



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

at a glance

On October 15, 2002, the Hillsborough County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-39). OPPAGA developed 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 February 2005, the district had implemented all 38 action plans contained in the OPPAGA report. 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 experienced a net positive fiscal impact of \$17 million and expects to exceed the savings projected in OPPAGA's original report by approximately \$7 million for an estimated total savings of \$35 million over five years.

OPPAGA recommends that the State Board of Education award the Seal of Best Financial Management to the Hillsborough County School District. The district should, however, monitor several issues to ensure that it continues to increase efficiency and reduce costs.

Scope and Methodology —

This report provides the Florida Legislature with information on the status of the Hillsborough County School District's implementation of action plans included in the Best Financial Management Practices Review published in July 2002.¹ On October 15, 2002, the Hillsborough County School Board voted to implement the action plans and pursue the Seal of Best Financial Management.

Florida law provides that district school boards that agree by a majority plus one vote to institute the action plans must submit an annual report to 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 requires OPPAGA to 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 Hillsborough County School District*, [Report No. 02-39](#), 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.² 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.

Florida law directed OPPAGA to conduct a Best Financial Management Practices Review of the Hillsborough County School District during Fiscal Year 2001-02.³ Based on review field work, OPPAGA concluded that the Hillsborough County School District was using 81% (173 of 214) of the best practices adopted by the Commissioner and

² The 2001 Legislature passed the Sharpening the Pencil Act, which made several substantive changes to the Best Financial Management Practices Review process.

³ OPPAGA contracted with Gibson Consulting Group, Inc., of Austin, Texas, 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.

was not eligible for a Seal of Best Financial Management in 2002. (See Exhibit 1.)

Exhibit 1 Our Initial Review Found that the District Was Using 81% of the Best Practices

Best Practice Area (Total Practices)	Yes	No
Management Structures (12)	9	3
Performance Accountability System (5)	0	5
Educational Service Delivery (16)	15	1
Administrative and Instructional Technology (20)	17	3
Personnel Systems and Benefits (15)	12	3
Use of Lottery Proceeds (5)	5	0
Use of State and District Construction Funds (4)	2	2
Facilities Construction (32)	27	5
Facilities Maintenance (26)	25	1
Student Transportation (20)	15	5
Food Service Operations (17)	13	4
Cost Control Systems (31)	24	7
Community Involvement (11)	9	2
All Areas (214)	173 (81%)	41 (19%)

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 to implement best practice principles within two years. By implementing the action plans and other report recommendations, we determined that the Hillsborough County School District could improve district operations, save money, and demonstrate good stewardship of public resources.

Overall Conclusions

As of February 2005, the Hillsborough County School District has implemented all 38 action plans contained in the original report. Therefore, OPPAGA recommends that the State Board of Education award the Seal of Best Financial Management to the Hillsborough County School District.⁴ Exhibit 2 provides the implementation status of action plans by best practice area.

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.

Exhibit 2
The Hillsborough County School District
Has Implemented All 38 Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans Implemented
Management Structures	3	3
Performance Accountability System	5	5
Educational Service Delivery	1	1
Administrative and Instructional Technology	4	4
Personnel Systems and Benefits	3	3
Use of Lottery Proceeds	0	0
Use of State and District Construction Funds	2	2
Facilities Construction	2	2
Facilities Maintenance	1	1
Student Transportation	4	4
Food Service Operations	4	4
Cost Control Systems	7	7
Community Involvement	2	2
All Areas	38 (100%)	38 (100%)

Note: The original review found that the district was using all best practices relating to the use of lottery proceeds; thus, the original report contained no action plans for that area.

Source: OPPAGA.

By implementing the 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.

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 strengthened its performance accountability systems. While these systems should enable the district to begin using the best practices, 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 continue to systemically examine operations to increase efficiencies, reduce costs, and improve overall performance, and it should strive for long-term challenge. This includes continuously working to refine performance measures to ensure that they measure what they are intended to measure and provide accurate data to assess progress toward district goals. As the district meets its goals, we recommend that it communicate its successes and work to develop new goals to continually strive for improved performance. The district should regularly assess the effectiveness of strategies to meet operational program goals as well as how the strategies relate to and support the district’s overall goals. Finally, the district should monitor the implementation of new policies and procedures developed to use the best practices to ensure that they are efficient, provide accurate data, and achieve their intended purpose.

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 the Hillsborough County School District was using 9 of 12 best practices established for management structures. Generally speaking, the district had an effective governance and management structure, but to meet best practice standards we recommended three action plans to improve the district’s organizational efficiency and site-based decision making and management.

