



# The Florida Legislature

## OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



Gary R. VanLandingham, Interim Director

March 4, 2004

Report No. 04-21

The President of the Senate  
The Speaker of the House of Representatives  
The Superintendent of the Miami-Dade County School District  
The School Board Members of the Miami-Dade County School District

This letter contains the results of OPPAGA's review of the Miami-Dade County School District's implementation of the action plans contained in our Best Financial Management Practices Review, which was published in April 2002. 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.

On August 21, 2002, the Miami-Dade County School Board agreed to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-25). 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 20 of the 124 (16%) action plans contained in the OPPAGA report and has partially implemented 77 (62%) other action plans. While the district has thus made progress on 78% 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 Miami-Dade 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.

This follow-up review was the result of a partnership between OPPAGA and the Auditor General's Office. OPPAGA review staff included Curtis Baynes, Bryan Conrad, Sabrina Hartley, Susan Munley, Ron Patrick, Nan Smith, and Rich Woerner, under the supervision of David Summers. Auditor General included 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

# oppaga Progress Report



March 2004

Report No. 04-21

## Miami-Dade County School District Not Yet Eligible for the State's Seal of Best Financial Management

### *at a glance*

On August 21, 2002, the Miami-Dade County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-25). OPPAGA developed these action plans to help the Miami-Dade County School District implement the best practices within two years, which would make the district eligible to receive the Seal of Best Financial Management from the State Board of Education.

Since August 2002, the district has fully implemented 20 (16%) of the 124 action plans contained in the original OPPAGA report and has partially implemented 77 (62%) other action plans. While the district has made progress on 78% (97 of 124) of the action plans, it currently is not eligible for a Seal of Best Financial Management.

OPPAGA will again review the implementation status of action plans based on the districts' status report.

### Scope

This report provides the Florida Legislature with information on the status of the Miami-Dade County School District's implementation of action plans included in the Best Financial Management Practices Review

published in April 2002.<sup>1</sup> On August 21, 2002, the Miami-Dade County School Board voted to implement the action plans and pursue the Seal of Best Financial Management.

Florida law provides that district school boards that agree by a majority plus one vote to institute the action plans must submit an annual report to the Legislature, the Governor, the SMART Schools Clearinghouse, OPPAGA, the Auditor General, and the Commissioner of Education on progress made towards implementing the plan and whether changes have occurred in other areas of operation that would affect the district's use of the best practices. The law also requires that OPPAGA annually review district practices to determine whether they have started using the best financial management practices in the areas covered by the plan.

### Background

The 1997 Florida Legislature created the Best Financial Management Practices Reviews to increase public confidence and support for school districts that demonstrate good stewardship of public resources, to encourage cost-savings, and to improve district management and use of funds. The best

<sup>1</sup> *Best Financial Management Practice Review Miami-Dade County School District*, [Report No. 02-25](#), April 2002.

practices, adopted by the Commissioner of Education, 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.

The 2002 Legislature directed that OPPAGA contract for a Best Financial Management Practices Review of the Miami-Dade County School District. Based on review field work, we concluded that the Miami-Dade County School District was using 61% (130 of 214) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time.<sup>2</sup> (See Exhibit 1.)

For those areas in which the district was not using best practices, the final report contained specific action plans that provided detailed 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 Miami-Dade 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 \$509,993,500 over a five-year period.

<sup>2</sup> OPPAGA contracted with Berkshire Advisors, Inc., of Austin, Texas, to conduct 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.

## Exhibit 1 In April 2002, the District Was Using 61% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?		
	Yes	No	N/A
Management Structures (12)	3	9	0
Performance Accountability System (5)	0	5	0
Educational Service Delivery (16)	12	4	0
Administrative and Instructional Technology (20)	16	3	1
Personnel Systems and Benefits (15)	8	7	0
Use of Lottery Proceeds (5)	5	0	0
Use of State and District Construction Funds (4)	2	2	0
Facilities Construction (32)	21	11	0
Facilities Maintenance (26)	13	13	0
Student Transportation (20)	9	11	0
Food Service Operations (17)	7	10	0
Cost Control Systems (31)	24	7	0
Community Involvement (11)	10	1	0
<b>All Areas (214)</b>	<b>130</b>	<b>83</b>	<b>1</b>

Source: OPPAGA.

## Overall Conclusions —

Since August 2002, the Miami-Dade County School District has implemented 16% (20 of 124) of the action plans contained in the original OPPAGA report and has partially implemented 77 other action plans. While the district has made progress on 78% of the action plans, it currently is not yet eligible for the Seal of Best Financial Management.<sup>3</sup> We based our conclusion 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.<sup>4</sup> For the implementation status of action plans by best practice area, see Exhibit 2.

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

<sup>4</sup> OPPAGA will conduct a 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.

Overall, we concluded that the district has fully implemented the action plans in two areas: administrative and instructional technology and community involvement. In addition, the district has partially addressed a majority of action plans in seven other areas.<sup>5</sup> However, the district has taken steps to address fewer than half of the action plans relating to management structures, performance accountability, and educational service delivery. We based our conclusions in this report on the information and documentation provided by the Miami-Dade County School District.

