



Lake County School District Has Implemented Best Practices and Is Eligible For State Seal

at a glance

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

As of January 2005, the district had implemented 86 of the 87 action plans contained in the OPPAGA report and had substantially implemented the remaining action plan. As a result, the district has put systems in place that should help it to significantly improve its management practices and increase its efficiency and effectiveness.

By implementing report action plans, the district estimates that, to date, it has experienced a net positive fiscal impact of \$2,342,556 and expects to achieve additional cost savings in the future.

OPPAGA recommends that the State Board of Education award the Seal of Best Financial Management to the Lake County School District.

Scope and Methodology—

This report provides the Florida Legislature with information on the status of the Lake County School District's implementation of action plans included in the Best Financial Management Practices Review published in December 2001.¹ On October 28, 2002, the Lake 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 a number of entities, including the Legislature, the Governor, OPPAGA, the Auditor General, and the Commissioner of Education on progress made towards implementing the plan. They also must report any changes in other areas of operation that would affect the district's use of the best practices. The law also requires that OPPAGA annually review a district's practices to determine whether it has started using the Best Financial Management Practices in the areas covered by the action plan.

We based our conclusions in this report on documentation provided by the district, discussions with district staff on the status of action plan implementation and an in-depth site visit to assess the district's implementation of the action plans.

¹ *Best Financial Management Practice Review Lake County School District, Report No. 01-68*, December 2001.

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.

Florida law provides that the State Board of Education award the Seal of Best Financial Management to any district that OPPAGA determines is using the best financial management practices. The seal is effective for five years during which time the district’s school board is required to annually report on whether any changes have occurred in policies or operations or any other situations that would not conform to the state's best financial management practices. The State Board of Education may revoke the seal at any time if it determines that the district is no longer complying with the state's best financial management practices.

The 2000 Legislature directed that OPPAGA contract for a Best Financial Management Practices Review of the Lake County School District.² Based on review field work, OPPAGA

² During the course of the original review, the 2001 Legislature passed the Sharpening the Pencil Act, which made several substantive changes to the Best Financial Management Practices Review process. Among the most important provisions of the act is that it requires each school district to undergo a Best Financial Management Practices Review once every five years and requires

concluded that the Lake County School District was using 57% (131 of 228) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time.³ (See Exhibit 1.)

Exhibit 1 Our Initial Review Found That the District Was Using Over Half of the Best Practices

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

Note: One facilities construction best practice did not apply to the Lake County School District due to changes in the Florida Code at the time of the original review.
Source: OPPAGA.

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 Lake County School District could improve district operations, save money, and demonstrate good stewardship of public resources.

public input during the review process and after the distribution of the final report.

³ OPPAGA contracted with Valiente Hernandez, P.A., of Tampa, Florida to conduct review fieldwork and write the final report. OPPAGA and Auditor general staff monitored fieldwork and reviewed drafts. OPPAGA made the final determination of whether the district was using individual best practices.

Overall Conclusions

As of January 2005, the Lake County School District has implemented 86 of the 87 action plans contained in the original report and substantially implemented the remaining action plan. Therefore, OPPAGA recommends that the State Board of Education award the Seal of Best Financial Management to the Lake County School District.⁴ For the implementation status of action plans by best practice area, see Exhibit 2.

Exhibit 2 The Lake County School District Has Implemented 86 of 87 Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans	
		Implemented	Underway
Management Structures Performance	8	8	0
Accountability System	5	5	0
Educational Service Delivery	7	7	0
Administrative and Instructional Technology	8	8	0
Personnel Systems and Benefits	3	3	0
Use of Lottery Proceeds	2	2	0
Use of State and District Construction Funds	3	3	0
Facilities Construction	13	13	0
Facilities Maintenance	14	14	0
Student Transportation	6	6	0
Food Service Operations	8	8	0
Cost Control Systems	9	8	1
Safety and Security	NA	NA	NA
Community Involvement	1	1	0
All Areas	87 (100%)	86 (99%)	1 (1%)

NA: 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.
Source: OPPAGA.

