



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



Gary R. VanLandingham, Interim Director

December 23, 2003

Report No. 03-72

The President of the Senate
The Speaker of the House of Representatives
The Superintendent of the Lake County School District
The School Board Members of the Lake County School District

This letter contains the results of OPPAGA's review of the Lake County School District's implementation of the action plans contained in our Best Financial Management Practices Review, which was published in December 2001. The Sharpening the Pencil Program (s. 1008.35, FS) created by the 2001 Legislature to improve school district management and use of resources, requires OPPAGA to assess the district's implementation of the action plans and progress toward implementing the best financial management practices.

On October 28, 2002, the Lake County School Board agreed by a unanimous vote to institute the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 01-68). OPPAGA developed these action plans to help the district implement the best practices, which would make the district eligible to receive the Seal of Best Financial Management from the State Board of Education.

Currently, the district has fully implemented 13 of the 87 action plans contained in the OPPAGA report and has partially implemented 62 additional action plans. While the district has thus made progress on 86% of the action plans, it is not eligible for a Seal of Best Financial Management at this time. We based these conclusions on a desktop review of the district's annual self-report, discussions with district staff, and an inspection of available documentation provided by the district. We have shared our conclusions with the Lake County School District along with a detailed description of what it still needs to do to fully implement each of the remaining action plans. OPPAGA will again review the implementation status of action plans based on the district's next status report.

OPPAGA review staff included Byron Brown, Rose Cook, Martha Wellman, Jenny Wilhelm, and Don Wolf, under the supervision of David Summers. Auditor General staff included Brenda Racis and Jim Kiedinger, under the supervision of David Martin.

Sincerely,

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

Gary R. VanLandingham
Interim Director

GRV/wd

cc: The Honorable Jeb Bush, Governor
Mr. Jim Horne, Commissioner of Education
Mr. William Monroe, Auditor General
Members of the State Board of Education
Mr. Terry Shoffstall, Joint Legislative Auditing Committee

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Progress Report



Report No. 03-72

Lake District Not Yet Eligible for the State's Seal of Best Financial Management

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Currently, the district has fully implemented 13 of the 87 action plans contained in the OPPAGA report and has partially implemented 62 additional action plans. While the district has thus made progress on 86% of the action plans, it is not eligible for a Seal of Best Financial Management at this time. We based these conclusions on a desktop review of the district's annual self-report, discussions with district staff, and an inspection of available documentation provided by the district. We have shared our conclusions with the Lake County School District along with a detailed description of what it still needs to do to fully implement each of the remaining action plans.

OPPAGA will again review the implementation status of action plans based on the district's next status report.

Purpose

This summary contains the results of OPPAGA's review of the Lake County School District's implementation of the action plans contained in our Best Financial Management Practices Review, which was published in December 2001. The Sharpening the Pencil Program (s. 1008.35, *Florida Statutes*) created by the 2001 Legislature to improve school district management and use of resources, requires OPPAGA to assess the district's implementation of the action plans and progress toward implementing the best financial management practices.

Florida law provides that a district school board that agrees by a majority plus one vote to institute the action plans must submit an annual status report to President of the Senate, the Speaker of the House of Representatives, the Governor, OPPAGA, the Auditor General, the State Board of Education, and the Commissioner of Education on progress it has made toward implementing the action plan and whether changes have occurred in other areas of operation that would affect compliance with the best practices.

The law also requires that OPPAGA assess the district's implementation of the action plans and progress toward implementing the best financial management practices in areas covered by the plans and issue a report to the President of the Senate, the Speaker of the House of Representatives, and the district indicating OPPAGA's conclusions.

Background

The 2000 Legislature directed that OPPAGA contract for a Best Financial Management Practices Review of the Lake County School District.¹ Based on review field work, OPPAGA concluded that the Lake County School District was using 57% (131 of 228) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time.² (See Exhibit 1.)

Exhibit 1

Our Initial Review Found that the District Was Using Over Half of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?		
	Yes	No	N/A
Management Structures (12)	5	7	0
Performance Accountability System (5)	0	5	0
Educational Service Delivery (16)	6	10	0
Administrative and Instructional Technology (20)	12	8	0
Personnel Systems and Benefits (15)	12	3	0
Use of Lottery Proceeds (5)	3	2	0
Use of State and District Construction Funds (4)	1	3	0
Facilities Construction (32)	16	15	1
Facilities Maintenance (26)	10	16	0
Student Transportation (20)	14	6	0
Food Service Operations (17)	9	8	0
Cost Control Systems (31)	22	9	0
Safety and Security (14)	11	3	0
Community Involvement (11)	10	1	0
All Areas (228)	131	96	1

For those areas in which the district was not using best practices, the final report contained specific action plans that provided detailed,

¹ During the course of the original review, the 2001 Legislature passed the Sharpening the Pencil Act, which made several substantive changes to the Best Financial Management Practices Review process. Among the most important provisions of the act is that it requires each school district to undergo a Best Financial Management Practices Review once every five years and requires public input during the review process and after the distribution of the final report.

