified by the district. The measurable objective could be an improvement by a specified percentage or by a specified number of students and should include a district measure, such as FCAT test scores, and a school-level measure, such as other interim tests. Progress should be measured over a specified period of time with regularly scheduled updates. By measuring progress on a regular basis the district will be able to evaluate whether the strategies to improve are working, and if the strategies are not working, the district can pursue other strategies. Action Plan 2-1 includes the steps needed to implement this recommendation.

Action Plan 2-1

We recommend that the district develop measurable objectives for priority areas.

Action Needed	<p>Step 1. The superintendent should schedule workshops for the school board to develop objectives and to obtain input from administrators, teachers, parents, and businesses about measurable objectives.</p> <p>Step 2. The board should review the list of suggested performance measures provided by OPPAGA, the improvement objectives in the school improvement plans, and the recommendations of the district focus groups.</p> <p>Step 3. The board should develop district-wide objectives for three or four priority areas such as student performance.</p> <p>Step 4. The board should verify that every objective meets three criteria (1) measures improvement over time; (2) specifies how to measure adequate progress; and (3) specifies the timeframe to meet objectives.</p> <p>Step 5. The strategic plan should be amended with new measurable objectives for priority areas.</p>
Who Is Responsible	School board, superintendent, and staff
Time Frame	August 2004

Best Practice 10: Using

The district has a system to accurately project student enrollment.

Full-time equivalent student enrollment projections are used for many things in districts including budgeting and funding, zoning, estimates of facility requirements and staffing ratios. Because of the critical nature of student projections, school districts must have a system to accurately project student enrollment. Thus, districts must have trained staff and formal procedures for applying both the state projection methodologies and local corrective methodologies, which can be very complex and often require considerable technical expertise. At a minimum, the district must use the cohort survival methodology provided by the Florida Department of Education to project its enrollment for the coming year. Districts may choose to supplement the department model with information from local planning departments, state universities, or private demographers.

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

Best Practice 11: Using

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

School districts must set budget priorities since they have unlimited demands for funding. Thus, a school district’s financial decisions should reflect its priority goals and objectives. These goals and objectives 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 Hernando County School District has processes in place to meet the intent of this best practice. However, the district could improve its operation by implementing the recommendation below.

We recommend that the Hernando County School District continue to strengthen links between the budget and the strategic plan. For Fiscal Year 2002-03, the district has linked some funding to strategies and adjusted budget plans to meet immediate needs. However, as the district develops goals and objectives the number of links between the strategic plan and the budget should increase in Fiscal Year 2003-04.

Best Practice 12: Using

When necessary, the district considers options to increase revenue.

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

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

COMMUNITY INVOLVEMENT

Best Practice 13: Using

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

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

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

Best Practice 14: Using

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

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

community groups are approached, the district and schools should work to ensure that business and community leaders have an impact on school performance. This requires more than accepting money or services from these entities.

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

3 Performance Accountability Systems

Summary

The Hernando County School District is using two of the three performance accountability best practices. Two examples of how the district uses these best practices are the annual focus groups and new program evaluations that help the district continually improve services for students. To meet the best practice standard and ensure the performance, efficiency, and effectiveness of its performance accountability system, the district needs to develop a program-level accountability system to examine whether programs are having the desired results.

Background

The Hernando County School District uses focus groups, program evaluations, and the strategic plan for the district's accountability system. The district and the community began the strategic planning process in 1993. With the help of a consultant the district developed a vision, a list of beliefs, a mission statement, and four goals. In 2002, the district added a fifth goal and developed the first set of district objectives and strategies to meet the five goals. The school board approved the district's first strategic plan in September 2002 and the district staff released the first status update in December 2002.

The Hernando County School District uses focus groups to develop recommendations on how to improve student achievement within a subject area. Each focus team includes classroom teachers who work with a parent or community representative to research issues, conduct surveys, and develop recommendations. The 2002 teams provided multiple recommendations to the district. These recommendations include providing summer reading lists of popular and appropriate books for third graders to spur an interest in reading; completing the curriculum mapping and articulation to assure basic math skills are taught early; requiring a minimum of four to six science labs per nine-week grading period in sixth through ninth grade courses; and standardizing textbook and support materials for social studies courses. The focus group recommendations are reviewed by school and district administrators to determine feasibility.

The Hernando County School District also uses a district-developed program and evaluation process for new program proposals. The district broadly defines a "program" as a collection of strategies and components designed as an intervention to fill a need, to produce change, and/or to resolve a problem. The district requires the applicant to develop the concept based on documented need, submit a program brief for review, and develop an action plan with objectives, funding, and proof of stakeholder support. If the superintendent and school board approve the action plan the program is implemented and evaluated as stipulated in the plan. This process was developed by Dr. Wendy Tellone before she was appointed superintendent.

Conclusion and Recommendations

Summary of Conclusions for Performance Accountability Systems Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Goals and Measurable Objectives	1. The district has clearly stated goals and measurable objectives that can be achieved within budget for each major educational and operational program. These major programs are Basic Education (K-3, 3-8, 9-12), Exceptional Student Education, Vocational/Technical Education, English for Speakers of Other Languages Education, Facilities Construction, Facilities Maintenance, Transportation, Food Services, and Safety and Security. ¹	No	3-3
	2. The district formally evaluates the performance and cost of its major educational and operational programs and uses evaluation results to improve program performance and cost-efficiency.	Yes	3-5
	3. The district clearly reports on the performance and cost-efficiency of its major educational and operational programs to ensure accountability to parents and other taxpayers.	Yes	3-5

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 / federal requirements.

GOALS AND MEASURABLE OBJECTIVES

Best Practice 1: Not Using

The district does not have clearly stated 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.

The Hernando County School District created its first strategic plan in 2002. However, the district does not use this best practice. The district should develop program-level accountability systems for routinely measuring its progress toward meeting its program-specific goals and objectives. Program-level goals and objectives, measures, and benchmarks can be developed separately or included as part of the district's strategic plan. If not included in the district's strategic plan, program-level accountability mechanisms should logically relate and support the strategic goals of the school board. Thus, program-level goals and objectives, measures, and benchmarks should be developed after the school board approves the district's measurable objectives in its strategic plan, as recommended in Chapter 2, Action Plan 2-1.

Action Plan 3-1

We recommend that the district develop a program-level accountability system to examine whether programs are having the desired results.

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

Step 9.	At least annually, report performance related to high-level measures to the school board. Provide the written results to evaluate the school board.
Who Is Responsible	The board, the superintendent, and district staff
Time Frame	December 2004

Best Practice 2: Using

The district has evaluated the performance and cost of some of its educational and operational programs but should establish criteria to initiate evaluations and should improve evaluation of its operational programs.

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

While the Hernando County School District does not have a comprehensive program-level performance accountability system to routinely measure performance, it uses focus groups and a district-developed process to evaluate its educational programs, as discussed on page 3-1. In addition, the district evaluates its operational programs based on several criteria including the performance data that it currently collects as part of the strategic planning process and concerns raised by school board members and others. For example, the 2002 Strategic Plan requires that the district evaluate its ability to develop facility plans that will meet growth projections in coordination with the county commissioners. However, the district should expand its program evaluations to increase its accountability to taxpayers by implementing the recommendation below.

We recommend that the district improve its evaluation activities in two ways. First, the district should establish criteria for major programs that will alert it to the need to initiate evaluations. The criteria should include performance levels that do not meet expectations or benchmarks, activities that increase costs without providing an additional benefit, upward trends in costs or downward trends in performance, and public concerns. Second, the district should augment its evaluation of operational programs. For example, the district likely would have benefited from an evaluation of its food service program to determine how it could operate the program more efficiently and make it self-supporting (as discussed in Chapter 10, Best Practice 5). This recommendation should be implemented in conjunction with Action Plan 3-1.

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.

Performance Accountability Systems

The Hernando County School District has processes in place to meet the intent of this best practice. The district provides parents and other taxpayers with annual school performance accountability reports and quarterly reports on the status of the district's strategic plan. These evaluations are posted on the district website. As the district improves its performance data collection, as described in Action Plan 3-1, it should ensure that this information is communicated to school district personnel, parents, and the public.

While the district effectively communicates school improvement and strategic plan information, we recommend that it also communicate performance and cost-efficiency program information once the data are available.

4

Educational Service Delivery

Summary

The Hernando County School District is using 9 of the 12 educational service delivery best practices. The district regularly uses data to assess program performance, provides a wide variety of programs to students who need academic or social skills interventions, and has a strong relationship with local business and industry to enhance career and technical education program offerings. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its educational programs, the district should reduce the number of inappropriate referrals for ESE services, regularly track the number of retentions and administrative assignments, provide additional training to teachers in the use of the student progression plan, and ensure that teachers and students at all schools have sufficient access to computers and instructional technology.



As seen in Exhibit 4-1, the district has an opportunity to reduce costs in educational service delivery. 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 this suggestion, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

As shown in Exhibit 4-1, the fiscal impact of improving the accuracy of ESE referrals totals \$279,375 over the next five years.

Exhibit 4-1

Our Review Identified a Way the District Could Reduce Costs and Increase Revenues in the Area of Educational Service Delivery

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	
2 Reduce Inappropriate ESE Referrals	\$55,875	\$55,875	\$55,875	\$55,875	\$55,875	\$279,375

Background

The Hernando County School District served 17,940 students during the 2001-02 school year with an ethnic breakdown of 83% white, non-Hispanic, 7% black, non-Hispanic, 7% Hispanic, 2% multiracial, and less than 1% each Asian/Pacific Islander and American Indian/Alaskan native. The district has 20 schools, including 10 elementary schools, 4 middle schools, 4 high schools, 1 alternative education center, and an adult education center. For Fiscal Year 2001-02, the operating costs in the district were \$4,759 per pupil, less than the state's average operating cost of \$5,180.

As Exhibit 4-2 shows, the Hernando County School District has experienced a 10% increase in student growth over the past five years. The district has a low percentage of students served in the English for Speakers of Other Languages (ESOL) program, but district administrators anticipate that this percentage will increase over the next few years with the new Suncoast Parkway providing access from the Tampa Bay area and the increasing migration from southern counties of students for whom English is not their first language. The percentage of students who are eligible for free or reduced priced lunch is among the lowest of its peer districts and lower than the state.

**Exhibit 4-2
Hernando County School District Student Demographics**

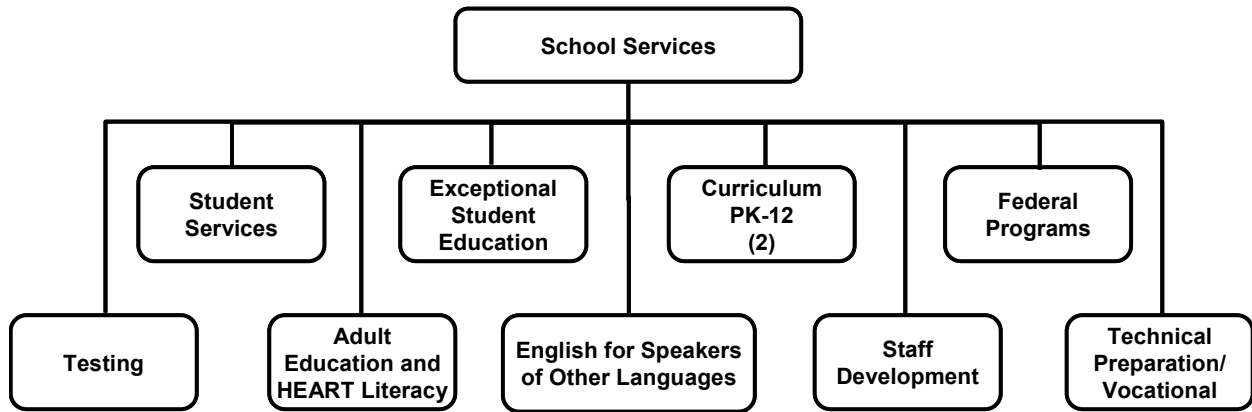
District	Total Students	Percentage Increase 1997-02	English for Speakers of Other Languages (ESOL) ¹	Percentage Eligible for Free or Reduce Price Lunch
Charlotte	17,323	6%	1%	41%
Citrus	15,230	4%	<1%	41%
Collier	36,515	25%	14%	44%
Indian River	15,420	8%	4%	38%
Lake	30,678	13%	3%	39%
Hernando	17,940	11%	1%	40%
State	2,499,781	9%	8%	44%

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

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

The Hernando County School District's executive director of school services supervises the eight departments that provide instructional and support services to the district's schools. These services include student services, exceptional student education, curriculum, federal programs, testing, adult education, technical preparation/vocational education, and English for Speakers of Other Languages. The curriculum department is composed of one elementary and one secondary curriculum specialist. As shown in Exhibit 4-3, two directors (student services and ESE) and seven non-instructional/professional employees report directly to the executive director.

**Exhibit 4-3
Eight District Departments Perform the
District Level Educational Service Delivery Functions**



Source: Hernando County School District.

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

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

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. Hernando district students generally perform well in the FCAT and FCAT NRT, with students scoring the state average or above in 22 of 38 areas of the 2003 administration of the tests. Hernando assessment scores also compare favorably with peer districts at the elementary and high school levels.

Exhibit 4-4 shows that academic performance has varied over the past three years. Reductions in the percentage of students performing at the lowest attainment levels (levels one and two) have been made in fourth and eighth grade reading and math programs. Conversely, performance has declined in tenth grade reading and math.

**Exhibit 4-4
Student Performance of Hernando County Fourth and Eighth Graders Has Improved**

Subject and Year	Grade 4			Grade 8			Grade 10		
	Level 1	Level 2	Levels 1 and 2	Level 1	Level 2	Levels 1 and 2	Level 1	Level 2	Levels 1 and 2
Reading									
2001	25%	16%	41%	26%	28%	54%	25%	34%	59%
2002	26%	15%	41%	29%	28%	57%	24%	38%	62%
2003	19%	15%	34%	23%	30%	53%	28%	38%	66%
Math									
	Grade 5			Grade 8			Grade 10		
2001	24%	27%	51%	21%	23%	44%	16%	23%	39%
2002	23%	29%	52%	22%	27%	49%	16%	21%	37%
2003	22%	29%	51%	18%	27%	45%	17%	24%	41%

Note: In 2001, the math portion of the FCAT was not given to fourth graders; it was given to fifth graders only. In order to be consistent we have used grade 5 scores in math for 2001, 2002, and 2003.

Source: Florida Department of Education, Student Assessment Services Section, 2003.

District administrators disaggregate and share assessment data with principals, administrators, and teachers throughout the year to assist in identifying areas in which students need additional instruction and remediation. Principals have used this data as a tool to develop reading programs and to adjust math programs.

Hernando county schools increased or maintained their school grades for the 2002-03 school year. School grades are based primarily on FCAT reading, math, and writing scores. In 2003, over a third of Hernando county schools increased their school grades, with Eastside Elementary School improving its C grade to an A.

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

The Hernando County School District students identified and served 3,423 ESE students during the 2001-02 school year, which represents 19.1% of the student population. As shown in Exhibit 4-5, this percentage is lower than four of its peer districts and slightly below the state average. Of the district’s ESE students, 16.3% have disabilities while 2.8% are gifted.

**Exhibit 4-5
Hernando County Has a Smaller Percentage of
Exceptional Student Education (ESE) Students Than Most Peer Districts**

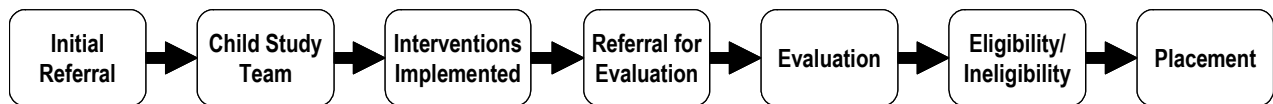
District	Percentage ESE	Percentage Gifted	Percentage with Disabilities
Charlotte	24.0%	4.0%	20.0%
Citrus	24.9%	5.3%	19.6%
Collier	18.7%	3.3%	15.4%
Indian River	21.0%	6.5%	14.5%
Lake	19.3%	2.5%	16.8%
Hernando	19.1%	2.8%	16.3%
State	19.4%	4.4%	15.0%

Source: DOE Profiles of Florida School Districts 2001-02. (Percentages may not add due to rounding.)

Teachers, parents, or guidance counselors begin the ESE process by referring students for assessment. Child Study Teams (comprising the principal or designee, teachers, and psychologist/social worker) initially screen students at the school level by reviewing the case, assessing the student, and determining appropriate interventions to assist the student to succeed. School personnel then implement these interventions over the course of six to nine weeks. If the child study team finds that these attempts prove unsuccessful, the team refers the student to a school psychologist for evaluation. The results of this evaluation are reviewed by the IEP team to determine if the student is eligible for ESE services. If the student requires ESE services, the IEP team decides the most appropriate placement for the student.

Exhibit 4-6 illustrates this process.

**Exhibit 4-6
The Child Study Team Referral Process**



Source: Developed by OPPAGA.

The district has developed an inclusion project to identify and develop inclusion processes at each school. The district also maintains a focus on parental involvement for ESE students. Parents of ESE students have a strong support network in which they have the opportunity to interact with one another through parent support groups. The district provides a series of active parenting workshops devoted to specific topics, for example, caring for Attention Deficit Hyperactivity Disorder (ADHD) children. Parents receive ongoing training to clarify issues and to involve them in all steps of the staffing process. One of the activities available to parents of ESE students, Parent Café, provides a weekend of respite care for ESE children to allow parents the opportunity to meet with professionals in the field of exceptional student education to discuss topics relevant to the education of their children. The district developed the School Administrator Guidelines for Supervising and Monitoring Exceptional Student Education Programs and Services. The guide is a helpful tool for principals and administrators in how to effectively provide ESE services.

At-Risk Programs. The Hernando County School District provides several programs for students who need academic or social skills interventions to assist them to be successful including Title I, English for Speakers of Other Languages (ESOL), and alternative education programs. Title I programs offer ancillary support services to students who need assistance by providing instruction that reinforces the curriculum and helps students with deficient skills. Title I is a federally funded program that provides

funding for schools with high concentration of poverty as determined by the number of students who receive free or reduced lunch. Hernando County School District has seven elementary schools and one middle school that are school-wide Title I programs. Other than the eight school-wide Title I schools, none of the other Hernando County schools are receiving targeted-assistance Title I funds. Title I schools use student performance data to create School Improvement Plans that define how the Title I resources will be used and to compare performance with non-Title I students. District administrators also use this information to identify successful programs as well as areas that need improvement. The district also conducts parental workshops to help parents better understand the FCAT test and scoring.

As noted earlier, the percentage of students in the district's ESOL program is low. In 2002-03, the ESOL program served approximately 343 students, or 2% of the student population. The district uses the inclusion model approach to educate ESOL students, placing students in the regular classroom. School administrators identify ESOL students based on the results of the home language survey administered through the ESOL district office. Each school serving ESOL students has an LEP (Limited English Proficient) committee whose duties include developing an academic improvement plan (AIP) for each ESOL student. The LEP committee develops strategies and interventions for those students not reaching the goals outlined in their AIPs. To exit the program, students must achieve certain reading and writing criteria.

The district also offers a variety of alternative education programs including an alternative school, drop-out prevention programs at all of the elementary schools, a GED Exit Option program at three of the high schools, and a Teen Parent Program. The Star Education Center is the alternative school for students in grades six through ten in lieu of expulsion. The school provides behavioral and academic instruction for students who are chronically disruptive in the traditional school environment. The district has a comprehensive dropout prevention plan called the Technology Oriented Performance Program, or TOPP. TOPP is a performance-based diploma program designed to keep at-risk high school students in school. Students enrolled in the TOPP program are eligible to receive a regular high school diploma if they pass the GED test, pass the FCAT, and complete a three-credit vocational sequence. Each program is individualized to the student's performance level. Students spend approximately two or more hours a day in the computer-assisted instruction lab working on math, language arts, social studies, and science coursework. Drop-out prevention programs are provided for elementary and middle schools as well. The Teen Parent Program provides services for pregnant and parenting teens. The program integrates academic goals with parenting skills.

Accelerated Programs. The Hernando County School District provides students with several accelerated opportunities, including Advanced Placement (AP), Dual Enrollment, early admission to postsecondary education, and access to the Florida Virtual School. Middle school students are allowed to earn high school credit in math and foreign language. The district does not have an International Baccalaureate (IB) program, a course of study that provides an advanced level of high school coursework based on a specific curriculum designed to allow students to meet various international university entrance standards.

Dual Enrollment 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. Pasco-Hernando Community College instructors teach dual enrollment classes at the high schools.

The district's advanced placement program allows high-achieving and self-motivated students in grades 11 and 12 to enroll in advanced courses of study in math, English, science, social science, and foreign language and earn college credit and/or advanced placement credit while still enrolled in high school. Students at all four high schools take advantage of dual enrollment at Pasco-Hernando Community College and Florida Virtual School offerings. The district offers advanced placement courses at three of the four high schools with the majority of courses provided at the Advanced Placement Academy at Springstead High School, which was fully implemented in 2001-02. In addition to the core curriculum,

the Academy added U.S. Government to the advanced placement curriculum for the 2003-04 school year. In all, approximately 100 students are enrolled in AP classes district-wide, with the majority enrolled at the Advanced Placement Academy.

Hernando County students may also take advanced courses through the Florida Virtual School. Students who enroll in this on-line school take classes for graduation credit over the Internet, allowing them to learn at their own pace. Students do not physically meet as a group but access coursework over the Internet, using email, fax machines, and telephones to communicate with teachers and other students. School based teachers or district administrators proctor required exams. Generally, Hernando students perform well in these courses.

Vocational and Adult Education. The Hernando County School District has a strong vocational component to its secondary curriculum. The district's secondary career and technical education program served 4,546 students during the 2002-03 school year. The program offers a broad array of courses of study that include agribusiness, business technology, diversified education, health sciences, family and consumer sciences, technology, industrial education, and marketing. Public service education will be offered at the new Nature Coast Technical High School during the 2003-04 school year. The district involved local businesses, industry, postsecondary education, labor organizations, and the community in selecting programs for the new high school.

The district also offers technical preparation programs at all four high schools through an agreement with Pasco-Hernando Community College. Program offerings include agriscience, veterinary assistance, business systems, carpentry, heating and air conditioning, and drafting. The Tech Prep articulation agreement with Pasco-Hernando Community College allows high school students to receive college credit. Courses are offered both at the community college campus and on the high school campuses.

The district offers a range of adult general education offerings to match community demand. Through the adult general education program, the district offers instruction to individuals who do not have a high school diploma (or who test below the ninth grade level), whether or not they are enrolled in a regular day school. Programs include Family Literacy, workplace literacy, adults with disabilities, adult basic education, adult ESOL, and GED. The adult education program uses numerous community partnerships with churches, volunteer organizations, local businesses, the county library, and the city government to provide programs at locations and during times convenient to adults. The district also pursues grants to provide adult general education programs. In 2001-02, 966 students were served through the district's adult general education programs.

Districts that provide postsecondary vocational education and adult general education programs receive funding through the Workforce Development Education Program. The Hernando County School District receives workforce development funds for its adult general education, GED, adult high school, and adult ESOL programs. The state funds these programs using a formula based on both need and performance. Each district receives 85% of its previous year's appropriation as a base allocation. The remaining amount, up to 15%, is based on how well a district performs on established measures such as the level of student skills, program completion, and student placement in the workforce. Districts use these funds to maintain or enhance their postsecondary vocational/technical and adult general education programs.

Student Services. In the Hernando County School District, the Student Services Department provides psychological services, social work services, substance abuse prevention, and guidance services. The district partners with the Hernando County Department of Health to provide students with school health services. The objective of these student support services is to provide support outside of the classroom, which helps students to overcome problems that could interfere with their academic success and to broaden their education experience. Each school has a care team composed of the principal or assistant principal, guidance counselor, teachers, parents, and the school health professional. The care teams assist students and school staff in a broad range of crisis situations. The district has four district care teams that provide assistance to schools when the principal deems that they need help which exceeds the capabilities

of their school-based team. The district care team is composed of school counselors, social workers, psychologists, and substance abuse staff. The district care teams meet quarterly to receive training, discuss concerns, and evaluate their performance. The district also provides students with drug awareness programs offered through Safe and Drug Free Schools funds.

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 Hernando County School District, these include the Micro Society program and a New Millennium High School.

MicroSociety Program. MicroSociety programs are offered at Chocachatti Elementary and Powell Middle Schools in addition to the core curriculum. MicroSociety is a coordinated effort between students, parents, teachers, and community partners in which students spend a specified amount of time per week to create a miniature, fully functional society. Students apply for and hold jobs, enabling them to learn the importance of earning, investing, and saving their own “micro-money”. Students also learn how governments and the judicial system operate since students run for office, serve as judges, law enforcement officers, and can serve on juries. MicroSociety provides students the opportunity to develop a work ethic, explore career options, tie academics to real world applications, earn income, and develop marketable skills.

New Millennium High School. Hernando High School is a New Millennium High School with an emphasis on integrating career development skills across the curriculum. Funded by a grant from the Florida Department of Education, a New Millennium High School has a well-developed Florida Tech Prep Pathway program, including a local advisory committee representing business, industry and community leaders; a process for certifying the technical portions of the curriculum by business and industry; and a comprehensive career planning process. Additional characteristics include a strong academic component; a comprehensive plan for providing substantial experience in the workplace; projects focused on researching careers, developing a business, and budgeting for living independently; and articulation agreements with postsecondary education institutions. Each Hernando High School student develops a career portfolio, with the assistance of guidance staff, and presents the portfolio as a part of the twelfth grade evaluated career Capstone Project before a committee of the student’s choice.

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	4-10
	2. The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted.	No	4-10
	3. The district provides effective and efficient programs to meet the needs of at-risk students (including English for Speakers of Other Languages (ESOL), Title I, and alternative education).	Yes	4-12
	4. The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate and Dual Enrollment).	Yes	4-12
	5. The district provides effective and efficient workforce development programs (such as vocational-technical, adult basic education, and adult high school programs).	Yes	4-13
	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	4-13
	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.	No	4-14
	8. The district's organizational structure and staffing of educational programs minimizes administrative layers and processes.	Yes	4-15
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	4-16
	10. The district has sufficient school library or media centers to support instruction.	Yes	4-16
	11. The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement.	No	4-17
	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	4-19

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

Best Practice 2: Not Using

The district provides effective and efficient Exceptional Student Education (ESE) programs for students with disabilities and students who are gifted. However, the district needs to improve in other important areas such as reducing the number of inappropriate referrals for ESE services.

Under federal and state law, school districts must provide appropriate services designed to meet the learning needs of students with disabilities and students who are gifted. To meet this best practice, school districts should identify and place students who require Exceptional Student Education (ESE) services in a timely manner and ensure access of minority students to the gifted program. To increase student success, districts should promote 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 Hernando County School District's ESE program offerings are particularly strong in several areas. The district has effective procedures in place for developing and monitoring individualized education plans. The district ensures that students with disabilities are placed in the least restrictive learning environment and has developed, with the assistance of the Florida Inclusion Network, an inclusion model for other school districts to use.¹ Teachers of the district's ESE programs benefit from ongoing support and training to assist them in implementing strategies and accommodations. The district also places high importance on parental involvement and offers a wide variety of parental workshops and training opportunities.

However, the district could improve its operations and use this best practice by improving the accuracy of its ESE referrals. During 2001-02, only 63% of the 1,197 students referred for ESE services were eligible to receive these services. This is not an efficient use of district resources since the remaining 37% of students that were tested, at a cost of \$375 per evaluation, were found not to have disabilities. In addition, the extra number of "false positive" referrals is an added burden for the psychological staff and reduces the timeliness of assessments. The district acknowledges a need for improvement in this area.

¹ The Florida Inclusion Network was created in 1992 by the Department of Education to serve all 67 school districts, providing learning opportunities, consultation, information and support to educators, families, and community members.

Currently, the district tracks the eligibility rate of all of the schools and provides notice to the principals of schools that have a low eligibility rate. The district is providing training during preschool to all new counselors and all of the district itinerant social workers to improve the screenings during the pre-referral process. However, additional training and education of school-based staff is needed on appropriate mechanisms to use in the classroom before initiating a referral of a student for ESE services. While the district is currently providing training to regular classroom teachers, additional training is needed on how to recognize when a student may truly be in need of ESE services. We estimate that if the district reduced its percentage of inappropriate referrals from 37% to 25%, it would save \$55,875 annually or \$279,375 over five years.² Action Plan 4-1 includes the steps necessary to implement this recommendation.

Action Plan 4-1

We recommend that the district regularly track its placement rate of ESE students and establish mechanisms to reduce inappropriate referrals of students with disabilities.	
Action Needed	<p>Step 1. Conduct an analysis of the status of assessments and referrals by area and by school to identify areas with high numbers of inappropriate referrals.</p> <p>Step 2. Present findings to task group composed of the director of ESE, director of student services, guidance counselors, and selected ESE and general education teachers.</p> <p>Step 3. Review options for reducing non-qualifying referrals. This may involve training and support of general education teachers and administrators in strategies for individualizing instruction so that fewer students are referred to assessment that are unlikely to qualify for special education services.</p> <p>Step 4. Implement and monitor the strategy used and adjust as needed to reduce the rate of inappropriate referrals.</p>
Who Is Responsible	Director of Exceptional Student Education, director of student services, principals, coordinator of staff development
Time Frame	December 2004, ongoing thereafter.

The district could also improve its ESE services in two ways. First, the district should continue to improve the timeliness in assessing students for ESE services. The Florida Department of Education recommends that students be evaluated within 60 school days from referral. The district is currently assessing and placing students within 65 days of referral, improving from an average of 78 days from the start of the 2002-03 school year. The main reason for this improvement is the addition of a second educational diagnostician and a paid intern to help with the workload. The district should continue to work toward reducing the length of time from referral to assessment to within 60 days. It is important that students be evaluated in a timely manner in order to receive the services necessary to help them succeed in the school environment. If there are delays in the evaluation process, there may also be delays in service.

We recommend that the district continue to improve the timeliness in assessing students for ESE services by maintaining the paid internship, hiring OPS psychologists for the summer and organizing summer evaluation clinics. The district should also provide additional training and education to teachers to identify students for assessment.