By implementing report action plans, the district has put systems in place that will help it improve its management, increase its efficiency and effectiveness, and reduce its costs. As of January

2005, the district was still in the process of implementing one action plan which related to the installation of enhanced software to more effectively track fixed assets. Among other features, this software is expected to update the general ledger as transactions occur, which will enable district personnel to reconcile subsidiary ledgers to the general ledger in a more efficient and timely manner. The district anticipates that the module will be available from the vendor during the first quarter of 2005.

To ensure that it continues to meet best practice standards and realizes the cost savings projected in the original report, the district should monitor several issues. For instance, in late 2004 the district implemented several report action plans related to strengthening performance accountability systems for its major educational and operational programs. While these systems now meet best practice standards, at the time of our follow-up review they were not in place long enough to produce the kind of information needed to make program improvements or develop program annual budgets. Thus, the district should continue to collect data related to each program performance measure, review program performance in relation to established benchmarks, report accountability information to the public, and implement its scheduled program evaluations. In addition, the district should use this information to make future structural and process-related changes to increase its efficiency and effectiveness and reduce operational costs.

The district also should monitor staff's implementation of key comprehensive and strategic planning documents and procedures created in the past year. Several of these documents, including the district's strategic plan and comprehensive facilities plan, establish school board priorities that the district should follow in allocating its limited resources and should serve as the district's basis for decisions on school construction, maintenance staffing, and technology purchases. These documents should be reviewed and revised annually, and, when appropriate, readopted by the school

⁴ This includes district actions that varied slightly from the recommended action, but generally addressed the intent of the action plan included in the report.

board to reflect changing county and student demographics and new district needs.

The *Implementation Status by Best Practice Area* section of this report, below, contains a more detailed description of the action plans the district has implemented and identifies the additional steps the district should take to ensure that it continues to meet best practice standards and achieves additional cost savings. Appendix A at the end of this report provides cost savings to date estimated by the district as a result of implementing report action plans.

Implementation Status by Best Practice Area

Management Structures

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

As of January 2005, the Lake County School District has implemented all eight action plans for management structures. For instance, the district has updated all of its policies and procedures and developed a strategic plan that is linked to its budgeting process. It has streamlined its organizational structure and closed schools that were too small to cost-effectively operate. It also has developed procedures to better ensure the accuracy of its FTE counts and projections.

The district also has adopted a strategic plan. However, the plan has not been in place for a long enough period of time for us to assess its effectiveness in focusing the district's resources on its primary strategies. Thus, to ensure it continues to meet best practice standards, the district should monitor implementation of the plan.

Performance Accountability System

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

As of January 2005, the Lake County School District has implemented all five action plans for performance accountability. For instance, the district established the Office of Planning, Program Evaluation, and Accountability to develop and oversee its accountability system. The office created an accountability framework for district staff to use to develop goals and objectives for its major educational and support programs. The district accountability handbook now contains goals and objectives for each of these programs, and the district plans to report its progress in achieving these goals and objectives to the board. In addition, the district has established a process for identifying areas in need of evaluation and performing evaluations on these areas.

Now that the district has established an accountability system, it should collect data to determine the extent to which it is achieving its objectives at the district and program level. In addition, it should train board members and program managers in using data to inform decision making.

Educational Service Delivery

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

Since January 2002, the district has implemented all seven action plans by taking the actions described below.