² OPPAGA contracted with ValienteHerandez, P.A., of Tampa, Florida to conduct review fieldwork and write the final report. OPPAGA and Auditor general staff monitored fieldwork and reviewed drafts. OPPAGA made the final determination of whether the district was using individual best practices.

steps the district should take in order to implement the best practices' principles within two years. By implementing the action plans and other report recommendations, we determined that the Lake County School District could improve district operations, save money, and demonstrate good stewardship of public resources. The report included recommendations that if implemented would have had an estimated positive fiscal impact of \$5,114,740 over a five-year period.

Overall Conclusions

Since January 2002, the Lake County School District has fully implemented 15% (13 of 87) and partially implemented an additional 71% (62) of the action plans contained in the original report and, therefore, at this time is not yet eligible for the Seal of Best Financial Management.³ We based our conclusions on a desktop review limited to the district's annual self-report, discussions with district staff, and an inspection of available documentation provided by the district.⁴

In order for us to fully confirm the status of the district's implementation of each action plan, in its next status report the district will need to provide a more detailed description of what it has done in relation to each action plan, a description of how it has specifically addressed the action steps, and complete documentation that demonstrates the actions it has taken.

We have discussed our conclusions with the Lake County School District along with a detailed description of what it still needs to do to fully implement each of the remaining action plans.

For the implementation status of action plans by best practice area, see Exhibit 2. For a more detailed presentation, refer to the section entitled "Implementation Status by Best Practice Area."

³ This includes district actions that varied slightly from the recommended action, but generally addressed the intent of the action plan included in the report.

⁴ OPPAGA will conduct a more detailed, on-site verification review if our initial desktop review indicates that the district has implemented all action plans and may be eligible for the seal. The on-site review will include an analysis of cost savings achieved by implementing report action plans.

Exhibit 2

The Lake County School District Has Made Progress on Implementing 86% (75 of 87) of the Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	8	2	6	0
Performance Accountability System	5	0	5	0
Educational Service Delivery	7	0	7	0
Administrative and Instructional Technology	8	0	8	0
Personnel Systems and Benefits	3	0	2	1
Use of Lottery Proceeds	2	0	0	2
Use of State and District Construction Funds	3	0	0	3
Facilities Construction	13	1	8	4
Facilities Maintenance	14	1	11	2
Student Transportation	6	4	2	0
Food Service Operations	8	1	7	0
Cost Control Systems	9	4	5	0
Safety and Security	NA	NA	NA	NA
Community Involvement	1	0	1	0
All Areas	87 100%	13 15%	62 62%	12 14%

Implementation Status by Best Practice Area

Management Structures

Our original report found that the Lake County School District's management structures needed improvement and that the district was using 5 of the 12 best practices for this area. The final report contained eight action plans designed to improve the efficiency and effectiveness of its management structures and assist the district in meeting best practice standards.

Since January 2002, the district has implemented two of the eight action plans. It has developed a board calendar, created email addresses for board members, and acquired additional budgeting and finance training for school board members. In addition, the district is in the process of implementing the remaining six action plans.

Performance Accountability System

Our original review found that the district's performance accountability system needed substantial improvement and that the district was using none of the five best practices in this area. The final report contained five action plans designed to assist the district in meeting best practice standards. These action plans pertained to establishing an accountability framework, developing performance and cost-efficiency measures, using performance data to assess progress, evaluating programs, and publicly reporting results.

Since January 2002, the district has taken steps to partially address all of these actions plans. For instance, the district has created an Office of Performance Evaluation and Accountability to guide its efforts in implementing the action plans. It also is reporting the results of its educational service programs on its websites. However, it has not yet fully implemented these action plans.

Educational Service Delivery

Our original report found that the Lake County School District was using 6 of the 16 educational service delivery best practices. The final report contained seven action plans designed to improve the efficiency and effectiveness of the district's educational programs and assist the district in meeting best practice standards.

Since January 2002, the district has taken steps to partially address all seven action plans. For instance the district has begun to address recommendations to provide additional support and oversight of Prekindergarten through 12th grade curriculum and instruction, increase the use of academic and other data to improve student academic success, promote exemplary teaching practices, and to improve programs such as Exceptional Student Education (ESE) and English for Speakers of Other Languages (ESOL).

Administrative and Instructional Technology

Our original review found that the district was using 12 of the 20 administrative and instructional technology best practices. The final report contained eight action plans designed to assist the district in meeting best practice standards by improving technology in areas such as planning, acquisition, and professional development.

Since January 2002, the district has partially addressed all eight action plans. For example, the district has solicited broader stakeholder input in its technology planning process, has begun establishing standards for acquiring new programs and digital content, and is developing performance criteria including technological skills.

Personnel Systems and Benefits

Our original review found that the district was using 12 of 15 personnel systems and benefits best practices. The final report contained three action plans designed to improve the operations of the district's human resource services department and assist the district in meeting best practice standards.

Since January 2002, the district has partially implemented two of the three action plans. The district is in the process of implementing the two action plans establishing accountability mechanisms for human resource services department, and periodically evaluating the department. The district has not yet addressed the action plan pertaining to strategic planning training for non-instructional employees.