Second, the district should investigate an alternative method to file for Medicaid administrative reimbursement. Presently, the district contracts with a private firm for administrative and direct Medicaid reimbursement. The contract with this firm stipulates that payment cannot exceed \$33,000 annually for both administrative and direct claims. We recommend that the district investigate the possibility of

² The number of ineligible referrals is 448, or 37% of the 1,197 total referrals. If the district reduced the ineligible referrals to 25% or 299, it would reduce ineligible referrals by 149. Based on a cost of \$375 per evaluation, the district would save \$55,875 annually.

contracting with a county school district that provides claiming services for administrative claims. Department of Education officials estimated that due to the small number of claims, the cost to Hernando for contracting with a school district that provides claiming services would not exceed \$1,000 per quarter.

We recommend that the district explore the possibility of contracting with a county school district that provides claiming services for Medicaid administrative claims.

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.³ However, the district should provide oversight to ensure that students at all schools have access to alternative education programs.

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 and make adjustments to programs as needed to ensure that students perform to their capacity.

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district provides alternative education programs, the district could improve its operations by reassessing need at the school level for alternative education programs. Teachers in our discussion groups and principal interviews expressed concerns that programs were not sufficiently serving all students who needed these types of programs, specifically dropout prevention programs at the middle school level.

We recommend that the district reassess need at the school level for alternative education programs to ensure that to the extent possible all students have access to this service.

Best Practice 4: Using

The district provides an appropriate range of accelerated programs (such as Advanced Placement, International Baccalaureate, and Dual Enrollment). However, the district should analyze scores by ethnicity to assist in identifying students eligible for advanced placement courses.

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.

³ These are students who need academic and/or social skills interventions to assist them to perform to their capacity.

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district provides an appropriate range of accelerated programs, the district could improve its operations by analyzing PLAN and SAT scores by ethnicity to assist in identifying students eligible for advanced placement courses.

We recommend that the district analyze PLAN and SAT scores by ethnicity to assist in identifying students eligible for advanced placement courses. Implementing this recommendation would help to ensure that all eligible students in the Hernando County School District have equal access to AP program offerings.

Best Practice 5: Using

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

Students who do not plan to attend college immediately after high school need to enhance their ability to be economically self-sufficient. Many of these students benefit greatly from workforce development programs, such as career and technical education, which help them to attain the skills that will need to become or remain employed. These programs are designed to provide training to meet local and state workforce needs and to help Florida compete in a global economy by building a broadly based, highly skilled, more productive workforce. The programs also provide a broad variety of services including literacy training, English language skills, and/or attainment of high school diploma for adults who need these skills to enter the labor market. Districts should have workforce development programs in place that meet the needs of business and industry in their areas, including high skills/high wages occupations as well as occupations that are in critical demand by the community. Districts should periodically assess workforce development program offerings to ensure that needed programs and newly emerging occupations are addressed. Districts should also provide adult basic education programs that reach all sectors of the population and meet the needs of students at all literacy levels. To assess student success and improve programs, districts should monitor changes in performance funding, student completion, and job placement.

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

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. However, we identified three areas in which the school improvement plans could be improved.

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

The Hernando County School District has processes in place to meet the intent of this best practice. For the most part, school improvement plans contained measurable objectives and well-developed strategies. Although the district ensures that schools use effective planning and evaluation processes to improve student outcomes, the district could improve its operations by requiring that school improvement plans contain additional information, such as the individual primarily responsible for ensuring the implementation of each strategy and implementation timelines. This information would facilitate the implementation of the strategies and make it easier to monitor the plans.

We recommend that school improvement plans contain budget information illustrating how funds are to be expended. Each plan should also identify the staff persons responsible for implementing each strategy. We further recommend that each school improvement plan contain a timeline linked to each strategy listed in the plans.

Best Practice 7: Not 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. However, we identified three areas in which the district could enhance its effectiveness.

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 Hernando County School District's curricular frameworks and instructional materials align with Florida's accountability standards and to the Sunshine State Standards. The district encourages and facilitates the sharing of innovative and effective teaching strategies by surveying principals and teachers to evaluate delivery systems. Through the survey, principals and teachers rate effective and ineffective teaching strategies. Principals meet on a monthly basis and participate in subject focus groups to share information on effective strategies. The district's student progression plan is consistent with Florida law, and the district used state guidelines to develop the student progression plan.

However, the district could use this best practice by improving its operations in two areas. First, the district should closely evaluate its middle school remediation practices. Two middle schools have high numbers of retentions and administrative assignments. The schools could lower the incidence of retention and administrative assignment by early identification of students needing remediation. A successful approach used at West Hernando Middle School is to identify incoming fifth grade students during the summer who performed at levels 1 and 2 on the FCAT so that needed remediation can be provided immediately at the beginning of the following school year. The school assesses sixth and seventh graders at the end of the school year, as well, to determine the type of remediation needed for the beginning of the

following year. The district should closely evaluate middle school programs in which students are administratively assigned to the next grade level and allowed to retake courses they failed the previous year. The schools should closely monitor these students to ensure that they continue to perform at grade level and are academically prepared for high school coursework. In addition, the district should regularly track the number of retentions and administrative assignments at the middle school level. The district should research the reasons behind high numbers of retention and administrative assignments and work to adjust remediation programs that are not effective.

Second, the district should ensure that the district student progression plan is being followed. Results from our teacher discussion groups revealed that several teachers were not familiar with the student progression plan, while other teachers reported that the plan was not being followed. Teachers should be provided with an accessible and easy to use plan, especially at the elementary and middle school levels. The district should provide teachers and principals with additional guidance and training on the importance of following the student progression plan. This may involve providing an informational session on the plan at a teacher meeting held during the pre-school year session. Action Plan 4-2 includes the steps necessary to implement these recommendations.

Action Plan 4-2

We recommend that middle schools emphasize early identification and intervention for students needing remediation and regularly track the number of retentions and administrative placements at the middle school level. The district should also provide additional guidance and training on the student progression plan.

Action Needed	<p>Step 1. Evaluate remediation programs offered at the middle schools and adjust to include early identification and intervention for students who need remediation.</p> <p>Step 2. Conduct an analysis of the number of retentions and administrative placements at each middle school. Evaluate programs to ensure that students who are administratively assigned and allowed to remain in the higher grade continue to perform at grade level.</p> <p>Step 3. Present findings to task group composed of the director of Student Services, the secondary curriculum specialist, middle school principals, lead teachers, at-risk teachers, and guidance counselors.</p> <p>Step 4. Identify strategies, review options, and work with the schools to improve the rate of retentions and administrative placements. These strategies should include revisions to the student progression plan to provide teachers with a clear, easy-to-follow guide in making retention and promotion decisions for each grade level.</p>
Who Is Responsible	Curriculum specialists, director of student services, principals, lead teachers, at-risk teachers, guidance counselors, coordinator of staff development
Time Frame	August 2004; ongoing thereafter.

Best Practice 8: Using

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

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

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

EFFECTIVE AND EFFICIENT INSTRUCTIONAL SUPPORT

Best Practice 9: Using

The district ensures that students and teachers have sufficient current textbooks and other instructional materials available to support instruction in core subjects and to meet the needs of teachers and students. However, the district should revise their process to track lost and damaged textbooks.

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.

Although the Hernando County School District ensures that students and teachers have sufficient current textbooks, it could improve its operations by improving its current system for tracking lost and damaged textbooks. The district has a computerized textbook inventory system, but no way to determine the percentage of money recovered from lost and damaged textbooks. Currently, students at all grade levels are issued “notes of obligation” when a book is lost or damaged and the notes follow the student until graduation. Money collected from the notes of obligation are sent by school staff to the district finance department and returned to the school through the instructional materials budgeting process. However, there is no process to determine the amount of uncollected money owed by students for lost and damaged books, and students are not required to pay for the materials during the same year in which the books were lost or damaged. While the recommendation below will likely result in revenue generation for the district, we were unable to determine its fiscal impact because the district does not keep sufficient records.

We recommend that the district develop a process to track the value of lost or damaged instructional materials and the corresponding collection of money from students. This would allow the district to determine how much money is lost each school year and develop strategies to collect money within the same school year in which the book was lost or damaged, generating district resources.

Best Practice 10: Using

The district has sufficient school library or media centers to support instruction. However, the district should develop a plan to meet currency standards for printed library holdings.

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.

Although the Hernando County School District has sufficient school library or media centers to support instruction, it could improve its operations by addressing the age of printed library holdings. Our analysis of the age of library holdings revealed that they are well above the recommended standards in most schools for all three grade levels. We analyzed the age of library holdings in the categories of computers

and information, science, and technology—three areas generally recognized as the most critical areas in which to keep current. As shown in Exhibit 4-7, the median age of library holdings is higher than the recommended standard in all three grade levels for all three critical areas. The district should develop a plan to update its library holdings, particularly in critical areas to ensure students have access to current materials.

Exhibit 4-7

Hernando County School District Median Age of Library Holdings Are Higher Than the Recommended Standard in All Three Critical Areas for Most Schools Evaluated

School	Computers and Information (Recommended: 2-10 Years)	Science (Recommended: 5-10 Years)	Technology (Recommended: 5-10 Years)
Brooksville Elementary	15	15	15
Chocachatti Elementary	8	8	8
Deltona Elementary	8	18	18
Eastside Elementary	6	12	12
Floyd Elementary	15	15	15
Pine Grove Elementary	8	18	18
Springhill Elementary	8	15	15
Westside Elementary	12	18	19
Fox Chapel Middle	8	8	8
Parrott Middle	18	18	18
Powell Middle	8	18	18
West Hernando Middle	14	14	14
Central High	18	18	18
Hernando High	8	8	8
Springstead High	18	28	18

Source: Hernando County School District.

We recommend that the district develop a plan to meet the currency standards for library holdings. Media specialists should regularly track and evaluate holdings to ensure that students have access to current materials. To accomplish this, the district should reprioritize existing media funds to improve the currency of printed library materials.

Best Practice 11: Not Using

The district utilizes instructional technology in the classroom to enhance curriculum and improve student achievement. However, the district should provide oversight to ensure that students at all schools have access to computer hardware and software.

Technology has the potential 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 also should periodically obtain feedback from teachers and principals related to the usefulness and adequacy of instructional technology and use this information when selecting future materials.

The district uses instructional courseware that aligns with the Sunshine State Standards. The district also obtains feedback from teachers and principals as to the usefulness of instructional technology through

climate surveys. The site-based technology coordinators meet monthly with the MIS department, providing an opportunity for feedback and problem solving.

Although the Hernando County School District utilizes some instructional technology in the classroom, the district could meet best practice standards by improving its operations in three areas. First, the district should provide opportunities for all students to utilize technologies in order to obtain skills needed for postsecondary education and employment. While the district provides learning labs and other programs for students to utilize technology, these opportunities are not available at all schools. Teachers reported that the computer lab had an insufficient number of computers to provide students the opportunity to obtain computer skills, and that existing equipment is obsolete. The new Nature Coast Technical High School provides students expanded opportunities to develop skills for postsecondary education and employment. However, existing computer resources at all schools do not provide opportunities for all students across all schools.

Second, the district should ensure that instructional technology is incorporated into the curriculum of all schools. Teachers at two of the schools we visited reported that unless a student is enrolled in a computer class, technology is not an integral part of the students' curriculum. Teachers also reported that they were unable to use software that accompanied the text due to the inability to project images on a screen during class. Teachers in classes with an insufficient number of computers depend upon students to have computer access at home, making it difficult to incorporate technology into the curriculum.

Third, the district should ensure that students at all schools are regularly given time to work on computers. Teachers at several schools we visited reported that students are not regularly assigned time to work on computers in the schools' computer labs or in the classrooms. Teachers reported an insufficient number of computers available in the media centers and computer labs, and that the computers were frequently not available due to high demand. We also frequently heard that computers needed maintenance, and that the site-based technicians were not able to keep all computers in operable shape. Nine out of 17 schools have one computer for every six students, and in some instances, the computers are not operable. The statewide average is one computer for every five students.

While the district has made it a priority to update equipment and provide additional instructional technology support at each school site, it should provide greater districtwide oversight in prioritizing and acquiring equipment so that schools without sufficient hardware and software are able to obtain needed resources. Action Plan 4-3 includes the steps necessary to implement these recommendations.⁴

⁴ Also, see Action Plan 5-2 under Chapter 5, Best Practice 2, in which we recommend that the district identify options to improve oversight of technology in the curriculum.

Action Plan 4-3

We recommend that the district provide oversight in ensuring that all schools have sufficient instructional technology and that technology is incorporated into the curriculum of all schools.

Action Needed	<p>Step 1. Conduct an analysis of hardware needs at each school. This could be performed by the District Technology Committee, which includes curriculum specialists, principals, teachers, and technology specialists, or some other entity or committee as determined by the district (see Action Plan 5-2, Step 1).</p> <p>Step 2. Conduct an analysis of software needs at each school. This could be performed by curriculum department at each school, technology coordinators, and principals, or some other entity or committee as determined by the district (see Action Plan 5-2, Step 1).</p> <p>Step 3. Identify strategies, review options, identify funding sources, and work with the schools to provide needed equipment and software, as funds are available. These strategies should be included in the district's technology plan (see Action Plan 5-1) and should align with school improvement plans.</p> <p>Step 4. District should continue to monitor technology needs at each school to assure that all students have access to and use of technology and software.</p> <p>Step 5. District should ensure that each school's curriculum incorporates instructional technology and that students are using software to complete assignments as part of their regular curriculum.</p>
Who Is Responsible	District Technology Committee, principals, technology coordinators, curriculum specialists and others as determined by superintendent.
Time Frame	December 2004; ongoing thereafter.

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

5 Administrative and Instructional Technology

Summary

The Hernando County School District is using seven of the nine best practices in administrative and instructional technology. The district provides comprehensive administrative and instructional technology to its schools and support divisions. The district's technology initiatives include individual school networks, instructional software, administrative information systems, classroom computers and network connections, and a computer for most teachers. To use the remaining best practices, the district should take additional steps to improve technology planning and coordinate districtwide technology curriculum activities.

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 Hernando County School District provides comprehensive administrative and instructional technology to its schools and support divisions. The instructional and administrative technology resources in the district serve 10 elementary schools, four middle schools, three traditional high schools, the new Nature Coast Technical High School, the district office and support complexes, and one alternative school. The district's technology initiatives include a wide-area network, individual school networks, classroom computers and network connections, instructional television and a computer for most teachers. All schools have high-speed connectivity and each classroom has at least one computer connected to the network and the Internet. Computer and audio-visual equipment, projection systems, and televisions are available to employees at every school. The district has automated each media center. All schools except one elementary school use computer labs to assist with instruction in a variety of ways including the use of integrated learning systems, drill and practice, business applications, Internet research, and industrial arts. The one elementary school without a computer lab has two or three computers for each class cluster.

The Hernando County School District also provides automated systems that support administrative functions. The district uses a resource management system to track payroll, personnel, finance, professional development and student records. This system is used to track student demographics, schedules, attendance, bus schedules, health records, test scores, and full-time equivalent (FTE) student counts. The management information systems (MIS) department personnel provide technical support

Administrative and Instructional Technology

services for processing Florida Department of Education (FDOE) required surveys, transmitting electronic data, training users, and maintaining applications to accommodate changes in reporting requirements.

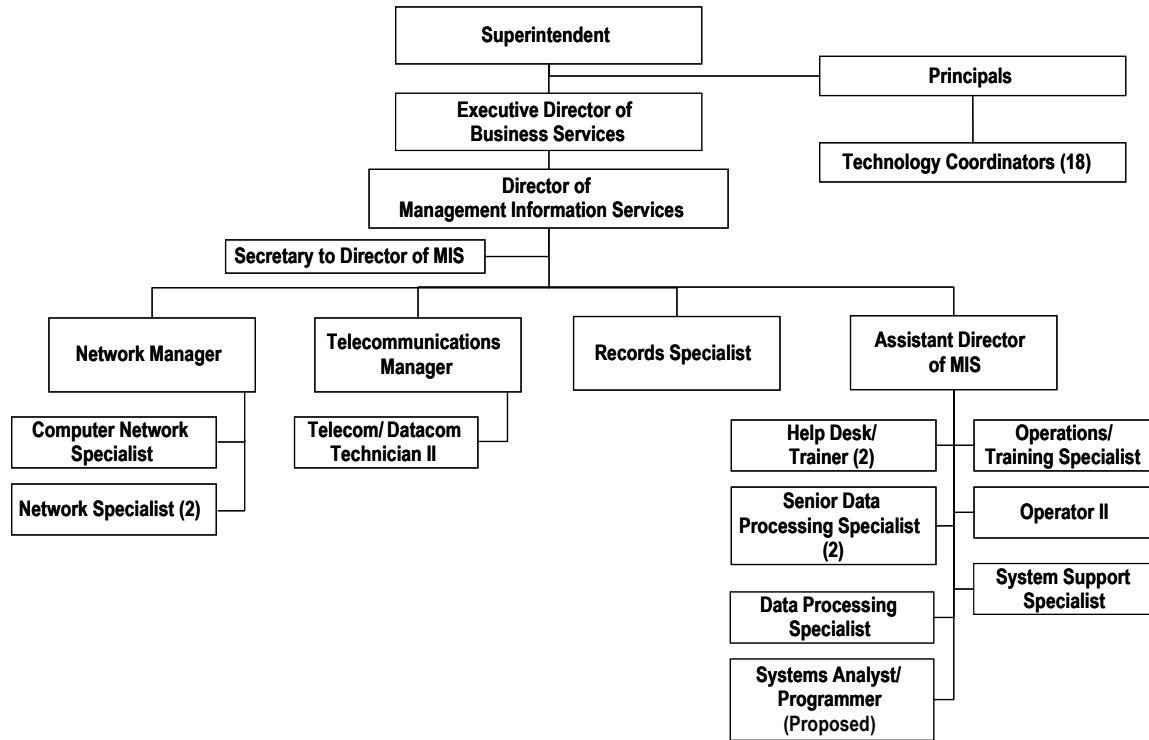
For Fiscal Year 2002-03, district technology funds amounted to \$3,487,509, with \$2,475,169 budgeted for instructional technology and \$1,012,340 budgeted for administrative technology. Over the last three years, the district received state and federal funds for technology from four sources: Public School Technology Funds, the Technology Literacy Challenge Fund, E-rate reimbursement, and the EETT initiative.^{1,2} During this time period, the Public School Technology Fund was distributed based exclusively on the number of full-time equivalent (FTE) students served. The United States Department of Education initiated the Enhancing Education through Technology (EETT) initiative, which will also result in additional funds being awarded based on FTE students. For 2002-03, the Florida Department of Education (FDOE) awarded half of the \$27 million of federal EETT funds to all Florida districts based on FTE students, of which Hernando County School District received \$102,151. FDOE awarded the other half of the EETT funds competitively, of which the district has been awarded \$287,208. Three years ago the district was awarded a \$1-million dollar grant for curriculum development that provided training, equipment, and a model program that integrated technology into the curriculum. The district has had considerable success generating grant funding, considering the district does not have a designated grant writing position. However, the district's success in receiving these grants has both positive and negative consequences. Although the district has been able to purchase a wide variety of technology resources with grant funds, it may have to provide technical support, and replace and maintain older technology long after the grant money has run out. Because the district cannot depend on competitive grant awards, it has to continually apply for new grants, which is time-consuming and not always productive, or use other funding sources to keep its inventory up to date.

As shown in Exhibit 5-1, the district's organizational structure promotes shared responsibility for information technology services. Currently, four district technicians, with help from on-site technology coordinators, are responsible for providing technical support to keep data processing and instructional programs functional districtwide. Technology coordinators are teachers who have some experience working with technology, and provide full-time technical support and training at each school. If the technology coordinators cannot solve a problem, they follow up by requesting help from the district technicians who have varying levels of experience. Instructional technology decisions reside currently at each school site.

¹ The Florida Department of Education's Bureau of Educational Technology recommends that districts expend public school technology funds in accordance with the district's educational technology plan. These funds are also referred to as Education Technology Allocation. See [Public School Technology Funds](#) for more information.

² Recipients of Technology Literacy Challenge Funds were selected for funding through a competitive process (see [Technology Literacy Challenge Funds](#)). These federal funds are no longer available, having been replaced with other opportunities through the [No Child Left Behind Act – Enhancing Education Through Technology](#).

Exhibit 5-1
The Hernando County School District's Organizational Structure Results in Shared Responsibility for Information Technology Services



Source: The Hernando County School District.

Activities of particular interest

- The district implemented a Voice-over/IP (Internet Protocol) telephone system which utilized the existing computer network infrastructure and will save the district more than \$140,000 per year in telephone costs.
- The district purchased high-speed network switches for all schools and departments to speed access to network and Internet resources.
- In December 2002, the district upgraded circuits which increased bandwidth by 30 times.
- The district competed successfully for a \$287,208 grant to provide 30 teachers at six schools with laptops. Five schools received a 20-station wireless laptop cart and one school received a 30-station stationary lab.
- The MIS Department installed the first IP Telephony System in the new Nature Coast High School.

Conclusion and Recommendations

Summary of Conclusions for Administrative and Instructional Technology Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Technology Planning	1. The district has a comprehensive technology plan that provides direction for administrative and instructional technology decision making.	No	5-5
Cost-Effective Technology Acquisition	2. The district acquires technology in a cost-effective manner that will best meet its instructional and administrative needs.	No	5-6
Technology Professional Development	3. District and school-based staff receive professional development training for all technologies used in the district.	Yes	5-8
Technical Support	4. The district provides timely and cost-effective technical support that enables educators and district staff to successfully implement technology in the workplace.	Yes	5-9
Infrastructure and Network Communication	5. The district maintains a dependable, standards-based infrastructure employing strategies that cost-effectively maximize network and Internet access and performance.	Yes	5-10
	6. The district uses technology to improve communication.	Yes	5-10
	7. The district has written policies that apply safe, ethical, and appropriate use practices that comply with legal and professional standards.	Yes	5-11
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	5-11
	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: Not Using

The district does not have a comprehensive technology plan that provides direction for administrative and instructional technology decision.

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

The Hernando County School District has taken some positive steps in planning for technology in the district. For example, the district's technology committee sets goals and objectives for developing and improving instructional technology in the district. The district also includes a wide variety of stakeholders on its district technology committee, such as district and school administrators, teachers, support staff and community members.

However, the district can meet best practice standards and strengthen its planning by addressing three issues. First, while the district's technology plan includes some administrative short-term goals, it does not provide long-range administrative systems planning. The technology plan should present a comprehensive view of all district systems (including food service and transportation systems) in order to strengthen the planning process. The plan would then be more balanced, representing all technologies in the district.

Second, the district should modify the technology plan to include clearly defined and measurable objectives, timelines for completion, and strategies for how it will regularly measure and report performance on these objectives. Clearly defined objectives should state the expectation of all major technology initiatives and the cost associated with each initiative. These costs should be linked to the district budget. Without measurable objectives, there is not a reliable way to know if the district met the objectives in past plans, or what happens if the district does not meet the objectives. Measurable objectives provide accountability to the board, schools, parents, and the public and create an opportunity for the board and district administration to follow up on planned improvements. By periodically evaluating plan objectives the district can determine how well it is meeting these objectives and modify strategies accordingly.

Third, although each school develops a technology plan, the district technology plan does not adequately summarize these plans on a district level. Currently, there is no direct link between the overall technology plan goals and the individual goals of each school. District administrators should integrate each school's technology goals, objectives and needs into a districtwide plan rather than the current practice of developing exhaustive school-based plans. In this way, the district can better track the overall progress and direction of technology districtwide and better prioritize needs of each school. In addition,

the board will be able to better ensure that both its district-wide and school-level technology goals are being met. (For more information on the technology needs of schools, refer to Chapter 4, Educational Service Delivery, Best Practice 11.) Action Plan 5-1 includes the steps to implement these recommendations.

Action Plan 5-1

We recommend that the district develop a more comprehensive technology plan that includes long-range goals for administrative systems; measurable objectives with timelines; resources needed to achieve goals and objectives; and strategies for how it will regularly measure and report performance on these goals and objectives. These items in the district-level plan should reflect the technology goals and needs of each school.

Action Needed	Step 1. Establish long-range goals for administrative technology and include them in the district's technology plan.
	Step 2. Develop clearly defined and measurable objectives with timelines for the district technology plan while addressing school-level technology goals and needs.
	Step 3. Link technology initiatives to the district budget, identifying the funding commitment required for each initiative. The district should develop strategies for how it will regularly measure and report performance on these objectives.
	Step 4. Align objectives and strategies with the performance accountability measures for district programs previously recommended in Action Plan 3-1 and with the issues identified as a result of Action Plan 4-3 of this review.
	Step 5. Evaluate annually the success of each strategy, modify or abandon failed strategies, and update the plan accordingly.
	Step 6. Present the revised plan annually to the school board for its approval, summarizing the progress of the previous year's efforts.
Who Is Responsible	MIS Technology Advisory Committee, MIS director, school board
Time Frame	December 2004

COST-EFFECTIVE TECHNOLOGY ACQUISITION

Best Practice 2: Not Using

The district does not acquire technology in a cost-effective manner that will best meet its instructional and administrative needs.

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

The Hernando County School District uses bulk purchasing and bidding processes for technology acquisitions, and allows schools to use these bids for their purchases. The MIS director reviews purchases to see if they can be obtained cheaper or to see if they include items that the district does not support. Also, the district reviews administrative systems and tries to identify the most cost-effective ways to purchase these systems. For example, it purchased a new work order/parts inventory system for its maintenance department; the old system was outdated and was no longer the most cost-effective option.

However, the district is not using this best practice for two reasons. First, the district does not have an equipment replacement schedule. An equipment replacement schedule specifies the timeframes for

technologies to be replaced in a school district. A replacement schedule helps ensure that teachers and students across the district receive equitable and uniform access to technology in the classroom. The district should develop an equipment replacement schedule and include it in the district annual technology plan update. The schedule should include the planned distribution of new equipment purchases and the effect of those purchases on the percentage of obsolete equipment by school and administrative division and the effect on each school's student to computer ratio. This schedule would enhance long-term budget planning for replacement of existing equipment and highlight the process of systematic and equitable implementation of instructional technology. Also, by developing an equipment replacement schedule, the district can help ensure that students have equal access to standard technology resources.

Second, the district's method of coordinating instructional technology curriculum initiatives districtwide may not provide it with economies of scale for purchasing, equitable access and adequate technical support. Under site-based management, the district's implementation of instructional technology has been delegated to each individual school without a mechanism to ensure coordination among other schools and the curriculum department. This structure results in unequal emphasis on instructional technology curriculum initiatives and learning opportunities for students.³ Without some type of district-level coordination, the district cannot determine what school-level instructional technology it has and whether or not it is duplicating efforts. Coordinating instructional technology, especially curriculum software, could provide cost savings in several ways including site license purchases and shared training expenses. Standardizing curriculum delivery software provides additional benefits of sharing lesson plans and test development. For example, some of the curriculum software packages provide multiple layers of assessment data for managing student, teacher, and school-wide improvement and needs assessment. Principals can use student achievement results to determine teacher and student strengths and needs. By using the same software, district administration can compare results among schools to evaluate progress and plan for improvements.

The district should explore different ways to resolve its coordination issues. For example, the district might consider funding a full-time instructional technology director. Although school-based technology coordinators meet regularly to exchange ideas and solutions, they lack authority to standardize curriculum choices. There is no one at the district level who has the authority and instructional credentials to direct technology use in the classroom. An instructional technology director would help ensure coordination and oversight of instructional technology districtwide, and would assist schools and the MIS department in maximizing district technology resources. This position would report to the executive director of school services.⁴ Another way the district could help ensure coordination and oversight of instructional technology districtwide is to give the MIS Technology Advisory Committee, or similar advisory group, the authority to make decisions regarding instructional technology initiatives which would include curriculum purchases. Action Plan 5-2 includes the steps to implement these recommendations.

³ For more on inequitable access to instructional technology see Best Practice 11 in Chapter 4 of this review (Educational Services Delivery).

⁴ There are several options available to the district to fund a full-time instructional technology director. One option for funding this position would be to shift a current school-based technology coordinator into the position. The use of technology coordinators is discussed in Best Practice 4 of this chapter.

Action Plan 5-2

We recommend that the district coordinate districtwide instructional technology curriculum initiatives including purchasing decisions. It also should continue to develop an equipment replacement schedule and include it in its technology plan.

Action Needed	Step 1. Identify options to better coordinate districtwide instructional technology initiatives, such as creating a full-time instructional technology director or assigning oversight responsibility to the MIS Technology Advisory Committee or some other advisory group.
	Step 2. In conjunction with Action Plan 4-3 of this review, conduct an analysis of hardware and software needs at each school and district administrative divisions. This analysis should be done at least annually. The district could use data from the Florida Department of Education's annual Technology Resources Survey for the annual analysis.
	Step 3. Based on the analysis results in Step 2 of this action plan, develop an equipment replacement schedule for administrative and instructional computers specific to each school and administrative division. The MIS director should include this schedule in the district's technology plan.
	Step 4. Present these options to the school board for approval.
Who Is Responsible	MIS Technology Advisory Committee, MIS director, superintendent, school board, others as determined by the superintendent.
Time Frame	December 2004

TECHNOLOGY PROFESSIONAL DEVELOPMENT

Best Practice 3: Using

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

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

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

TECHNICAL SUPPORT

Best Practice 4: Using

The district provides technical support that enables educators and district staff to implement technology in the workplace. However, the district should re-examine the use of technology coordinators for technical support activities.

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

The Hernando County School District provides technical support to its schools through its technology coordinator positions. These 18 technology coordinators, one at each school, are certified teachers who help implement technology in the classroom. They perform various technology functions including school network management, computer repair, teacher assistance, and training. Coordinators have considerable autonomy in determining the types of hardware and software their respective school will use to meet academic and administrative needs of the school. In addition to the technology coordinators, the district's central office employs four technicians for on-site field support calls to repair and replace hardware and determine solutions for network software conflicts. The district provides a help desk staffed by two support specialists who also provide software training. These positions handle district staff support as well as school sites when the technology coordinator is occupied or unable to support specific computer or software questions.