- The district has increased its use of test data to improve student performance. Most notably, the district has purchased and begun implementation of the “FCAT STAR” reporting system, which allows administrators and teachers to better analyze and use FCAT performance data. For instance, FCAT STAR enables the school district to compare its FCAT scores to that of peer districts, track a cohort of students over a period of time, and to assess how particular groups of students perform so that no subgroup of students lags behind.
- The district has taken steps to hold principals accountable for student performance by regularly reviewing the extent to which principals meet academic goals established in documents such as school improvement plans. While this is consistent with report recommendations, the district should expand the annual appraisal form to hold principals more directly accountable for gains in student performance.
- The district has provided additional incentives to and recognized exceptionally successful teachers, and has promoted and contributed to the diffusion of their exemplary practices.
- The district has made several changes to improve its Exceptional Student Education (ESE) and English for Speakers of Other Languages (ESOL) programs. For instance, the district has created mechanisms to solicit guidance and input to improve these programs from a broader spectrum of stakeholders including parents. In addition, the district’s new FCAT STAR system allows it to more effectively assess and track the performance of these students. In August 2004, the district included the individual education plans of each ESE student into FCAT STAR. To continue to meet best practice standards, the district should monitor how well the FCAT STAR system enables staff to track individual education plans of ESE students, and it should make any needed modifications.
- The district has taken several steps to improve its curriculum and instructional practices. For instance, the district’s curriculum teams reviewed and improved the reading, mathematics, and science curricula. In addition, the district changed the curriculum development process to involve more input from a wider range of staff rather than a top down approach used during the original review.
- The district also made changes to improve its school-based improvement processes. For instance, the district updated school improvement training modules to include general information on developing measurable outcome-related school improvement plan objectives. However, to ensure that it continues to meet best practice standards, the district should take some additional actions in this area. Given the persistent problems that the district has experienced with its school improvement plans, the district should require that schools with plans that continue to have poorly articulated, non-measurable objectives receive targeted training/technical assistance and revise their plans to address these deficiencies prior to board approval. In addition, the director of Planning, Program Evaluation, and Accountability should certify to school board members prior to board approval that each plan includes measurable outcomes, clear strategies, who is primarily responsible for ensuring each strategy is implemented, and how success will be measured.
- In addition, the district has made improvements to the way that it evaluates expenditures and staffing levels of selected services against comparable districts and/or to state or national benchmarks on a regular basis. To ensure that it continues to meet best practice standards, the staffing committee should keep written minutes of its meetings and explain in writing its

recommendations for additional positions, including the criteria it used for each of its recommendations. This information will enable school board members and the public to better determine the reasonableness of the staffing recommendations and how to allocate the district's limited resources.

Based on additional research conducted by its staff since the original review, the district estimated that it is not currently cost-effective to pursue additional Medicaid reimbursement for eligible services provided to ESE students. Given the continued growth in the district's ESE student population, it is likely that the number of qualified students and services eligible for reimbursement will increase. In addition, due to the influx of new residents into the county, the pool of qualified service providers may increase over time. Therefore, seeking Medicaid reimbursement may be cost-effective for the district at a future date. To ensure that it continues to meet best practice standards, the district should annually update its cost-effectiveness analysis and present its findings to the school board for reconsideration. District staff also should keep abreast of pending and future changes in federal rules governing Medicaid reimbursement, some of which may substantially increase the amount of expenses the district can recoup.

Administrative and Instructional Technology

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

As of January 2005, the Lake County School District has implemented all eight action plans for administrative and instructional technology. For instance, its board approved a technology master plan, developed with stakeholder input, that will guide the district in areas such as technology needs assessment, acquisition, user support, access and training. The Management

Information Systems department now signs off on all technology purchase orders (including software) allowing for standardized purchasing and economies of scale. To better integrate technology into the curriculum and improve technology professional development, the district hired an instructional technology specialist who assists instructional personnel with technology integration. This position also is responsible for working with schools and the district curriculum department on all school based or curriculum related software purchases to make sure the software is compatible with district systems. Technology skills have been incorporated into the performance appraisal process for all district staff. To take advantage of efficiencies that could be gained by implementing a centralized image processing system, the district implemented a districtwide document imaging system for electronic storage and retrieval of documents.

There are two issues that the district should continue to monitor to ensure that best practice standards continue to be met. First, the district's technology master plan recently has been approved so there has not been time for the district to implement the program evaluation section of the plan. The district should make sure that it evaluates the plan's goals and objectives on an annual basis and adjusts the plan accordingly. Second, at the time of our field work, the new instructional technology specialist position had been filled for only a short while. This position has considerable responsibility for integrating technology into the curriculum, technology training, and curriculum software purchases. The district should make sure this position accomplishes the goals it has associated with its creation.

