

oppaga

Progress Report



June 2004

Report No. 04-38

Hillsborough County School District Making Progress, But Not Yet Eligible For the State's Seal of Best Financial Management

at a glance

On October 15, 2002, the Hillsborough County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-39). OPPAGA developed the action plans to help the Hillsborough 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 October 2002, the district has made progress on 36 of the 38 action plans (95%). Although the district has fully implemented 12 of the action plans and partially implemented 24 others, 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' next status report.

Scope _____

This report provides the Florida Legislature with information on the status of the Hillsborough County School District's implementation of action plans included in the Best Financial Management Practices Review published in July 2002.¹ On

¹ *Best Financial Management Practice Review Hillsborough County School District*, [Report No. 02-39](#), July 2002.

October 15, 2002, the Hillsborough 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 practices, adopted by the Commissioner of Education, are designed to encourage districts to:

Progress Report

- 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 OPPAGA to contract for a Best Financial Management Practices Review of the Hillsborough County School District. Based on review field work, we concluded that the Hillsborough County School District was using 81% (173 of 214) 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.)

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 Hillsborough 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 \$27,952,411 over a five-year period.

² OPPAGA contracted with Gibson Consulting Group, 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
During Our Original Review, the Hillsborough County School District Was Using 81% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (12)	9	3
Performance Accountability System (5)	0	5
Educational Service Delivery (16)	15	1
Administrative and Instructional Technology (20)	17	3
Personnel Systems and Benefits (15)	12	3
Use of Lottery Proceeds (5)	5	0
Use of State and District Construction Funds (4)	2	2
Facilities Construction (32)	27	5
Facilities Maintenance (26)	25	1
Student Transportation (20)	15	5
Food Service Operations (17)	13	4
Cost Control Systems (31)	24	7
Community Involvement (11)	9	2
All Areas (214)	173	41

Source: OPPAGA.

Overall Conclusions —

Since October 2002, the Hillsborough County School District has either fully or partially implemented 36 of the 38 action plans (95%) contained in the original OPPAGA report. However, it is not yet eligible for the Seal of Best Financial Management. ³ For this report, we reviewed the district’s progress as of October 2003 and 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

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.

by the district.⁴ In addition, in May 2004, we supplemented our desktop review with on-site inspections and interviews. We will review any action taken by the district after May 2004 in concert with the district’s next progress report. For the implementation status of action plans by best practice area, see Exhibit 2.

Implementation Status by Best Practice Area

Management Structures

In our original report, the Hillsborough County School District was using 9 of 12 best practices established for management structures. Generally speaking, the district had an effective governance and management structure, but we

⁴ 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.

recommended three action plans to improve the district’s organizational efficiency and site-based decision making and management.

Since October 2002, the district has fully implemented two action plans and partially implemented the remaining action plan in this area. As part of its efforts to date, the district has phased out two senior management positions; is making principals more aware of their flexibility in staffing formulas; is incorporating a span of control analysis into the annual review of its strategic plan; and is publishing information to demonstrate cost savings that result once a reorganization has been implemented and information to demonstrate cost savings of reorganizations.

However, the district still needs to complete other steps to fully implement the remaining action plan, including and implementing a districtwide site-based budgeting process and system.

Exhibit 2

District Has Fully or Partially Implemented 95% (36 of 38) of Report Action Plans¹

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	3	2	1	0
Performance Accountability System	5	2	3	0
Educational Service Delivery	1	0	1	0
Administrative and Instructional Technology	4	0	4	0
Personnel Systems and Benefits	3	1	2	0
Use of Lottery Proceeds	0	0	0	0
Use of State and District Construction Funds	2	2	0	0
Facilities Construction	2	2	0	0
Facilities Maintenance	1	0	1	0
Student Transportation	4	2	2	0
Food Service Operations	4	0	4	0
Cost Control Systems	7	1	4	2
Safety and Security	NA	NA	NA	NA
Community Involvement	2	0	2	0
All Areas	38	12	24	2

Source: OPPAGA.

¹ The Safe Passage Act, as part of [Ch. 2001-125, Laws of Florida](#), 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.

Performance Accountability System

In our original report, the Hillsborough County School District was not using any of the five best practices established for performance accountability systems. The district had a well-communicated performance accountability system for instructional programs, but lacked an effective system for measuring performance and cost-efficiency of its operational programs. We recommended five action plans to enable the district to improve its performance accountability system and meet best practice standards.

