

oppaga Progress Report



July 2004

Report No. 04-45

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

at a glance

On December 17, 2002, the Osceola County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA [Report No. 02-45](#)) published in July 2002. OPPAGA developed these action plans to help the Osceola 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 July 2002, the district has fully implemented 16 and partially implemented 46 of the 64 action plans contained in the original OPPAGA report. Thus, while the district has made progress on 97% (62 of 64) 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 Osceola County School District's implementation of action plans included in the Best Financial Management Practices Review published in July 2002.¹ On December 17, 2002, the Osceola 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 Osceola County School District*, [Report No. 02-45](#), July 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 OPPAGA to conduct a Best Financial Management Practices Review of the Osceola County School District. Based on review field work, we concluded that the Osceola County School District was using 79% (169 of 214) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time. (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 Osceola 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 \$5.6 million over a five-year period.

Exhibit 1 Our Original Review Found that the Osceola County School District Was Using 79% 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)	13	3
Administrative and Instructional Technology (20)	16	4
Personnel Systems and Benefits (15)	13	2
Use of Lottery Proceeds (5)	5	0
Use of State and District Construction Funds (4)	3	1
Facilities Construction (32)	25	7
Facilities Maintenance (26)	21	5
Student Transportation (20)	16	4
Food Service Operations (17)	9	8
Cost Control Systems (31)	29	2
Community Involvement (11)	11	0
All Areas (214)	169	45

Source: OPPAGA.

Overall Conclusions

Since July 2002, the district has fully implemented 16 and partially implemented 46 of the 64 action plans contained in the original OPPAGA report. Thus, while the district has made progress on 97% (62 of 64) of the action plans, it currently is not eligible for a Seal of Best Financial Management.² For this report, we reviewed the district's progress as of January 2004 and 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.³ In addition, in April 2004, we supplemented our review with a site visit to collect additional information related to the district's implementation of the action plans. Any action taken since April 2004 will be reviewed in concert with the district's next

² This includes district actions that varied slightly from the recommended action, but generally addressed the intent of the action plan included in the report.

³ OPPAGA will conduct a detailed, on-site verification review if our initial desktop finds 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.

progress report. For the implementation status of action plans by best practice area, see Exhibit 2.

We have discussed our conclusions with the Osceola 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 specifically has addressed the action steps, and documentation that demonstrates the actions taken.

Exhibit 2

District Has Fully or Partially Implemented 97% (62 of 64) of Report Action Plans¹

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	4	2	2	0
Performance Accountability System	5	0	5	0
Educational Service Delivery	7	0	7	0
Administrative and Instructional Technology	7	1	6	0
Personnel Systems and Benefits	1	1	0	0
Use of Lottery Proceeds	0	0	0	0
Use of State and District Construction Funds	1	1	0	0
Facilities Construction	10	3	7	0
Facilities Maintenance	6	2	4	0
Student Transportation	6	2	4	0
Food Service Operations	15	3	10	2
Cost Control Systems	2	1	1	0
Safety and Security	NA	NA	NA	NA
Community Involvement	0	0	0	0
All Areas	64 (100%)	16 (25%)	46 (72%)	2 (3%)

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 and community involvement; thus, our original report contained no action plans in these areas.

Source: OPPAGA.

Implementation Status by Best Practice Area ———

Management Structures

In our original report, the Osceola County School District was using 8 of 12 best practices established for management structures. In general, the district had an effective governance and management structure, and principals had sufficient authority to run its schools. The final report contained four action plans designed to assist the district in meeting best practice standards by improving its procedures, enrollment projections, and legal costs, and by better linking its budgets to its strategic plan.

Since July 2002, the district has fully implemented two of the four action plans in this area. For instance, the district modified its enrollment projection methodology, resulting in more accurate enrollments projections for each of the past two years. In addition, the district revised its contract for legal services, increased its monitoring of legal costs, and pursued other options for minimizing legal costs.

The district has partially implemented the two remaining action plans. To fully implement these action plans, the district should publish and distribute its district policy and procedures manuals, and better link its operational program budgets to the district strategic plan.

Performance Accountability System

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

Since July 2002, the district has partially implemented all five action plans. The district has developed outcome-oriented goals and objectives for its instructional programs but not

for its major operational programs. Although the district has developed other non-instructional goals and objectives, they are not clearly related to major operational programs.

To fully implement the five action plans related to its performance accountability system, the district should

- better define what constitutes a major operational program (e.g., facilities construction and maintenance, personnel, asset and risk management, financial management, purchasing, transportation, food services, and safety and security);
- develop goals and objectives so that outcomes relate more clearly to each major operational programs;
- develop benchmarks for each major operational program;
- assess major operational programs and provide the results to district staff, the school board, and the general public; and
- develop criteria for determining when a formal evaluation of a district program should be conducted and use these criteria to set priorities for program evaluations.