Although the district has processes to meet the intent of this best practice, the district should re-evaluate the roles of the technical support staff and technology coordinators. Originally, the district created and funded the 18 technology coordinator positions as full-time teachers to train other teachers to implement technology into the curriculum. The job descriptions for these positions state they should be assisting teachers with technology integration, yet over time their duties have become more technical in nature. The district should consider transferring the technical duties (e.g., computer repair, network maintenance) back to the district level, allowing technology coordinators more time to assist teachers with technology training and integration.

If technology coordinators focus solely on training and integrating technology into the curriculum, the district may not need one full-time position at each school, particularly if the district creates a full-time instructional technology director, as was discussed in Best Practice 2 of this chapter. While some schools may still require a full-time teacher to train and support the teaching staff, schools with highly technically proficient teachers may only need support from the district office and not require an on-site coordinator. As a result, the district may be able to fill the full-time technology director position recommended in Best Practice 2 with one of these technology coordinators.

While technology coordinators provide school-based training, the district's technical support staff should assume the primary role in all technical support activities in the schools, including centralizing network operations. Although the district has some centralized network capability, it cannot manage all the

networks at each school from one central location. The district is moving toward a standardized network platform that will allow it to manage school-based LANs centrally.⁵ Centralized network operations will free up some of the technology coordinators' time by removing most of their network management duties. It also will make network technical support more efficient by allowing the district network manager to upgrade network virus prevention, email, grade book programs, and curriculum software from one location. Other network software features would allow the network manager to spot network difficulties in a more timely fashion, assign the district network technicians to the most critical tasks, and remotely configure new machines. Trained network specialists would provide the district better response and more rapid technical problem determination and solutions. Further, if the district centralizes instructional technology coordination, as discussed in Best Practice 2, technical support becomes easier when there are a fewer number of software packages in use.

We recommend the district re-evaluate how it provides technical support vis-à-vis its use of technology coordinators.

INFRASTRUCTURE AND NETWORK COMMUNICATION

Best Practice 5: Using

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

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

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

Best Practice 6: Using

The district uses technology to improve communication.

Technology has revolutionized communications, providing tools to disseminate large amounts of information to a wide audience. Email, websites, and teleconferencing are examples of technologies that enhance communication within and beyond school boundaries. Whenever possible, districts should use web technologies, such as Internet and intranet sites, and email to improve and enhance communications. Using email can expedite communication between and among colleagues without having to wait for a meeting to discuss important issues, saving time and travel. Posting information on websites, such as policies, announcements, and calendars, improves access to important information districtwide 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,

⁵ While the district is moving toward standardizing network platforms, it will need to conduct an assessment of all software that runs on each platform currently used to see if the software will run on one platform.

and well-being of their children, as well as providing general information about specific programs and course offerings.

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

Best Practice 7: Using

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

While technological innovations have provided districts with numerous opportunities to improve communication and increase efficiency and productivity, it can be inappropriately used causing potential harm to students and exposing districts to lawsuits. Thus, districts must develop effective strategies and comprehensive guidelines for the appropriate use of technology. Safe use of online resources is important to everyone. The federal Children's 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 Hernando County School District has processes in place to meet the intent of this best practice.

INFORMATION MANAGEMENT AND DELIVERY

Best Practice 8: Using

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

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

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

Best Practice 9: Using

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

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

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

6 Personnel Systems and Benefits

Summary

The Hernando County School District is using 9 of the 11 personnel systems and benefits best practices. The district has successful training programs for teachers and those interested in becoming administrators, and has taken steps to better share information regarding collective bargaining and teacher certification. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its personnel function, the district should address factors causing turnover among its employees and should modify its performance evaluations.

Background

The Hernando County School District employed 2,356 full-time persons during School Year 2001-02, of whom approximately 48% were instructional personnel. (See Exhibit 6-1.)

The district has assigned responsibility for personnel records, application and hiring processes, personnel orientation, and evaluation procedures and coordination to the director of human resources. The supervisor has 17 full-time employees that are dedicated to personnel issues. The Retired Senior Volunteers Program (RSVP) coordinator, the coordinator of staff development, and the coordinator of certification, equity, recruitment, and retention report to the director of human resources (see Exhibit 6-2). Other aspects of personnel are managed through other departments as noted below.

- The district's instructional staff development programs are the primary responsibility of the coordinator of staff development, while non-instructional staff development programs are the responsibility of the department heads.
- Benefit packages are managed by the executive director of business services and administered by staff in the finance department.
- Collective bargaining is the primary responsibility of the executive director of support operations.
- Workers compensation services are monitored by a risk management specialist, who reports to the executive director of business services.

The district has a separate human resource budget. Human resources is a part of the division of business services and its budget is included in the division's overall budget.

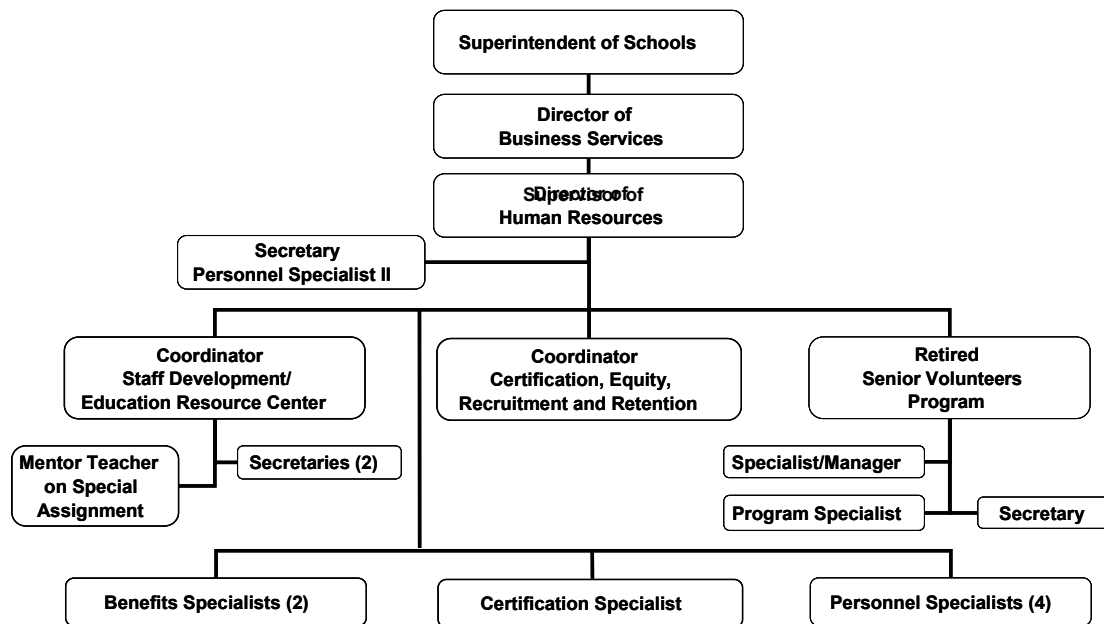
The Hernando Classroom Teachers Association represents the district's teachers in collective bargaining. The Hernando United School Workers represents the school's non-instructional staff. The unions will merge no later than 2006.

Exhibit 6-1
During 2001-02, the Hernando County School District Employed 2,356 Persons

Categories of Employees		Numbers of Employees
Administrative Employees	District Level	22
	School Level	49
	Total Administrative	71 (3%)
Instructional Employees	Elementary	420
	Secondary	441
	Exceptional Student	133
	Other Teachers	20
	Other Instructional Staff	124
	Total Instructional	1,138 (48%)
Non-Instructional Employees	Professional	71
	Non-Professional	1,076
	Total Non-Instructional	1,147 (49%)
Total Employees		2,356

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

Exhibit 6-2
Organizational Chart of the Hernando County
Human Resources, Staff Development, and RSVP Departments



Source: OPPAGA and the Hernando County School District.

Activities of particular interest

The Hernando County School District has partnered with the University of South Florida to help interested teachers earn a master's in educational leadership or achieve their certification to become principals. Under this arrangement, professors from the University of South Florida teach classes at the Hernando County school district offices. Interested teachers can earn their certification or degree in two years, taking two courses at a time to minimize their out-of-pocket costs. The Hernando County School District initiated this program several years ago to strengthen and deepen its administrative pool. The first group of interested teachers will be finishing later in 2003.

Conclusion and Recommendations

Summary of Conclusions for Personnel Systems and Benefits Best Practices

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

PERSONNEL SYSTEMS & BENEFITS

Best Practice 1: Using

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

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

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

Best Practice 2: Not Using

The district has maintained a reasonably stable work force, but has recently begun working towards creating a more satisfying work environment and has not yet fully addressed factors that contribute to higher turnover and low employee morale.

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

While the Hernando County School District has maintained a reasonably stable work force, it does not use this best practice. Though principals monitor turnover rates at their individual schools, the district does not track and evaluate turnover rates districtwide. The Hernando County School District had roughly the same amount of turnover in teachers as its peer and neighboring districts, experiencing approximately an 8% turnover in 2001-02 and a 10% turnover in 2000-01. Although the district aggregates exit interview data and reports it to the state Department of Education, it does not analyze the data to identify factors that contribute to turnover. The district has begun exploring ways to increase retention, but should analyze teacher turnover data on both a district level and at each individual site.

Salary issues are a common factor cited in any discussion of causes of turnover. Our discussions with current teachers and administrators identified other factors which may affect turnover:

- mentoring and other initiatives to acclimate new teachers to the district;
- the amount and types of benefits offered to full-time employees;

- need for enhanced communication between the schools and the district administrators (for example, site visits by district administrators); and
- need for enhanced communication among schools and between the district and schools on training, instructional issues, and other issues affecting the school environment (for example, certification).

Action Plan 6-1 includes the steps to implement this recommendation.

Action Plan 6-1

We recommend that the district analyze turnover data annually to identify factors contributing to turnover at both the district and school levels.

Action Needed	Step 1.	Teachers separating from the district should continue to complete the exit interviews required by the state Department of Education and the Hernando County School District. Exit interviews should include reasons the employee is departing.
	Step 2.	The district should compile and analyze the information annually both at the school level and districtwide. Factors specific to individual schools should be discussed between the director of human resources and the school principal. Factors more general to district-level concerns should be discussed jointly by district human resources staff and the individual principals.
	Step 3.	The district should develop strategies for addressing those factors.
	Step 4.	The district should re-visit those strategies the following year to gauge its success in reducing turnover.
Who Is Responsible	The coordinator of certification, equity, recruitment, and retention and the director of human resources.	
Time Frame	January 2004	

Best Practice 3: Using

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

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

The Hernando County School District has processes in place to meet the intent of this best practice. The district has recently taken steps to improve its mentoring and induction programs.

Best Practice 4: Not Using

The district’s system for formally evaluating employees does not reward excellent performance and productivity, and does not adequately identify and address performance that does not meet the district’s expectations for the employee.

Performance appraisals are an essential tool to be used by a school district to improve the quality of services delivered. By evaluating its employees, a district can determine the extent to which each employee is meeting performance expectations and identify ways in which individual and organizational performance can be improved. Each school district should have a system for formally evaluating the performance of its instructional and non-instructional employees. The system should include components

that provide for the improvement and growth of employee performance, that reward excellent performance, and that identify those areas of performance that do not meet the district's expectations for the employee. The evaluation of district administrators should be made after feedback has been solicited and received from non-administrative personnel and from parents.

The Hernando County School District's performance evaluations for instructional personnel have been approved by the Florida Department of Education. The district has separate evaluations for non-instructional, professional/technical, administrative, and Exceptional Student Education personnel.

However, the district does not meet best practice standards due to deficiencies in its current evaluation forms and processes. These deficiencies include a scale too simplistic to capture the range of employee performance, a lack of space for supervisors to recognize superior performance or adequately note areas needing improvement, no clear link between the performance evaluation and instruments designed to address problem areas or behaviors, inadequate measures of employee performance, and limited public input from the public or other school employees. Ways to remedy these deficiencies include

- change all evaluations so each includes at least a three-point scale to allow for the recognition of superior performance (for example, Exceeds/Meets/Below Expectations);
- include space on standard evaluations to indicate the follow-up pursued (Plan B assessments in the case of teachers);
- for non-instructional and professional/technical evaluations, add more criteria closely linked to the individual's job tasks;
- solicit feedback on administrative and teacher positions from both the public and other district employees (for example, the district could work with the Hernando Classroom Teachers Association and School Advisory Councils to survey their members); and
- increase the space on the form for supervisors to comment on performance.

The district has begun exploring ways to improve its evaluation processes, including surveying other districts. This project has been assigned to the coordinator of certification, equity, recruitment, and retention and began in earnest once the first coordinator began work May 5, 2003. The district anticipates addressing performance evaluations as part of the review of the current Human Resources Management Development Plan during the 2003-04 school year. Action Plan 6-2 includes the steps to implement this recommendation.

Action Plan 6-2

To the extent agreed upon during collective bargaining, we recommend that the district revise its performance evaluations to better recognize superior performance and note those areas needing improvement.		
Action Needed	Step 1.	The district should identify weaknesses in the current evaluation forms and processes, including those deficiencies mentioned in this report.
	Step 2.	The district should survey other districts to identify potential models and ways to improve the district evaluations. The district should consider other districts' examples when developing new performance criteria.
	Step 3.	The district should propose changes to evaluations.
	Step 4.	After the revised evaluations have been used during an evaluation period, the district should solicit feedback from supervisors and employees.
Who Is Responsible	The coordinator of certification, equity, recruitment, and retention and the director of human resources	
Time Frame	January 2004	

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 Hernando County School District has processes in place to meet the intent of this best practice. However, the district could improve its overall performance by strengthening connections between its performance evaluations and follow-up actions.

We recommend that the district tie performance evaluations to suggested follow-up assessments and mentoring programs.

The district has begun to develop mentoring for struggling teachers and is considering asking principals to do more observations and follow-ups with new and struggling teachers. By revising the performance evaluations as suggested under Best Practice 4, the district can ensure that performance problems identified in the evaluation are clearly linked to follow-up actions.

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

Best Practice 7: Using

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

School district personnel files hold essential information on all district employees, which must be maintained in a manner that protects the employees while serving the needs of the district. Each school district should maintain its personnel records in an efficient, readily accessible, and timely manner. When it is more cost efficient to do so, districts should implement automated record-keeping systems that facilitate the ready exchange of personnel information with school sites and other departments. When

feasible and cost effective, the district should explore options that would delegate certain data entry responsibilities to school site personnel, so long as this does not compromise the security of those records.

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

Best Practice 8: Using

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

When left uncontrolled, workers' compensation claims can represent a significant expense to school districts and, thus, should be effectively managed to minimize their frequency and costs. A district can do this in a number of ways. For instance, a district should conduct routine evaluation of the claims and expenses. The district 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 Hernando County School District has processes in place to meet the intent of this best practice. The district works with the North East Florida Educational Consortium to analyze claims and identify possible ways to reduce claims. However, the district could improve its cost containment practices for its workers' compensation claims by implementing the recommendation below.

We recommend the district consider targeting safety training sessions towards addressing the specific behaviors and accidents which are leading to a high number of workers' compensation claims.

Best Practice 9: Using

The district uses cost containment practices for its employee benefits programs, including health insurance, dental insurance, life insurance, disability insurance, and retirement.

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

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

Best Practice 10: Using

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

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

The Hernando County School District has processes in place to meet the intent of this best practice. However, it could improve its human resource program by focusing more attention on data analysis.

We recommend that the district monitor and analyze data on recruitment, turnover, and absenteeism to better tailor district policies in recruiting and retaining faculty, as well as creating a more satisfactory working environment.

With the creation of a coordinator of certification, equity, recruitment and retention, we recommend that the certification specialist position assume more data collection and analysis responsibilities.

Best Practice 11: Using

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

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

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

7 Facilities Construction

Summary

The Hernando County School District is using 20 of the 24 facilities construction best practices. The district is using all of the construction funding, design, and renovation best practices. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its construction activities, the district should

- develop a facilities five-year work program;
- regularly conduct post-occupancy evaluations;
- develop written accountability measures to evaluate the performance of the construction program; and
- analyze performance of the construction program based on accountability measures and implement necessary improvements.

Background

The Hernando County School District has a total of 24,409 satisfactory student stations (20,681 permanent student stations and 3,728 student stations located in relocatables) across its 20 schools. With a May 2003 enrollment of 18,334 students, the utilization rate of district facilities is 75%, as shown in Exhibit 7-1. If only permanent student stations are counted, however, the utilization rate increases to 89%. The unusually high utilization rate at the high school level will be alleviated by the opening of the Nature Coast Technical High School, which will have 1,297 student stations when it opens in the fall of 2003.

Exhibit 7-1

Overall the Hernando County School District Uses 89% of Its Capacity (2002-03)

Description	Number	Total Satis Stu Sta	Permanent Satisfactory Stu Sta	Relocatable Satisfactory Stu Sta	Enrollment May 7, 2003	Permanent Utilization Rate	Total Utilization Rate
Elementary	10	10,353	8,832	1,521	8,487	96%	82%
Middle	4	6,650	6,117	533	4,708	77%	71%
Senior High	3	6,771	5,119	1,652	5,058	99%	75%
Other	2	635	613	22	81	13%	13%
Total	19	24,409	20,681	3,728	18,334	89%	75%

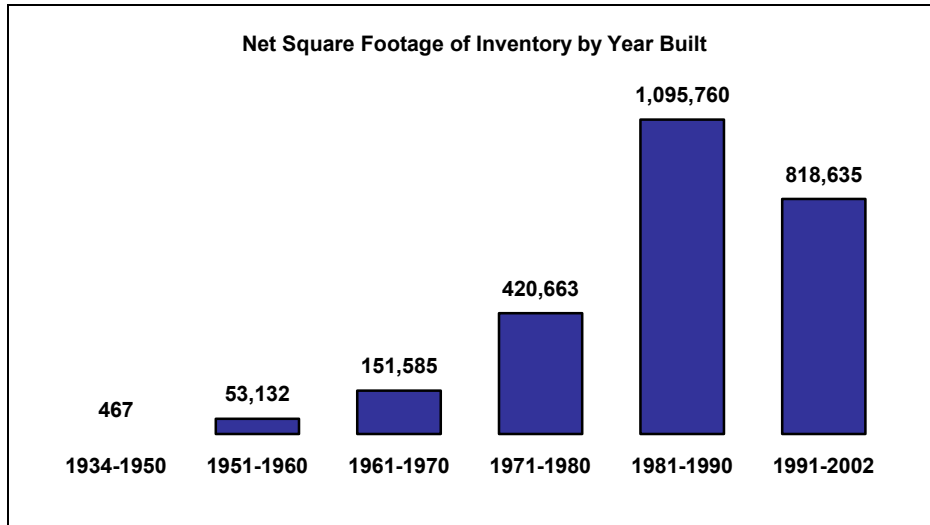
Source: Florida Inventory of School Houses School Year 2002-03, Hernando County School District.

Age and Condition of Facilities

Hernando County’s steady growth over the past few decades is reflected in an acceleration of facilities construction activity, as shown in Exhibit 7-2. Facilities are therefore relatively new. The addition of new physical plant is expected to continue, reflecting the district’s plans to build a new school approximately every 2 years over the next 10 years.

Exhibit 7-2

Age of Hernando Public School Buildings

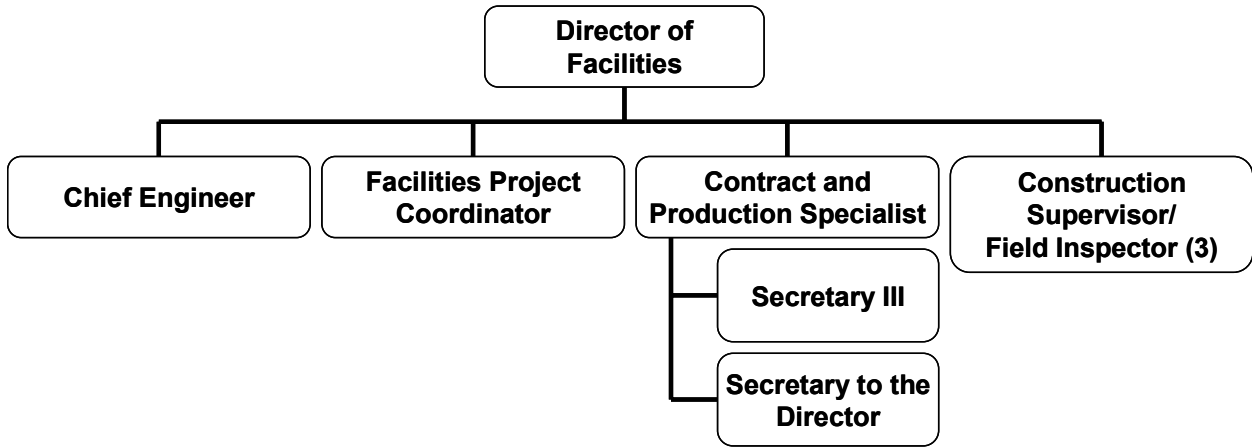


Source: Florida Inventory of School Houses School Year 2002-03, Hernando County School District.

Organization and management

The Hernando County School District has sufficient construction activity to warrant a facilities department, maintaining a professional staff to carry out the program. The director of facilities is a licensed architect, and coordinates all phases of construction activity. The department’s organizational structure is outlined below.

**Exhibit 7-3
Facilities Department Organizational Chart**



Source: Hernando County School District.

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	7-6
	2. When developing the annual five-year facilities work plan the district evaluates alternatives to minimize the need for new construction.	Yes	7-7
	3. The five-year facilities work plan establishes budgetary plans and priorities.	No	7-7
	4. The school board ensures responsiveness to the community through open communication about the construction program and the five-year facilities work plan.	Yes	7-8
	5. The district has an effective site selection process based on expected growth patterns.	Yes	7-8
	6. The board considers the most economical and practical sites for current and anticipated needs, including such factors as need to exercise eminent domain, obstacles to development, and consideration of agreements with adjoining counties.	Yes	7-9
Construction Funding	7. Funds collected for school projects were raised appropriately.	Yes	7-9
	8. The district approves and uses construction funds only after determining that the project(s) are cost-efficient and in compliance with the lawfully designated purpose of the funds and the district's five-year facilities work plan.	Yes	7-10
Construction Design	9. The district develops thorough descriptions and educational specifications for each construction project.	Yes	7-10
	10. The architectural design fulfills the building specification needs as determined by the district.	Yes	7-10
	11. New construction, remodeling, and renovations incorporate effective safety features.	Yes	7-11
	12. The district minimizes construction and maintenance and operations costs through the use of cost-effective designs, prototype school designs, and frugal construction practices.	Yes	7-11
New Construction, Renovation and Remodeling	13. The district has effective management processes for construction projects.	Yes	7-12
	14. District planning provides realistic time frames for implementation that are coordinated with the opening of schools.	Yes	7-12
	15. All projects started after March 1, 2002, comply with the Florida Building Code.	Yes	7-12
	16. The district requires appropriate inspection of all school construction projects.	Yes	7-13
	17. The district retains appropriate professionals to assist in facility planning, design, and construction.	Yes	7-13

Practice Area	Best Practice	Using the Best Practice?	Page No.
	18. The district follows generally accepted and legal contracting practices to control costs.	Yes	7-13
	19. The district minimizes changes to facilities plans after final working drawings are initiated in order to control project costs.	Yes	7-14
	20. The architect recommends payment based on the percentage of work completed. A percentage of the contract is withheld pending completion of the project.	Yes	7-14
Facility Occupancy and Evaluation	21. The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.	Yes	7-14
	22. The district conducts comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance.	No	7-15
	23. The district has established and implemented accountability mechanisms to ensure the performance, efficiency, and effectiveness of the construction program.	No	7-16
	24. The district regularly evaluates facilities construction operations based on established benchmarks and implements improvements to maximize efficiency and effectiveness.	No	7-16

CONSTRUCTION PLANNING

Best Practice 1: Using

The district has effective long-range planning processes.

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

Effective long-range planning in the Hernando County School District is increasing in importance as the district accelerates its construction activity. Given its plans to construct a new school every two years, the school board should consider establishing a permanent facilities committee, comprised of a broad spectrum of stakeholders. The facilities committee should immediately assist in the development of educational specifications for the proposed new K-8 school scheduled to open in August 2005. Other responsibilities that would be appropriate for a facilities committee include

- evaluating existing facilities support of current and planned programs;
- assessing current space utilization;
- evaluating, on an annual basis, the district's progress in meeting facilities goals and objectives;
- assessing how well the district's facilities accommodate the needs of the educational program on a regular basis;
- identifying future school site needs and reviewing potential school sites; and,
- participating in the selection process for construction professionals (architects, agency representatives, construction managers, construction firms, inspectors, etc.)

Another significant issue is the school district's relationship with Hernando County and Brooksville. The potential for conflict between school districts and municipalities increases as development intensifies, and cooperation becomes more and more critical. The district's efforts to reach out to the local governments are laudable, and the interlocal agreements that are being developed between the district and municipalities offer the opportunity to clearly delineate these relationships.

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

We recommend that the district establish a permanent facilities committee and expand its scope to include the responsibilities outlined above.

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

Best Practice 3: Not Using

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

A five-year facilities work program, mandated by Florida law (s. 1013.35, *Florida Statutes*), should be prepared annually, 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 program details a schedule of major projects intended to properly maintain the educational plant and ancillary facilities of the district, 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 program 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, in the form of 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 program.

The Hernando County School District has been budgeting sufficient resources to building new schools, having used bonds and sales surtaxes to supplement its millage receipts and state funding. The district school board has discussed constructing a new school every two years for the next decade and the possibility of requesting voter approval for a one-half cent sales tax to pay for the next (K-8) school. For smaller projects, the district asks each school to submit a list of priority projects for the upcoming year, and convenes a committee made up of district personnel to choose the projects for funding, given anticipated funding availability.

Although the district's budget practices are fundamentally sound, it does not use this best practice because it has not submitted a facilities five-year work program to Florida Department of Education (DOE) for the 2002-03 school year. Hernando is one of only three districts in Florida that has not submitted its report to DOE, which was due on October 1, 2002. The Facilities Five-Year Work Program for the previous year was submitted, but it was not filled out properly. This document can be a useful tool for projecting a district's capital outlay expenditures and funding sources for the current year as well as the subsequent four years. Action Plan 7-1 outlines a process for developing an effective five-year work program.

Action Plan 7-1

The district should develop a five-year facilities work program.		
Action Needed	Step 1.	Establish a committee to develop long-range facility plans.
	Step 2.	Utilize new plant survey and district's needs assessment to develop five-year work program.
	Step 3.	Present new five-year program to the school board for approval.
	Step 4.	Develop a ten- and twenty-year facilities program using the same evaluation process.
Who Is Responsible	Superintendent, executive director of support operations, executive director of business services, director of planning and accountability, facilities director.	
Time Frame	August 2004	

Best Practice 4: Using

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

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

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

Best Practice 5: Using

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

The appropriate and timely selection of sites for new facilities is a critical issue for a district's capital program and ensures that land is available when and where it is needed. A district should use demographic projections in conjunction with existing land use patterns and zoning, as well as land use designations in local Comprehensive Development Master Plans, to project future school site needs. Early identification of appropriate parcels will allow the district to acquire the land well in advance of construction needs, potentially generating substantial savings in land prices, as well as avoiding later conflicts with nearby land uses. When multiple sites are to be considered, the district should designate a committee, including experts and community stakeholders, to review the proposed sites.

Rapid development in the western part of Hernando County has resulted in a dearth of parcels suitable for school sites, with land prices reflecting this scarcity. The Hernando County School District recently contracted for a 38 acre parcel in Spring Hill that will cost \$1.05 million—nearly \$30,000 per acre.

The district has recently begun to aggressively identify and locate suitable parcels for school sites, and recently contracted to purchase an 80 acre site in the eastern portion of the county that can accommodate a high school, middle school and elementary school, at a price of \$8,000 an acre. This portion of the county is projected to grow due to its accessibility to Tampa via I-75. The district is also pursuing more innovative approaches to acquiring suitable school sites. For example, the district will consider waiving impact fees for large developments in lieu of donations of suitable parcels.

An impending interlocal agreement between the school district and the county will hopefully facilitate school siting in western Hernando County. To further facilitate consensus building in the community, the

school district should consider establishing a site selection committee, involving various stakeholders in the site selection process.

We recommend that the district form a site selection committee, including school officials, local government officials, architects, real estate professionals and community members, to identify and evaluate school sites, and make appropriate recommendations to the school board.

Best Practice 6: Using

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

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

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

CONSTRUCTION FUNDING

Best Practice 7: Using

Funds collected for school projects were raised appropriately.

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

The Hernando County School District has processes in place to meet the intent of this best practice. However, future bond referenda should be written differently to give the district more flexibility in how it spends the proceeds. The district received about \$5 million more than anticipated from the ½ cent sales tax approved by the voters in 1998, but because the bond resolution earmarked all of the proceeds to the Nature Coast Vo-tech High School, the district did not have the legal authority to spend the money on other projects. Because the school had been designed to be readily expandable, the district was able to allocate additional funds generated from the sales tax to worthy on-site projects. Future projects may not offer this flexibility.

Future bond referenda could be designed to allocate up to a set amount to a primary project(s), but could be written so as to allocate any additional money to other projects, including the primary project(s), on either a priority or a percentage basis.

We recommend that the district design future bond referenda to offer flexibility in the allocation of the proceeds to priority projects.

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

CONSTRUCTION DESIGN

Best Practice 9: Using

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

Educational specifications are an important part of the planning process, allowing stakeholders, including parents, subject matter specialists, educators, administrators, and design professionals to develop working descriptions of a planned educational facility. Well-written educational specifications will ensure that, once built, the facility meets the needs of a variety of users. Educational specifications should include a rationale for the project, determine the size of the facility, and define the district’s program goals, objectives and activities, teaching strategies and instructional methods, all based on staff input. Educational specifications should identify the needs and design implications of advanced technology and provide for adaptability as changes and innovations occur in education. They should address spatial relationships and circulation patterns, security issues, and comply with the ‘small schools’ requirement.

The Hernando County School District has processes in place to meet the intent of this best practice. However, given the recently enacted class size amendment to the Florida Constitution, the district should implement the recommendation below.

We recommend that the district contact the Department of Education to assess how the class size amendment may affect the current educational specifications and what changes may be required to optimize classroom space to meet growing enrollments.

