

oppaga Progress Report



June 2004

Report No. 04-40

Lee County School District Not Yet Eligible for the State's Seal of Best Financial Management

at a glance

On March 4, 2003, the Lee County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-58). OPPAGA developed these action plans to help the Lee 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 November 2002, the district has fully implemented 49 (43%) of the 115 action plans contained in the original OPPAGA report, partially implemented 63 (55%) other action plans and not yet begun implementation of the remaining 3 (2%) action plans. Thus, while the district has made progress on 98% 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 district's next status report.

Scope

This report provides the Florida Legislature with information on the status of the Lee County School District's implementation of action plans included in the Best Financial Management Practices Review published in November 2002.¹ On March 4, 2003, the Lee 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.

¹ *Best Financial Management Practice Review Lee County School District*, [Report No. 02-58](#), November 2002.

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

- 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 Lee County School District. Based on review field work, we concluded that the Lee County School District was using 67% (143 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 best practice principles within two years. By implementing the action plans and other report recommendations, we determined that the Lee County School District could improve district operations, save money, and demonstrate good

² OPPAGA contracted with ValienteHernandez, PA, of Tampa, Florida, 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.

stewardship of public resources. The report included recommendations that if implemented would have had an estimated positive fiscal impact of \$23,403,968 over a five-year period.

Exhibit 1 In November 2002, the District Was Using Two-Thirds of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (12)	8	4
Performance Accountability System (5)	0	5
Educational Service Delivery (16)	9	7
Administrative and Instructional Technology (20)	14	6
Personnel Systems and Benefits (15)	12	3
Use of Lottery Proceeds (5)	4	1
Use of State and District Construction Funds (4)	3	1
Facilities Construction (32)	22	10
Facilities Maintenance (26)	8	18
Student Transportation (20)	12	8
Food Service Operations (17)	13	4
Cost Control Systems (31)	29	2
Community Involvement (11)	9	2
All Areas (214)	143	71

Source: OPPAGA.

Overall Conclusions

Since November 2002, the Lee County School District has implemented 43% (49 of 115) of the action plans contained in the original OPPAGA report and has partially implemented an additional 63 action plans. While the district has made progress on 98% of the action plans, it currently is not yet eligible for the Seal of Best Financial Management.³ 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.⁴ In addition, in May 2004 we supplemented our

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 detailed, on-site verification review if our initial 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.

desktop review with on-site inspections and interviews. For the implementation status of action plans by best practice area, see Exhibit 2.

Overall, we concluded that the district has fully implemented the action plans in four areas: personnel systems and benefits, use of lottery funds, use of state and district construction funds and food service. In addition, the district has fully implemented the majority of action plans in management structures and facilities construction. Finally, the district has taken steps to address the majority of action plans in the remaining areas.⁵

We have discussed our conclusions with the Lee County School District and presented a detailed description of what it still needs to do to fully implement each of the remaining action plans. 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 detailed descriptions of the additional steps at it has taken to implement each incomplete action plan, including how it has specifically addressed the action steps, and documentation that demonstrates the actions taken.

⁵ These seven areas are performance accountability, educational services and delivery, administrative and instructional technology, facilities maintenance, student transportation, cost control, and community involvement.

Exhibit 2
The District Has Implemented 43% (49 of 115) of Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	11	7	4	0
Performance Accountability System	5	0	4	1
Educational Service Delivery	10	0	10	0
Administrative and Instructional Technology	8	0	8	0
Personnel Systems and Benefits	7	7	0	0
Use of Lottery Proceeds	1	1	0	0
Use of State and District Construction Funds	2	2	0	0
Facilities Construction	9	6	3	0
Facilities Maintenance	28	12	15	1
Student Transportation	22	8	14	0
Food Service Operations	5	5	0	0
Cost Control Systems	3	0	2	1
Safety and Security ¹	NA	NA	NA	NA
Community Involvement	4	1	3	0
All Areas	115 (100%)	49 (43%)	63 (55%)	3 (2%)

¹ 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.

Source: OPPAGA.

Implementation Status by Best Practice Area ———

Management Structures

Our original report found that the Lee County School District was using 8 of 12 best practices for the management structures area. The final report contained 11 action plans designed to assist the district in meeting best practice standards by evaluating legal services, streamlining the organizational structure, monitoring staffing levels, and linking the district's strategic priorities to the budget.

Since November 2002, the district has fully implemented 7 of the 11 action plans related to organizational changes that will facilitate more effective operations. The district has partially implemented the remaining four action plans, two of which are substantially complete, pending final steps to implement or evaluate the results of actions taken.

Performance Accountability System

Our original report 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 by establishing an accountability framework, developing performance and cost-efficiency measures, using performance data to assess progress, evaluating programs, and publicly reporting results.

Since November 2002, the district has partially implemented four of the five action plans in this area. The district has started to establish clear goals and quantifiable objectives and performance measures for each organizational unit. In addition, the district has begun identifying program evaluation criteria and is beginning to identify the data that will be needed for future monitoring and reporting on performance and efficiency of its major

programs and services. The district has continued its informal efforts to encourage cost-saving suggestions, but has not yet begun to implement our action plan to establish a more formal, systematic process.

Educational Service Delivery

Our original report found that the Lee County School District was using 9 of the 16 educational service delivery best practices. The report contained 10 action plans designed to assist the district in meeting best practice standards and making improvements in its educational programs.

Since November 2002, the district has partially implemented all 10 action plans in this area. For instance, the district has established mechanisms to identify and disseminate effective teaching strategies. In addition, the district has taken steps to reduce placement delays for ESE students and has begun the process of seeking Medicaid reimbursement for direct services provided to ESE students. The district also has begun the process of developing curriculum guides for all subject areas, has piloted an electronic curriculum planning/instructional management tool, and has developed a comprehensive student services plan.