However, in several instances the district was unable to provide adequate descriptions of what it has done to address action plans and relevant documentation. Thus, we were unable to fully verify the district’s conclusions regarding the extent to which these action plans were implemented. 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 documentation that demonstrates the actions it has taken.

<sup>5</sup> These seven areas are personnel systems and benefits, use of state and district construction funds, facilities construction, facilities maintenance, student transportation, food service operations, and cost control systems.

**Exhibit 2**  
**The District Has Implemented 16% (20 of 124) of Report Action Plans <sup>1</sup>**

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	16	1	6	9
Performance Accountability System	7	0	1	6
Educational Service Delivery	7	0	7	0
Administrative and Instructional Technology	9	9	0	0
Personnel Systems and Benefits	11	1	5	5
Use of Lottery Proceeds	0	0	0	0
Use of State and District Construction Funds	7	0	7	0
Facilities Construction	9	2	5	2
Facilities Maintenance	21	0	19	2
Student Transportation	11	0	11	0
Food Service Operations	15	3	9	3
Cost Control Systems	10	3	7	0
Safety and Security	NA	NA	NA	NA
Community Involvement	1	1	0	0
<b>All Areas</b>	<b>124</b>	<b>20</b>	<b>77</b>	<b>27</b>

<sup>1</sup> 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. Thus, the scope of this follow-up did not include safety and security action plans contained in the original report. Also, the original review found that the district was using all best practices relating to the use of lottery proceeds; thus, the original report contained no action plans for that area.

Source: OPPAGA.

## **Implementation Status by Best Practice Area** —

### ***Management Structures***

Our original report found that the Miami-Dade County School District's management structures needed significant improvement and that the district was using 3 of the 12 best practices for this area. The final report contained 16 action plans designed to assist the district in meeting best practice standards by improving the efficiency and effectiveness of board operations, updating its operating procedures, assessing its legal costs, reducing operating costs, providing financial management training to board members, finalizing its strategic plan, and linking its strategic priorities to the budget.

Since August 2002, the district has implemented 1 of the 16 action plans that related to making organizational changes to reduce costs and facilitate more effective operations. In addition, district has partially implemented six other action plans. However, the district has not yet begun implementation of the remaining nine action plans that would strengthen board member training, establish expectations and a formal evaluation of the superintendent and district priorities, improve board meetings, annually evaluate policies and procedures, and review the organization of all major units.

### ***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 seven action plans designed to assist the district in meeting best practice standards by establishing an accountability framework, developing performance and cost-efficiency measures, using performance data to assess progress, evaluating programs, and publicly reporting results.

Since August 2002, the district has partially addressed one action plan relating to the establishment of quantifiable goals and objectives for each organizational unit. However, the district has not yet begun implementation of the remaining six action plans, which relate to modifying its management information system, performing benchmark comparisons of non-instructional programs, developing and implementing a framework for evaluating alternative service delivery, developing and implementing a system for determining when program evaluations should be made, and disseminating information on non-instructional performance.

### ***Educational Service Delivery***

Our original report found that the Miami-Dade School District was using 12 of the 16 educational service delivery best practices. The report contained seven action plans designed to assist the district in meeting best practice standards and making improvements in its educational programs.

Since August 2002, the district has partially implemented all seven action plans in this area. For instance, the district has made improvements to its exceptional student education (ESE) program by developing data systems to track the efficiency and effectiveness of services. It has also taken steps to reduce placement delays for ESE students, while transitioning these students to more appropriate educational settings and developing systems to reduce their suspension and expulsion rates. In addition, the district has improved tracking of lost, damaged and unreturned books; is in the process of establishing goals for each educational program and service; and has developed a new organizational structure for education programs.

### ***Administrative and Instructional Technology***

Our original review found that the district was using 16 of the 19 applicable best practices for

administrative and instructional technology.<sup>6</sup> The report contained nine action plans designed to assist the district in meeting best practice standards in the area of information technology.

Since August 2002, the district has fully implemented all nine of these action plans. For instance, the district has developed a comprehensive technology plan and has also addressed our concerns regarding disparate databases and the Office of Information Technology organizational reporting structure.

### ***Personnel Systems and Benefits***

Our original review found that the district was using 8 of 15 best practices for personnel systems and benefits. The report included 11 action plans designed to assist the district in meeting best practice standards by offering a performance-based compensation plan for teachers and administrators, developing and implementing a plan to recruit qualified substitute teachers, developing a records retention and disposal plan, discontinuing early retirement options, and soliciting employee feedback on district certain personnel and benefit services.

Since August 2002, the district has fully implemented 1 of the 11 action plans, which will enable it to conduct a needs assessment and solicit employee feedback with regard to the effectiveness and efficiency of human resource program services. The district has partially implemented 5 other action plans including those relating to improving its compensation system, surveying employees on services related to the district human resources program, developing a larger pool of substitute teachers, and imaging and cataloguing district records. However, the district has not yet addressed five other action plans in this area.