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 Hernando County School District has processes in place to meet the intent of this best practice. The district has contracted with an agency representative, who has been given numerous responsibilities related to construction of the new high school, including the responsibility of ensuring that the final building plans for the new school fulfill the district's requirements. The agency representative reviews building specifications as necessary, and has the responsibility of preparing the design criteria package, which ultimately reflects the district's needs. Changes to educational specifications are transmitted to the architect, who has been accommodating the changes into renderings as necessary. The district does not have a designated planning leader; this function is split between the superintendent and school board. The superintendent acts as liaison to the contracted construction professionals.

Best Practice 11: Using

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

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

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

Best Practice 12: Using

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

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

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district is constructing schools within Florida Department of Education per-square-foot and per-student-station guidelines and follows the spirit of SMART school design philosophy, it could improve its operations by developing written guidelines to this effect.

We recommend that the district develop written policies that incorporate SMART school design philosophy into its operations.

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

Best Practice 14: Using

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

A district can obtain maximum use of construction and operating funds by reducing the impact of inflation and ensuring a smooth, non-disruptive transition of students into new facilities at the beginning of a school term. Planning, coordination, and regular communication between the district's representatives and its contractors 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 must ensure that the tasks for attainment 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 Hernando County School District has processes in place to meet the intent of this best practice.

Best Practice 15: Using

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

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

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

Best Practice 16: Using

The district requires appropriate inspection of all school construction projects.

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

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

Best Practice 17: Using

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

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

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

Best Practice 18: Using

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

To control costs and protect itself from litigation, a district should have policies and procedures in place delineating bid solicitation and contracting practices. 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 Hernando County School District has processes in place to meet the intent of this best practice. However, in light of increased construction activity, the district could expedite the bidding process by prequalifying bidders on larger projects, whereby the district establishes minimum criteria that must be met in advance for a bid to be accepted. Criteria generally include experience, staffing, insurance coverage and bonding limits. Prequalification expedites the bidding process by minimizing the handling of bids from unqualified bidders without unduly restricting qualified bidders.

We recommend that the district prequalify bidders on projects greater than \$200,000 in order to avoid unqualified or irresponsible bidders.

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.

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

Best Practice 20: Using

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

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

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

FACILITY OCCUPANCY AND EVALUATION

Best Practice 21: Using

The district conducts a comprehensive orientation to the new facility prior to its use so that users better understand the building design and function.

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

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

Best Practice 22: Not Using

The district conducts comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance.

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

The Hernando County School District performs a walk-through after the first year of operation of a new facility. Although post-occupancy evaluations subsequent to the one-year evaluation are not done, the district regularly but informally assesses building operation and performance. The district is now undertaking sufficient construction activity to warrant a more formalized evaluation process. Action Plan 7-2 provides a framework for accomplishing this.

Action Plan 7-2

We recommend that the district design and conduct post-occupancy evaluations.

Action Needed	<p>Step 1. The district should design a post-occupancy evaluation, including criteria such as educational adequacy, function, safety, efficiency and suggestions for future improvements. The evaluation should include an analysis of the educational program improvements for consideration by future educational specification committees, an operational cost analysis, a comparison of the finished product with the educational and construction specifications, and recommendations for future changes.</p> <p>Step 2. The district should develop procedures to ensure that post-occupancy evaluations regularly occur.</p>
Who Is Responsible	Director of Facilities
Time Frame	June 2004

Best Practice 23: Not Using

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

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 district’s strategic plan includes a construction-related strategic goal: “To ensure that all district facilities are designed, constructed and maintained to support the district’s educational programs and to provide for the safety and health of the students and staff.” Identified construction-related strategies include restructuring the plant operations department and incorporating new safety and security standards in new construction. The strategic goal related to financing includes a strategy to “develop a process to identify and analyze alternative methods of long-term financing for new school sites in conjunction with future facilities plan.”

Although these goals are laudable, they do not provide for an adequate assessment of how well the district’s construction program is functioning. The district gauges its construction effectiveness by comparison to peer districts and DOE-published construction costs, which is a good start. Given its accelerated construction activity, the district should develop a more systematic and comprehensive approach to measuring accountability. Action Plan 7-3 provides a framework for accomplishing this.

Action Plan 7-3

We recommend that the district develop written accountability measures to evaluate the performance of the construction program.

Action Needed	<p>Step 1. Develop performance benchmarks for the construction program, including:</p> <ul style="list-style-type: none"> ▪ target cost per square feet, ▪ target cost per student station, ▪ projected vs. facility completion date, ▪ projected vs. actual project budget, and ▪ percentage of satisfied users. <p>Step 2. Develop peer district comparisons to compare against benchmarks.</p> <p>Step 3. Review significant peer district differences to determine what factors influence the differences.</p> <p>Step 4. Develop strategies to improve construction program. Note: This action plan should be developed in conjunction with Action Plan 3-1.</p>
Who Is Responsible	Director of facilities
Time Frame	June 2004

Best Practice 24: Not Using

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

Evaluation of completed projects is an important management tool because it assesses how tax dollars were spent and whether a district took full advantage of available, usually scarce, public funds. Districts

should assess their facilities construction operations as a whole at least annually using performance data and their established benchmarks. They should report their progress towards meeting established goals, objectives and benchmarks to the board and the public on at least an annual basis. Strategies should be established and implemented based on the outcomes of these evaluations.

Because the district is not using the previous two best practices, it is not in a position to meet best practice standards relating to evaluation. The information generated from following the previous three best practices can be analyzed to develop benchmarks and identify improvements in the construction program.

Action Plan 7-3, found under Best Practice 23 of this chapter, and Action Plan 3-1 include the steps to accomplish this.



Facilities Maintenance

Summary

The Hernando County School District is using 18 of the 22 best practices relating to facilities maintenance. The district is using all of the best practices in the areas of resource allocation and utilization, information management, and health and safety. However, the district could improve performance in the areas of program direction and accountability and organizational structure and staffing. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its facilities maintenance services, the district should

- establish measurable, comprehensive objectives;
- develop performance standards for frequently repeated maintenance tasks;
- establish written procedures and employee performance standards; and
- revise the custodian staffing formula and reduce the number of full-time custodians from 150 to 138.



As seen in Exhibit 8-1, the district has an opportunity to reduce costs in this area. Determining whether to take advantage of this opportunity is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements this suggestion, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 8-1 Our Review Identified One Way the District Could Reduce Costs in the Area of Facilities Maintenance

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	
6 Modify custodial staffing formula and reduce staff	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$1,020,000

Background

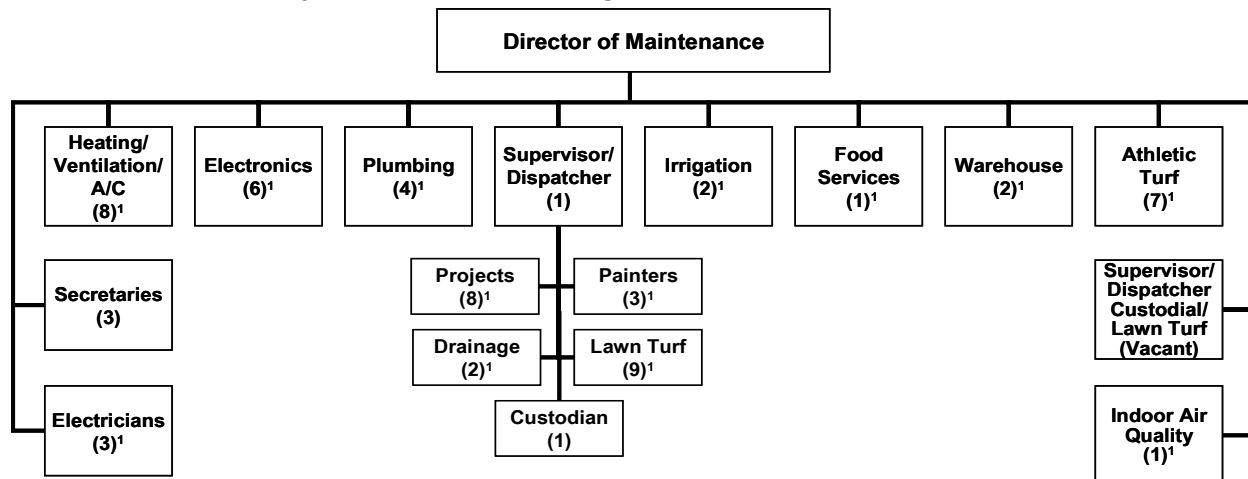
The Hernando County School District maintenance department is responsible for all aspects of preventative, routine, and emergency upkeep for the district’s 21 schools and 8 administrative,

transportation, and maintenance facilities. In total, the department maintains approximately 2.9 million gross square feet of building space. Additional responsibilities include the maintenance of all grounds and athletic fields, and the installation and relocation of portable classrooms.

The maintenance department has 62 authorized positions in various skilled trades, clerical, supervisory and maintenance support positions. In addition, the district employs 155 custodians who report to school principals or facilities managers rather than the maintenance director. The district school board adopted an operating maintenance budget of \$3.5 million for the 2002-03 fiscal year.

Organization and management. In September 2002, the school board approved the superintendent’s recommendation to restructure the plant operations department into separate facilities and maintenance departments with each one headed by a director. As shown in Exhibit 8-2, the maintenance department has a wide span of control with 12 of its 17 units reporting to the director. Five units report to a supervisor/dispatcher who reports to the director. Each skilled trade unit has a crew chief who supervises employees within each unit and meets regularly with the director to review work orders and discuss performance issues. The supervisor/dispatcher custodial/lawn turf position is recommended in the district’s strategic plan and is pending board approval. If established, the new position would supervise all grounds and custodial functions. The current supervisor/dispatcher would continue to supervise the projects, drainage, and painters’ units along with the single custodian.

Exhibit 8-2
The Hernando County School District’s Organizational Structure Has a Wide Span of Control



¹ Includes a crew chief.

Source: Hernando County School District, April 10, 2003.

Activities of particular interest

The Hernando County School District has taken steps to reduce energy costs through a performance contract with a large firm that provides heating and cooling services for several of the district’s facilities. The performance contract guarantees a specific annual energy savings to the district, and the company pays the district if it fails to achieve the guaranteed savings.¹ Further, the district reduced inventory in the maintenance department’s warehouse by more than \$53,000 in Fiscal Year 2001-02, and has set a goal of reducing inventory by at least \$150,000 in Fiscal Year 2002-03. In addition, the district saves money by pooling purchases of maintenance supplies with nearby districts.

¹ For example, the company guarantees that the district will save specific amounts of electricity, natural gas, and water during a given year. If the actual usage exceeds the agreed upon targets, then the company must reimburse the district for the difference in cost. However, if the actual usage falls short of the targets, the district must pay the company for the difference.

Conclusion and Recommendations

Summary of Conclusions for Facilities Construction Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Program Direction and Accountability	1. The district's maintenance and operations department has a mission statement and goals and objectives that are established in writing.	No	8-5
	2. The district has established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.	No	8-5
	3. The district obtains and uses customer feedback to identify and implement program improvements.	Yes	8-6
	4. The district has established procedures and staff performance standards to ensure efficient operations.	No	8-7
	5. The department maintains educational and district support facilities in a condition that enhances student learning and facilitates employee productivity.	Yes	8-8
Organizational Structure and Staffing	6. The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision and staffing levels.	No	8-8
	7. Complete job descriptions and appropriate hiring and retention practices ensure that the maintenance and operations department has qualified staff.	Yes	8-10
	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	8-10
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	8-11
	10. The district accurately projects cost estimates of major maintenance projects.	Yes	8-11
	11. The board maintains a maintenance reserve fund to handle one-time expenditures necessary to support maintenance and operations.	Yes	8-11
	12. The district minimizes equipment costs through purchasing practices.	Yes	8-12
	13. The district provides maintenance and operations department staff the tools and equipment required to accomplish their assigned tasks.	Yes	8-12
	14. The district uses proactive maintenance practices to reduce maintenance costs.	Yes	8-12
	15. The maintenance and operations department identifies and implements strategies to contain energy costs.	Yes	8-13
	16. The district has an energy management system in place, and the system is maintained at original specifications for maximum effectiveness.	Yes	8-13
	17. District personnel regularly review maintenance and operation's costs and services and evaluate the potential for outside contracting and privatization.	Yes	8-13
Information Management	18. A computerized control and tracking system is used to accurately track work orders and inventory.	Yes	8-14

Facilities Maintenance

Practice Area	Best Practice	Using the Best Practice?	Page No.
	19. The maintenance and operations department has a system for prioritizing maintenance needs uniformly throughout the district.	Yes	8-14
Health and Safety	20. District policies and procedures clearly address the health and safety conditions of facilities.	Yes	8-15
	21. The school district complies with federal and state regulatory mandates regarding facility health and safety conditions.	Yes	8-15
	22. The district is aware of and prepared for the permitting and inspection requirements of the Florida Building Code.	Yes	8-15

PROGRAM DIRECTION AND ACCOUNTABILITY

Best Practice 1: Not Using

The maintenance department has a mission statement and goals and objectives that are established in writing, but objectives are not measurable and do not include comprehensive projections of major resources.

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 Hernando County School District maintenance department has a mission statement, goals and objectives. However, the district is not using this practice because its objectives are not measurable and do not cover major maintenance activities. Objectives should include targets for reducing costs and achieving acceptable levels of performance within specific timeframes. For example, the department could establish an objective to reduce utility costs by a specific percentage annually or by specific dollar amount for a given year. Action Plan 8-1 includes the steps needed to implement this recommendation.

Action Plan 8-1

We recommend that the district establish measurable objectives that cover major maintenance department activities.		
Action Needed	Step 1.	The maintenance director and crew chiefs should develop and draft measurable objectives for the next five years.
	Step 2.	The maintenance director should present the draft objectives to the superintendent for review.
	Step 3.	The superintendent should submit the draft objectives to the school board for approval. Note: This action plan should be implemented in conjunction with Action Plan 3-1.
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department	
Time Frame	January 2004	

Best Practice 2: Not Using

The district has not established and implemented accountability mechanisms to ensure the performance and efficiency of the maintenance and operations program.

An effective accountability system includes performance and cost-efficiency measures, and interpretive benchmarks, such as comparisons to adjoining districts or an industry standard, to evaluate the program and use these in management decision making. By periodically comparing established benchmarks to actual performance, a district can determine if changes are needed in its maintenance program to improve efficiency and effectiveness, reduce costs, and assess whether alternative service delivery methods, such as privatization, may be cost-effective. Measures that should be considered for evaluating the maintenance program include costs per square foot (including energy use), full-time staff per square foot

of facility, and costs per student.² As part of its accountability system a district 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.

As noted in Chapter 3, the Hernando County School District has not developed an adequate performance accountability system. The district cannot measure progress toward achieving the maintenance department’s goals and objectives. Performance measures and standards should be tied to objectives. For example, if the district has an objective to reduce operations and maintenance costs by a specific percentage annually or by a given year, an appropriate performance measure would be operations and maintenance costs per gross square feet. Other appropriate performance measures might include the following:

- customer satisfaction with maintenance services;
- customer satisfaction with custodial services;
- energy cost per gross square foot;
- cost of custodial operations per net square foot;
- number of custodians per net square foot; and
- number of maintenance crafts persons per gross square foot.

The annual performance standard for each measure would depend on the target set in the objective. Action Plan 8-2 includes the steps needed to implement this recommendation.

Action Plan 8-2

We recommend that the district develop performance standards for frequently repeated maintenance tasks. The standards should define the task and the number of hours necessary to complete the task.

Action Needed	<p>Step 1. The maintenance director and crew chiefs should identify tasks that are appropriate for establishing meaningful performance standards, such as</p> <ul style="list-style-type: none"> i. researching existing applicable industry standards; ii. developing performance standards for commonly repeated tasks; and, iii. tracking the performance of employees measured against the standards and adjust the standards as needed. <p>Step 2. The maintenance director should present the performance measures and standards to the superintendent for review.</p> <p>Step 3. The superintendent should submit the performance measures and standards to the school board for approval. Note: This action plan should be implemented in conjunction with Action Plan 3-1.</p>
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department
Time Frame	Prepare initial set of standards by January 2004. Complete six-month trial and revise standards by August 2004. Receive board approval and implement in September 2004.

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

² All Florida school districts are required to report operations and maintenance costs and energy usage to the Department of Education annually, and this information is readily available to school districts for comparative purposes.

school-based employees, to provide their perceptions of response times, work order completion times, quality of work, overall facility appearance and cleanliness, and the professionalism of employees in the maintenance program.³ This type of survey should be performed at least annually and summary results should be shared with maintenance employees, district managers, the superintendent, and the school board. If the customer surveys identify problems, program managers should assess the situation, prepare corrective action plans for any identified problem areas, and make program improvements.

The Hernando County School District uses this best practice by providing response cards to customers who request services. Customers return these cards to the maintenance department where many are displayed on a bulletin board. There is also frequent communication among school administrators and teachers and maintenance department managers. However, some teachers reported problems that were not communicated to the maintenance department. Department management has agreed to develop a process to provide information about how problems were resolved to the persons who originally reported them. The district is also implementing its first annual written survey of school administrators to help the maintenance department determine strengths and weaknesses of its services and identify major maintenance needs. However, the district should improve its survey instrument and solicit responses from other customers, including teachers.

We recommend that the district revise the maintenance department's customer survey to reflect levels of satisfaction with specific services and solicit responses from teachers and other district employees.

Best Practice 4: Not Using

The district does not have established procedures and staff performance standards to ensure efficient operations.

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

The Hernando County School District could improve its operations and meet best practice standards by developing written procedures and employee performance standards for the maintenance department. At a minimum, these procedures and standards should provide for

- replacement and selection of equipment;
- purchase of equipment, supplies and materials;
- maintenance and operations budget criteria;
- facilities standards;
- personnel staffing and hiring policies; and
- use of facilities and equipment.

³ A district may also survey students, parents, or other stakeholders as may be appropriate.

The procedures should also describe the process for reporting maintenance problems to the department. Employee performance standards provide employees with clear expectations for job performance and give managers consistent tools for evaluating their performance. Employees should also have access to comprehensive written operating procedures that define the manner in which work will be implemented and resources applied to support the educational environment. Action Plan 8-3 includes the steps needed to implement this recommendation.

Action Plan 8-3

We recommend that the district establish written procedures and employee performance standards.		
Action Needed	Step 1.	The director of maintenance and crew chiefs should prepare draft procedures and employee performance standards.
	Step 2.	The superintendent should review and approve the procedures and standards.
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department	
Time Frame	June 2004	

Best Practice 5: Using

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

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

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

ORGANIZATIONAL STRUCTURE AND STAFFING

Best Practice 6: Not Using

The district regularly reviews the organizational structure of the maintenance and operations program to minimize administrative layers and assure adequate supervision, but does not use appropriate staffing levels for custodians.

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

As noted earlier, the Hernando County School District in September 2002 established the maintenance department by splitting the former plant operations department into maintenance and facilities departments. The director of maintenance hires, fires, evaluates and supervises employees in various trades, such as electrical, plumbing, lawn and turf maintenance, and heating, ventilation, air conditioning and cooling. These employees maintain facilities throughout the district. (See the organization and management section of this chapter on page 8-2.) The maintenance department’s organizational structure is reasonable and the department is sufficiently staffed.

However, peer district data suggests that the Hernando County School District may be overstaffed in custodial services. As of March 2003, the district employed 150 full-time custodial positions allocated to each school using a formula based on student enrollment. However, student enrollment may not be the best method of custodial staffing. The Florida Department of Education guidelines for custodial staffing reports that, in most instances, “current staff levels are compared with facility size or cleanable area and used as the basis for determining the number of required custodial employees.” As shown in Exhibit 8-3, the district currently employs one custodian per 18,338 net square feet, the lowest ratio among Hernando’s peer districts.

**Exhibit 8-3
Hernando County School District Custodians
Maintain Less Square Footage Per Custodian Compared to Peer Districts**

District	Custodians	Net Square Ft.	NSF/Custodian
Hernando	150	2,750,713	18,338
Citrus	123	2,477,775	20,145
Charlotte	114	2,429,695	21,313
Collier	264	6,367,529	24,119
Lake	204	5,227,596	25,625
Indian River	93	2,822,916	30,354

Sources: Florida Inventory of School Houses, Florida Department of Education.

A simple comparison of net square footage does not consider other factors such as the age of facilities and the scope of custodial duties. For example, the Florida Department of Education currently recommends a staffing formula that includes gross square footage (19,000 square feet) plus a modifier for type of school (elementary, middle or high school). The department also recommends adjusting the formula for use patterns in the facilities and the types of functions custodians perform, such as grounds duties.

The National Forum on Education Statistics advocates a range of custodian per square footage ratios based on standards of cleanliness.⁵ For instance, to achieve a Level 1 or “spotless” standard, not usually found in school facilities, the district could establish a ratio of one custodian per 10,000 to 11,000 square feet. For a Level 2 standard, considered the highest for schools, the ratio increases to 18,000 to 20,000 square feet. For a Level 3 standard, considered “acceptable” for most schools, the ratio jumps to 28,000 to 31,000 square feet. Prior OPPAGA reports have recommended that school districts use a staffing ratio of 20,000 net square feet per custodian.

Revising the custodial staffing formula may result in cost savings for the district. For example, using a standard of 20,000 net square feet per custodian, the district should have 138 full-time custodians, or a reduction of 12 from the current total of 150. This may be accomplished through attrition. This would save the district approximately \$204,000 a year beginning in Fiscal Year 2004-05, or approximately \$1,020,000 over the next five years.

⁵ [Planning Guide for Maintaining School Facilities](#), National Forum on Education Statistics, School Facilities Maintenance Task Force; Association of School Business Officials International, Washington, D.C., Feb 2003.

The district should re-examine its current methodology for determining the appropriate number and allocation of custodial employees. In addition to square footage, the district staff should consider factors such as the age of the schools, the number of teachers and students, and categories of custodial tasks. The Association of Higher Education Facilities Officers (APPA) publishes guidelines for custodial staffing which take into account varying levels of cleanliness, cleanable area, and cleaning differentials for space categories. This resource could assist the district with developing a staffing model. As part of this assessment, the district also should clearly define the scope of activities that will be conducted by custodians and approve a districtwide standard for cleanliness as these factors will affect the number of custodians the district requires. Action Plan 8-4 includes the steps needed to implement this recommendation.

Action Plan 8-4

We recommend that the district revise its custodial staffing formula and determine the appropriate number of custodians.		
Action Needed	Step 1.	Establish a committee to develop a custodial staffing formula. The committee should consider net square footage, student enrollment, age of buildings, and other factors related to school maintenance. The committee should also define the scope of custodial duties and standards of cleanliness.
	Step 2.	Recalculate custodial allocations for all schools using the revised allocation.
	Step 3.	Plan and initiate phased in staff reductions, if appropriate.
Who Is Responsible	The superintendent, director of maintenance, and school principals	
Time Frame	June 2004	

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

Best Practice 8: Using

The district provides a staff development program that includes appropriate training for maintenance and operations staff to enhance worker job satisfaction, efficiency, and safety.

Training ensures that school district employees understand the scope of their responsibilities and performance expectations, and serves to update skills and knowledge necessary to effectively and efficiently carry out their duties. The sophistication of the maintenance employee training plan, training methods, and documentation of training may vary according to the size of the district. However, maintenance training should address custodial operations, grounds maintenance, and specialized trades and should be tailored to the needs of the specific function. In addition, training in maintenance related activities such as operating procedures, use of tools, proper lifting techniques, work place safety, hazardous materials handling, and emergency procedures should be required for all employees. A district can use a variety of training sources available to it including vendors and manufacturers of their supplies and equipment, contract trainers, and professional association meetings. School districts also should take

advantage of free training materials and programs available through the Florida Department of Education, subscribe to publications, and maintain memberships in organizations that provide information on new technologies, equipment, and procedures. Training programs should include an evaluation component so that employee feedback can be used to improve future training.

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

RESOURCE ALLOCATION AND UTILIZATION

Best Practice 9: Using

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

Like most other organizations, school districts have limited funds and therefore, they must set budget priorities. A school district's budget allocation decisions should reflect its priority goals and objectives. These goals and objectives (which should be part of a strategic plan) may either be explicitly stated in the budget or may be reflected in changes in allocations that are concurrent with the shifting priorities. A school district budget should allocate sufficient resources to ensure that its plant operations and maintenance needs are adequately funded and rely on dollars 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 Hernando County School District has processes in place to meet the intent of this best practice.

Best Practice 10: Using

The district accurately projects cost estimates of major maintenance projects.

The cost of major maintenance projects can be a substantial expense for a school district and, therefore, must be effectively managed.⁶ A district can do this in a number of ways. For instance, cost estimates for these projects should be developed considering experience with prior similar projects, current estimating cost standards, local market conditions, and an inflation factor for multiyear projects. A district also should be realistic in its project estimates so that once the five-year work plan is adopted, it is a valid indicator of the work that will actually be accomplished, and the dollars that will both be needed, and available, in the plan's out years.

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

Best Practice 11: Using

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

A well-managed school district has funds available to address unanticipated or emergency contingencies that may arise during the fiscal year. The age of the facilities and equipment, the repair history of major systems such as HVAC and roofs, area climatic conditions, and the effectiveness of the district's

⁶ Individual projects that are beyond the scope of routine maintenance work are considered major maintenance projects.

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

Best Practice 12: Using

The district minimizes equipment costs through purchasing practices.

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

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

Best Practice 13: Using

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

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

Best Practice 14: Using

The district uses proactive maintenance practices to reduce maintenance costs.

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

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

Best Practice 15: Using

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

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

Although the Hernando County School District has taken steps to reduce energy costs, it does not have a comprehensive energy management plan. An energy management plan would 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 offered by utility providers. The plan should have an educational component designed to promote energy saving behavior among students and district employees.

We recommend that the district develop and implement a comprehensive energy management plan that includes an educational component designed to promote energy saving behavior.

Best Practice 16: Using

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

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

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

Best Practice 17: Using

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

Maintenance administrators should consider opportunities for privatizing services, weighing the potential advantages and disadvantages of using in-house resources against alternative service delivery methods. Outsourcing may be cost-effective and allow the district to reduce, reassign, or make better use of in-house staff. An annual review of services to determine if alternative delivery methods are more cost-effective should be an ongoing, established function of the department. These evaluations should be in

writing and available to the school board and the public for review. If a service is outsourced, periodic written follow-up analyses should be made to confirm the effectiveness of the service and to verify that any anticipated cost savings have actually developed. Criteria that may support outsourcing services include opportunities to save money and management time, the opportunity to add specialized skills or training not available in-house, difficulty in hiring qualified employees, and the opportunity to improve the overall quality of the maintenance and operations function.

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

INFORMATION MANAGEMENT

Best Practice 18: Using

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

Work order systems enable school districts to effectively track maintenance work orders and warehouse inventory, and improve maintenance response time and efficiency. Larger school districts should use an electronic work order system to coordinate day-to-day activities including workflow, personnel, budget, and inventory associated with maintaining educational facilities.⁷ 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, facilities condition assessments, while interfacing with other district financial programs. District administrators should receive sufficient training to maximize the potential of the system.

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

Best Practice 19: Using

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

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

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

⁷ 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.

HEALTH AND SAFETY

Best Practice 20: Using

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

Florida law requires school districts to develop policies and procedures establishing a comprehensive program of safety and sanitation to protect the occupants of educational facilities.⁸ All districts are 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.

Although the district assigns one full-time employee to correct indoor air quality problems, the district does not have a written indoor air quality plan. An indoor air quality plan should require monitoring of indoor air quality as appropriate and include corrective action plans for indoor air quality problems.

We recommend that the district develop and implement a written indoor air quality plan.

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

Best Practice 22: Using

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

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

Smaller school districts may find it easier and more economical to rely on local building code officials rather than establish their own permitting and inspection department. A small district should evaluate the

⁸ See s. 1013.12, *F.S.*

Facilities Maintenance

potential advantages and disadvantages of operating a building department internally. If the decision is made to allow the local authority to provide the service, then the district and the local authority should have a memorandum of understanding defining each entity's responsibilities.

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

9 Transportation

Summary

The Hernando County School District is using 17 of the 20 transportation best practices. The district provides timely routine servicing for its buses and other vehicles, has modern maintenance facilities with adequate service areas and storage, and provides technological support for transportation operations. To use the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its transportation program, the district should improve its bus routing, student discipline, and accountability.



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

Exhibit 9-1 Our Review Identified Two Ways the District Could Reduce Costs and Increase Revenues in the Area of Transportation

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	
3 Reduce the number of courtesy riders by half.	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$625,000
16 Improve student discipline by seeking reimbursement from students who vandalize school buses.	18,000	18,000	18,000	18,000	18,000	90,000
Total	\$143,000	\$143,000	\$143,000	\$143,000	\$143,000	\$715,000

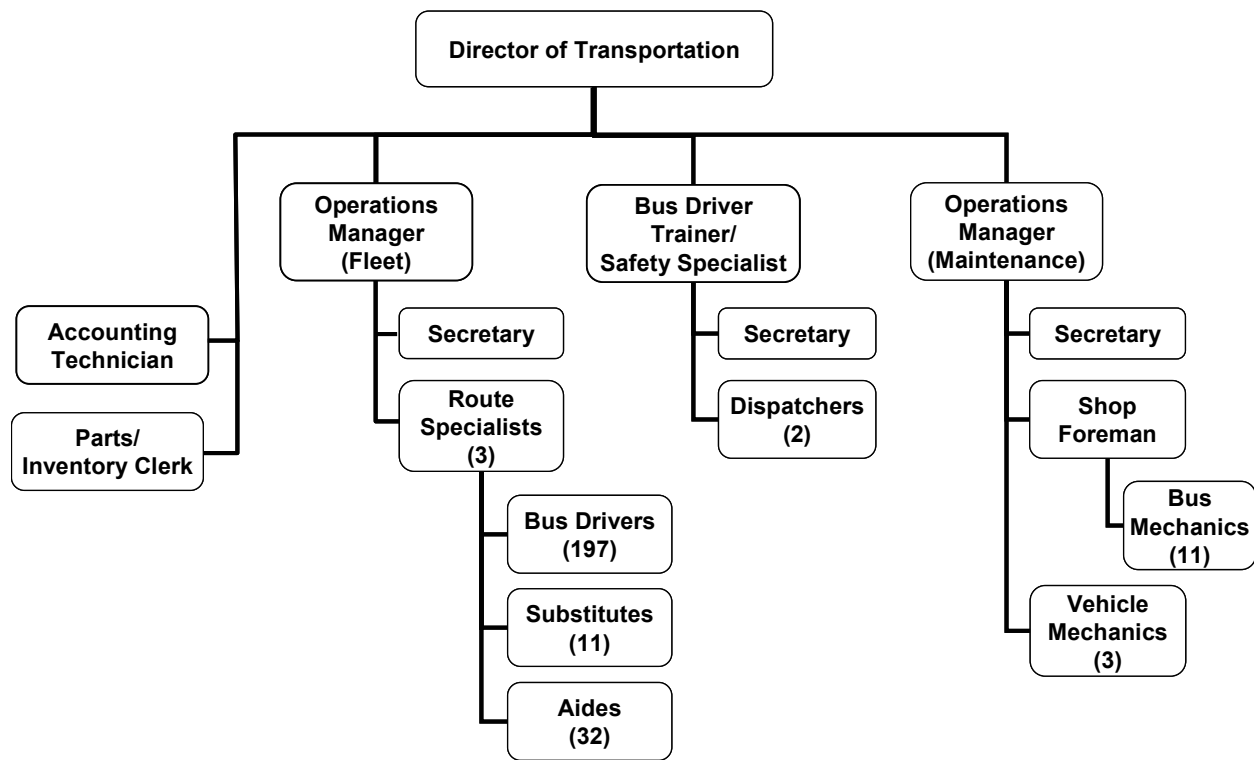
Background

Hernando County is a rural county located in the Gulf Coast of Florida about 35 miles north of Tampa. The county has 1,168 miles of paved and 526 miles of non-paved roads serving an area of 477 square miles. According to 2001-02 data, the district transports an average 71.22% of the enrolled student

population using a fleet of 189 buses in daily service.¹ District school buses travel an estimated 3.2 million route miles per year, or 17,700 miles per day, on an average school day.