Personnel Systems and Benefits

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

As of January 2005, the Lake County School District has implemented all three action plans for personnel systems and benefits. For instance, the district has taken steps to coordinate the training of non-instructional as well as instructional staff throughout the district, and has included these steps as a part of its strategic plan. The district also has developed performance measures for use in managing the human resource function. To ensure that it continues to meet best practice standards, as the district develops a history of performance data based on these measures, it should use this information to establish, assess, and revise recruiting and personnel management strategies.

Use of Lottery Proceeds

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

As of January 2005, the Lake County School District has implemented both action plans for the use of lottery proceeds. For instance, the district has provided workshops for SAC members, providing information regarding applicable laws, responsibilities, meetings, budgets, contacts, and finances. In addition, a quarterly report of lottery revenues and expenditures is prepared and placed on the district's website.

Use of State and District Construction Funds

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

to evaluating alternatives to new construction, establishing a procedure to ensure that all major construction projects are in accordance with the five-year plan, lowering construction costs through formally incorporating the frugal construction practices recommended by the Smart School Clearinghouse, and using life-cycle cost analysis to evaluate building systems prior to selection.

As of January 2005, the Lake County School District has implemented all three action plans for the use of state and district construction funds. For instance, the district has implemented a system to track all new construction projects to ensure that they are planned and budgeted for in the five year plan, and recommended in the Educational Plant Survey. In addition, to reduce construction and design costs, the district is using SMART school design principles for its new prototypical elementary and middle schools. The district also uses life-cycle cost analysis to ensure that the most durable and appropriate building systems are used in new construction and renovations.

Facilities Construction

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

As of January 2005, the Lake County School District has implemented all 13 action plans for facilities construction. For instance, the district has improved its facility planning process by creating a comprehensive planning manual that covers the policies and procedures governing facilities planning. This document includes studies on financing school construction through impact fees assessed on new residential development, demographic studies and growth

projections, setting district priorities, and implementing an orientation program and evaluation program for new projects. In addition, the district has established base line data for energy and operations costs for new facilities. The analysis of this data helped the district choose a more efficient building management system for new school construction.

To ensure that it continues to meet facilities construction best practice standards, the district should

- consider enlarging its facilities planning committee to include members of the community who could assist the district with setting construction priorities and with gaining support for the financing options contained in the impact fee study;
- use the enrollment projections from its consultant growth study to target areas for acquiring school sites to meet its construction needs in both the short and long term; and
- ensure that it has a process in place to utilize the results of its post-occupancy evaluations to make improvements to its future school designs.

Facilities Maintenance

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

As of January 2005, the Lake County School District has implemented all 14 action plans for facilities maintenance. For instance, the district has established a preventative maintenance program, developed a maintenance staffing plan, and implemented an energy conservation program that involves school staff. The district also developed objectives to evaluate the overall performance of its maintenance program in

terms of targeting its costs per square foot maintained, improving the work order closure rate and improving its customer satisfaction rating. In addition, implementing new energy management software in 2003-04 helped the district reduce energy costs by \$230,000, and negotiate \$19,000 in utility company rebates.

To ensure that it continues to meet facilities maintenance best practice standards, the district should continue to

- evaluate its maintenance and custodial staffing plans to ensure that staff are systematically added as new facilities are opened; and
- to look for opportunities to outsource maintenance services based on a cost comparison of in-house and contractor costs.

Student Transportation

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

Since January 2002, the district has implemented all six action plans. For instance, the district

- reduced the age of its bus fleet to be in line with the school board's 10-year bus replacement policy, which should help it to reduce future vehicle maintenance and repair expenses;
- made changes to allow the director to access transportation budget information on-line and in real time. As a result of these changes, the transportation director now reviews the budget via his desktop computer weekly to check balances and compare actual to budgeted costs. In addition, the transportation director examines maintenance costs over time as a primary way to determine when to retire a bus;