As of February 2005, the district has implemented all three action plans for management structures. To address these action plans, the district has phased out two senior management positions; made principals more aware of their flexibility in staffing

formulas; incorporated a span of control staffing analysis into the annual review of its strategic plan; begun publishing information to demonstrate cost savings as a result of reorganization; and implemented site-based budgeting to ensure school funding is equitable, consistent, and transparent.

Performance Accountability System

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

As of February 2005, the district has implemented all five action plans for performance accountability. The district now has systems in place to explore alternative delivery systems and assess cost-efficiency for all instructional and operational programs; has developed measurable goals and performance measures for its operational programs; includes progress toward district goals in senior management evaluations; regularly reports performance and cost-efficiency information to the school board; conducts formal evaluations of operational programs; and publishes instructional and operational program performance data on its website and in its annual reports.

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, to continue to meet best practice standards, the district should collect data to determine the extent to which it is achieving its objectives at the district and program level. In addition, it should continue to train board members and program managers in using data to inform decision making.

The district also should strive to continually challenge its performance by examining and refining performance goals once they have been achieved. Finally, the district should continue efforts to report performance data with context to

ensure that district administrators and staff, parents and students, and the community at-large can clearly assess the district's performance and achievements.

Educational Service Delivery

Our original report found that the Hillsborough County School District was using 15 of the 16 educational service delivery best practices. The final report contained one action plan designed to assist the district in meeting best practice standards by making several improvements in its exceptional student education (ESE) program.

As of February 2005, the district has implemented the action plan by taking the actions described below.

- The district has taken steps to increase its monitoring of disciplinary procedures for exceptional students by scheduling regular data reviews, analyzing the data for trends, and providing additional training to teachers and administrators as needed.
- The district has increased the timeliness of ESE assessments and has succeeded in reducing non-qualifying referrals. For example, the district has reviewed the status of assessments and referrals, identified areas needing improvement, and taken steps to reduce pending referrals by hiring psychologists during the summer months to assist with evaluations. The district also has taken steps to reduce the number of non-qualifying referrals by increasing principal and assistant principal training and by ensuring that school-based staff focus on interventions at the classroom level to assist students having difficulty.
- The district has established procedures to increase the impact of ESE reviews by ensuring that recommendations from those reviews are implemented. For example, in response to an evaluation recommending the district address the over-representation of minority males in the educable mentally handicapped (EMH) classification, the district established a committee consisting of psychologists, social workers, guidance counselors, and ESE personnel that developed a districtwide plan that included firmer criteria for EMH eligibility, a new procedure involving district review of all EMH staffings, and greater emphasis on training school-based personnel.

To continue to meet best practice standards, the district should monitor the discipline rates for students with disabilities and ensure that appropriate training is targeted to those school-based personnel in need. In addition, the district should continue to monitor the over-representation of minorities in the EMH classification.

Administrative and Instructional Technology

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

As of February 2005, the district has addressed all four action plans. For instance, to measure user satisfaction with technical support services the district now solicits and analyzes feedback obtained through customer surveys and has established specific customer satisfaction benchmarks. The district also has gathered technology support data from each school to establish an annual benchmark cost factor and collected additional data to better assess the timeliness and cost-effectiveness of technology support services. In addition, the district created a professional development assessment survey for administrative and support personnel, and formalized procedures for unconnected program-level databases which includes providing training for both developers and users of these databases to ensure data reliability and security.

Personnel Systems and Benefits

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

As of February 2005, the district has implemented the three action plans enabling it to create a comprehensive orientation program to expand staff development programs for non-instructional personnel, to analyze teacher and staff turnover,

and create, store, and use electronic images of personnel records.

While its personnel system is performing well, the district should regularly assess key aspects of its personnel function and make improvements as necessary to ensure that they continue to meet best practice standards. To do this, the district should regularly review job descriptions to ensure they accurately reflect any changing duties; conduct equity analyses of job classifications to retain good employees and ensure competitive salaries; and evaluate career paths of positions with high rates of employee turnover. The district also should systemically examine its personnel operations to track employee movement, progression, and separation to increase overall efficiencies and cost savings.

Use of Lottery Proceeds

Our original review found that the Hillsborough County School District was using all five best practices for use of lottery proceeds. Thus, the final report contained no action plans in this area.

Use of State and District Construction Funds

Our original review found that the Hillsborough County School District was using two of the four best practices for use of construction funds. The report contained two action plans designed to assist the district in meeting best practice standards. These action plans pertained to considering alternatives to new construction and improving life cycle cost specifications and including them in prototype design.