The director of transportation provides overall management of student transportation in the Hernando County School District. The department is subdivided into three primary functions: routing, safety and training, and maintenance, as shown in Exhibit 9-2. The routing function is performed by routing specialists who are responsible for planning and reviewing bus stops and routes, as well as responding to complaints. The district's bus driver trainer/safety specialist recruits and trains bus drivers, investigates accidents, and serves as school district liaison to Hernando County's community traffic safety team. The fleet maintenance function is responsible for maintaining and repairing the district's more than 300 vehicles, including 208 buses. Eleven of the district's 14 mechanics perform maintenance tasks for school buses while three other mechanics work primarily on the district's other vehicles.

**Exhibit 9-2
Hernando County School District Transportation Department Organization**



Source: Hernando County School District.

District school buses were driven 3,433,996 miles during the 2001-02 year, including 268,834 extracurricular activity trip miles (7.8% of the district's total). Of the 208 buses currently in service, 178 are in daily service on the district's school bus routes with the remaining 30 buses (14.4%) used as spares.² Most buses operate on two routes each morning and afternoon, typically providing transportation to a combined route of elementary and middle school students or elementary and high school students. Current school start and ending times limit the district's ability to coordinate multiple routes per bus and maximize efficient use of the district's school buses.

¹ This includes eligible and non-eligible students transported.

² The district also has 25 inactive buses for surplus.

During the 2002–03 school year, the district employed 197 bus drivers along with 11 substitute drivers and 32 aides. Additionally, many of the transportation staff (including mechanics and operations managers) can and do drive buses as needed.

Exhibit 9-3 represents selected student transportation data for the Hernando County School District and five peer districts in the state for the 2001-02 school year. Listed below are several conclusions that can be drawn from this data.

- The district provides transportation to more than 70% of its students (12,776 of 17,939). This percentage ranks highest when compared with the five peer districts and is due to the high number of non-eligible students transported by Hernando County. The district transported 1,132 non-eligible students during this period.
- Student transportation expenditures as a percentage of all district expenditures are 6.95%, which was higher than all of the peer districts (which range from 3.77 to 6.28%) This difference may be due to the high percentage of total student population transported by the district.
- The district has a lower percentage of its transportation cost (66.15%) funded by the state as compared to peer districts. This low percentage could be contributed to the impact that the district's low bus occupancy has in the state funding formula calculations. As the table shows, the district's average bus occupancy is 67.
- The district's transportation expenditure per student was \$589, which is higher than the peer average of \$580.

**Exhibit 9-3
Comparative Student Transportation Data for
Hernando County School District and Five Peer Districts for 2001-02**

Measure	Hernando	Charlotte	Citrus	Indian River	Putnam	St. Johns	Peer Average
Square miles	477	690	629	497	733	617	633
Number of students enrolled	17,939	17,302	15,221	15,417	12,629	20,918	16,297
Number of eligible students transported	11,644	8,282	9,678	6,843	6,746	12,043	8,719
Number of non-eligible students transported	1,132	841	915	825	0	1,004	717
Total students transported	12,776	9,123	10,593	7,668	6,749	13,047	9,436
Percentage of enrollment transported (includes non-eligible students)	71.22%	52.73%	69.59%	49.74%	53.44%	62.37%	57.57%
Non-eligible students as a percentage of total transported	8.86%	9.22%	8.64%	10.76%	0.00%	7.70%	7.26%
Number of buses in daily service	189	118	165	77	109	140	122
Number of bus maintenance facilities	1	2	3	1	3	2	2
Number of mechanics	14	8	10	6	10	8	8
Average bus occupancy	67.31	72.01	64.31	96.38	64.27	84.81	76.36
Number of route miles	3,165,162	1,827,157	1,966,217	1,479,296	1,764,517	3,577,388	2,122,915
Transportation expenditures	\$6,920,327	\$6,428,084	\$4,880,285	\$3,596,258	\$3,985,801	\$6,264,436	\$5,030,973
Transportation operating expenditures per annual mile	\$1.82	\$2.33	\$2.23	\$1.97	\$1.91	\$1.46	\$2.00
Transportation expenditures as a percentage of total district expenditures	6.95%	6.28%	5.29%	3.77%	5.29%	4.99%	5.12%
Percentage state funding	66.15%	51.39%	80.72%	82.47%	67.31%	78.55%	72.09%
Percentage local funding	33.85%	48.61%	19.28%	17.53%	32.69%	21.45%	27.91%
Total transportation expenditures per student (includes reported bus purchases)	\$589	\$773	\$501	\$518	\$590	\$519	\$580

Source: Q-Links: Florida School District Transportation Profiles, July 2003 for School Year 2001-02, Florida Department of Education and OPPAGA.

Activities of particular interest

The Hernando County School District uses a comprehensive information management system to collect and manage data for all vehicle maintenance related functions of transportation. This system was customized by a private vendor and has been utilized by the district since 1998. The district uses the system to track the district's vehicle inventory, vehicle maintenance and repairs, equipment, supplies and

parts inventory, and fuel. The district inputs some information into the system manually, while other information is input electronically or imported from other systems. For example, the district utilizes a bar-coding system to update parts inventory data and imports data electronically from its fueling system. The information management system incorporates the department's budget and creates various expenditure reports for the overall department or by category (fuel, vehicle maintenance, parts). The district also uses the system to generate reports for use in billing other cost centers (i.e. field trips, fuel and maintenance for department vehicles) and for conducting its annual parts inventory. Although the district continues to expand the capabilities of this system, it currently provides the transportation department with reliable information essential to the operation and management of the transportation function. The district will make this software available to school districts at no charge.

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	9-8
	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	9-8
	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	No	9-9
	4. The organizational structure and staffing levels of the district's transportation program minimize administrative layers and processes.	Yes	9-10
	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	9-11
	6. The district effectively and efficiently recruits and retains the bus drivers and attendants it needs.	Yes	9-11
	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	9-12
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	9-12
	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	9-13
	10. The district ensures that fuel purchases are cost-effective and that school buses and other vehicles are efficiently supplied with fuel.	Yes	9-13
	11. The district maintains facilities that are conveniently situated to provide sufficient and secure support for vehicle maintenance and other transportation functions.	Yes	9-13
	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	9-14
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	9-14
	14. The district provides efficient transportation services for exceptional students in a coordinated fashion that minimizes hardships to students.	Yes	9-15

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

Practice Area	Best Practice	Using the Best Practice?	Page No.
	15. The district ensures that staff acts promptly and appropriately in response to any accidents or breakdowns.	Yes	9-16
	16. The district ensures that appropriate student behavior is maintained on the bus with students being held accountable for financial consequences of misbehavior related to transportation.	No	9-16
	17. The district provides appropriate technological and computer support for transportation functions and operations.	Yes	9-17
	18. The district monitors the fiscal condition of transportation functions by regularly analyzing expenditures and reviewing them against the budget.	Yes	9-17
	19. The district has reviewed the prospect for privatizing transportation functions, as a whole or in part.	Yes	9-18
	20. The district has established an accountability system for transportation, and it regularly tracks and makes public reports on its performance in comparison with established benchmarks.	No	9-18

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 with 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 Hernando County School District has processes in place to meet the intent of this best practice. Although the district considers transportation needs in district and community long-term planning, it could improve its operations by conducting a systematic assessment of transportation and annually identifying areas of potential cost savings.

We recommend that the school transportation program, as part of the annual budget development process, review current and planned operations to identify areas of potential cost savings. This information should be presented to the superintendent and the school board.

Best Practice 2: Using

The district provides regular, accurate, and timely counts to the Florida Department of Education of the number of students transported as part of the Florida Education Finance Program.

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

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

Best Practice 3: Not Using

The district can improve the cost-efficiency of student transportation services by increasing the distance between bus stops, adopting a courtesy rider policy and implementing staggered school start times to allow triple routing.

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 Hernando County School District has begun to explore the option of obtaining a computer routing system but currently relies on manual processes to route its buses. Route specialists assess the safety of routes using information from route reports and use standard forms to document findings. Route specialists also respond to transportation related complaints reported by parents and other county residents. Hernando County School District policy restricts the provision of transportation to students who reside two or miles from their designated school except when special authorization is given by the board, the provision of transportation is designated in the student’s Individual Education Plan, or if they live on an established route and can be accommodated without overcrowding the bus.

The district can improve its routing operations and meet best practice standards by increasing the relatively short distances between bus stops. The district does not have a written policy designating the distance between stops but transportation personnel indicate that generally the minimum distance between stops is two-tenths of a mile for elementary students and one-half mile for middle and high school students. However, our review of route plans found several instances of bus stops within two-tenths of a mile apart, and no documentation was available to demonstrate students were facing unsafe walking conditions. According to transportation personnel, route plans may not accurately reflect the distance between stops and the district does not systematically review all bus stops.

Short distances between bus stops increase the time necessary to complete a bus route, create more wear on buses, increase fuel consumption, and can potentially back up traffic.⁴ As noted in Exhibit 9-3, Hernando’s transportation expenditures as a percentage of total district expenditures are the highest of its peers. The district should develop criteria for evaluating the safety of walking conditions between bus stops and conduct an annual review of all bus stops. In those areas where it is determined that students can safely walk, the district should consider increasing the distance between bus stops to up to one-half mile. This would allow for more students to be picked up using fewer bus stops, increase the time available for the bus to service a larger area, and thus increase bus occupancy rates.⁵

The district can also improve its routing operations by establishing written policy identifying the circumstances under which it will transport courtesy riders. The number of courtesy riders in the district increased from 960 in 1999-2000 to 1,147 in 2000-01, an increase of almost 20%. From Oct 2001-February 2002, the district transported 1,131 courtesy riders, which is 8.9% of its total ridership. This is higher than the peer district average of 7.9% and the state average of 5.4%. The district’s policy allows the provision of school transportation to students who live less than two miles from their assigned school

⁴ School boards are required by s. 1006.21(2), *F.S.*, to authorize efficient and economical transportation routes.

⁵ We would expect the school board to allow the transportation department to make exceptions to this policy to prevent bus stops from being in unsafe locations or requiring students to walk in hazardous conditions described in s. 1006.23, *F.S.*

with special authorization from the board or when hazardous conditions exist. However, the policy does not identify the circumstances under which special authorization would be granted and does not clearly define hazardous conditions. Students that live within two miles of their school and can safely walk to their schools should not receive district transportation. If the district chooses to continue transporting such students, it should establish a written policy identifying the circumstances under which it will do so. Examples of such circumstances may include busing elementary students who live more than one mile from school, or outlining specific factors it will consider as unsafe walking conditions. By implementing a written policy identifying the circumstances under which it will transport students who live less than two miles from their assigned school, the district could reduce its number of courtesy riders and transportation costs. The district estimates that it could save \$125,000 if the number of courtesy riders were reduced by half. A 1996 management review of the district also recommended that the district establish criteria for transporting courtesy riders.

The district staggers its school start times, but could further enhance its routing and operations by adjusting the bell schedule to allow triple routing. Most of the district’s buses operate two routes each morning and afternoon. School district officials have stated that current school start times do not allow adequate time for buses to run triple routes. Start times for district elementary schools range from 8:40 a.m. to 9 a.m., while start times for middle and high schools range from 7:30 a.m. to 8 a.m. These start times limit the district’s ability to use its buses to serve as many students as possible. Adjusting the bell schedule to allow triple routing could improve efficiency by reducing the number of buses needed and increasing the district’s average bus occupancy. Action Plan 9-1 includes the steps to implement these recommendations.

Action Plan 9-1

We recommend that the district develop criteria for evaluating the safety of walking conditions between bus stops, use the criteria to evaluate bus stops, and determine whether the distance between bus stops can be increased. The district should also establish a written policy identifying the circumstances under which it will transport courtesy riders. Finally, it should consider implementing staggered school start times to allow triple routing and continue to assess the costs and benefits of available computerized routing systems.

Action Needed	<p>Step 1. Establish a written policy outlining circumstances under which the distance between bus stops may be closer than one-half mile.</p> <p>Step 2. Evaluate bus routes and stops to determine whether the distance between stops can be increased and make necessary changes to routes.</p> <p>Step 3. Establish a written policy identifying the circumstances under which it will transport courtesy riders.</p> <p>Step 4. Develop a bell schedule which allows triple routing, outline the advantages, disadvantages and cost implications of such a policy, and make a recommendation to the superintendent and school board.</p> <p>Step 5. Continue to explore costs and benefits of implementing a computerized routing system.</p>
Who is Responsible	Director of transportation, district routing staff, director of finance, superintendent, and school board.
Time Frame	August 2004

Best Practice 4: Using

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

Well-run school districts are lean administratively and maximize funds available to support their primary mission, educating students. This requires districts to make the most effective use of funds allocated for administrative services, such as transportation. There is no “one right way” to organize and staff the transportation program. The organizational structure of the transportation function should be relatively flat with appropriate spans of control. Such a structure will result in minimized administrative and

managerial costs while providing sufficient managerial controls to ensure operations are properly carried out. Staffing needs to be to the level by which needed work is accomplished in an economical and efficient manner. It is expected in smaller districts that smaller staff sizes require staff to individually handle multiple areas of responsibility (such as repairing buses and ordering replacement parts) that would be done by different individuals.

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

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

Best Practice 6: Using

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

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

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district effectively recruits bus drivers and attendants, it could improve its operations by periodically assessing driver turnover and conducting exit interviews with drivers who leave their positions. For the school year beginning in August 2001, the district started out with 207 bus drivers (includes substitutes). By the end of the school year, 37 bus drivers (18%) had left their positions (29 drivers resigned and 8 drivers retired). Collecting information on why bus drivers leave their positions

may assist the district in devising effective strategies for driver retention. For more information on employee turnover, see Chapter 6, Personnel Systems and Benefits, Best Practice 2.

We recommend that the district conduct formal exit interviews of bus drivers who are leaving to obtain information which may assist in devising effective strategies for the recruitment and retention of drivers. We further recommend that the district periodically assess driver turnover.

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

VEHICLE ACQUISITION AND MAINTENANCE

Best Practice 8: Using

The district has a process to ensure that sufficient vehicles are acquired economically and will be available to meet the district's current and future transportation needs.

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

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district has a short term bus purchasing plan, it could improve its operations by adopting a written bus replacement policy and assigning new buses to routes with the greatest need.

We recommend that the district adopt a written bus replacement policy based on district-specific data and incorporate this policy into the district’s strategic plan to assist it in guiding future bus purchases. We further recommend that the district phase new buses into service by assigning them to routes with greatest need, while rotating older buses to shorter routes.

Best Practice 9: Using

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

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

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

Best Practice 10: Using

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

School districts need effective systems that ensure that fuel is purchased at the lowest possible cost, prevent unauthorized use of fuel, and that fueling stations are accessible to vehicles. Cost-effective purchases of fuel generally occur when the district and other large users of fuel (such as other school districts and local governments) pool their fuel purchases into a large bid. Part of the bid should 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 can result in large district costs to clean up ground contamination especially if the contamination is underground and in the groundwater.

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

Best Practice 11: Using

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

If uncontrolled, vehicle maintenance costs can represent a significant expense to school districts and, thus, should be effectively managed. To efficiently maintain vehicles and reduce maintenance-related costs, the district must have maintenance facilities that are appropriately situated within the district so as to minimize distances district vehicles have to travel for servicing yet have access to vehicle parts houses and delivery services. Service areas should be equipped with parts rooms, administrative areas, specialized tools, and covered and hard surfaced working areas so that technicians can concentrate on their assigned jobs rather be distracted/prevented from work due to weather, lack of tools, etc. The

maintenance facilities will generate hazardous wastes such as antifreeze, which need to be stored and properly disposed of. In general, district vehicles should be parked in secure compounds at the end of the working day to reduce transportation costs for the district. The only time that vehicles should be allowed to be taken home is if it can be shown to be in the district's best financial interests to allow certain vehicles to be taken home. One example of this exception is when it is cheaper for the school district to allow a bus driver take a bus and park it at home instead of taking it to a distant bus compound. It is also appropriate for district employees in an on-call status (such as district facility staff) to park vehicles at their homes instead of a district compound if the drivers are frequently responding to calls after normal working hours involving the transport of materials not easily transported in personal passenger vehicles (such as heavy welding equipment or sheets of plywood).

The Hernando County School District has processes in place to meet the intent of this best practice. Although the district has facilities to provide safe and secure support for its school buses, it could improve its operations by establishing secure parking for all of its white fleet vehicles. The district's maintenance vehicles are parked in a central compound which is securely fenced and lighted, while most other district vehicles are parked at schools, which have varying levels of security. The parking areas at some schools lack proper security measures and this condition has resulted in some district vehicles being subject to vandalism.

We recommend that the district establish secure compounds for the parking of white fleet vehicles which are not parked in one of the district's existing vehicle compound areas.

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

OPERATIONS, MANAGEMENT AND ACCOUNTABILITY

Best Practice 13: Using

The district ensures that all regular school bus routes and activity trips operate in accordance with established routines, and that any unexpected contingencies affecting vehicle operations are handled safely and promptly.

Up-to-date procedures, when coupled with appropriate policies, ensure that activities are carried out in an efficient and effective manner and that districts are in compliance with federal and state laws. In addition,

written procedures serve as a district's institutional memory for key processes and as such help to minimize disruption to essential services and reduce the need for costly training and assistance due to staff turnover, a particularly important issue to the transportation function. Therefore, districts need effective procedures to handle circumstances that prevent normal bus operations. These include vehicle breakdowns, driver absences, bus overcrowding, and excessive ride times. While the district needs to minimize these occurrences, they also need effective procedures to follow when these situations occur. To recover costs of field trips, districts should also have a policy to charge schools 100% of all transportation costs for these trips.

The Hernando County School District has processes in place to meet the intent of this best practice. The district seeks reimbursement for field trips and has an effective process for responding to overcrowding and for reporting driver absences. However, it could improve its operations by including administrative and maintenance costs in its fees for field trips and by enforcing its field trip scheduling policies. Current field trip rates do not include administrative and maintenance costs and, therefore, do not fully cover all transportation costs. Field trips often interfere with regular route operations when scheduling is not coordinated with the transportation department.

We recommend that the district set transportation fees that will compensate the transportation department for all costs, including administrative and maintenance costs for field trips and other school sponsored trips. We further recommend that the district enforce its policy requiring teachers to 1) contact the transportation office to ensure the availability of transportation prior to submitting a field trip request for approval, and 2) submit a completed transportation bus request form to the transportation office 10 working days before the scheduled trip.

Best Practice 14: Using

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

School districts are required by law to provide specialized transportation services to certain students with disabilities, i.e., students in Exceptional Student Education (ESE) programs.⁶ While necessary, these services can be very costly to a district. Many ESE students can ride on regular buses with no assistance or equipment. However, others may require accommodations such as specially equipped buses that lift a student and wheelchair into the bus and secure it for transport. To ensure their compliance with law while controlling costs, school districts need effective systems for determining ESE students' need for special transportation. As the need for special transportation is determined in meetings between teachers, ESE staff, and parents, districts need policies that clearly outline the circumstances that require special transportation. These policies also should identify circumstances in which alternative transportation modes, such as paying parents to drive children who need special supervision. Finally, districts should seek to recover Medicaid reimbursement for ESE transportation whenever possible, as this federal program will reimburse school districts for transporting Medicaid-eligible students on certain approved bus runs. It is rare for the cost to complete Medicaid paperwork to exceed the amount of the reimbursement. Every Medicaid dollar coming into the district frees up a general fund dollar for another district need.

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

⁶ The ESE population in a school includes gifted students, slow learners, emotionally handicapped students, and physically handicapped 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.⁷

The Hernando County school District has processes in place to meet the intent of this best practice.

Best Practice 16: Not Using

The district needs to strengthen its efforts to ensure that students behave appropriately on buses, and it should take action to identify and seek reimbursement from students who vandalize buses.

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

The Hernando County School District has developed disciplinary procedures to govern student conduct on school buses. Rules of conduct for students riding school buses are outlined in the district's student-parent handbook. To help bus drivers face discipline problems on their buses, the district transportation office provides drivers with initial and in-service training. Bus drivers are required to make seating assignments for students. Some buses are equipped with video cameras to provide evidence of student misbehavior (100 of 208 buses are equipped with video cameras). District policies require bus drivers to document student misconduct and report it to the appropriate school principal. Transportation department staff and other appropriate district officials participate in meetings with parents to help resolve student discipline problems on buses.

Despite the training they receive and the presence of video cameras, bus drivers still have disciplinary problems, some of which result in vandalism to school buses. Incidents of vandalism involving buses cost the district an estimated \$70,000 in 2001-02 and \$36,000 in 2002-03 (as of April 2003). The vandalism included mostly destruction of seat covers and foam. Although the school board has a policy to assess restitution of damage repair costs due to vandalism to school property, the district does not seek to collect on these incidents. According to district employees, bus drivers do not uniformly enforce the district's seat assignment policy nor check for vandalism in their buses at the end of each tier of a bus route. As a result, the driver cannot often identify the student(s) responsible, which makes collecting restitution difficult. The district should enforce current policies and establish and implement additional policies and procedures that will increase reimbursements for vandalism on school buses. These policies and procedures should mandate that drivers assign seats, check for vandalism after each bus route, and the hold the students responsible for damage to assigned seats unless there is evidence that the damage to the seat was caused by a non-assigned student. By taking a more active approach to identify the perpetrators

⁷ 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.

of vandalism and seeking restitution for the damages they cause, the district can reduce its uncompensated damage from school bus vandalism. The district estimates that it could reduce its annual damage repair costs by half if it were to implement this process. Based on 2002-03 damage repair costs, the district could generate a cost savings of \$18,000 per year. Action Plan 9-2 includes the steps to implement this recommendation.

Action Plan 9-2

We recommend that the district enforce current policies and establish and implement additional policies and procedures that will increase reimbursements for vandalism on school buses.		
Action Needed	Step 1.	Enforce current policies and, with the assistance of the board, establish and implement any additional policies needed to hold students responsible for damage to assigned seats.
	Step 2.	Require bus drivers to <ul style="list-style-type: none"> • enforce bus seating assignments, • check buses for vandalism after each route, and • report vandalism and students assigned to seats.
	Step 3.	Obtain damage repair costs from bus repair maintenance data and use it to bill parents for vandalism to school property.
Who is Responsible	Director of transportation, bus drivers, district superintendent, and school board.	
Time Frame	June 2004	

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

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 Hernando County School District has processes in place to meet the intent of this best practice. Although the district maintains current records of vehicle maintenance costs and includes appropriate categories in the transportation budget, the district could improve its operations by regularly analyzing and comparing its transportation expenditures.

We recommend that the district monitor transportation costs by regularly analyzing and comparing actual expenditures with budgeted amounts to detect problems and ensure that budgets are not exceeded.

Best Practice 19: Using

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

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

The Hernando County School District has processes in place to meet the intent of this best practice. The district contracts with private vendors to perform certain vehicle maintenance functions such as air conditioning repair, body work and painting, and towing and wrecker services. The district conducts quality assurance checks of work performed by private vendors. However, it could improve its operations by exploring areas for additional privatization and determining the feasibility of any options. Examples of such options may include tire mounting and balancing, and maintenance on vehicles other than buses.

We recommend that the district periodically review all school transportation functions to determine if the district could save money and/or improve service quality by privatizing additional transportation functions.

Best Practice 20: Not Using

The district needs to develop an accountability system for transportation which includes regularly tracking and making 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 Hernando County School District transportation department began compiling limited performance data during the 2002-03 school year. The district tracks the number of bus accidents and the number of employees with perfect attendance. Although this information is compiled monthly, the district does not currently report its performance in these areas. The district's superintendent recently implemented a process for departments to periodically report accomplishments to the board. The transportation department is expected to make its first report in May.

However, to improve its operations and meet best practice standards the district should strengthen its accountability system for transportation. The department should develop a set of measures that allows it to routinely monitor and evaluate performance. A similar recommendation was made by a private consultant following a performance management review of the district in 1996. Examples of measures suitable for evaluating performance of the transportation department include the number of preventable accidents per 100,000 miles, parent complaints per week, the number of buses arriving late per week, and operating cost per student. The transportation department should also use the performance information to provide district management and the board with an annual report summarizing program results. Action Plan 9-3 includes the steps to implement this recommendation.

Action Plan 9-3

We recommend the district improve its accountability system for transportation by developing a set of performance measures that allows it to monitor, evaluate, and report on performance.

Action Needed	Step 1.	Establish a performance accountability system for the transportation department including <ul style="list-style-type: none"> • short-term internal measures and standards to evaluate day-to day transportation operations; • longer-term measures and standards on all major aspects of the transportation department; and, • peer counties to compare long-term performance.
	Step 2.	Present performance results in an annual report to the district superintendent, school board, and public. Note: This action plan should be implemented in conjunction with Action Plan 3-1.
Who is Responsible	Transportation director and transportation coordinator	
Time Frame	June 2004	

10 Food Service Operations

Summary

The Hernando County School District is using 7 of the 11 food service operations best practices. The district has developed strategic plans, is organized to succeed, has developed a training program, has done well in its official inspections, and uses customer information to develop its program. To meet the remaining best practice standards and ensure the performance, efficiency, and effectiveness of its food service program, the district should improve its accountability system by developing performance measures, setting performance goals, and then comparing performance to these goals during the school year. In addition, the district could further improve by performing sound cash and account management and taking advantage of financial opportunities.



As seen in Exhibit 10-1, the district has several opportunities to reduce costs and increase revenues in this area. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these suggestions, it would be able to redirect the funds to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

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

Best Practice Number	Fiscal Impact: Increased Program Revenue					Total
	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	
2 Reallocate existing employees to fill vacant positions	\$27,225	\$27,765	\$28,305	\$28,845	\$29,385	\$141,525
6 Limit Participation in 'Open Campuses'	22,768	23,348	23,944	24,554	25,180	119,794
6 Avoid Maintenance Costs	826	826	826	826	826	4,130
6 Sell Delivery Vehicles	2,000	0	0	0	0	2,000
Total	\$52,819	\$51,939	\$53,075	\$54,225	\$55,391	\$267,449

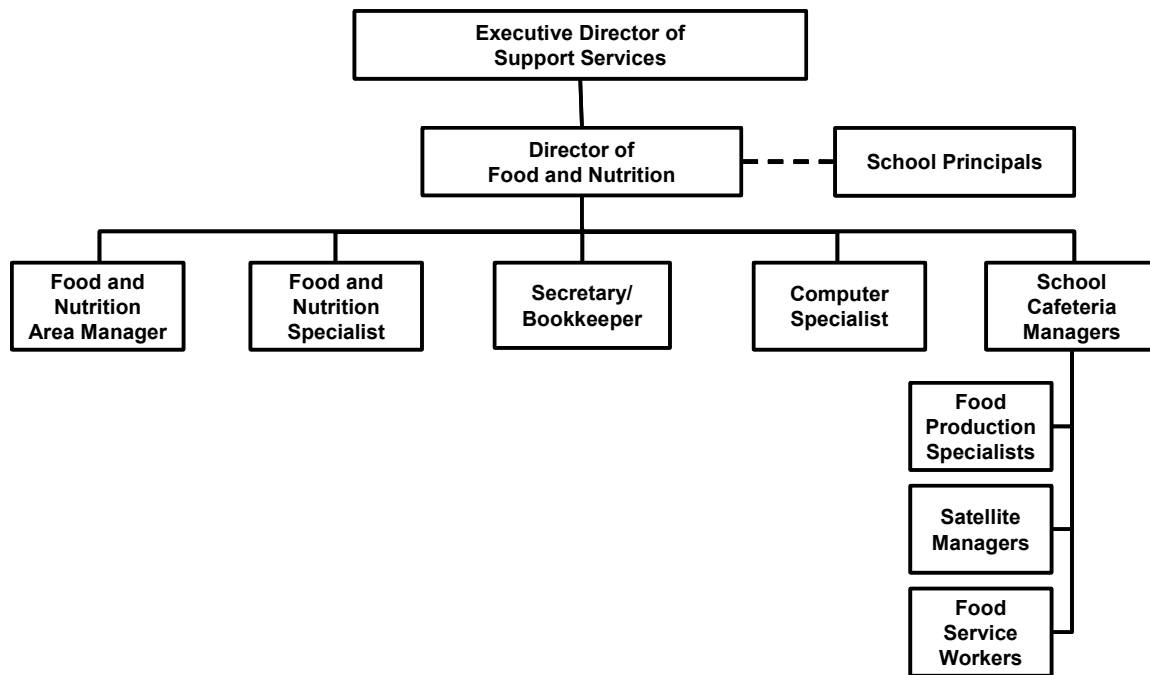
Background

The Hernando County School District’s food service program provided approximately 1,965,994 meals during the 2001-02 school year including 430,504 breakfasts and 1,535,490 lunches. The district also served the equivalent of 213,421 meals in the form of a la carte items. The program provided meal services at 18 schools and 7 satellite locations. The program employed 159 full-time and part-time food service employees at 18 schools plus four staff members at the central office. The district’s food service director manages all aspects of the food service program, including managing food service personnel located at each school cafeteria. The district has three types of cafeterias including self-contained, base, and satellite kitchens. Self-contained kitchen employees prepare meals for serving within the school in which it is located. Base kitchen employees prepare meals for serving within the school in which it is located in addition to food that is delivered to and served at satellite kitchens.