- has begun to regularly assess the performance, efficiency, and cost of its transportation services. For instance, the transportation director uses performance and expenditure data included in the Department of Education's "Quality Link" report to assess the reasonableness of maintenance costs, general operating revenue transferred to cover transportation expenses, and bus occupancy rates. As part of this evaluation, the director compares Lake County information with that of its peers as well as statewide averages. The transportation director shares this information regularly with the assistant superintendent for Support Services and annually with the school board;
- has begun to conduct annual reviews of the student transportation program's organizational structure and staffing level to minimize administrative layers and process; and
- developed a five-year plan for the transportation department. To improve its usefulness, we recommend that the transportation department expand the plan in the next year to include the associated cost of each major anticipated expense item (including buses, new facilities, and additional staff), why the item is needed, a timeline for when each item is needed, and level of priority of each item. Currently, much of this information is included in a separate document. In addition, to ensure the district continues to meet best practice standards, the five-year plan should be annually updated, submitted to the school board for approval, and provided to district staff who develop the district's budget and strategic plan in time for transportation needs and priorities to be considered and included in overall district planning and budget processes.

Food Service Operations

Based on our initial review, we found that the district could significantly improve its food service operations and was using 9 of the 17 best

practices in this area. The final report contained eight action plans to assist the district in meeting best practice standards. These action plans were designed to improve how the district manages its Food Service Program, particularly in the areas of strategic planning, training plans, adjusting staffing levels, customer communications, performance measurement systems, and long-range equipment management.

As of January 2005, the Lake County School District has implemented all eight action plans for food service operations. For instance, program management's efforts in the area of program's strategic plans, performance measurement system, and financial reporting system will provide program managers and the district school board with improved tools to oversee operations and monitor performance. Improved customer communications techniques also should allow management to respond better to students needs. In addition, establishment of a preventive maintenance program for key program equipment should extend useful life and performance of equipment as well as reduce long-term investment needs.

To ensure that it continues to meet food services best practice standards, the district should

- monitor implementation of the new food service preventive maintenance program to ensure the program is able to attain full savings and cost avoidance; and
- review the implementation of the new food service management information system that uses the Crystal Reports format and make modifications as needed so the district is able fully benefit from this management tool.

Cost Control Systems

Our original review found that the Lake 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 22 of 31 best practices for this area. The final report contained nine action plans to assist the district in meeting best practice standards in

internal auditing, financial auditing, asset management, inventory management, financial management, and purchasing.

As of January 2005, the Lake County School District has made significant progress in meeting the best practices and implemented eight of the nine action plans for cost control systems. However, the implementation of a planned software update for fixed assets has not yet been completed. Among other features, this software is expected to update the general ledger as transactions occur, enabling district personnel to reconcile subsidiary ledgers to the general ledger in a more efficient and timely manner. The district anticipates that the module will be available from the vendor during the first quarter of 2005.

To ensure that it continues to meet cost control systems best practices, the district should monitor the implementation of recently developed policies and procedures to ensure a strong internal control environment. For instance, the district should continue its plans to use its risk assessment of operations to review or audit areas of greater risk, continue to perform various financial reconciliations in a timely manner, and monitor the use of its inventory warehouse security system and of its purchasing card system.

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.⁵ Thus, the scope of this follow-up did not include safety and security action plans.

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 assist the district in meeting best practice standards.

As of January 2005, the district has taken steps to assign accountability for community involvement functions to its Public Information Officer as recommended in the original report.

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/

⁵ More information on the Safe Passage Act can be found on OPPAGA's 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). Cover photo by Mark Foley.

Florida Monitor: www.oppaga.state.fl.us/

OPPAGA review staff included Byron Brown, Rose Cook, Martha Wellman, Jenny Wilhelm, and Don Wolf, under the supervision of David Summers (850/487-9257).

Auditor General staff included Brenda Racis and Jim Kiedinger, under the supervision of David Martin