As of February 2005, the district has implemented both of these action plans. For instance, based on an assessment of facility use, the divisions of Facilities and Administration adjusted attendance boundaries, converted some underutilized properties, and changed occupancy schedules of other underutilized properties. In addition, the district now routinely evaluates alternatives to new construction and has used the SMART (soundly made, accountable, reasonable, and thrifty) school design system to reduce new construction costs and, as a result, has obtained over \$30 million in SIT awards from the state.

Facilities Construction

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

As of February 2005, the district has implemented both of these action plans. First, the district made several improvements in the area of facilities planning. For instance, the district has broadened input it receives in the facilities planning process by soliciting community input on specific construction projects and establishing a facilities planning committee comprised of a wide variety of stakeholders including community members. As part of its duties, the facilities planning committee has participated in the development of the district's five-year facilities plan. The district also developed an inter-local agreement with all municipalities regarding identification of school sites and is collaborating with Hillsborough County on the county's Comprehensive Plan. The school board has coordinated with the county commission on the potential assessment of impact fees for developers to assist in planning for district needs.

Second, the district has implemented our recommendation to conduct post-occupancy evaluations of new facilities. The district uses information gathered in these evaluations for continuous quality improvement by incorporating 'lessons learned' into new designs and construction.

Facilities Maintenance

Our original review found that the Hillsborough County School District was using 25 of the 26 best practices for facilities maintenance. The report contained one action plan to assist the district in meeting best practice standards by strengthening the accountability systems of its Maintenance Department.

As of February 2005, the district has implemented this action plan. For instance, the Maintenance Department has established goals and objectives and has created plans to identify both short- and long-term maintenance needs and projects. These

actions will enable the district to tie maintenance standards to short- and long-term plans and to maintain facilities in accordance with the five-year facilities work plan and annual budgets.

Student Transportation

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

As of February 2005, the district has implemented these four action plans by taking the actions described below.

- The district has completed implementation of a computerized system to help route school buses. This, coupled with a concerted effort to monitor ride times, allows the district to efficiently transport students within reasonable timeframes.
- The district analyzed student ride times and made needed adjustments to ensure that ride times do not exceed district standards. In addition, the district established criteria to evaluate the safety of student walk routes to school or bus stops. Use of these criteria allows the district to reduce transportation costs by restricting bus ridership to students that need transportation services due to safety concerns and ensures that students walking to bus stops are safe.
- The district analyzes costs for each bus in service to help determine which buses should be replaced. This will help the district reduce future vehicle maintenance and repair expenses.
- The district has developed and uses procedures to file Medicaid claims for reimbursable transportation expenses which reduce its overall transportation costs.
- The district charges individual schools the full cost of transportation for school-requested field trips.
- The district has reduced vehicle repair part inventories by taking steps such as surplusng obsolete parts. The district also has taken actions to maximize reimbursements from parts and repairs under warranty. These reimbursements are used to enhance transportation

maintenance operations including the purchase of additional vehicle maintenance computers.

Food Service Operations

Based on our initial review, we found that the Hillsborough County School District was using 13 of 17 food services best practices. The final report contained four action plans to assist the district in meeting best practice standards by increasing the efficiency and effectiveness of its food service program. These action plans were designed to improve how the district manages its food service program particularly in the areas of strategic planning; establishing goals, objectives, and benchmarks; evaluating the program using these benchmarks; and budgeting based on program goals.

As of February 2005, the district has implemented all four action plans for food service operations. For instance, it has revised the food service program's mission statement and authorized district administrators to establish mechanisms to strengthen program accountability. As a result of these changes, food service program administrators and food service accounting staff now collaborate more closely than in the past to develop the food service program budget. The district also has created management reports such as profit and loss statements that are used to compare performance to established benchmarks. These reports allow administrators to monitor the effectiveness of strategies used to meet food service goals and can indicate when strategies need to be modified.

Cost Control Systems

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

As of February 2005, the district has implemented all seven action plans. For instance, the district has approved a new reporting structure for the Internal Auditing Department to report directly to the board and administratively to the superintendent, provided stakeholders with an anonymous hot-line telephone number to the Internal Auditing Department, and implemented procedures to annually inventory all district capital assets, including school buses. The district also has developed various purchasing and payment processing controls such as a review process to ensure payments do not exceed authorized amounts, a system to track purchasing threshold limits, including the coordination and consolidation of planned purchases, and procedures for maintaining vendor performance records.

To ensure that the district continues to meet cost control systems best practices, it 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 conduct an internal audit of the accounts payable department, perform annual inventories of all district capital assets, including school buses, and monitor the recently established payment processing and purchasing control procedures.