Program organization

The program lines of authority are typical for most small district food service operations. The food service director has additional duties, but her main focus is the business aspect of the program. As shown in Exhibit 10-2, the director reports to the district’s executive director of support operations and directly oversees all of the cafeteria managers. District-level food program staff is minimal; the director, computer specialist, area manager, secretary/bookkeeper, and food and nutrition specialist perform all district level program duties. One maintenance department employee routinely assists in general upkeep of food service facilities and equipment.

Exhibit 10-2
Food Service Organizational Chart



Source: Hernando County School District.

National School Lunch Program participation

The district participates in the National School Lunch Program and National Breakfast Program, which are regulated by the United States Department of Agriculture (USDA). These programs assist states through grant-in-aid and other means, such as menu design, in establishing, maintaining, operating, and expanding school feeding programs. The purpose of these federal programs is to safeguard the health and well-being of the nation's children as well as provide and encourage the consumption of nutritious domestic agricultural commodities (USDA Donated Foods).

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

As a participant in these programs, the district receives monthly federal reimbursement income for the free, reduced, and paid meals it serves. Quarterly, the state also provides required partial matching funds to lunch programs and to supplement breakfast meals. 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 Hernando 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 Hernando County School District currently offers breakfast at all schools except two middle schools. However, beginning in the 2003-04 school year, the district will provide breakfast at all 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—Hernando County			
Full price paid			
Breakfast	\$0.22	\$1.00	\$1.22
Lunch	\$0.22	\$1.50	\$1.72 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$0.30	\$1.17 ²
Lunch	\$0.22 + \$1.54	\$0.40	\$2.16 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17 ²
Lunch	\$0.22 + \$1.94	\$0	\$2.16 ¹
Middle and High Schools—Hernando County			
Full price paid			
Breakfast	\$0.22	\$1.00	\$1.22 ²
Lunch	\$0.22	\$1.75	\$1.97 ¹
Reduced price			
Breakfast	\$0.22 + \$0.65	\$.30	\$1.17 ²
Lunch	\$0.22 + \$1.54	\$.40	\$2.16 ¹
Free			
Breakfast	\$0.22 + \$0.95	\$0	\$1.17 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 23 cents.

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

As Exhibit 10-4 illustrates, Hernando County's food service program account balance has decreased over the past five years due to operating losses. This will be further discussed under Best Practice 5. Typical for school food programs, participation in the federal National School Lunch Program and cash food sales account for the majority of revenue, while food costs, salaries, and benefits represent the majority of expenditures.

Exhibit 10-4
The Hernando Food Service Program's Fund Balance
Has Decreased Significantly Over the Last Five Years

	Fiscal Year				
	1997-1998	1998-1999	1999-2000	2000-01	2001-02
REVENUE					
Food Sales Revenue					
Federal Meals Program	\$2,295,574	\$2,129,541	\$2,291,088	\$2,363,023	\$2,584,648
Cash in Lieu of Donated Foods	163,686	234,607	184,574	274,594	234,801
State Supplement	51,090	101,032	92,124	86,836	92,359
Meal Sales	923,799	1,039,681	1,148,785	1,311,737	1,419,131
A la Carte Sales	550,475	576,826	565,450	604,797	640,264
Other Food Sales	17,410	21,310	22,072	24,358	37,029
Other Revenue					
USDA Donated Food	21,872	4,523	8,998	10,891	16,540
Interest	30,264	20,611	37,156	7,520	1,326
Other Revenue	3,505	2,765	14,309	6,093	10,682
Total Revenue	\$4,057,675	\$4,130,896	\$4,364,556	\$4,689,849	\$5,036,780
EXPENDITURES					
Salaries	\$1,403,858	1,473,539	\$1,638,034	\$1,729,085	\$1,795,759
Employee Benefits	560,972	578,314	609,485	642,682	702,658
Purchased Services	29,479	42,304	30,777	28,023	40,826
Energy Services	15,043	43,180	4,937	23,960	20,459
Materials and Supplies	1,988,734	2,217,584	2,319,288	2,331,635	2,440,314
Capital Outlay	12,305	42,697	3,045	2,723	26,144
Other Expenses	49,022	40,556	55,228	70,859	49,897
Other Capital Outlay	52,550	96,984	-	900	2,408
Loss Recoveries	(385)		(1,578)		
Transfers in from General Fund for A+ School Bonuses			(173,959)	(50,045)	(34,667)
Transfers in from Capital Projects					(9,193)
Total Expenditures	\$4,111,578	\$4,535,158	\$4,485,257	\$4,779,822	\$5,034,605
Net Income (Loss)	\$(53,904)	\$(404,262)	\$(120,701)	\$(89,973)	\$2,175
Account Balance	\$614,936	\$210,674	\$89,973	\$0	\$2,175

Source: Hernando County School District.

Peer districts used for comparison

To evaluate the Hernando County School District food service program, we compared its food operations in this district to a set of similar, or peer, districts. The five districts selected were Charlotte, Citrus, Collier, Indian River, and Lake. As illustrated in Exhibit 10-5, the Hernando County food service program is serving fewer lunches per student than most of its peers due to low student participation. This will be further discussed under Best Practice 6. In addition, the district has about the same ratio of free and reduced price eligible students as its peers.

**Exhibit 10-5
General Comparison of Peer Districts—Fiscal Year 2001-02**

Districts	Reported Student Population	Total Schools in District Serving NSLP Meals	Total NSLP Claimed Lunches Served	Lunches Served per Student for the Year	Free and Reduce Eligibility Percentage (Elementary)
Hernando	17,940	18	1,535,490	86	40%
Charlotte	17,323	20	2,004,624	116	41%
Citrus	15,230	20	1,375,571	90	41%
Collier	36,515	45	3,842,304	105	44%
Indian River	15,420	24	1,475,899	96	38%
Lake	30,678	43	2,986,005	97	39%

Source: FDOE Profiles of Florida School Districts 2001-02 and NSLP claims 2001-02.

Conclusion and Recommendations

Summary of Conclusions for Food Service Operations Best Practices

Practice Area	Best Practice	Using the Best Practice?	Page No.
Planning, Organization, and Staffing	1. The program has developed strategic or operational plans that are consistent with district plans, 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	10-9
Management	4. Program management has developed comprehensive procedures manuals that are kept current.	Yes	10-9
	5. The district performs sound cash and account management.	No	10-10
	6. District and program management optimizes its financial opportunities.	No	10-11
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	10-14
	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	10-15
	9. District and program administrators effectively manage costs of the food services program and use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change.	No	10-16
	10. The food service program and district complies with federal state and district policy.	Yes	10-17
	11. The district conducts activities to ensures that customer needs are met and acts to improve services and food quality where needed.	Yes	10-17

PLANNING, ORGANIZING, AND STAFFING

Best Practice 1: Using

The program has developed strategic or operational plans that are consistent with district plans, 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 Hernando County School District has a process in place to use this best practice.

Best Practice 2: Using

The district and program are well organized with clear lines of responsibility, but could improve operational efficiencies.

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 levels 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 Hernando County School District's food service program is organized with clear lines of responsibility. However, the district could improve its operations in three ways. First, it should better allocate staffing hours. An analysis conducted by district management demonstrated that five schools have a lower meals per labor hour ratio than district standards. Low meals per labor hour indicate that there may be too many employee hours allocated to a school. These schools include Hernando and Springstead high schools, Parrot Middle School, and Moton and Suncoast elementary schools. The combined excess hours for these schools are about 15 labor hours a day. The district can shift employees at schools with excess hours to fill vacancies at Nature Coast High School, avoid the costs of hiring new employees, and save approximately \$141,525 over five years.¹

We recommend that the district reallocate existing employees to fill vacant positions.

Subsequent to our recommendation, the district has filled vacancies at Nature Coast High School with current food service program employees.

¹ The cost saving is estimated at a base rate of \$7.15 per hour plus annual step pay increases of \$.20 for three cafeteria workers at five hours per day for 180 days. The figure also includes an estimated annual benefits payment of \$2,640 per employee.

The second way the district could improve its operations is by assessing the feasibility of eliminating the food and nutrition area manager position. This position has been vacant for two years. Currently the director and nutrition specialist conduct the duties of the area manager. Such duties include providing technical assistance and on-the-job training to food service employees at each of the district's schools.

We recommend that the district consider eliminating the food and nutrition area manager position.

The third way the district could improve its operations is by revising the organizational chart to accurately reflect the relationships within the program. For example, the executive director of support operations and school principals are not included in the program's organizational chart. The executive director of support services is responsible for oversight of the program. School principals perform activities such as scheduling lunch periods and conducting performance evaluations of cafeteria managers.

We recommend that the district update the program's organizational chart to reflect the executive director of support services position and school principals.

Best Practice 3: Using

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

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

The Hernando County School District has a process in place to use this best practice.

MANAGEMENT

Best Practice 4: Using

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

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

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

The Hernando County School District has a process in place to use this best practice.

Best Practice 5: Not Using

The district currently has an inadequate cash reserve and is not consistently charging the food service program for indirect costs.

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

As shown in Exhibit 10-4, the Hernando County School District's food service program's cash reserve has been depleted over the last five years of this review. The fund balance has been insufficient for the program to operate in the short run and cover current expenses without the use of general account support. To the district's credit, the food service program has significantly reduced its annual operating deficit and reported a positive fund balance for Fiscal Year 2002-03 with no transfers from general funds. The district is also taking steps to further reduce expenses and generate income. For example, it is eliminating cook and baker positions and adding food production specialist positions at each school during the 2003-04 school year. Program management estimates that these changes will save the district approximately \$216,233. In addition, the district has approved a lunch price increase by \$0.10 for School Year 2003-04 and it anticipates additional program revenues of approximately \$151,000 as a result.

The Hernando County School District can improve its fund balance and meet best practice standards by addressing two issues. First, the district should take steps to increase student participation and eliminate unneeded delivery vehicles. As discussed in Best Practice 6 of this chapter, these options will generate revenue to offset food service expenses.

Second, the district should aim for financial self-sufficiency by building its fund balance and charging indirect costs to the food service program. Currently, the food service program is not uniformly charged its fair share of indirect costs, such as water, sewage, and electrical service. Instead, the district has used the general fund to support food service indirect costs. Not fairly charging indirect costs creates a disincentive for the program to operate efficiently and effectively. Ideally, the food service program should be charged for all operating costs; however, the district may not be able to fully allocate indirect costs immediately. As a first step, the district should establish a desired fund balance level for the food service fund and develop a methodology for allocating the cost of shared resources to the food service program with all funds in excess of the established fund balance level. This would give the program an opportunity to build a fund balance while the district's cost savings initiatives have a chance to work. The next step would be to fairly allocate indirect costs to the program. By charging the program a fair share of indirect costs, the district can recoup general fund dollars to be used on classroom activities and program management can have a standard by which to base its budgets. Action Plan 10-1 includes recommendations to assist the district in improving its operations so that it may use this best practice.

Action Plan 10-1

We recommend that the district improve the financial position of the food service program by increasing its fund balance with an eventual goal of financial self-sufficiency.

Action Needed	Step 1.	The district should identify a desired fund balance level for the food service program.
	Step 2.	The district should take steps to reduce expenditures and increase revenues, including increasing student participation and reducing surplus delivery vehicles.
	Step 3.	Upon attaining a sufficient fund balance, the district accounting staff should determine the appropriate fair share of indirect charges to the food service program and charge the program accordingly.
Who is Responsible	Finance director and food service director.	
Time Frame	August 2004	

Best Practice 6: Not Using

The district receives cash in lieu of commodities and bonus commodities as offered, but could take advantage of other potential financial opportunities.

If a 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, a 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, a district should also periodically review core processes such as warehousing and procurement. These reviews should help a district make informed decisions as to which functions the program should perform and which should be outsourced.

The Hernando County School District receives cash in lieu of commodities and takes advantage of additional free commodities. In addition, the district has approved an increase in meal prices to offset program costs. Exhibit 10-6 shows the district’s current meal prices relative to its peers. In general, the district’s food prices are in line with peer districts.

**Exhibit 10-6
Meal Pricing Among Peer Districts Varies But The Hernando County School District's
Prices Are Generally Consistent With Peer District Prices (School Year 2002-03).**

	Hernando	Charlotte	Citrus	Collier	Indian River	Lake	Peer Average
Lunch							
Elementary	\$1.50	\$1.50	\$1.25	\$1.50	\$1.50	\$1.25	\$1.40
Middle	1.75	1.80	1.50	1.75	1.50	1.50	1.61
High	1.75	1.80	1.50	1.75	1.75	1.50	1.66
Adult	2.50	2.20	2.25	2.50	2.00	2.00	2.19
Breakfast							
Elementary	\$1.00	\$1.00	\$0.83 ¹	\$0.82 ¹	\$0.00	\$0.92 ¹	\$0.89
Adult	1.00	1.25	1.00	1.25	1.00	1.10	1.12

¹ Average breakfast price.

Source: Florida Department of Education's National School Lunch Program data.

However, the district is not using this best practice as it has not maximized student participation in the meal programs thereby affecting its revenues. As an example, Hernando High School has a participation rate of approximately 18%. One reason for low participation is the scheduling of meal times. The duration of meal periods can affect the program's revenue. Hernando High School has over 1,300 students, only one continuous one-hour lunch period, and its cafeteria seats approximately 200 students. During our site visit to the school's cafeteria, we observed students waiting outside for others to leave so that they could sit and eat their lunches. By extending the time available for lunch, the district will make the cafeteria available for a longer period of time, thus allowing for more students to participate. In addition, the district could divide the lunch hour into three periods. These changes should reduce the length of line, alleviate crowded dining areas, and provide students with an adequate time for lunch. The district could improve its operations by implementing the recommendation below.

We recommend that the district consider expanding the lunch periods or dividing the lunch hour into three periods in its high schools to allow more students to participate in the lunch program.

Another reason for low participation is that three of the district's high schools have an "open campus" policy, meaning any student that meets certain eligibility requirements is able to leave campus during the lunch hour. To become eligible, students must have permission from their parents, have passing grades, and not have discipline problems. Overall, about 58% of Hernando High School's student population is eligible to receive lunch leave passes. In addition, 22% of seniors and juniors at Central High School take advantage of the open campus. Some seniors and juniors at Springstead High School are also allowed to leave campus during the lunch period. This permissive policy makes it difficult for the food services program to compete with local vendors. Therefore, we recommend that the district consider placing limits districtwide on which students can leave campus during lunch. For example, the district could limit open campus privileges to seniors and juniors only. By implementing the recommendation, we estimate that the district can receive an additional \$119,794 in revenue over the next five years.² Action Plan 10-2 includes recommendations to assist the district in improving its operations so that it may use this best practice.

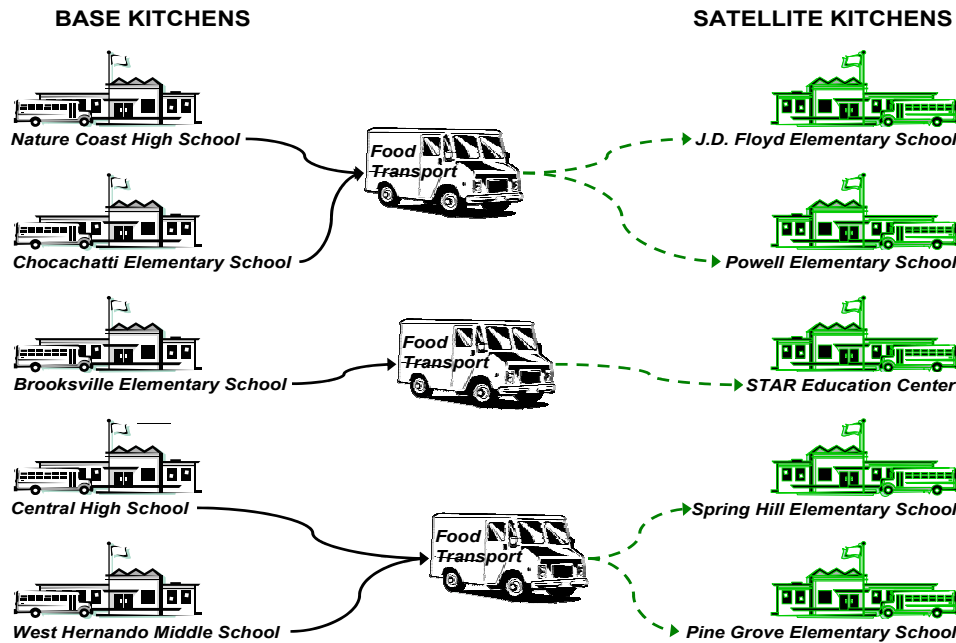
² The estimate was calculated by multiplying the program's total revenue shown in Exhibit 10-4 by the estimated number of students and 180 days. The estimated number of students was calculated by taking the current number of freshmen and sophomores eligible to leave campus for lunch multiplied by the percentage of free, reduced, and full-pay students. This number was then multiplied by the district's current participation rate of 18% plus the district's goal of a 3% increase for a total participation rate of 21%. The estimate also accounts for the district's average annual growth rate.

Action Plan 10-2

We recommend that district place limits on which students can take advantage of open campuses.	
Action Needed	<p>Step 1. The superintendent, executive director of support services, director of food services and high school principals should analyze the district's open campus policy, including the cost implications of changes to the policy.</p> <p>Step 2. District management should modify the open campus policy that places limits on the group of students that are eligible to leave campus for lunch and submit to school board for review.</p> <p>Step 3. The school board should adopt the new policy.</p>
Who is Responsible	Superintendent, school board, executive director of support services, director of food services, and high school principals.
Time Frame	August 2004

In addition to improving student participation in the meals program, the Hernando County School District can improve operations and receive additional revenue by selling its older food service program vehicles. The food service program owns seven vehicles including the administrative office's vehicle that are used for travel to meetings and school deliveries, and delivery trucks and cargo vans that deliver foods to the satellite kitchens. Currently, each base kitchen has a delivery truck or cargo van and the program has one spare vehicle. The program can avoid some vehicle maintenance costs by removing unneeded vehicles from its inventory. Two of the district's cafeterias will be converted into self-contained kitchens by the end of the 2003-04 school year, thus the program will not need as many delivery vehicles. It can sell two of its vehicles and continue to deliver food from its base kitchens to satellite locations in an efficient manner. This would require some base kitchens to share delivery vehicles and the program to keep one vehicle to use as a spare. Nature Coast High School and Chocachatti Elementary School can share a delivery vehicle. In addition, Central High School and West Hernando Middle School can share a vehicle. Exhibit 10-7 shows proposed shared vehicles and satellite kitchen deliveries. Program management has found that one-to-one base to satellite delivery has made improvements in the quality of food served at the satellite schools.

**Exhibit 10-7
Hernando County School District Base Kitchens
Can Share Vehicles to Deliver Food to Satellite Kitchens**



Source:

The food service program should develop cost savings estimates and provide them to the vehicle committee for consideration.³ We estimate that by selling two vehicles, the district can generate revenues of approximately \$2,000 in Fiscal Year 2004-05 which would be placed in the district's general fund to be used to support classroom activities.⁴ In addition, the district could save \$4,130 over five years in maintenance costs.⁵

We recommend that the district consider selling unneeded food service vehicles.

PERFORMANCE AND ACCOUNTABILITY

Best Practice 7: Not Using

The district has not developed comprehensive performance and cost-efficiency measures that provide management with information to evaluate program performance and better manage operations.

Like other publicly funded entities, a school district should be held accountable to parents and other taxpayers for the performance and cost of its major programs and support services, such as food services. To accomplish this, school districts should have a performance measurement system that allows managers at both the district and program level to evaluate performance and make informed decisions regarding the

³ The district established a vehicle committee that reviews the purchase, use and sale of all district vehicles.

⁴ The \$2,000 estimate is based on the estimated values of the program's 1985 and 1986 model year vans. Alternatively, the vehicle committee may decide to reassign these vehicles to other departments.

⁵ The district estimates an average annual food service vehicle maintenance and fuel cost of \$413 for a total of \$826 annually for two vehicles.

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

The Hernando County School District calculates meals per labor hour and meal costs to evaluate food service program performance. However, the district is not using this best practice because it does not have a performance measurement system in place, including clearly stated measurable objectives that are related to program goals. The district can improve its operations and meet best practice standards by using available data to create a system of performance measures to monitor the food service program. Data is readily available in current program records and reports required for NSLP participation, the district’s accounting system, and the program’s automated point-of-sale system, which management could use to develop and maintain the needed performance measurement system. Some examples of food service performance measures include

- gross margin (revenue less expenses);
- participation rates (regular and free and reduced lunch);
- 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 10-3 includes recommendations to assist the district in improving its operations and using the best practice.

Action Plan 10-3

We recommend that the district develop a set of key program performance measures and accompanying benchmarks, to include such measures as meals per labor hour, food and labor cost per meal, and participation rates.

Actions Needed	Step 1. The Food and Nutrition Director should select a focus group to develop a set of key performance measures to monitor costs and functions of the program and identify data sources for each. Step 2. The focus group should set benchmarks that link to the department goals and objectives. Step 3. The director should develop a reporting system and establish a schedule to track the program quarterly. Step 4. The director should provide annual reports to district leadership and cafeteria managers. Note: This action plan should be implemented in conjunction with Action Plan 3-1.
Who is Responsible	Food and Nutrition Director
Time Frame	January 2005

Best Practice 8: Using

At least annually, the program inspects and evaluates its operational components and the system as a whole, and then takes action to initiate needed change.

School districts should have a system for inspecting individual cafeterias and for evaluating overall program operations 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 Hernando County School District has processes in place to use this best practice.

Best Practice 9: Not Using

Program administrators use performance measures, benchmarks, and budgets on a regular basis to evaluate performance and use the analysis for action or change, but should include performance information in its quarterly reports to district management.

School district and program administrators should make informed management decisions based on a goal driven, performance measurement system that is linked to the district's overall mission and strategic plan. Best Practice 7 addresses the design, development, and maintenance of a comprehensive set of performance measures and benchmarks that comprise an accurate, complete, and reliable system of reporting for management to use. This best practice addresses management's use of the performance measurement system through the routine collection, analysis and reporting of performance information. All districts should keep upper management informed with some form of performance reporting and analysis of operations.

The Hernando County School District routinely collects performance and cost-efficiency information such as meals per labor hour and food costs and examines it to ensure that performance is acceptable. However, the district is not using this best practice for two reasons. First, as discussed in Best Practice 7 of this chapter, the food service program has not developed a measurement system that allows it to routinely monitor and evaluate performance. The lack of such a system limits management's ability to timely identify problem areas or make informed management decisions during the year. Once Action Plan 10-4 has been implemented, the district should use the measures to identify and target any necessary corrective actions. For example, management should review school-level staffing ratios five to eight weeks into a new school year. An analysis at this time allows school attendance to stabilize and the meals per labor hour ratio can inform management of any staff allocation changes that are needed. Too high of a ratio may not allow for adequate meal preparation and serving time, while too low of a ratio may indicate excess labor costs. The district should also re-evaluate this ratio mid-year to allow for any necessary fine-tuning of total labor hours that could improve program performance. Management should also regularly monitor key areas such as food costs. If management finds that food costs are escalating, action can be taken to increase the use of USDA Donated foods or modify menu patterns to lower costs before year-end. Action Plan 10-3 includes the steps needed to correct this shortcoming.

Second, the district does not report program performance information to district leadership. The program should use the performance measurement system to provide district management and the board with a program report summarizing program results. The district should conduct an annual program-wide analysis and allow an opportunity for program managers to present an overview of program accomplishments, shortfalls, recommendations, and issues where assistance is needed to district-level management and the board. This will showcase the program's efforts and solicit assistance in areas beyond program management's authority. Open discussion should be held to identify barriers to program performance such as principal directed meal periods, bus arrival times that limit breakfast participation by students, and financial report timeliness. Adjustments and attention to these areas can sometimes significantly improve the operational program environment within the district and improve performance often with little effort or change by other district staff. Action Plan 10-3 also includes the steps needed to address this issue.

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 Hernando County School District has processes in place to use this best practice.

Best Practice 11: Using

The district conducts activities to ensure that customer needs are met and acts to improve services and food quality where needed.

Like most businesses, to be successful, school district food service programs must be responsive to customers, particularly that of 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 Hernando County School District has processes in place to use this best practice.

11

Cost Control Systems

Summary

The Hernando County School District is using 19 of the 22 cost control systems best practices. For example, the district is using all of the best practices relating to external and internal audits and has policies and procedures in place to ensure effective capital asset management, debt management, risk management, and purchasing. For the district to meet the remaining best practice standards and enhance the performance, efficiency, and effectiveness of its cost control systems, the district should improve evaluation processes for use of wireless communication resources, establish budget planning processes that tie the district's strategic plan objectives to the development of the budget, and reorganize warehouse staff for more cost effective warehouse management.



As seen in Exhibit 11-1, the district has two opportunities to reduce costs in this area. Determining whether to take advantage of these opportunities is a district decision and should be based on many factors including district needs, public input, and school board priorities. If the district implements these suggestions, it would be able to redirect the resources to other priorities, such as putting more money into the classroom or addressing deficiencies identified in this report.

Exhibit 11-1
Our Review Identified Two Ways the District Could Reduce Costs

Best Practice Number	Fiscal Impact: Savings					Total
	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08	Year 2008-09	
4 Reduce the number of cellular telephones assigned to district staff.	\$26,316	\$26,316	\$26,316	\$26,316	\$26,316	\$131,580
21 Eliminate warehouse manager position and add an additional warehouseman position.	8,500	8,500	8,500	8,500	8,500	42,500
Total	\$34,816	\$34,816	\$34,816	\$34,816	\$34,816	\$174,080

Auditor General's Scope, Objectives, and Methodology for Cost Controls ---

Pursuant to s. 1008.35, *Florida Statutes*, the Auditor General assists the Office of Program Policy Analysis and Government Accountability (OPPAGA) in examining district operations to determine whether they meet best financial management practices. The Auditor General provides this assistance by performing the review of the cost control systems area (one of ten areas) as defined in s. 1008.35(2)(j), *Florida Statutes*. We conducted the best practices review of the Hernando County School District's cost control systems in accordance with generally accepted government auditing standards as they apply to performance audits. We reviewed cost control systems in the areas of financial management, internal controls, external and internal auditing, cash management, capital asset management, debt management, risk management, purchasing, and inventory management. We reviewed the district's operations relating to cost control systems primarily for the 2001-02 fiscal year and gathered information by using the following methods:

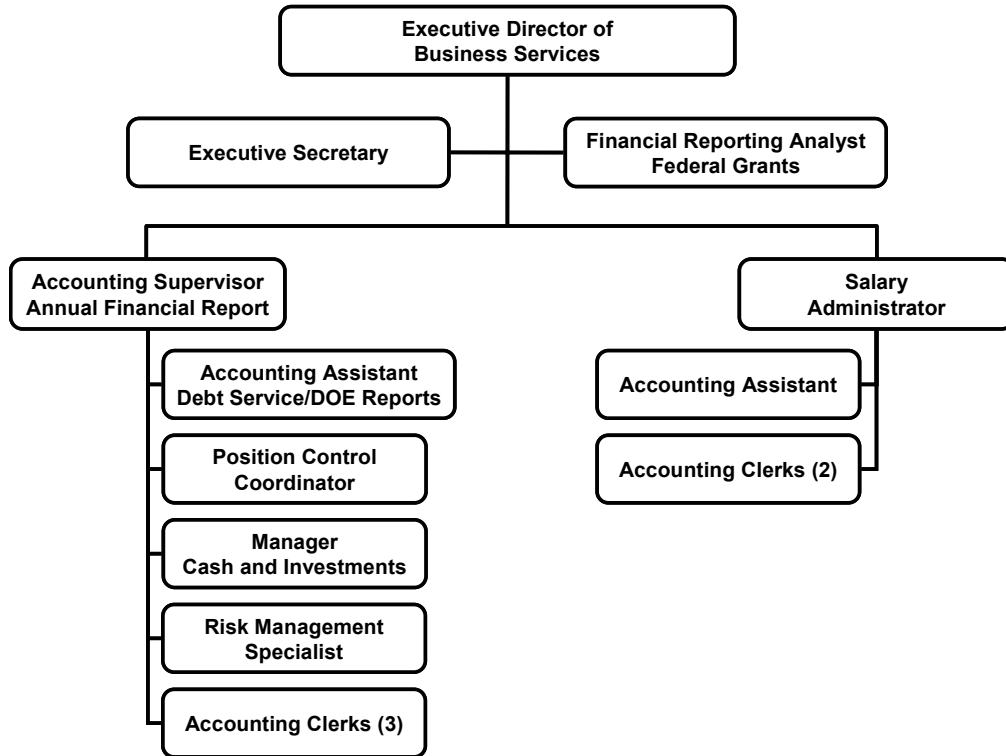
- Reviewed and tested compliance with state laws and rules applicable to cost control systems.
- Examined and tested compliance with district policies and procedures applicable to cost control systems.
- Reviewed district prepared preliminary survey documents regarding best practice standards and indicators applicable to cost control systems.
- Examined operational reports and records as they relate to cost control systems.
- Interviewed district officials and employees.
- Reviewed other financial and compliance related audits and monitoring reviews of the district.

Background ---

The Hernando County School District's cost control activities are primarily managed by the finance function. Operational units of the finance function include general accounting, accounts payable, grant accounting, and payroll. The finance function consists of 1 administrative staff, 2 professional staff, and 12 clerical staff. The finance function's budget for the 2001-02 fiscal year was \$632,863.