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<sup>6</sup> One best practice relating to establishing appropriate control related to electronic data exchange transactions was not applicable to the district because the district does not use electronic data interchange transactions.

### ***Use of Lottery Proceeds***

Our original review found that the district was using all five best practices for use of lottery proceeds. The final report contained no action plans to improve the district's use of lottery proceeds.

### ***Use of State and District Construction Funds***

Our original review found that the district was using two of the four best practices in this area. The final report contained seven action plans designed to assist the district in meeting best practice standards in this area.

Since August 2002, the district has partially implemented all seven action plans. For instance, the district has taken steps to enable it to use SMART school designs and incorporate lifecycle cost data more effectively into the design process.

### ***Facilities Construction***

Our original review found that the district used 21 of the 32 best practices for facilities construction. The final report contained nine action plans designed to assist the district in meeting best practice standards by improving information management, creating a planning department, and improving support for project management.

Since August 2002, the district has fully implemented two action plans, dealing with re-establishing a standing capital planning committee and providing orientations to all new facilities. In addition, the district has taken steps to partially address five other action plans that pertain to:

- assigning responsibility for district-wide capital planning to single entity;
- establishing accountability mechanisms that are more effective in minimizing staffing levels while maintaining quality construction project;
- conducting more consistent, comprehensive orientations to new facilities prior to their use; and

## *Progress Report*

- designing a more formal post occupancy review process to provide feedback on projects under review.

However, the district has yet not started to implement the two remaining action plans that would enable it to explore small site acquisition for construction of small schools and offer design competition for prototype and establish a facility construction financing task force.

### ***Facilities Maintenance***

Our original review concluded that the district was using 13 of the 26 best practices in this area. The final report contained 21 action plans designed to assist the district in meeting best practice standards by developing standards for maintenance worker productivity, making more effective use of information from the work order management system as a management tool, utilizing zone mechanics more effectively, and developing a performance appraisal process for maintenance workers.

Since August 2002, the district has taken steps to implement 19 plans related to

- establishing maintenance standards and work planning, such as developing short and long term goals and objectives and benchmarking maintenance services; and
- improving budgeting and financial management, such as establishing a formal process for evaluating and improving cost estimates and using an estimated inflation rate to develop five-year maintenance operation budgets.

However, the district has not yet started implementation of two action plans that related to the establishment of a formal process for evaluating and improving cost estimates and allocation of more resources to preventive maintenance activities.

### ***Student Transportation***

Our original review found that the district was using 9 of 20 best practices for transportation. The final report contained 11 action plans to

assist the district in meeting best practice standards by improving bus routing through the use of computerized routing programs, establishing an accountability system, and analyzing opportunities to expand the outsourcing student transportation and vehicle maintenance.

Since August 2002, the district has partially implemented all 11 of the transportation-related action plans.

### ***Food Service Operations***

Our original review found that the district was using 7 of 17 best practices for food service. The final report had 15 action plans designed to assist the district in meeting best practice standards in the district's food service operations.

Since August 2002, the district has fully implemented three action plans related to hiring an administrative director, eliminating the use of outside vendors, and including operational information on visitation forms. In addition, the district has partially implemented nine other action plans, including

- developing changes in the program's labor hour staffing formula and hiring an administrative director;
- beginning to develop five-year revenue forecasts and spending plans;
- seeking opportunities to use US Department of Agriculture commodity processing;
- beginning to address purchasing awards and bids; and
- beginning to compile theoretical food costs and convert paper reports to electronic format.

However, the district has not yet begun the implementation of the three remaining action plans, which relate to its evaluation of certain purchasing decisions and use of food items, such as commodities.

### ***Cost Control Systems***

Our original review found that the Miami-Dade County District School District had generally established adequate cost control systems and used all best practices related to internal auditing, purchasing, and payment processing. Overall, the district was using 24 of 31 best practices for this area. The final report contained 10 action plans to assist the district in meeting best practice standards in asset management, inventory management, risk management, and financial management.

Since August 2002, the district has implemented three action plans and is in the process of implementing seven 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. Thus, the scope of this follow-up did not include safety and security action plans.<sup>7</sup>

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<sup>7</sup> More information on the Safe Passages Act can be found on OPPAGA website at the following World Wide Web address: [http://www.oppaga.state.fl.us/school\\_districts/safety/schoolsafety.html](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 10 of the 11 community involvement best practices. The final report contained one action plan designed to enable the district to use data included its reports to assess progress and identify improvements and cost savings, which the district has implemented.

## **OPPAGA's Home Page Contains More Information**

Additional information on the Best Financial Management Practice Reviews of school districts, is provided on the OPPAGA website, the *Florida Monitor*, at <http://www.oppaga.state.fl.us/>



# *The Florida Legislature*

## *Office of Program Policy Analysis and Government Accountability*

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- [OPPAGA publications and contracted reviews](#), such as policy analyses and performance reviews, assess the efficiency and effectiveness of state policies and programs and recommend improvements for Florida government.
- [Performance-based program budgeting \(PB<sup>2</sup>\) reports and information](#) offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.
- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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

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