Since October 2002, the district has fully implemented two action plans, which have enabled it to explore alternative delivery systems and assess cost-efficiency for all instructional and operational programs. The district has partially implemented the remaining three action plans that, when completed, should enable it to develop measurable goals and performance measures for all operational areas and publish performance and cost-efficiency data for operational programs.

Educational Service Delivery

Our original report found that the district was using 15 of the 16 educational service delivery best practices. The report contained one action plan designed to assist the district in meeting best practice standards and making improvements in its single deficient educational program, exceptional student education (ESE).

Since October 2002, the district has partially implemented the action plan for improving educational service delivery. The district has taken steps to increase the timeliness of assessments of ESE students and to reduce the number of students referred for ESE assessments that do not qualify for services. It also has increased monitoring of disciplinary procedures for ESE students and for ensuring the implementation of recommendations from ESE program reviews.

To complete this action plan, the district needs to

- increase monitoring of disciplinary procedures for ESE students;
- increase timeliness of assessments of ESE students and reduce “non-qualifying” referrals; and
- increase impact of ESE reviews by ensuring implementation of recommendations.

Administrative and Instructional Technology

Our original review found that the district was using 17 of the 20 administrative and instructional technology best practices. The final report contained four action plans to assist the district in meeting best practice standards by improving the efficiency and effectiveness of its technology including technical support, professional development, and databases independent of its centralized computer systems.

Since October 2002, the district has partially addressed all four action plans. For instance, the district has created a survey tool and has established a customer satisfaction benchmark. It also has gathered technology support data from each school to establish an annual benchmark cost factor. In addition, the district created a professional development assessment survey for administrative and support personnel and developed written procedures regarding unconnected program-level databases.

To completely implement the remaining four action plans, the district should

- develop and implement a survey tool for technical support services;
- measure the size and impact of technology support;
- complete professional development profiles for administrative and support personnel;
- formalize procedures for unconnected program level databases; and

- provide training for developers and users of unconnected program level databases.

Personnel Systems and Benefits

Our original review found that the School District of Hillsborough County was using 12 of 15 best practices for personnel systems and benefits. The final report contained three action plans designed to improve the efficiency and effectiveness of its personnel system and benefits and assist the district in meeting best practice standards.

Since October 2002, the district has fully implemented one action plan, enabling it to create a comprehensive orientation program and to expand staff development programs for non-instructional personnel. It partially has implemented two other action plans that, when fully implemented, should enable it to better analyze teacher and staff turnover and create, store, and use electronic images of personnel records.

Use of Lottery Proceeds

Our original review found that the district was using all of the best practices for use of lottery proceeds. The final report contained no action plans required to be implemented as the district was considered to be using the lottery best practices.

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 report contained two action plans designed to assist the district in meeting best practice standards. These action plans pertained to considering alternatives to new construction and improving life cycle cost specifications and including them in prototype design.

Since October 2002, the district has fully implemented both of these action plans. The Division of Facilities and Administration has worked on attendance boundaries, scheduling and conversion of underutilized properties. The district routinely evaluates alternatives to new

construction. It has also used the SMART school design system and obtained over \$30 million in SIT awards.

Facilities Construction

Our original review found that the district was using 27 of the 32 best practices for facilities construction. The report contained two action plans to assist the district in meeting best practice standards for facilities construction. These action plans pertained to improving community participation in five-year planning accountability and implementing routine post-occupancy evaluations on all major capital projects.

Since October 2002, the district has fully implemented both of these action plans. It established a facilities planning committee in 2002, and the committee has been participating in the development of the five year plan. The district also has developed an inter-local agreement with all municipalities on identifying school sites and is corroborating on the Comprehensive Plan with the county. There are community stakeholders on the committee and committee receives input from the community on projects. The school board is coordinating with the county commission on potential assessment of impact fees for developers to assist in planning for district needs.

The Department of Assessment, Accountability, and Evaluation completed an analysis of the 2002 evaluation findings and provided a report to the Facilities Division. The evaluation instruments were refined based on those results and evaluations of new schools were done in 2003 on all new schools. Maintenance personnel responsible for each school complete the evaluations for continuous quality improvement. There are plans to expand this evaluation to include feedback on major renovation projects. The district provided copies of post occupancy surveys on their recent projects. The district will work on furthering this action plan to include a feedback loop and incorporation of 'lessons learned' into new designs and construction.