Finance and accounting functions are centralized. The current executive director of business services is a certified public accountant, has been with the district for 3 years, and previous experience included approximately 14 years of governmental auditing. The executive director is supported by the accounting supervisor, also a certified public accountant, having in excess of 8 years of district experience along with 6 years of auditing experience with a certified public accounting firm. The finance function's current organizational structure is shown in Exhibit 11-2 below:

**Exhibit 11-2
Organizational Structure For the District’s Finance Activities**



Source: Hernando County School District.

The district uses governmental accounting to report its financial position and results of operations. Governmental accounting segregates a governmental entity’s operations and activities into funds based on the nature and restrictions placed on the revenue sources of each fund. The district’s governmental funds include the general fund, special revenue funds, debt service funds, and capital projects funds. The district also reports fiduciary funds (trust and agency funds). Substantially all of the district’s resources are accounted for in the governmental funds. Exhibit 11-3 shows that the district reported revenues of \$117 million in its governmental funds during the 2001-02 fiscal year.

**Exhibit 11-3
Governmental Funds Revenue—2001-02 Fiscal Year**

General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
\$87,852,664	\$12,504,040	\$7,177,173	\$9,489,316	\$117,023,193

Source: Audited Financial Statements.

Certain governmental funds account for non-operating activities of the district. For example, debt service and capital projects funds are used to account for resources restricted specifically for the payment of debt and for the acquisition of real property and the construction, renovation, remodeling, and maintenance of district facilities. These resources are not used to finance ongoing operating activities of the district.

The general fund accounts for most of the operating resources and expenditures of the district and provides most of the operating resources for K-12 education programs. Exhibit 11-4 shows federal, state, and local sources reported in the general fund for the 2001-02 fiscal year.

**Exhibit 11-4
General Fund Revenues—2001-02 Fiscal Year**

Federal	State	Local	Total
\$632,154	\$55,210,132	\$32,010,378	\$87,852,664

Source: Audited Financial Statements.

The state provided over 62% of the district’s general fund resources during the 2001-02 fiscal year. Four sources administered by the Florida Department of Education comprise the majority of state revenue accounted for in the district’s general fund. First is the Florida Education Finance Program (FEFP) funding which is used for current operations. Second is resources provided for categorical education programs which are earmarked for certain programs such as supplemental academic instruction, instructional materials, and transportation. Third is workforce development funds used for adult and other vocational educational services. Fourth is lottery funds earmarked for educational enhancement and school advisory council activities.

Local revenues are primarily generated from ad valorem (property) taxes and represent 36% of the district’s general fund resources.

As is characteristic of governmental accounting, the district presents expenditures by character or functional purpose. Within the governmental funds, functional expenditures are segregated into current and non-current capital outlay and debt service categories. General fund current expenditures comprise the largest portion, representing approximately 63% of the total 2001-02 fiscal year governmental funds expenditures. Current expenditures are broken down into three major functional classifications; instruction, instructional support services, and general support services. Exhibit 11-5 shows general fund current expenditures on a functional basis.

**Exhibit 11-5
General Fund Functional Expenditures—2001-02 Fiscal Year**

Instruction	Instructional Support Services	General Support Services	Total
\$52,546,640	\$8,110,948	\$27,321,224	\$87,978,812

Source: Audited Financial Statements.

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

Instruction and instructional support expenditures represented approximately 69% of total general fund expenditures for the 2001-02 fiscal year. Expenditures for instruction include activities directly related to teaching students, including the interaction between teachers and students. Instruction expenditures include those for basic K-12 programs, exceptional student instruction, vocational-technical instruction, adult general instruction, and other instruction, such as pre-kindergarten, lifelong learning, and workforce development. Instructional support services include those activities related to administrative, technical, and logistical support for the instruction program. It includes such activities as attendance, guidance, health, and psychological services. General support services expenditures represented approximately 31% 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 (principals’ offices), 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 (repairs, preventative maintenance, etc.).

Exhibit 11-6 shows the district’s general fund expenditures by natural classification (object) for the 2001-02 fiscal year. This exhibit shows the expenditures in Exhibit 11-5 by type of expenditure in broad categories.

**Exhibit 11-6
General Fund Object Expenditures—2001-02 Fiscal Year**

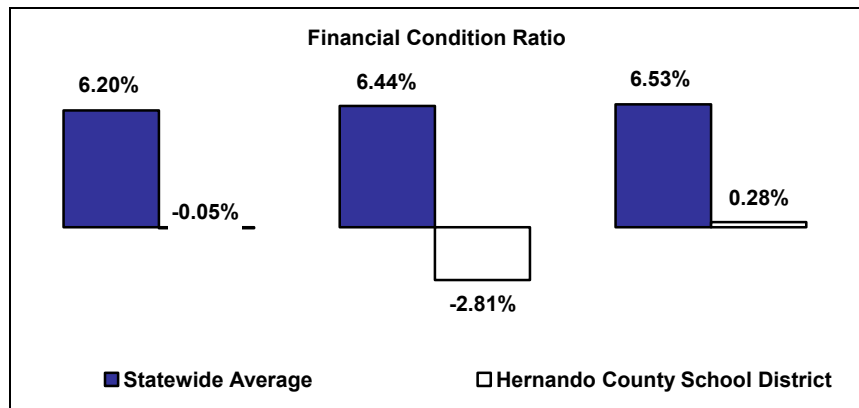
Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	Total
\$59,879,845	\$15,150,943	\$3,522,991	\$3,197,412	\$4,114,820	\$673,480	\$1,439,321	\$87,978,812

Source: Audited Financial Statements.

As primarily a service organization, the school district’s major expenditure objects are salaries and employee benefits which comprise 85% of total expenditures. Purchased services, energy services, materials and supplies, capital outlay, and other expenses were consistent with that of previous years.

We analyzed the fund balance in the general fund to determine if the district’s efforts to control costs have had a beneficial impact on its financial position. The most common measure of financial position is the ratio of fund balance to operating activity. The fund balance of most school districts includes reserved and unreserved portions. Fund balances are often reserved for legal and other commitments of the entity. Common examples of reserves in Florida school districts include amounts reserved for outstanding purchase orders and contracts (encumbrances) and amounts reserved for restricted purposes (categorical programs).¹ As a result, only the unreserved portion of the fund balance is actually available to offset unexpected needs and this portion is often referred to as the “rainy day” fund. For the purposes of our analysis, we used a common financial condition ratio that compares the general fund unreserved fund balance with operating revenues. Exhibit 11-7 compares the financial condition ratio for the district with statewide averages for the three-year period ending June 30, 2002.

**Exhibit 11-7
The District’s General Fund Financial Condition Ratio Is Lower than the Statewide Average**



Source: Audited Financial Statements.

As can be seen in Exhibit 11-7, the district’s ratio of unreserved fund balance to revenues is consistently lower than the statewide average and was in a deficit position until the 2001-02 fiscal year, when district cost cutting efforts resulted in the ratio improving.

¹ For financial condition ratio analysis purposes, the unreserved fund balances for all school districts were adjusted to include a reserve for inventories if they did not already report such a reserve. The adjustment was made for consistency purposes and so that the unreserved fund balance resulting from this adjustment would be more conservative.

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.	Yes	11-8
	3. The district has adequate financial information systems that provide useful, timely, and accurate information.	Yes	11-9
	4. District financial staff analyzes significant expenditure processes to ensure that they are appropriately controlled.	No	11-10
Internal Controls	5. The district has established adequate internal controls.	Yes	11-12
	6. Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.	Yes	11-12
	7. The district produces an annual budget that is tied to the strategic plan and provides useful and understandable information to users.	No	11-12
	8. Management analyzes strategic plans for measurable objectives and results.	Yes	11-13
External and Internal Auditing	9. The district ensures that it receives an annual external audit and uses the audit to improve its operations.	Yes	11-13
	10. The district has conducted an annual risk assessment of its operations and plans to monitor the identified high risk areas.	Yes	11-14
	11. The district ensures that audits of internal funds and its discretely presented component units (foundations and charter schools) are performed timely.	Yes	11-15
Cash Management	12. The district periodically reviews cash management activities, banking relationships, investment performance, and considers alternatives.	Yes	11-15
Capital Asset Management	13. The district has established written policies and procedures and periodically updates them to provide for effective management of capital assets.	Yes	11-16
	14. The district ensures that significant capital outlay purchases meet strategic plan objectives.	Yes	11-16
Debt Management	15. The district has established written policies and procedures and periodically updates them to provide for effective debt management.	Yes	11-17
	16. The district ensures that significant debt financings meet strategic plan objectives.	Yes	11-17
Risk Management	17. The district has established written policies and procedures and periodically updates them to provide for effective risk management.	Yes	11-17
	18. District staff periodically monitors the district's compliance with various laws and regulations related to risk management.	Yes	11-18

Practice Area	Best Practice	Using the Best Practice?	Page No.
	19. The district prepares appropriate written cost and benefit analyses for insurance coverage.	Yes	11-18
Purchasing	20. The district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements.	Yes	11-18
Inventory Management	21. The district has established written policies and procedures and periodically updates them to provide for effective management of inventories.	No	11-20
	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 receives timely and relevant training to ensure that the services they provide comply with current laws and reporting requirements.

The Hernando County School District's organizational chart, which includes the financial services organization, is current and position descriptions exist for all positions included in the organizational chart. Our review of position descriptions showed that educational and experience requirements for established positions were commensurate with the responsibilities for each position. Because of budgetary constraints, the executive director of business services and other management staff frequently evaluate the services provided by the financial services organization with a view towards minimizing the number of positions to effectively perform the responsibilities of this function. The executive director of business services has identified critical financial and accounting processes and has ensured that appropriate staff is cross-trained to perform these processes when the employees who are primarily responsible for performing those processes are absent. Financial services organization staff receives training in the use of the accounting system when hired and also receives annual training updates. Also, selected staff members attend state finance officers' association meetings and receive training relative to emerging issues in their responsibility areas at those meetings.

Best Practice 2: Using

Management has developed and distributed written procedures for critical accounting processes and promotes ethical financial management.

It is critical that districts be able to continue day-to-day financial operations. Even small school districts must have numerous control processes and safeguards to ensure that district resources are adequately protected and used. These control processes should be documented to ensure consistency in their application. Written procedures frequently represent the best way to document these processes.

Every school district has board policies that generally include policies related to accounting and financial services. However, these policies are not considered procedures. Procedures show district employees how to carry out board policies. Well-written and organized procedures:

- Implement and assure compliance with board policies as well as documenting the intent of those policies;
- Protect the institutional knowledge of an organization, so that as experienced employees leave, new employees will benefit from the experience of prior employees;
- Provide the basis for training new employees; and
- Offer a tool for evaluating employee performance based on their adherence to procedures.

The development and maintenance of procedures manuals can be cumbersome and time-consuming tasks. For this reason, districts should, at a minimum, identify critical accounting and finance processes and ensure that written procedures are maintained for these processes. For example, if a key accounting employee that has responsibility for generating a payroll leaves the district, are there sufficient written procedures that someone else can follow to generate a payroll? Other critical processes can include bank reconciliations, processing of accounts payable checks, budget amendment processes, and so on.

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

Best Practice 3: Using

The district has adequate financial information systems that provide useful, timely, and accurate information; however the district could enhance its payroll process by encouraging 100% employee participation in its payroll direct deposit program.

Florida school districts are subject to significant federal, state, and local (board) oversight of their financial activities. Also, given the limited financial resources provided to school districts, it is important that they have adequate financial information systems that provide useful, timely, and accurate information. Users of this information must be able to understand the information provided so that they can make informed spending and resource use decisions.

The Hernando County School District uses an integrated enterprise accounting system that has various subsystem modules (such as accounts payable, fixed asset accounting, and payroll accounting) that interface seamlessly with the general ledger module. This system permits users to make entries at the subsidiary level and these entries automatically update the general ledger. As a result, the degree of manual reconciliations required between subsidiary ledgers and the general ledger are minimized. The reporting features of the system allow users to easily create user-defined reports at any time. Also, system-generated detailed account balance reports (such as accounts payable details) created in this manner agree with general ledger control account balances. The district's finance staff works with users, including the board, to identify financial reporting needs. As these needs become known, finance staff develops financial report products to meet user needs. Our interview with the superintendent and other administrative staff showed that these users are satisfied with monthly financial report products that they receive and they believe that they receive these reports in a timely fashion. The district's financial services staff is satisfied with the system's reporting package and believe that its ease of use permits them to have the required Superintendent's Annual Financial Report completed well before the required report date.

Currently, approximately 74% of district employees permit the district to direct deposit their payroll checks. The district could achieve greater payroll processing and accounting efficiencies if it achieved 100% participation. District staff must account for payroll checks and track them from the time the district issues them through the time the checks are presented for payment at the bank. Also, district personnel must perform bank reconciliations, and file and safeguard payroll checks (both blank checks and paid checks). The district must provide adequate and safe storage for the checks and follow appropriate public record retention periods and requirements for eventual destruction of the payroll checks. Many of these time-consuming processes could be eliminated or greatly reduced when using direct deposit. Although the district may not derive cost savings from using direct deposit, the increased control over payroll processing would add greater efficiencies to the overall payroll transaction process. The efficiencies gained will allow the district to reallocate resources to other district priorities.

We recommend that the district try to achieve 100% employee participation in the district's payroll direct deposit program.

Best Practice 4: Not Using

Although district financial staff analyzes most significant expenditure processes to ensure that they are appropriately controlled, it should improve its evaluation processes for wireless services.

Other than salaries, the expenses of many school districts are frequently concentrated among a few vendors who are paid for goods and/or services on a repetitive basis. Examples include employee benefits, utility payments, payments for frequently used supplies, progress payments on contracts, and periodic payments for the use of assets, such as lease payments. It is important that employees approving such bills for payment are knowledgeable about relevant contract, payment, and other provisions to ensure that the bills are accurate and to ensure that only appropriate amounts are paid. In the case of utility payments, appropriate stewardship includes analyses of the payments to identify and determine the reasons for unusual fluctuations in consumption.

The Hernando County School District assigns payment monitoring for specific high cost and complex contracts to department heads and/or contract monitors. These individuals review all bills and invoices related to these contracts and must approve them prior to payment. They are responsible for understanding contract terms and discuss any questionable issues related to payment and request for proposal (RFP) terms with the executive director of business services and the district’s legal counsel. The district will pay bills and invoices containing these questionable issues only after the issues have been resolved to the district’s satisfaction.

Specific expenditure categories, such as utility payments and travel expenditures are assigned to specific accounts payable employees who are knowledgeable about payment patterns and legal requirements for these payments. We noted that utility payments were monitored by location and, if appropriate, by meter to identify unusual changes between months and to identify unusual seasonal changes. District employees investigated any unusual changes that were noticed.

Although the district has established procedures to analyze significant expenditure processes to ensure that they are appropriately controlled, the district’s procedures for analyzing expenditure processes relating to cellular telephone use should be enhanced.

The district has a contract with a wireless provider for 151 cellular telephones which provides 500 minutes of wireless use for each cellular telephone each month and unlimited intra-system communication (between telephones on the same wireless plan). For the fiscal year ended June 30, 2002, the district spent approximately \$73,000 for cellular telephone use. Based on billing rates for each telephone, the district will spend approximately \$77,900 for the fiscal year ended June 30, 2003. Although monthly billings for each telephone document the wireless calls made, they do not document intra-system calls.

The number of cellular telephones used by the district appears excessive. In Exhibit 11-8 we compared the number of cellular telephones used by Hernando County School District with that of its peers.

Exhibit 11-8

Comparison of Cellular Telephone Use with Peer Districts—2001-02 Fiscal Year

Peer District	Student Membership	Number of Employees	Number of Cellular Telephones	Cellular Telephone Expense
Charlotte	17,670	2,207	100	\$17,602
Citrus	15,344	2,021	50	\$25,339
Collier	38,104	4,935	100	\$59,561
Indian River	15,980	863	71	\$66,500
Lake	31,773	3,539	147	\$71,075
Hernando	18,601	2,350	151	\$73,000

Source: Peer Districts and Florida Department of Education Fall 2002 Statistical Briefs for Staff Data and Student Membership.

This review shows that Hernando County School District has proportionately more cellular telephones than its peer districts and also incurs higher costs. We also reviewed cellular telephone billings and determined that many individual cellular telephones were not used on a regular basis. Many departments and schools have several cellular telephones assigned to specific individuals and have one cellular telephone which is for emergency use only.

The district had not recently conducted a review of cellular telephone assignments to determine the most efficient and cost effective assignment of cellular telephones. The responsibilities of many employees assigned to departments such as security, operations and maintenance, as well as employees whose responsibilities require frequent travel throughout the district are more likely to require the business use of cellular telephones. However, the district's current cellular telephone assignments include many positions where the need for a cellular telephone is not evident.

The district should analyze the current cellular telephone assignments and develop guidelines for determining assignment of district owned cellular telephones. These guidelines should also consider the potential for reimbursing business related calls on personally owned cellular telephones rather than assigning district-owned cellular telephones to infrequent users. The district can also use cellular telephone billings as a guide for determining the extent of cellular telephone use and, if possible, the district should request the wireless provider to provide detailed bills that include intra-system communication use so that this use can be analyzed for efficient and cost effective assignment of cellular telephones. This analysis should also determine the cellular telephones that could be deactivated or reassigned in order to justify the monthly charges. As necessary, the district can assign deactivated cellular telephones to appropriate employees so that the cellular telephones can be used to make emergency 911 calls and not incur the monthly charge.

The actual cost savings realized by reducing the number of cellular telephones will depend on the results of the district's analysis. However, if the district were to reduce the maximum number of cellular telephones it uses to 100, which is slightly above the average of its peer districts,² it would eliminate 51 cellular telephones. This would save the district approximately \$26,316 annually (approximately \$43 each month x 51 cellular telephones for 12 months). This savings over five years would be approximately \$131,580. Based on discussions held in the course of the best practice review process, district management instituted a review of cellular telephone assignments. Preliminary reassignments and the discontinued use of some cellular telephones had recently been accomplished.

Action Plan 11-1

We recommend that the district continue to analyze the cellular telephone assignments to determine the best methods to achieve the most efficient and cost effective use.

Action Needed	Step 1: Continue to review the current assignment of cellular telephones, including the actual usage of the cellular telephones for the last school year. Step 2: Survey the employees currently assigned cellular telephones and have them submit their proposed justifications for cellular telephone assignment. Step 3: Develop guidelines for cellular telephone use. Step 4: Determine cellular telephone assignments based on guidelines. Step 5: Establish a periodic report of cellular telephone assignments to be reviewed by the superintendent's executive committee for compliance with adopted guidelines.
Who Is Responsible	Executive Director of Business Services
Time Frame	January 2004

² The average number of cellular telephones in use by peer districts is 94.

INTERNAL CONTROLS

Best Practice 5: Using

The district has established adequate internal controls.

School districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended.

In addition to its annual external audit, the Hernando County School District is also subject to monitoring reviews by federal and state grant monitors. Our review of these reports issued for the past three fiscal years disclosed that, with the exception of minor internal control weaknesses, the auditors and monitors found that internal controls were generally adequate. Also, our review of critical revenue and expenditure transaction processes, such as collection cycles, payroll processing, and disbursement processing indicated that appropriate internal control processes had been established.

Best Practice 6: Using

Management proactively responds to identified internal control weaknesses and takes immediate steps to correct the weaknesses.

As noted previously, school districts must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended. School districts demonstrate effective financial management when they proactively respond to internal control weaknesses identified in external audits and other monitoring reviews.

We reviewed the Hernando County School District's efforts to resolve internal control weaknesses identified in the external financial audits and other monitoring reviews made over the past three years. Our review disclosed that district staff responded promptly to the findings in the reports and corrected them in a timely manner.

Best Practice 7: Not Using

Although the district produces an annual budget that provides useful and understandable information to users, it is not linked to the district's strategic plan goals.

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

Effective strategic planning includes:

- Identifying priorities through surveys of students, parents, teachers, administrators, and community leaders;
- School board input on goals and major priorities;
- Developing objectives for strategic plan goals that include measurable outcomes and achievement dates as appropriate;
- Assignment of responsibility for achieving objectives;
- Annual performance monitoring and adjusting of objectives as necessary to ensure achievement of strategic plan goals; and
- Budgets that require expenditures to be tied directly to the strategic plan priorities of the district.

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

Action Plan 11-2

We recommend that the district establish links between their strategic plan objectives and the district budget planning process.

Action Needed	<p>Step 1: List all strategic plan objectives and rank them in order of importance and cost.</p> <p>Step 2: Ensure that during each budget planning meeting, the strategic plan objectives list is considered.</p> <p>Step 3: After the proposed budget is completed, ensure that all strategic plan objectives are 1) noted as being included in the budget, or 2) reassigned to another budget year within the strategic plan.</p>
Who Is Responsible	Executive Director of Business Services
Time Frame	August 2004

Best Practice 8: Using

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

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

Our review of the measures established by the Hernando County School District for strategic plan objectives showed that, in general, financial measures had been established. For example, the district had established a required minimum range of unreserved fund balance which was considered when preparing the budget. In contrast, the district should improve the strategic plan objectives for instructional and non-instructional programs to make them more measurable. See Best Practice 9 in Chapter 3 for more information relating to this topic.

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.

Section 11.45(2)(d), *Florida Statutes*, requires 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.

The Hernando County School District has received annual financial audits for each of the last three years. These audits were performed in accordance with generally accepted auditing standards and government auditing standards. The audit reports show that the district makes reasonable efforts to resolve findings noted in annual audits.

Best Practice 10: Using

The district has conducted an annual risk assessment of its operations and plans to monitor the identified high risk areas.

Section 230.23(10)(1), *Florida Statutes*, permits school boards to employ internal auditors to perform ongoing verification of the financial records of the school district. This law requires the internal auditor to report directly to the board or its designee. Internal auditing is a managerial control that can be used to measure and evaluate the efficiency, effectiveness, and cost/benefit of operations, programs, other controls, and systems. The objective of internal auditing is to help management effectively discharge its responsibilities by providing analyses and recommendations on the activities reviewed. The internal audit function typically performs the annual risk assessments in private sector businesses.

The Hernando County School District does not have an internal audit function as anticipated by this best practice. As with many school districts, the district believes that it cannot afford the cost of establishing an internal audit function.

The district fully appreciates its responsibility for having internal controls in place to provide reasonable assurance regarding the achievement of (1) safeguarding of assets, (2) the reliability of financial reporting, (3) the effectiveness and efficiency of operations, and (4) compliance with applicable laws and regulations. Some recurring risks are already addressed by various departments within the district. For example, the district monitors student full-time equivalent counts to ensure that significant errors in reporting are detected and corrected before the counts are reported to the state. The district has established procedures for ensuring that inventories and tangible personal property are counted annually and correctly to ensure stewardship for these assets. The district ensures that it obtains the required audits of the school internal accounts and the foundation on an annual basis.

Although the district does not have an internal audit function, the district has conducted an in-house annual risk assessment of its financial operations and activities. After reviewing the annual risk assessment, district financial services management plan to periodically monitor the identified high risk areas. District management has drafted a plan to review the identified high risk areas with the objective of implementing procedures to minimize the risks associated with the identified high risk areas. For example, a recent review by management included a review of one school's parent teacher association funds. The executive director of business services conducted a review over several concerns over the handling of the parent teacher association's funds. In addition to any internal management reviews, the district financial services management informed us that they plan to advise Auditor General's staff of identified high risk areas, including the results of any management reviews conducted, during the entrance conference for the annual financial and operational audit, and request that operational audit procedures include appropriate reviews of the identified high risk areas.

Given existing budget constraints, the district should examine staff workload and priorities, and if at all possible, continue to conduct the annual risk assessments in-house and continue to address the identified risks. As district operations continue to expand, and during the preparation of the annual risk assessments, the district should continue to consider the cost benefit of establishing an internal audit function.

Best Practice 11: Using

The district ensures that audits of internal funds and its discretely presented component unit (foundation) are performed timely.

The financial transactions of individual school activities and organizations are accounted for in the school internal accounts (funds). Florida law requires that the school districts provide for the annual audits of the school internal funds. Similarly, school districts may have related organizations such as foundations and charter schools. Due to the nature of these organizations, their financial activity generally should be included with that of the school district. Florida law requires that these organizations provide for their annual financial audits. School districts monitor these related organizations' activity by reviewing the annual audit reports. Accordingly, it is important that the school districts receive timely audits of these related organizations and perform appropriate review of the reports.

The Hernando County School District has a contract in place to have the internal accounts audited by August 31 after the June 30 fiscal year-end date. Each fiscal year, an audit of the school internal accounts is conducted, as required by law, and the district receives and maintains copies of these audit reports.

The district has one foundation (the Hernando County Education Direct Support Organization, Inc.). Each fiscal year, an audit of the foundation and its financial statements is conducted, as required by law, and the district receives and maintains copies of these audit reports.

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 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 Hernando County School District uses a master consolidated bank account for transactions by fund. The payroll and accounts payable disbursements are conducted through sub-accounts through the master consolidated account. The district uses this bank for all of its banking services. The district periodically reviews the features provided by the current bank to ensure that the district receives competitive banking services while minimizing the number of times the district has to change banks.

The district's procedures manual includes detailed procedures for cash collection and cash disbursement activities. The district receives the majority of its cash in the form of wire transfers from the state or the local tax collector, which is directly sent to either the district's local bank account or their investment account. Sufficient personnel are employed in the financial services function to provide adequate segregation of duties for the cash receipts and disbursement functions. Additionally, the recording of cash receipts is functionally separate from the responsibility to make general ledger entries and to reconcile the bank accounts. The cash manager within the financial services function, with no cash handling responsibilities, performs the reconciliation process for the district's bank and State Board of Administration (SBA) investment accounts.

The cash manager prepares a daily cash-flow analysis. Based on this analysis, excess funds are sent to the SBA for investment. The district places all of its investments with the State Board of Administration's Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool. This fund offers highly liquid investments with competitive rates and provides

a simplistic conservative investment approach by allowing investments to remain with the fund and withdrawals to be requested based on periodic cash needs with no type of withdrawal penalties.

CAPITAL ASSET MANAGEMENT

Best Practice 13: Using

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

Capital assets include 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 moneys have been used to carry out the operations of the district.

The Hernando County School District has developed detailed procedures for accounting for capital assets. These procedures are supplemented by state law and *Rules of the Auditor General*, which govern school district responsibilities relative to fixed assets. The district's Purchasing Department is responsible for purchasing and accounting for tangible personal property. School principals and department managers have custodial responsibilities for property charged to and under their area of responsibility.

To ensure that the property is being properly accounted for in the property records, the property manager and the property account specialist perform an annual inventory each summer. These employees do not have custodial responsibilities for the property that they inventory. District accounting staff reconciles the results of the inventory with the district's fixed asset subsidiary ledgers. The property manager reviews the results of these reconciliations and ensures that unusual discrepancies, if any, are satisfactorily resolved.

Best Practice 14: Using

The district ensures that significant capital outlay purchases meet 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 Hernando County School District has prepared capital project budgets which are consistent with strategic plan objectives. The district has also developed approval processes that ensure only appropriate expenditures are charged to capital project budgets.

DEBT MANAGEMENT

Best Practice 15: Using

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

Many school districts must identify and procure other sources of financing to meet current facility needs and, in some instances, operating needs. There are specific provisions of state law that govern school districts' ability to incur debt. Also, most debt instruments are highly complex financial transactions that require a high level of expertise to ensure compliance with federal (primarily arbitrage), state, and district requirements as well as ensure that the transactions are appropriately accounted for and monitored. Many school districts, depending on the extent of their debt program, must have effective procedures to ensure that debt service requirements are appropriately followed.

The Hernando County School District does not frequently enter into long-term financing arrangements. As such, detailed procedures are not required. When necessary, the district uses its contracted financial advisor, who is experienced in the issuance and sale of debt instruments, to assist in determining the best financing alternatives given the district's specific needs.

Best Practice 16: Using

The district ensures that significant debt financings meet strategic plan objectives.

As mentioned previously, districts that make the best use of their resources and achieve high student performance rates generally practice some form of strategic planning that covers all district operations, including the use of debt management to meet capital acquisition program goals, and links them to the achievement of institutional goals.

The Hernando County School District's debt management program is tied to its capital asset acquisition planning. Capital project budgets are consistent with the strategic plan objectives. As capital project needs are prioritized and given a value, the district evaluates revenue streams and fund balance resources as well as optional revenue streams such as the capital outlay millage levy and financing options. When evaluating financing options, the district uses its financial advisor. Based on the advice of the financial advisor, the board is presented with the best financing alternative given the district's specific needs for approval.

RISK MANAGEMENT

Best Practice 17: Using

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

Managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and to identify ways to contain costs. Effective risk management involves:

- Evaluating insurance alternatives such as self-insurance and other current industry trends;
- Evaluating current insurance programs for deductible amounts, co-insurance levels, and types of coverage provided;
- Evaluating risks and implementing programs to minimize exposure to potential losses; and

- Monitoring district compliance with applicable laws and regulations.³

The Hernando County School District has established a policy for risk management. The district's risk manager, along with other members of the risk management team, is charged with the responsibility of implementing the district's risk management policy and ensuring that the district has acquired all insurance coverage required by law.

Best Practice 18: Using

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

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

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

Best Practice 19: Using

The district prepares appropriate written cost and benefit analyses for insurance coverage.

As mentioned previously, managing risks has become a critical component of school district operations. Rising costs of property, liability, and other insurance coverage has forced school districts to carefully evaluate the risks they are insuring and to identify ways to contain costs. To maximize effectiveness, school districts should regularly evaluate the costs of their risk management programs and compare their costs with that paid by their peer districts and continually evaluate new risk management products to determine the cost benefit.

The Hernando County School District's risk management function has established processes to determine current valuations of district assets to ensure that insurance policies cover recent changes in assets. Annually, with the assistance provided by the consortium, the insurance lines are reviewed to determine adequacy of services provided relative to the cost of the insurance.

PURCHASING

Best Practice 20: Using

Although the district has established written policies and procedures to take maximum advantage of competitive bidding, volume discounts, and special pricing arrangements,

³ Risk management as it applies to this section relates to insurance coverage required by law other than employee group benefits, such as group health insurance, which are discussed in Chapter 6—Personnel Systems and Benefits.

certain of its purchasing processes should be enhanced to improve efficiency and cost effectiveness.