Community Involvement

Based on our initial review, we found that the district was using 9 of the 11 community involvement best practices. The final report contained two action plans designed to assist the district in meeting best practice standards.

As of February 2005, the district has implemented both action plans. For instance, the school board has expanded community involvement's mission, vision, goals, and objectives. In addition, the district developed a system to better allocate and track community involvement program costs, developed performance measures, and analyzed its community involvement organizational structure.

OPPAGA's Home Page Contains More Information

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

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

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Appendix A

Estimated Cost Savings

The Hillsborough County School District estimates that to date it has experienced a net positive fiscal impact of \$17,337,860 by implementing report action plans and expects to achieve a total of \$34,953,071 cost savings over five years 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	Narrative and Explanation of Differences
Management Structures			
<ul style="list-style-type: none"> Distribute board packets via email to all parties who receive packets other than board members and the superintendent (Action Plan 3-2). 	\$ 19,000	\$ 0	While recommended in OPPAGA's final report but not specified in the action plan voted on by the board, the district intends to implement a pilot to distribute board packets via email beginning in April 2005.
<ul style="list-style-type: none"> Phase out two senior management positions (Action Plan 3-5). 	1,779,830	1,142,344	This objective was accomplished within a more comprehensive senior management reorganization that has been in place for two years. The district expects that it will save \$2,855,860 over five years as a result of this reorganization.
<ul style="list-style-type: none"> Enhance board training on expenditure management (Action Plan 3-7). 	(25,000)	0	The district implemented this action plan with existing resources.
Educational Service Delivery			
<ul style="list-style-type: none"> Increase timeliness of assessments for ESE students and reduce non-qualifying referrals (Action Plan 5-2). 	\$ 965,800	\$ 965,800	The district reduced pending referrals by 12% and increased the qualifying ratio to 75%.
<ul style="list-style-type: none"> Eliminate one supervisor of media specialists and create two new positions for experienced media specialists or administrative resource teachers—one for elementary schools and one for secondary schools. Assign one supervisor of media specialists to oversee the entire K-12 Media Program when the secondary supervisor of media specialists retires (Action Plan 5-6). 	60,090	60,090	Action plan completed.
Personnel Systems and Benefits			
<ul style="list-style-type: none"> Downgrade the general director of Employee Relations position to director level with the title of chief negotiator. Eliminate the supervisor position and add a personnel analyst position (Action Plan 7-11). 	\$ 279,230	\$ 133,328	This objective was accomplished within the comprehensive senior management reorganization described in action plan 3-5 above. The five-year projected savings is an additional \$333,320.