Administrative and Instructional Technology

Our original report found that the Lee County School District was using 14 of the 20 administrative and instructional technology best practices. The report contained eight action plans designed to assist the district in meeting best practice standards and making improvements in its administrative and instructional technologies.

Since November 2002, the district has partially implemented all eight action plans in this area. For instance, the district has established standards for hardware acquisitions and has developed a model to replace old/obsolete computer equipment. It also has begun to review its technology curriculum for students and has developed a life-cycle management

program for all technology in the district. In addition, the district has begun implementing an administrative software project which is designed to ensure that all technology user stakeholders have input into new computer systems so that their reporting and informational needs will be met.

Personnel Systems and Benefits

Our original review found that the district was using 12 of 15 best practices for personnel systems and benefits. The report included seven action plans designed to assist the district in meeting best practice standards by offering improvements in recruitment efforts, records management, and performance accountability.

Since November 2002, the district has fully implemented all seven action plans. These efforts will allow the district to improve recruiting efforts, job application processing, recruiting from within, job descriptions, make teacher application reviews by principals less burdensome, and have a functional performance accountability system for the personnel office.

Use of Lottery Proceeds

Our original review found that the Lee County School District had generally established adequate cost control systems for the use of lottery proceeds. In general, the district spends lottery proceeds for purposes that enhance education. Overall, the district was using four of five best practices for this area. The final report contained one action plan to assist the district in meeting best practice standards relating to the communication to stakeholders of the use of lottery proceeds. Since November 2003, the district has fully implemented the action plan in this area.

Use of State and District Construction Funds

Our original review found that the district was using three of the four best practices related to the use of state and district construction funds. The final report contained two action plans designed to assist the district in meeting best practice standards in this area.

Since November 2002, the district has fully implemented both action plans. Specifically, the district added life-cycle costing for new building systems and has standardized building systems through the use of prototype designs for all school construction.

Facilities Construction

Our original review found that the district used 22 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 short- and long-term planning, costing, and facilities evaluation.

Since November 2002, the district has fully implemented six action plans, including short- and long-term planning, prioritization of construction projects, establishment of “not-to-exceed” cost limits, and pre-occupancy orientation. In addition, the district has partially implemented the three remaining action plans including assessment of the adequacy of facilities, post-occupancy evaluations, and evaluation of operating costs.

Facilities Maintenance

Our original review concluded that the district was using 8 of the 26 best practices in this area. The final report contained 28 action plans designed to assist the district in meeting best practice standards which addressed all major functions of maintenance including planning, staffing and organization, documenting, policies and procedures, benchmarking maintenance services, developing a performance appraisal process for maintenance workers, and using the work order management system as a management tool.

Since November 2002, the district has fully implemented 12 action plans including reorganizing staffing, establishing new staffing levels, evaluating maintenance services for opportunities for privatization, linking maintenance goals and objectives to the budget and five-year plan, and developing cost estimates for all major projects

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In addition, the district has taken steps to partially implement 15 additional action plans relating to more effective use of staff; adopting standard maintenance policies and operating procedures; establishing performance and productivity standards to evaluate employees; evaluating departmental efficiency by analyzing work order system data; and implementing a staff development program linked to maintenance needs, safety, and job satisfaction.

The district has not yet started implementation of our action plan to establish a formal preventive maintenance program.

Student Transportation

Our original review found that the district was using 12 of 20 best practices for transportation. The final report contained 22 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, analyzing opportunities to expand the outsourcing of student transportation, and improving vehicle maintenance facilities.

Since November 2002, the district has fully implemented eight action plans including training on computer-based routing, assigning schools the full cost for activity and field trips and coordination between student assignment and route development. The district also has partially implemented the remaining 14 of the transportation-related action plans, many of which are nearly complete. These include bus driver incentive programs, fiscal analysis to justify size of the spare bus fleet and district approval of a formal bus replacement policy.

Food Service Operations

Our original review found that the district was using 13 of 17 best practices for food service. The final report had five action plans designed to assist the district in meeting best practice standards in the district's food service operations. These action plans addressed program authority, eliminated the availability of non-nutritious foods during meals,

evaluation of program options, equipment conditions, and failure to ensure that food service operations paid for equipment repair and maintenance.

Since November 2002, the district has fully implemented all five action plans. These efforts should enable the district to bring the program into compliance with federal and state rules and laws by clarifying and centralizing program authority and responsibilities and eliminating competitive foods. Also, program operations should improve with routine evaluation of program options and improved equipment conditions through purchase of new equipment and maintenance programs. In addition, appropriate payment of program related costs should slightly increase availability of classroom dollars.

Cost Control Systems

Our original review found that the 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 29 of 31 best practices for this area. The final report contained three action plans to assist the district in meeting best practice standards in internal auditing and financial management.

Since November 2003, the district has been in the process of implementing two of the action plans including a financial risk assessment and amending the employee handbook to include reporting requirements of suspected financial improprieties. The district has not yet begun implementing the one action plan recommending that the internal auditor monitor school enrollment FTE counts.

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.⁶

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 four action plans designed to assist the district in meeting these best practices by developing a systematic approach to increasing community involvement, identifying, accurately collecting and analyzing data needed to monitor these efforts, and by publicizing district information and success to the community.

Since November 2002, the district has fully implemented the steps needed to increase district communication to the community and has partially implemented the remaining three action plans.

⁶ 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.

OPPAGA's Home Page Contains More Information

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

The Florida Legislature

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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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