Educational Service Delivery

Our original report found that the Osceola County School District was using 13 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 July 2002, the district has partially implemented all seven action plans. The district has begun to implement an automated web application that will enable teachers to get real-time student test data. In addition, district administrators have participated in multiple community events in an effort to recruit more diverse school advisory council (SAC) members. The district also has further strengthened the evaluation and accountability component of school improvement plans, developed a new district strategic plan that emphasizes student academic achievement, and restructured its

accountability and planning functions to encourage more effective use of data at all levels of decision making.

To fully implement the action plans in this area, the district should demonstrate that it has

- evaluated intervention plans developed for low performing schools, including what changes were made based on those evaluations;
- trained all teachers in and that teachers are using test data web application;
- developed and implemented a systematic plan to recruit more diverse SAC members;
- trained all SAC members in their roles and responsibilities, provided with them with tools necessary to produce meaningful school improvement plans, and evaluated the effectiveness of the training;
- evaluated the progress schools are making toward meeting their goals early enough in the school year to intervene and provided assistance when necessary; and
- ensured that each school improvement plan goal is measurable, and that the district's strategic plan includes plans to evaluate the effectiveness of each of the district's major education programs.

Administrative and Instructional Technology

Our original report found that the Osceola County School District was using 16 of the 20 administrative and instructional technology best practices. The final report contained seven action plans designed to improve the efficiency and effectiveness of its administrative and instructional technology initiatives to assist the district in meeting best practice standards.

Since July 2002, the district has fully implemented one action plan by developing criteria for evaluating software. The district has partially implemented the remaining six action plans by defining expected outcomes and establishing effective measurements to evaluate performance, but the evaluation process has not been fully implemented.

To fully implement the remaining six action plans, the district should

- define outcome measures for all goals in the district technology plan, apply and evaluate the measures, report the results to the appropriate stakeholders, and revise the district's plan as needed;
- assess the 2003-04 implementation of its process for evaluating technology initiatives at the school level and revise as necessary to ensure that the district's technology objectives are being met and that district standardization policies are being adhered to;
- provide the results of its research into developing and implementing a strategy to track the utilization of technology inventories so that underutilized equipment and software can be removed from the inventory, thereby reducing costs and freeing up facility space;
- provide documentation that the school board has adopted a computer replacement policy that will distribute technology resources equitably district wide, reduce the costs of supporting older, out-of-warranty computers and leverage the district's purchasing power;
- demonstrate that it has incorporate into its district technology plan its long-term program to upgrade the district's networking software, monitor and evaluate the plan, and modify as needed based on the evaluation; and
- provide evidence that it has implemented an effective and efficient system to identify and reduce high-cost locations of recurring technical problems.

Personnel Systems and Benefits

Our original review found that the district was using 13 of 15 personnel systems and benefits best practices. Our final report contained one personnel action plan designed to improve the operations of the district's human resource department and assist the district in meeting best practice standards.

Since July 2002, the district has fully implemented the action plan by developing an automated system for receiving, processing, and

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managing applications submitted by potential new instructional employees. In addition, the district has expanded the system to accept applications for administrative positions and is exploring the possibility of further expanding the system to accept applications for substitute teacher positions.

Use of Lottery Proceeds

Our original review found that the district was using all five lottery best practices. Thus, our final report contained no action plans for the district to implement 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 in this area. The report contained one action plan designed to assist the district in meeting best practice standards by expanding life cycle cost analyses of building systems and including them in its prototype design.

Since July 2002, the district has fully implemented this action plan by incorporating the requirement for life cycle cost analysis of building systems in its design standards for consultants and in its contract with design professionals. The district considers life cycle costs when making decisions regarding appropriate building systems for the intended use of the facility.

Facilities Construction

Our original review found that the district was using 25 of the 32 best practices for facilities construction. Our final report contained 10 action plans to assist the district in meeting best practice standards by conducting facility assessment audits, securing public input on alternatives to new construction, developing a facility maintenance education program for principals, developing formal site selection criteria and conducting formal orientation and post-occupancy evaluations on all major capital projects. In addition, the district needed to develop accountability measures in order to evaluate its construction program.

Since July 2002, the district has implemented three action plans in this area, which related to obtaining public input on alternatives to new construction, committing the site election

process to writing, and assigning responsibility for site selection to a site selection committee.