Gary R. VanLandingham, OPPAGA Interim Director

Appendix A

Estimated Cost Savings

The Lake County School District estimates that to date it has experienced a net positive fiscal impact of \$2,342,556 by implementing report action plans and expects to achieve additional cost savings in the future as a result of implementing report action plans. The table below provides a detailed description of these impacts by best practice area.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	District's Narrative Explanation of Fiscal Impact	District's Explanation of Differences Between Projection and Actual
Management Structures				
Conduct a Job Analysis and Compensation Study (Action Plan 3-4)	(\$75,000)	(\$50,000)	The compensation study contract went through the RFP process and resulted in a contracted price of \$50,000, which was \$25,000 less than that projected by OPPAGA.	The compensation study was \$25,000 less than that projected by OPPAGA.
Performance Accountability				
Establish an Office of Program Evaluation and Accountability (Action Plan 4-1)	(\$402,900)	(\$167,912)	The fiscal impact includes a period of 20 months. The director of Planning, Program Evaluation, and Accountability was hired in May 2003 after a long search. The department secretary was hired in December on 2004 after determining that funding was available. The majority of the costs were due to salaries for the two positions. Other incurred costs were minimal and included computers, software, furniture, supplies, and travel.	The difference is mainly due to the timeline of creating and staffing the positions. The director was hired in May 2003 and the secretary was hired in January 2004. The actual cost was \$234,987.52 less than that projected by OPPAGA for this reason.
Educational Service Delivery				
File for Medicaid Direct Services Reimbursement (Action Plan 5-3)	\$1,152,000	0	The district thoroughly researched the Medicaid reimbursements for direct services and determined that the projected cost savings were overestimated. The analysis indicated that implementation of Medicaid reimbursement would not be cost effective for the district at this time. The analysis will be performed annually to provide documentation to the school board should increased student population create the circumstances to make reimbursement cost-	An analysis showed this to not be cost effective and the decision to not implement this program was supported by OPPAGA. An annual review of possibly implementing Medicaid reimbursement will be conducted to determine if increasing enrollments will make this program more cost effective for the district.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	District's Narrative Explanation of Fiscal Impact	District's Explanation of Differences Between Projection and Actual
Expand the PK-12 Curriculum and Instruction Department (Action Plan 5-6)	(\$385,900)	(\$240,000)	effective. The Curriculum Department was expanded to include a Director of Secondary Education and the Supervisor of Curriculum was designated as the Director of Pre-K through 5 Education. The cost for adding the position was approximately \$240,000 for a period of 27 months. This included the cost for salary, benefits, travel, and technology requirements.	The difference between the initial OPPAGA estimate (\$385,900) and the estimated cost (\$240,000) is due to the implementation of the recommendation. The position was hired in August of 2002. The actual time period was for 27 months and includes costs for salary, benefits, office setup, and travel. The cost difference was \$145,900. NOTE: The cost estimate for adding this position was modified to \$700,000 for a five-year period as per the memo dated September 12, 2002, regarding Action Plan revisions. Using this cost estimate, the cost difference is \$460,000.
Strengthen Accountability for Lost and Damaged Books (Action Plan 5-10)	\$95,000	\$69,940	The district has always collected funds for lost and damaged books. The amount collected resulted in the following amount: Year 2000-2001 \$17,424.93 Year 2001-2002 \$21,104.02 Year 2002-2003 \$17,106.01 Year 2003-2004 \$14,305.24 Total: \$69,940.20	The amount collected was \$25,059.76 less than the amount projected by OPPAGA. This was for a four-year period versus the five-year period projected by OPPAGA. If the four-year average of \$17,485.05 is collected in the fifth year, the total amount collected will be \$87,425.25 which is closer to the projected amount of \$95,000 for the five year period.
Technology				
Reinstate In-Service Trainer for TERMS System (Action Plan 6-3)	(\$200,000)	(\$43,728)	The System User Specialist was hired in August 2003. The cost for salary and benefits for this 16-month time period was \$43,728.	The annual salary and benefits for this position is \$33,602, less that the estimated cost of \$40,000 per year. The time period of 16 months was also significantly different from the five-year period. The cost difference in the actual versus the estimated was \$156,272.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	District's Narrative Explanation of Fiscal Impact	District's Explanation of Differences Between Projection and Actual
Implement Existing Licensed Curriculum Management Software (Action Plan 6-8)	\$1,000,000	0	The Abacus system was not implemented. A replacement system has not been purchased or implemented at this time. The Technology Committee is researching alternative data management systems at this time. A pilot program will be implemented this year at Windy Hill Middle School to evaluate a student data-management system. If the system proves to be cost-effective and beneficial to the district, plans will be developed to implement the system districtwide.	See comments in previous column.
Implementation of a District-Wide Document Imaging, Storage and Retrieval System (Action Plan 6-13)	\$450,000	(\$225,000)	<p>The cost for the purchase of the document imaging system was approximately \$225,000, less that the cost of \$300,000 estimated in the original review.</p> <p>The cost savings for photocopying is undetermined at this time.</p>	The original report estimated that the district would purchase the imaging system in 2003-04 at a cost of \$300,000 and that the district would experience cost savings of \$375,000 in each of the next two years primarily due to decreases in costs related to photocopying and photocopy equipment. However, the district's fiscal impact estimate does not include savings experienced due to a reduction of its photocopying costs.
Facilities Construction				
Conduct a Facilities Audit (Action Plan 10-5)	(\$100,000)	(\$63,855)	The district completed a plant survey that was accepted by the school board in the spring of 2004. This information was used to update the Five-Year Work Plan. The initial fee for the survey was \$39,000. Additional services to modify and finalize the plant survey were an additional \$24,855. The total cost of the survey was \$63,855.	The actual cost for the plant survey was \$63,855. This was \$36,145 less than what was projected by OPPAGA in the initial report.
Facilities Maintenance				
Establish a Uniform Building Management System (Action Plan 11-4)	\$247,000	\$230,000	<p>Standardizing systems and implementation of upgraded specifications for construction of facilities has resulted in over \$230,000 of savings in electric, solid waste and recycling disposal, natural gas, and water/sewer services for three year period.</p> <p>Cost savings for other aspects of standardizing construction are not available at this time.</p>	The actual estimated savings of \$230,000 was \$17,000 less than that projected by OPPAGA. However, the estimated savings were based on a three-year period. The average estimated savings per year is \$76,667 versus an average projected savings by OPPAGA of \$49,000 per year. Thus, the actual five-year savings will surpass the OPPAGA projected savings.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	District's Narrative Explanation of Fiscal Impact	District's Explanation of Differences Between Projection and Actual
Management Structures				
Increase District-Wide Custodian Productivity to 20,000 Square Feet Per Custodian (Action Plan 11-12)	\$1,650,000	\$1,710,000	<p>With the addition of new facilities and decreased allocations per square footage, the district meets the OPPAGA recommendation for custodian productivity/allocation. The total square footage for district facilities is now 5,596,054 (for 2004-2005). There are currently 261 full-time custodian allocations (based on 8 hours per full-time position) in the district. This results in one full-time custodian allocation per 21,441 square feet. The allocation during the initial OPPAGA study (used by the district) was one full-time custodian per 18,050 square feet. Using the old formula would have resulted in 310 full-time custodial positions. The reduced allocation has resulted in 49 less positions. OPPAGA projected a savings of 22 positions using the one custodian per 20,000 square feet. Based on a average salary of \$15,000, the district saved \$735,000 for the 2004-2005 school year.</p> <p>For the 2003-2004 school year, the total square footage in the district was 5,363,233. 249 custodial positions were allocated or one custodian per 21,539 square feet. Under the formula used during the initial OPPAGA report (one per 18,050 square feet), it would have resulted in 297 positions. The district allocated 48 less positions using the increased square footage. The cost savings based on the average (provided by OPPAGA) of \$15,000 per year for 48 fewer positions was \$720,000 for the 2003-2004 school year.</p> <p>For the 2002-2003 school year, the district allocated 243 positions for a total of 4,699,271 square feet. 260 positions would have been allocated under the formula of 18,050. This</p>	<p>The cost savings for a three-year period was \$1,710,000, more than projected by OPPAGA.</p> <p>Addition of increased square footage, attrition of custodians, and a reduction in the allocation of custodians per square footage resulted in these cost savings.</p>