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Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Narrative and Explanation of Differences
Facilities Construction			
<ul style="list-style-type: none"> Install wireless wide area network in 22 schools that lie within the proximity of the district administrative offices (Action Plan 10-2). 	\$1,675,000	\$ 0	While recommended in OPPAGA's final report but not specified in the action plan voted on by the board, the district's Information Services Division plans to implement wireless technology by the spring of 2005, now that it has gleaned best practices from peer county conversions and can capitalize on recent security technology advances. With an estimated two-year conversion for all 251 district sites, the first year of savings should approximate \$457,995, with a five-year savings projection of \$7,566,270. The anticipated savings is larger, as it involved all district sites, not just the 22 pilot sites.
Student Transportation			
<ul style="list-style-type: none"> Reduce the number hazardous riders receiving transportation (Action Plan 12-1). 	\$4,270,070	\$3,184,422	The district reduced the number of students it transports due to hazardous walking conditions by 1,973 over three years at \$538 per student. The district projects that it will save a total of \$5,307,370 over five years by implementing this recommendation.
<ul style="list-style-type: none"> Discontinue courtesy rider bus service (Action Plan 12-1). 	9,500,000	388,436	<p>The school board now annually conducts rigorous annual reviews of ridership and has standardized procedures for courtesy rider participation resulting in a \$388,436 reduction over a two-year period. The five-year savings projection is \$971,090.</p> <p>The district has saved substantially less than projected because, due to safety concerns, not all courtesy riders can be eliminated and the original cost saving calculations were based on total student ridership rather than courtesy riders alone.</p>
<ul style="list-style-type: none"> Pursue additional Medicaid reimbursement (Action Plan 12-3). 	1,500,000	321,858	By filing claims for reimbursable transportation expenses, the district is now on track to receive \$175,000 per year in Medicaid reimbursements. This is less than the anticipated reimbursement of \$300,000 per year because not every student considered in the original calculation was ultimately Medicaid eligible and the cost of data gathering and compliance outweighed the benefit for some sites with a sparse eligible population.
<ul style="list-style-type: none"> Reduce the repair parts inventory (Action Plan 12-7). 	136,800	95,718	Action plan completed.
Food Service Operations			
<ul style="list-style-type: none"> Raise all lunch prices throughout the district by five cents (Action Plan 13-6). 	\$2,228,242	\$5,941,992	The district increased lunch prices by \$0.25 for student meals and \$0.50 for adult meals, for a five-year projected revenue increase of \$9,903,320.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Narrative and Explanation of Differences
Cost Controls			
<ul style="list-style-type: none"> Hire an additional FTE field auditor (Action Plan 14-1). 	\$ (179,950)	\$ (107,970)	Action plan completed.
<ul style="list-style-type: none"> Eliminate the secretary III position in Internal Auditing (Action Plan 14-1). 	128,410	77,046	Action plan completed.
<ul style="list-style-type: none"> Create an anonymous hot-line telephone number for stakeholders to report suspicions of wrongdoing (Action Plan 14-1). 	(5,065)	0	The district implemented this recommendation with existing resources.
<ul style="list-style-type: none"> Purchase a scanning system and reduce staff by two property control clerks (Action Plan 14-3). 	260,064	512,000	The district reorganized the Property Control Department and outsourced some audits, resulting in a two-year savings of \$512,000 and a projected five-year savings of \$1,280,000.
<ul style="list-style-type: none"> Reduce seven FTEs in addition to the nine currently vacant positions with the implementation of the Rapid Response Delivery System (Action Plan 14-5). 	941,090	Fiscal impact addressed in Action Plan 14-3.	
<ul style="list-style-type: none"> Expand the Integrated Health Program (Action Plan 14-6). 	991,421	0	The original report recommended that the expansion take place only if the state continued its program grant funding. The state discontinued the grant, so the program was discontinued.
<ul style="list-style-type: none"> Create a mechanism to track safety programs (Action Plan 14-6). 	(76,784)	0	The district implemented this action plan with existing resources.
<ul style="list-style-type: none"> Consider eliminating the Early Retirement Plan (Action Plan 14-6). 	5,366,626	5,306,699	An examination of the early retirement plan revealed that the savings resulting from not paying the highest paid employees their salary and fringe benefits more than offset the cost of funding the program. The district projects that it will save \$6,633,374 over five years by implementing this recommendation.
<ul style="list-style-type: none"> Offer severance packages providing incentives to certain long-term employees on the high-end of the salary schedule on a case-by-case basis (Action Plan 14-6). 	(724,500)	Fiscal impact addressed in Action Plan 14-6.	
<ul style="list-style-type: none"> Make budget training for department supervisors mandatory (Action Plan 14-8). 	(179,950)	-0-	The district implemented this action plan with existing resources.
<ul style="list-style-type: none"> Consolidate the textbook, direct purchasing, and procurement card purchasing functions to the Purchasing Department (Action Plan 14-12). 	(105,670)	(649,704)	The district reorganized the Purchasing Department to implement several report action plans, resulting in a two-year cost of \$649,704 and a projected five-year cost of \$1,624,260.
<ul style="list-style-type: none"> Implement a manual review process to ensure that amounts paid do not exceed authorized amounts (Action Plan 14-13). 	(134,735)	Fiscal impact addressed in Action Plan 14-12.	
<ul style="list-style-type: none"> Move the responsibility to obtain written quotes for all purchases between \$5,000 and \$24,999 to the Purchasing Department instead of the schools and individual departments, and hire two associate purchasing agents (Action Plan 14-14). 	(326,830)	Fiscal impact addressed in Action Plan 14-12.	

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Narrative and Explanation of Differences
<ul style="list-style-type: none"> Implement a manual system of tracking threshold limits to ensure that written quotes and bids are prepared for all purchases meeting this requirement until the process can be automated in the new ERP system. Hire a temporary employee to perform this task until the ERP system is implemented (Action Plan 14-14). 	(21,110)	Fiscal impact addressed in Action Plan 14-12.	
<ul style="list-style-type: none"> Lift the temporary freeze on the vacant purchasing agent and control clerk positions to ensure that the Purchasing Department is performing work that is currently not getting done due to lack of staffing (Action Plan 14-14). 	(333,155)	Fiscal impact addressed in Action Plan 14-12.	
<ul style="list-style-type: none"> Lift the freeze on the two vacant accounts payable positions and hire temporary employees until the ERP system is fully implemented. (Action Plan 14-17). 	(36,513)	(34,199)	Action plan completed.
Totals	\$27,952,411	\$17,337,860	The district projects that it will save a total of \$34,953,071 over a five-year period by implementing report recommendations.

Source: The Hillsborough County School District, January 2005.