Use of Lottery Proceeds

Our original review found that the district was using three of the five best practices for use of lottery proceeds. The final report contained two action plans to assist the district in meeting best practice standards. These action plans pertained to district communication of information to the school advisory committee members regarding duties and responsibilities, available budgetary proceeds, and acceptable uses of lottery proceeds. Additionally, the district needed to communicate to interested stakeholders in the community how lottery proceeds have been used to enhance the educational process.

Since January 2002, the district has not implemented the two action plans for the use of lottery proceeds.

Use of State and District Construction Funds

Our original review found that the district was using one of the four best practices in this area. The final report contained three action plans designed to assist the district in meeting best practice standards. These action plans pertained to evaluating alternatives to new construction, establishing a procedure to ensure that all major construction projects are in accordance with the five-year plan, lowering construction costs through formally incorporating the frugal construction practices recommended by the Smart School Clearinghouse, and using life-cycle cost analysis to evaluate building systems prior to selection.

Since January 2002, the district has implemented none of the three action plans.

Facilities Construction

Our original review found that the district used 16 of the 32 best practices for facilities construction. The final report contained 13 action plans to assist the district in meeting best practice standards. These action plans were designed to improve the overall construction program, particularly in the areas of long range planning, site selection, developing educational specifications for specific projects and conducting building orientations and final evaluations to ensure the finished project met the needs of the district.

Since January 2002, the district has fully implemented one of the action plans in this area, which pertained to the creation of a site selection committee and criteria to evaluate sites prior to purchase. In addition, the district is in the process of implementing eight action plans to make improvements in facilities planning, prioritizing projects, improving accountability, analyzing operations and maintenance costs, and implementing an orientation and evaluation program for projects. The district has not yet addressed four action plans pertaining to comparing enrollment to capacity, using demographic data and the local comprehensive plan to site schools, evaluating alternatives to new construction and evaluating alternative construction methods, and designing educational specifications for specific projects.

Facilities Maintenance

Our original review concluded that the district was using 10 of the 26 of the applicable best practices in this area. The final report contained 14 action plans to assist the district in meeting best practice standards. These action plans were designed to improve maintenance planning, facility evaluation and prioritizing of projects, improving productivity and establishing a preventive maintenance and energy conservation program.

Since January 2002, the district has implemented one action plan, which pertains to improved employee training and staff development. In addition, the district is in the process of implementing the 11 remaining action plans to make improvements in

maintenance planning, facility assessment, setting priorities, tracking inventory and evaluating staffing and surveying customers. The district has not yet addressed two action plans pertaining to developing a set of construction standards and establishing a preventative maintenance program.

Student Transportation

Our original review found that the district was using 14 of 20 best practices for student transportation. The final report contained six action plans to assist the district in meeting best practice standards. These action plans were designed to make changes to the district's bus replacement cycle, reduce administrative costs, and improve transportation planning and accountability.

Since January 2002, the district has implemented four of the six action plans. For example, it has expanded its use of budget reports, strengthened technology planning for the transportation department, reviewed staffing levels, and tightened controls over FTE counts. In addition, the district is in the process of implementing the remaining two action plans.

Food Service Operations

Based on our initial review, we found that the district could significantly improve its food service operations and was using 9 of the 17 best practices in this area. The final report contained eight action plans to assist the district in meeting best practice standards. These action plans were designed to improve how the district manages its Food Service Program, particularly in the areas of strategic planning, training plans, adjusting staffing levels, customer communications, performance measurement systems, and long-range equipment management.

Since January 2002, the district has taken steps to fully implement one action plan pertaining to adjusting staffing levels plans. In addition, the district is in the process of implementing the remaining seven action plans to make improvements in the areas of strategic planning, customer communications, performance measurement systems, and long-range equipment management.

Cost Control Systems

Our original review found that the Lake County District School Board had generally established adequate cost control systems and used all best practices related to risk management and payment processing. Overall, the district was using 22 of 31 best practices for this area. The final report contained nine action plans to assist the district in meeting best practice standards in internal auditing, financial auditing, asset management, inventory management, financial management, and purchasing.

Since January 2002, the district has implemented four of the action plans and is in the process of implementing the remaining five action plans.

Safety and Security

The Safe Passage Act, [HB 267](#), enacted by the Florida Legislature in 2001, provides an alternative process to assess and improve school district safety and security practices. Safe Passages relies on a revised set of best practices, and includes annual district assessments and public reporting of recommendations, strategies, and actions for improving school safety. This process was intended to replace the safety and security component included in the Best Financial Management Practices Reviews.¹ Thus, the scope of this follow-up did not include safety and security action plans.

¹ More information on the *Safe Passage Act* can be found on OPPAGA's website at the following World Wide Web address: http://www.oppaga.state.fl.us/school_districts/safety/schoolsafety.html.

Community Involvement

Based on our initial review, we found that the district was using only 10 of the 11 community involvement best practices. The final report contained one action plan designed to assist the district in meeting best practice standards.

Since January 2002, the district has taken steps to assign accountability for certain community involvement functions to its Public Information Officer but has not yet fully implemented the action plan.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

Florida Monitor: <http://www.oppaga.state.fl.us/>

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