Facilities Maintenance

Our original review found that the district used 25 of the 26 best practices for facilities maintenance. The report contained one action plan to assist the district in meeting best practice standards for facilities maintenance. This action plan pertained to developing goals and objectives for the Maintenance Department.

Since October 2002, the district has partially implemented this action plan. The Maintenance Department has formed groups of workers to identify problems and potential solutions. The department has begun to identify needs and develop projects for long term planning beyond the 5-year mark and has incorporated this into what is essentially a 20-year plan. Fully implementing this action plan should enable the district to establish maintenance standards in its short-and long-term plans for providing appropriately and equitably maintained facilities within budget and in accordance with the district's five-year facilities work plan and annual budget.

Student Transportation

Our original report found that the Hillsborough County School District was using 15 of the 20 best practices for this area, but there was need for improvement. The final report contained four action plans designed to improve the efficiency and effectiveness of the district's transportation function and assist the district in meeting best practice standards.

Since October 2002, the district has fully implemented two action plans partially implemented the remaining two. The district is now better able to determine and minimize number of students exceeding recommended ride times, to determine reimbursement rates for activity trips, and to develop and file Medicaid reimbursement claims for eligible riders.

Nevertheless, the district still needs to take additional steps to complete implementation of the remaining two action plans, including

- implementing automated routing and scheduling software, reviewing and reducing transportation of students who no longer qualify for hazardous condition transportation, and reducing courtesy riders; and
- reducing repair parts inventory, and maximizing reimbursements from warranty parts and repairs, and enhancing transportation maintenance operations from reimbursements.

Food Service Operations

Our original review found that the district was using 13 of 17 best practices for food service. We recommended four action plans to assist the district in meeting best practice standards by improving its food services mission statement, goals, objectives, and benchmarks; program evaluations based on benchmarks; and budgeting based on goals.

Since October 2002, the district has partially implemented all four action plans. It has revised the mission statement of its food service program and authorized district administrators to establish mechanisms to strengthen accountability for its food services program. However, to fully implement these action plans, the district should

- establish benchmarks for the food service program as a whole and routinely evaluate overall program performance;
- improve food service accounting and SNS administrators collaborate to develop the SNS budget; and
- identify and create needed management reports including profit and loss statements.

Cost Control Systems

Our original review found that the Hillsborough County School District had generally established adequate cost control systems and used all best practices related to risk management and payment processing. Overall the district was using 27 of 31 best practices for this area. The final report

contained seven action plans to assist the district in meeting best practice standards in internal auditing, asset management, risk management, purchasing, and payment processing.

Since October 2002, the district has fully implemented one of the action plans, dealing with establishing an effective internal audit function and ensuring internal auditor independence. The district has partially implemented four other action plans, dealing with

- enhancing its procedures to ensure that all sites complete annual inventories;
- improving its process to evaluate program effectiveness and to identify and evaluate risks;
- establishing authorization controls over purchasing;
- enforcing its purchasing threshold controls; and
- improving its review of invoice payments.

At the time of its initial report, the district had not yet begun implementing two of the action plans to improve the districts' controls over requisitions and purchase process and to expand its receiving procedures to ensure that staff is receipting goods properly and consistently.

Safety and Security

The Safe Passage Act, as part of [Ch. 2001-125, Laws of Florida](#), 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.⁵

Community Involvement

Based on our initial review, we found that the district was using 9 of the 11 community involvement best practices. The final report contained two action plans designed to enable the district to expand its mission, vision, goals, and objectives; develop a system to allocate and track community involvement program costs and its detailed performance measures; and periodically analyze the community involvement organizational structure.

Since October 2002, the district has partially implemented both action plans. The board has expanded community involvement's mission, vision, goals, and objectives. However, the district still needs to develop a system to better allocate and track community involvement program costs; develop performance measures; and analyze its community involvement organizational structure.

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/>

⁵ More information on the Safe Passages Act can be found on the OPPAGA website at the following World Wide Web address: http://www.oppaga.state.fl.us/school_districts/safety/schoolsafety.html.

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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 \(PB²\) reports and information](#) offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.
- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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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).

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