An effective purchasing system allows a school district to provide quality materials, supplies, and equipment in the right quantity in a timely, cost-effective manner. A good purchasing system has established purchasing policies implemented through effective and well-developed procedures. Careful planning and cost-effective practices such as bulk-purchasing and price/bid solicitation provide the framework for the efficient procurement of goods and services. School districts must also ensure that goods and services are obtained to the specifications of the users; at the lowest possible costs; and in accordance with applicable state laws and regulations.

The Hernando County School District has procedures to consolidate and bid recurring purchases when feasible. To determine feasibility, the Purchasing Department conducts departmental surveys to determine upcoming equipment and supply needs. When practical, the district also uses various state purchasing contracts and piggybacks on the bids of other school districts.

Except for construction/maintenance renovation and repair projects which require competitive sealed bids for contracts exceeding \$25,000, the district generally follows its purchasing policy for all other purchases, which provides that other purchases of items or groups of items exceeding \$15,000 shall be made on the basis of competitive sealed bids. The policy also requires that these bids are to be opened at a place and time designated in the presence of not less than two administrative personnel and shall be read, tabulated, and recommended to the board through the superintendent.

We noticed three areas in which the district could potentially enhance purchasing processes. The first relates to the district's competitive bid thresholds. Formal competitive bid processes are generally time and resource consuming. The district's current competitive bid threshold is \$15,000, for other than construction/maintenance, renovation, and repair projects, which is lower than the statutorily established maximum (currently \$25,000).

We recommend that the district consider raising the bid threshold to the statutorily established maximum for all purchases.

Second, the district's receiving function for purchases is very labor and cost intensive. Many orders result in multiple partial deliveries which are currently documented by various district staff by making multiple copies of the receiving reports and submitting the receiving report copies for voucher processing. The receiving function could be streamlined by using the on-line purchasing system feature of the accounting system. The on-line purchasing system allows for receipt of partial or full orders and allows for immediately going on-line and updating the purchase order. By using the on-line purchasing system, the district eliminates the need to copy the purchase order each time a partial receiving report is received and processed for payment.

We recommend that the district consider using the available on-line purchasing system to provide for an on-line receiving function which will streamline the receiving and payment process.

Third, the district has only recently established a pilot purchasing card program with a plan to implement a more enhanced purchasing card program during the 2003-04 fiscal year. Because of the district's small size, any cost savings resulting from establishing a purchasing card system may not be substantial. However, an effective purchasing card system could potentially result in time and resource efficiencies.

We recommend that the district continue to review its purchasing practices and ensure the full implementation of the purchasing card program.

INVENTORY MANAGEMENT

Best Practice 21: Not Using

Although the district has established written policies and procedures for inventories, it should reorganize staff at the School Distribution Center to more effectively manage its inventories.

Many school districts have chosen to centralize their warehousing function. In many instances, district inventories include desirable items that are subject to misappropriation. Depending on the size of the warehousing function and the nature of the inventory items stored, it is essential that these school districts establish effective policies and procedures that ensure that the inventory assets are appropriately controlled, safeguarded, and accounted for.

The Hernando County School District has established a policy for inventory management. The district maintains a limited central warehouse inventory for school, office, and janitorial supplies for general distribution. In addition, the central warehouse houses and distributes frozen pizzas and disposable food trays to the various schools for the food service operation. The Transportation and Plant Operation Departments each maintain an inventory of repair parts needed for those operations on an as-needed basis.

Perpetual inventory records are maintained for each type of inventory providing an up-to-date quantity of goods on hand. The district's policies and procedures in place ensure that the inventory assets are appropriately controlled, safeguarded, and accounted for through inventory subsidiary accounts, control accounts, and periodic physical inventory counts that are reconciled to the inventory records.

As mentioned previously, the central warehouse inventory (School Distribution Center or SDC) maintains and delivers school, office, and janitorial supplies, and delivers school food service disposable trays and frozen pizzas. From 1999 to date, the number of warehouse staff has not changed while the quantity of items being delivered has greatly increased, especially the amount of food service materials. In addition, district plans include opening a vocational-technical high school in August 2003 resulting in additional warehouse deliveries. The turnover rate in warehouseman positions since 1999 has been in excess of 200%. Due to current staffing, the district pays approximately \$8,000 for temporary help each summer to get schools ready for the start of the school year.

The district should consider a reallocation of SDC staff effective July 1, 2004. Based on district estimates, an increase of 1.5 warehousemen positions would alleviate workload concerns that would provide the necessary staffing commensurate with the level of pay afforded these positions. The addition of 1.5 warehouseman positions would result in additional salary and benefits of approximately \$25,500. This increase would be offset through the attrition of the warehouse manager (retiring June 30, 2003, with salary and benefits of approximately \$52,000). The purchasing assistant, who is currently coordinating warehouse activities, would receive a lateral title change to warehouse coordinator which would more accurately depict the actual current job duties. The title change and related compensation modifications for the warehouse coordinator, the elimination of the warehouse manager's salary and benefits of approximately \$52,000 and elimination of approximately \$8,000 the district spends each year for temporary help and the increase in salary and benefits cost for the warehousemen of approximately \$25,500, would result in a net reduction in salary and benefits cost of approximately \$8,500 each year. Total cost savings over five years would be approximately \$42,500. Based on discussions that we had with district staff during the review process, district management has begun a reorganization of the warehouse positions.

Action Plan 11-3

We recommend that the district reallocate SDC staff and provide additional warehousemen positions.	
Action Needed	<p>Step 1: Subsequent to July 1, 2004, obtain board approval to revise the warehouse manager position to 1.5 warehousemen positions.</p> <p>Step 2: Subsequent to July 1, 2004, obtain board approval to make a lateral title change of the current purchasing assistant to warehouse coordinator.</p> <p>Step 3: Advertise and fill the new warehousemen positions.</p>
Who Is Responsible	Director of Purchasing
Time Frame	July 2004

Best Practice 22: Using

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

School districts that have centralized warehousing functions can meet this best practice by evaluating the total cost of its warehousing operation and comparing this cost with alternative inventory procurement services. Recently, many organizations have been reassessing the need to maintain central warehousing facilities by assessing the potential economies of outsourcing warehouse operations to inventory supply companies. Some organizational studies have found that some inventory suppliers can provide services comparable to the central warehouse function at costs equal to or lower than the central warehouse function. The end result for these school districts has been to fully eliminate central warehouses and replace them with inventory supply delivery services for applicable and appropriate items.

The Hernando County School District uses suppliers to deliver as many supplies as practical on an as-needed basis and maintains a limited central warehouse inventory. District staff periodically reviews the central warehouse inventory maintained to ensure that items housed and delivered through the warehouse operation compare favorably to the cost of the same items if provided by outside suppliers.



Appendix A

Performance Measures

Educational Services—Basic Education and Disaggregate for all students expected to receive a regular diploma and students in ESE, ESOL, At-Risk, Title 1, and other major programs of low socio-economic status when the district has a sufficient size population.

School Board Level and Management Level	Program Level
School Grades	Suspension rates
FCAT Scores	Interim test scores (district choice of test)
Graduation rates	Retention rates
College placement test scores (SAT/ACT)	Absenteeism
Remediation rates (post graduation for students going to higher education)	

Educational Services—ESE1 (in addition to measures given above)

School Board Level and Management Level	Program Level
	Average time from referral to provision of services
	Percent of referrals found in need of services
	Percent of time ESE students spend in regular classes
	SEC characteristics of ESE students compared to regular students or state averages

Educational Services—ESOL1 (in addition to measures given above)

School Board Level and Management Level	Program Level
	Average time from referral to provision of services
	Average time in program

Educational Services—Vocational/Technical

School Board Level and Management Level	Program Level
Placement rates	Technical skill acquisition rates
Post-placement wages	Academic skill acquisition rate

Technology

School Board Level and Management Level	Program Level
Percent of students with desired technology skills (ISTE standards)	Percent of teachers using technology for instruction
	Percent of teachers using technology for administration
	Percent of teachers using technology for communication
	Percent of teachers using technology to assess student performance
	Percent of principals with desired technology skills (ISTE standards)
	User satisfaction with tech support (teachers/administrators/other staff)

Appendix A

Construction

School Board Level and Management Level	Program Level
Cost per square foot (new projects, renovations, remodeling)	Average number and dollar amount of change orders per contract
Cost per student station	Percent of project cost due to change orders

Maintenance

School Board Level and Management Level	Program Level
Maintenance/operation cost per gross square foot	Customer satisfaction with maintenance services Customer satisfaction with custodial services Energy cost per gross square foot Cost of custodial operations per net square foot Number of custodians per net square foot Number of maintenance crafts persons per gross square foot Number of maintenance crafts persons per gross square foot

Transportation

School Board Level and Management Level	Program Level
Cost per student (operational only)	Cost per mile
Percentage of buses arriving/departing on time*	Average bus occupancy Vehicle breakdowns per 100,000 mile Accidents per million miles Driver absentee rate

Food Service

School Board Level and Management Level	Program Level
Gross margin (revenue less expenses)	Labor margin (percent of total expenses comprising labor and benefits)
Participation rates (regular and free and reduced lunch)	Materials margin (percent of total expenses comprising food and materials) Average meals served per labor hour

Safety and Security

School Board Level and Management Level	Program Level
Property damage due to accidents/incidents. Personal injury requiring physician care due to accidents/incidents.	

B Appendix B

Action Plan

Management Structures

Action Plan 2-1

We recommend that the district develop measurable objectives for priority areas.		
Action Needed	Step 1.	The superintendent should schedule workshops for the school board to develop objectives and to obtain input from administrators, teachers, parents, and businesses about measurable objectives.
	Step 2.	The board should review the list of suggested performance measures provided by OPPAGA, the improvement objectives in the school improvement plans, and the recommendations of the district focus groups.
	Step 3.	The board should develop district-wide objectives for three or four priority areas such as student performance.
	Step 4.	The board should verify that every objective meets three criteria (1) measures improvement over time; (2) specifies how to measure adequate progress; and (3) specifies the timeframe to meet objectives.
	Step 5.	The strategic plan should be amended with new measurable objectives for priority areas.
Who Is Responsible	School board, superintendent, and staff	
Time Frame	August 2004	

Performance Accountability Systems

Action Plan 3-1

We recommend that the district develop a program-level accountability system to examine whether programs are having the desired results.		
Action Needed	Step 1.	For each educational and support program, adopt a few high level outcome or efficiency measures that reflect the primary purpose of the program and a few supporting measures managers can use to monitor performance. The district may wish to consider adopting measures provided in Appendix A.
	Step 2.	For each performance measure, identify the data needed and determine the information below. <ul style="list-style-type: none"> • Who will collect performance data and how often? • What is the source of the data (e.g., state or district reports)? • In what format is the data needed? • How often should the data be collected? • Who (program staff, department head, assistant superintendent, superintendent, school board) will the data be reported to and how often? • How should the data be used?

Step 3.	<p>Identify and prioritize data needs by classifying data into the following two categories:</p> <ul style="list-style-type: none"> • data currently available, accessible, and in the format needed to determine progress toward program goals and objectives and • data currently either not available, accessible or in the format needed to determine progress toward program goals and objectives.
Step 4.	<p>For each measure, determine a standard (benchmark) for performance the district would like to achieve, which may be based on past performance, the performance of comparable districts, or industry standards.</p>
Step 5.	<p>For each measure or related measures develop a written statement (objective) that indicates the desired performance (result) or improvement target. For academic programs, objectives should be stated in terms of student outcomes (that is, the effect the program will have on participating students if the program is successful). For operational programs, objectives should be stated in terms of the quality and cost of service provided of desired performance. Objectives should be</p> <ul style="list-style-type: none"> • either short-term (two to three years) or mid-term (four to five years); • address major aspects of the program’s purpose and expenditures; • be specific; • be easily understood; • be challenging but achievable; and • be measurable and quantifiable. <p>Examples of objectives include:</p> <p>“The food service program will maintain a labor margin of ___% in 2003-04.”</p> <p>“By 2005, the facilities department will decrease average energy cost per gross square foot from \$ ___ to \$ ___ which is consistent with the average of its peers (identify peers).”</p> <p>“By 2004, the maintenance department will reduce number of custodians per net square foot to _____ which is consistent with the industry standard of 1:_____.”</p>
Step 6.	<p>Periodically compare district performance data to data from other, comparable districts or programs to determine whether the district could improve its operations.</p>
Step 7.	<p>Based on the ongoing analysis described in Step 6 above, identify undesirable trends in performance and cost that need more in-depth evaluation.</p>
Step 8.	<p>Conduct more in-depth evaluations to identify the cause and potential remedies to address trends identified in Step 7. Put the results of these in-depth evaluations in writing.</p> <p><i>Note: Steps 6-8 should be implemented in conjunction with the recommendation included in Best Practice 2, Performance Accountability, on the following page.</i></p>
Step 9.	<p>At least annually, report performance related to high-level measures to the school board. Provide the written results to evaluate the school board.</p>
Who Is Responsible	The board, the superintendent, and district staff
Time Frame	December 2004

Educational Service Delivery

Action Plan 4-1

We recommend that the district regularly track its placement rate of ESE students and establish mechanisms to reduce inappropriate referrals of students with disabilities.

Action Needed	<p>Step 1. Conduct an analysis of the status of assessments and referrals by area and by school to identify areas with high numbers of inappropriate referrals.</p> <p>Step 2. Present findings to task group composed of the director of ESE, director of student services, guidance counselors, and selected ESE and general education teachers.</p> <p>Step 3. Review options for reducing non-qualifying referrals. This may involve training and support of general education teachers and administrators in strategies for individualizing instruction so that fewer students are referred to assessment that are unlikely to qualify for special education services.</p> <p>Step 4. Implement and monitor the strategy used and adjust as needed to reduce the rate of inappropriate referrals.</p>
Who Is Responsible	Director of Exceptional Student Education, director of student services, principals, coordinator of staff development
Time Frame	December 2004, ongoing thereafter.

Action Plan 4-2

We recommend that middle schools emphasize early identification and intervention for students needing remediation and regularly track the number of retentions and administrative placements at the middle school level. The district should also provide additional guidance and training on the student progression plan.

Action Needed	<p>Step 1. Evaluate remediation programs offered at the middle schools and adjust to include early identification and intervention for students who need remediation.</p> <p>Step 2. Conduct an analysis of the number of retentions and administrative placements at each middle school. Evaluate programs to ensure that students who are administratively assigned and allowed to remain in the higher grade continue to perform at grade level.</p> <p>Step 3. Present findings to task group composed of the director of Student Services, the secondary curriculum specialist, middle school principals, lead teachers, at-risk teachers, and guidance counselors.</p> <p>Step 4. Identify strategies, review options, and work with the schools to improve the rate of retentions and administrative placements. These strategies should include revisions to the student progression plan to provide teachers with a clear, easy-to-follow guide in making retention and promotion decisions for each grade level.</p>
Who Is Responsible	Curriculum specialists, director of student services, principals, lead teachers, at-risk teachers, guidance counselors, coordinator of staff development
Time Frame	August 2004; ongoing thereafter.

Action Plan 4-3

We recommend that the district provide oversight in ensuring that all schools have sufficient instructional technology and that technology is incorporated into the curriculum of all schools.		
Action Needed	Step 1.	Conduct an analysis of hardware needs at each school. This could be performed by the District Technology Committee, which includes curriculum specialists, principals, teachers, and technology specialists, or some other entity or committee as determined by the district (see Action Plan 5-2, Step 1).
	Step 2.	Conduct an analysis of software needs at each school. This could be performed by curriculum department at each school, technology coordinators, and principals, or some other entity or committee as determined by the district (see Action Plan 5-2, Step 1).
	Step 3.	Identify strategies, review options, identify funding sources, and work with the schools to provide needed equipment and software, as funds are available. These strategies should be included in the district's technology plan (see Action Plan 5-1) and should align with school improvement plans.
	Step 4.	District should continue to monitor technology needs at each school to assure that all students have access to and use of technology and software.
	Step 5.	District should ensure that each school's curriculum incorporates instructional technology and that students are using software to complete assignments as part of their regular curriculum.
Who Is Responsible	District Technology Committee, principals, technology coordinators, curriculum specialists and others as determined by superintendent.	
Time Frame	December 2004; ongoing thereafter.	

Administrative and Instructional Technology

Action Plan 5-1

We recommend that the district develop a more comprehensive technology plan that includes long-range goals for administrative systems; measurable objectives with timelines; resources needed to achieve goals and objectives; and strategies for how it will regularly measure and report performance on these goals and objectives. These items in the district-level plan should reflect the technology goals and needs of each school.		
Action Needed	Step 1.	Establish long-range goals for administrative technology and include them in the district's technology plan.
	Step 2.	Develop clearly defined and measurable objectives with timelines for the district technology plan while addressing school-level technology goals and needs.
	Step 3.	Link technology initiatives to the district budget, identifying the funding commitment required for each initiative. The district should develop strategies for how it will regularly measure and report performance on these objectives.
	Step 4.	Align objectives and strategies with the performance accountability measures for district programs previously recommended in Action Plan 3-1 and with the issues identified as a result of Action Plan 4-3 of this review.
	Step 5.	Evaluate annually the success of each strategy, modify or abandon failed strategies, and update the plan accordingly.
	Step 6.	Present the revised plan annually to the school board for its approval, summarizing the progress of the previous year's efforts.
Who Is Responsible	MIS Technology Advisory Committee, MIS director, school board	
Time Frame	December 2004	

Action Plan 5-2

We recommend that the district coordinate districtwide instructional technology curriculum initiatives including purchasing decisions. It also should continue to develop an equipment replacement schedule and include it in its technology plan.

Action Needed	<p>Step 1. Identify options to better coordinate districtwide instructional technology initiatives, such as creating a full-time instructional technology director or assigning oversight responsibility to the MIS Technology Advisory Committee or some other advisory group.</p> <p>Step 2. In conjunction with Action Plan 4-3 of this review, conduct an analysis of hardware and software needs at each school and district administrative divisions. This analysis should be done at least annually. The district could use data from the Florida Department of Education's annual Technology Resources Survey for the annual analysis.</p> <p>Step 3. Based on the analysis results in Step 2 of this action plan, develop an equipment replacement schedule for administrative and instructional computers specific to each school and administrative division. The MIS director should include this schedule in the district's technology plan.</p> <p>Step 4. Present these options to the school board for approval.</p>
Who Is Responsible	MIS Technology Advisory Committee, MIS director, superintendent, school board, others as determined by the superintendent.
Time Frame	December 2004

Personnel Systems and Delivery

Action Plan 6-1

We recommend that the district analyze turnover data annually to identify factors contributing to turnover at both the district and school levels.

Action Needed	<p>Step 1. Teachers separating from the district should continue to complete the exit interviews required by the state Department of Education and the Hernando County School District. Exit interviews should include reasons the employee is departing.</p> <p>Step 2. The district should compile and analyze the information annually both at the school level and districtwide. Factors specific to individual schools should be discussed between the director of human resources and the school principal. Factors more general to district-level concerns should be discussed jointly by district human resources staff and the individual principals.</p> <p>Step 3. The district should develop strategies for addressing those factors.</p> <p>Step 4. The district should re-visit those strategies the following year to gauge its success in reducing turnover.</p>
Who Is Responsible	The coordinator of certification, equity, recruitment, and retention and the director of human resources.
Time Frame	January 2004

Action Plan 6-2

To the extent agreed upon during collective bargaining, we recommend that the district revise its performance evaluations to better recognize superior performance and note those areas needing improvement.

Action Needed	Step 1.	The district should identify weaknesses in the current evaluation forms and processes, including those deficiencies mentioned in this report.
	Step 2.	The district should survey other districts to identify potential models and ways to improve the district evaluations. The district should consider other districts' examples when developing new performance criteria.
	Step 3.	The district should propose changes to evaluations.
	Step 4.	After the revised evaluations have been used during an evaluation period, the district should solicit feedback from supervisors and employees.
Who Is Responsible	The coordinator of certification, equity, recruitment, and retention and the director of human resources	
Time Frame	January 2004	

Facilities Construction

Action Plan 7-1

The district should develop a five-year facilities work program.

Action Needed	Step 1.	Establish a committee to develop long-range facility plans.
	Step 2.	Utilize new plant survey and district's needs assessment to develop five-year work program.
	Step 3.	Present new five-year program to the school board for approval.
	Step 4.	Develop a ten- and twenty-year facilities program using the same evaluation process.
Who Is Responsible	Superintendent, executive director of support operations, executive director of business services, director of planning and accountability, facilities director.	
Time Frame	August 2004	

Action Plan 7-2

We recommend that the district design and conduct post-occupancy evaluations.

Action Needed	Step 1.	The district should design a post-occupancy evaluation, including criteria such as educational adequacy, function, safety, efficiency and suggestions for future improvements. The evaluation should include an analysis of the educational program improvements for consideration by future educational specification committees, an operational cost analysis, a comparison of the finished product with the educational and construction specifications, and recommendations for future changes.
	Step 2.	The district should develop procedures to ensure that post-occupancy evaluations regularly occur.
Who Is Responsible	Director of Facilities	
Time Frame	June 2004	

Action Plan 7-3

We recommend that the district develop written accountability measures to evaluate the performance of the construction program.

Action Needed	<p>Step 1. Develop performance benchmarks for the construction program, including:</p> <ul style="list-style-type: none"> ▪ target cost per square feet, ▪ target cost per student station, ▪ projected vs. facility completion date, ▪ projected vs. actual project budget, and ▪ percentage of satisfied users. <p>Step 2. Develop peer district comparisons to compare against benchmarks.</p> <p>Step 3. Review significant peer district differences to determine what factors influence the differences.</p> <p>Step 4. Develop strategies to improve construction program. Note: This action plan should be developed in conjunction with Action Plan 3-1.</p>
Who Is Responsible	Director of facilities
Time Frame	June 2004

Facilities Maintenance

Action Plan 8-1

We recommend that the district establish measurable objectives that cover major maintenance department activities.

Action Needed	<p>Step 1. The maintenance director and crew chiefs should develop and draft measurable objectives for the next five years.</p> <p>Step 2. The maintenance director should present the draft objectives to the superintendent for review.</p> <p>Step 3. The superintendent should submit the draft objectives to the school board for approval. Note: This action plan should be implemented in conjunction with Action Plan 3-1.</p>
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department
Time Frame	January 2004

Action Plan 8-2

We recommend that the district develop performance standards for frequently repeated maintenance tasks. The standards should define the task and the number of hours necessary to complete the task.

Action Needed	<p>Step 1. The maintenance director and crew chiefs should identify tasks that are appropriate for establishing meaningful performance standards, such as</p> <p>Step 2. researching existing applicable industry standards;</p> <p>Step 3. developing performance standards for commonly repeated tasks; and,</p> <p>Step 4. tracking the performance of employees measured against the standards and adjust the standards as needed.</p> <p>Step 5. The maintenance director should present the performance measures and standards to the superintendent for review.</p> <p>Step 6. The superintendent should submit the performance measures and standards to the school board for approval. Note: This action plan should be implemented in conjunction with Action Plan 3-1.</p>
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department

Time Frame	Prepare initial set of standards by January 2004. Complete six-month trial and revise standards by August 2004. Receive board approval and implement in September 2004.
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Action Plan 8-3

We recommend that the district establish written procedures and employee performance standards.

Action Needed	Step 1.	The director of maintenance and crew chiefs should prepare draft procedures and employee performance standards.
	Step 2.	The superintendent should review and approve the procedures and standards.
Who Is Responsible	The superintendent, the director of maintenance, and crew chiefs in the maintenance department	
Time Frame	June 2004	

Action Plan 8-4

We recommend that the district revise its custodial staffing formula and determine the appropriate number of custodians.

Action Needed	Step 1.	Establish a committee to develop a custodial staffing formula. The committee should consider net square footage, student enrollment, age of buildings, and other factors related to school maintenance. The committee should also define the scope of custodial duties and standards of cleanliness.
	Step 2.	Recalculate custodial allocations for all schools using the revised allocation.
	Step 3.	Plan and initiate phased in staff reductions, if appropriate.
Who Is Responsible	The superintendent, director of maintenance, and school principals	
Time Frame	June 2004	

Transportation

Action Plan 9-1

We recommend that the district develop criteria for evaluating the safety of walking conditions between bus stops, use the criteria to evaluate bus stops, and determine whether the distance between bus stops can be increased. The district should also establish a written policy identifying the circumstances under which it will transport courtesy riders. Finally, it should consider implementing staggered school start times to allow triple routing and continue to assess the costs and benefits of available computerized routing systems.

Action Needed	Step 1.	Establish a written policy outlining circumstances under which the distance between bus stops may be closer than one-half mile.
	Step 2.	Evaluate bus routes and stops to determine whether the distance between stops can be increased and make necessary changes to routes.
	Step 3.	Establish a written policy identifying the circumstances under which it will transport courtesy riders.
	Step 4.	Develop a bell schedule which allows triple routing, outline the advantages, disadvantages and cost implications of such a policy, and make a recommendation to the superintendent and school board.
	Step 5.	Continue to explore costs and benefits of implementing a computerized routing system.
Who is Responsible	Director of transportation, district routing staff, director of finance, superintendent, and school board.	
Time Frame	August 2004	

Action Plan 9-2

We recommend that the district enforce current policies and establish and implement additional policies and procedures that will increase reimbursements for vandalism on school buses.

Action Needed	Step 1.	Enforce current policies and, with the assistance of the board, establish and implement any additional policies needed to hold students responsible for damage to assigned seats.
	Step 2.	Require bus drivers to <ul style="list-style-type: none"> • enforce bus seating assignments, • check buses for vandalism after each route, and • report vandalism and students assigned to seats.
	Step 3.	Obtain damage repair costs from bus repair maintenance data and use it to bill parents for vandalism to school property.
Who is Responsible	Director of transportation, bus drivers, district superintendent, and school board.	
Time Frame	June 2004	

Action Plan 9-3

We recommend the district improve its accountability system for transportation by developing a set of performance measures that allows it to monitor, evaluate, and report on performance.

Action Needed	Step 1.	Establish a performance accountability system for the transportation department including <ul style="list-style-type: none"> • short-term internal measures and standards to evaluate day-to-day transportation operations; • longer-term measures and standards on all major aspects of the transportation department; and, • peer counties to compare long-term performance.
	Step 2.	Present performance results in an annual report to the district superintendent, school board, and public. Note: This action plan should be implemented in conjunction with Action Plan 3-1.
Who is Responsible	Transportation director and transportation coordinator	
Time Frame	June 2004	

Food Service Operations

Action Plan 10-1

We recommend that the district improve the financial position of the food service program by increasing its fund balance with an eventual goal of financial self-sufficiency.

Action Needed	Step 1.	The district should identify a desired fund balance level for the food service program.
	Step 2.	The district should take steps to reduce expenditures and increase revenues, including increasing student participation and reducing surplus delivery vehicles.
	Step 3.	Upon attaining a sufficient fund balance, the district accounting staff should determine the appropriate fair share of indirect charges to the food service program and charge the program accordingly.
Who is Responsible	Finance director and food service director.	
Time Frame	August 2004	

Action Plan 10-2

We recommend that district place limits on which students can take advantage of open campuses.		
Action Needed	Step 1.	The superintendent, executive director of support services, director of food services and high school principals should analyze the district's open campus policy, including the cost implications of changes to the policy.
	Step 2.	District management should modify the open campus policy that places limits on the group of students that are eligible to leave campus for lunch and submit to school board for review.
	Step 3.	The school board should adopt the new policy.
Who is Responsible	Superintendent, school board, executive director of support services, director of food services, and high school principals.	
Time Frame	August 2004	

Action Plan 10-3

We recommend that the district develop a set of key program performance measures and accompanying benchmarks, to include such measures as meals per labor hour, food and labor cost per meal, and participation rates.		
Actions Needed	Step 1.	The Food and Nutrition Director should select a focus group to develop a set of key performance measures to monitor costs and functions of the program and identify data sources for each.
	Step 2.	The focus group should set benchmarks that link to the department goals and objectives.
	Step 3.	The director should develop a reporting system and establish a schedule to track the program quarterly.
	Step 4.	The director should provide annual reports to district leadership and cafeteria managers. Note: This action plan should be implemented in conjunction with Action Plan 3-1.
Who is Responsible	Food and Nutrition Director	
Time Frame	January 2005	

Cost Control Systems

Action Plan 11-1

We recommend that the district continue to analyze the cellular telephone assignments to determine the best methods to achieve the most efficient and cost effective use.		
Action Needed	Step 1:	Continue to review the current assignment of cellular telephones, including the actual usage of the cellular telephones for the last school year.
	Step 2:	Survey the employees currently assigned cellular telephones and have them submit their proposed justifications for cellular telephone assignment.
	Step 3:	Develop guidelines for cellular telephone use.
	Step 4:	Determine cellular telephone assignments based on guidelines.
	Step 5:	Establish a periodic report of cellular telephone assignments to be reviewed by the superintendent's executive committee for compliance with adopted guidelines.
Who Is Responsible	Executive Director of Business Services	
Time Frame	January 2004	

Action Plan 11-2

We recommend that the district establish links between their strategic plan objectives and the district budget planning process.

Action Needed	<p>Step 1: List all strategic plan objectives and rank them in order of importance and cost.</p> <p>Step 2: Ensure that during each budget planning meeting, the strategic plan objectives list is considered.</p> <p>Step 3: After the proposed budget is completed, ensure that all strategic plan objectives are 1) noted as being included in the budget, or 2) reassigned to another budget year within the strategic plan.</p>
Who Is Responsible	Executive Director of Business Services
Time Frame	August 2004

Action Plan 11-3

We recommend that the district reallocate SDC staff and provide additional warehousemen positions.

Action Needed	<p>Step 1: Subsequent to July 1, 2004, obtain board approval to revise the warehouse manager position to 1.5 warehousemen positions.</p> <p>Step 2: Subsequent to July 1, 2004, obtain board approval to make a lateral title change of the current purchasing assistant to warehouse coordinator.</p> <p>Step 3: Advertise and fill the new warehousemen positions.</p>
Who Is Responsible	Director of Purchasing
Time Frame	July 2004