The district is in the process of implementing the seven remaining action plans. The district is holding meetings to develop the curriculum for a maintenance education program for principals, who ultimately are responsible for the condition and appearance of district schools. The district is also conducting a study to determine the effect on schools of double sessions and year-round schools as an alternative to new construction. In addition, the district has purchased new software to assist managers in evaluating all major building components and to store “as built” drawings of district facilities. The district is in the process of formalizing its building orientation program and post-occupancy evaluations to ensure that users know how to use building systems and to continue to improve its future projects. The district should continue to work on developing performance benchmarks to evaluate its construction program.

To fully implement the seven remaining action plans, the district should

- provide the results of its facilities audit;
- provide a course curriculum for training site-based managers basic maintenance operations;
- document its growth management plan which includes an analysis of alternatives to new construction;
- develop formal measures to evaluate the overall performance of the construction program.;
- document its training program for building users and the specification document for construction projects; and
- document its post-occupancy building evaluation program.

Facilities Maintenance

Our original review found that the district used 21 of the 26 best practices for facilities maintenance. Our final report contained six action plans to assist the district in meeting best practice standards by developing a maintenance handbook of policies and procedures for employees, developing custodial

standards and work performance standards for employees, creating a staffing formula for custodial and maintenance programs and developing accountability measures to evaluate the overall performance of the Maintenance Department.

Since July 2002, the district has fully implemented two of the six action plans. For instance, the district has revised its maintenance handbook and located it in a central location accessible to maintenance and site-based staff, as well as the public.

The district has partially implemented the four remaining action plans. To fully implement these action plans, the district should develop custodial standards and devise a method for holding principals accountable for the cleanliness of schools, benchmark maintenance tasks, demonstrate how it uses performance data to hold employees accountable for performance, and develop staffing formulae for the district.

Student Transportation

Our original report found that the Osceola County School District was using 16 of 20 best practices for student transportation. Our final report contained six action plans designed to improve the efficiency and effectiveness of student transportation and assist the district in meeting best practice standards.

Since July 2002, the district has fully implemented two of the six action plans. For instance, the district has been collecting Medicaid reimbursement for its qualifying exceptional students and has obtained software that incorporates all areas of maintenance.

The district has partially implemented the remaining four action plans. To fully implement these action plans, the district should development performance indicators and written policies designed to replace aging buses, reduce excessive spare buses, and more cost-efficiently transport exceptional students.

Food Service Operations

Our original review found that the district was using 9 of 17 best practices for food service. Our final report contained 15 action plans to assist the district in meeting best practice standards by improving the development and assessment

of program performance and fiscal goals and objectives, implementing training requirements for food service employees, and developing a long-term equipment replacement plan.

Since July 2002, the district has fully implemented three action plans in this area. For instance, the district has developed introductory and safety and sanitation training for its food service employees as well as a schedule to review employee handbooks and procedures. The district has partially implemented an additional 10 action plans. However, the district has not started to implement two other action plans that involve promoting the volunteer food service labor program and developing program fiscal goals.

To fully implement the 12 action plans that either have been implemented partially or have not been started, the district should

- improve program goals, objectives, benchmarks, and performance measures;
- regularly assess services for outsourcing;
- promote volunteer services;
- consistently document program participation decisions;
- develop fiscal goals;
- fully implement the automated management software;
- assess breakfast meal prices and participation in the Provision II free breakfast program;
- ensure payment for maintenance services is directly attributable to food service work; and
- develop a long-range equipment replacement plan.

Cost Control Systems

Our original review found that the Osceola County School District was using 29 of 31 best practices for this area. The district had generally established effective cost control systems in most areas. However, our final report contained two action plans to meet best practice standards by enhancing the district's operations and accountability for resources.

Since July 2002, the district has implemented one action plan fully by analyzing the costs and

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benefits of contracting the storage and distribution of inventory supplies to private companies. The district also has established procedures to compare district inventory levels with other school districts to minimize inventory levels.

The district has partially implemented our action plan related to developing and implementing a risk assessment process. On May 18, 2004, the school board approved a contract for an independent consultant to perform the risk assessment. To fully implement this action plan; however, the district's independent consultant should submit the completed risk assessment to the district, and the district should prepare a plan of action for mitigating any unacceptable risks.

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.⁴

Community Involvement

Because our original review found that the district was using all 11 of the community involvement best practices, the final report contained no action plans for the district to implement in this area.

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 www.oppaga.state.fl.us/

⁴ More information on the Safe Passages Act can be found on the OPPAGA website at the following World Wide Web address: www.oppaga.state.fl.us/school_districts/safety/schoolsafety.html.

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: www.oppaga.state.fl.us/

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