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			<p>was a savings of 17 positions or \$255,000 based on an average salary of \$15,000.</p> <p>Thus the total estimated savings gained by increasing the square footage used in the allocation process resulted in the following savings:</p> <p>2004-2005: \$ 735,000 2003-2004: \$ 720,000 2002-2003: \$ 255,000 Total: \$1,710,000</p> <p>This resulted in more savings in a three-year time frame than projected by OPPAGA for a five-year time frame.</p>	
Transportation				
Eliminate Unnecessary Courtesy Rides (Action Plan 12-1)	\$872,500	\$250,000	The school board saved approximately \$250,000 by eliminating courtesy rides and by moving some courtesy riders to existing routes and buses.	The cost savings for elimination and restructuring courtesy rides was \$622,500 less than that projected by OPPAGA.
Charge School Groups for Field Trips to Cover the Full Cost of the Trip (Action Plan 12-2)	\$283,000	\$348,896	The district generated \$348,896.40 in revenue for a period of one year, 2003-2004. This was for transporting 97,603 students on 2,864 buses for 153,541.95 miles.	The district was able to save more money in one year than was estimated by OPPAGA for a five year period. If revenues are consistent for five years, this will result in \$1,744,482. The district generated \$65,896.40 more than what was estimated by OPPAGA.
Promote Lead Drivers to a Supervisory Position (Action Plan 12-3)	(\$165,000)	(\$47,000)	The district hired two secretaries, one for each bus lot. The secretaries answered phone calls, updated the bus routes, and allowed the route managers to perform more of their duties. This proved to be more cost-effective than promoting employees into lead driver positions.	The cost to promote drivers into a lead driver or supervisory position would have cost approximately \$90,000 per year, while the secretaries cost approximately \$47,000 per year.
Pursue Reimbursement from Medicaid for Eligible Transportation (Action Plan 12-4)	\$115,500	0	This was not implemented as it was shown to not be cost effective.	An analysis showed this to not be cost-effective and the direction to not implement this program was supported by OPPAGA. An annual review of possibly implementing Medicaid reimbursement will be conducted to determine if increasing enrollments will make this program more cost-effective for the district.

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Food Services				
Expand Nutritional Programs (Action Plan 13-7)	\$271,200	\$278,215	A breakfast program has been implemented in every middle and high school with the exception of four. Two additional schools will be added in January 2005. It is anticipated that all schools will have a breakfast program by 2006. The revenues by year are as follows: 2001: \$19,323 2002: \$51,269 2003: \$89,091 2004: \$118,532	The district generated \$234,647 more than what was projected by OPPAGA.
Cost Controls				
Contract Out a Risk Assessment Study (Action Plan 14-1)	(\$15,000)	(\$25,000)	The risk assessment contract was completed using an RFP process. The selected firm was the lowest bidder and best qualified to perform the tasks.	The RFP process resulted in a contract that was slightly higher than that estimated by OPPAGA. The district spent \$10,000 more than what was estimated by OPPAGA.
Expand the In-House Internal Accounts Auditing Function by Hiring a Full-Time Fiscal Assistant II (Action Plan 14-3)	(\$123,900)	(\$110,000)	A cost analysis was completed and it was determined that it would be more cost-effective to contract these services out versus hire full time employees.	The district experienced a cost savings of \$13,900 over the amount projected by OPPAGA.
Use of Purchase Cards to Reduce Inventory (Action Plan 14-6)	\$215,840	\$428,000 (includes cost avoidance from Action Plan 14-9)	The warehouse inventory has been reduced from 700 items to 350 items. Staff will be reduced through attrition.	In combination with the estimates for both Action Plan 14-6 and Action Plan 14-9, the district experienced cost savings that were \$18,240 less than the original amount projected by OPPAGA. However, this was for a time period of two years versus the five-year period for the OPPAGA estimates.
Use of Purchase Cards for Supply Items (Action Plan 14-9)	\$230,400	(included in the figure provided for Action Plan 14-6)	Purchasing cards were implemented in Fiscal Year 2003. The cost savings estimates are based on \$65 cost avoidance for preparing purchasing orders and processing invoices.	In combination with the estimates for both Action Plan 14-6 and Action Plan 14-9, the district experienced cost savings that were \$18,240 less than the original amount projected by OPPAGA. However, this was for a time period of less than the five years used for the OPPAGA estimates.
Totals:	\$5,114,740	\$2,342,556		

Source: The Lake County School District, January 2005.