



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

at a glance

On December 18, 2003, the Collier County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 03-53) published in October 2003. OPPAGA developed these action plans to help the Collier County School District implement the best practices within two years, which would make the district eligible to receive the Seal of Best Financial Management from the State Board of Education.

Since October 2003, the district fully implemented 19 and partially implemented 62 of the 85 action plans contained in the original OPPAGA report. Thus, while the district made progress on 95% (81 of 85) of the action plans, it currently is not eligible for a Seal of Best Financial Management.

By implementing the remaining action plans, the Collier County School District will be able to further improve and streamline its management, increase its efficiency and effectiveness, and reduce its costs.

OPPAGA will review the implementation status of action plans again in January 2006 based on the district's next status report.

Scope

This report provides the Florida Legislature with information on the status of the Collier County School District's implementation of action plans included in the Best Financial Management Practices Review published in October 2003.¹ On December 18, 2003, the Collier 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 plans. 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 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 plans.

¹ *Best Financial Management Practice Review Collier County School District*, [Report No. 03-53](#), October 2003.

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.

Section 230.23025, *Florida Statutes*, directed OPPAGA to conduct a Best Financial Management Practices Review of the Collier County School District in Fiscal Year 2002-03.³ Based on review field work, we concluded that the Collier County School District was using 75% (111 of 148) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time. (See Exhibit 1.)

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.

Exhibit 1 Our Original Review Found That the Collier County School District Was Using 75% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	11	3
Performance Accountability System (3)	1	2
Educational Service Delivery (12)	10	2
Administrative and Instructional Technology (9)	7	2
Personnel Systems and Benefits (11)	6	5
Facilities Construction (24)	20	4
Facilities Maintenance (22)	20	2
Transportation (20)	18	2
Food Service Operations (11)	10	1
Cost Control Systems (22)	8	14
All Areas (148)	111 (75%)	37 (25%)

Source: OPPAGA.

For those areas in which the district was not using best practices, the report contained specific action plans that provided detailed steps the district should take to implement best practice principles within two years. By implementing these action plans, the Collier County School District could improve district operations, save money, and demonstrate good stewardship of public resources and would be eligible for the state’s Seal of Best Financial Management. The report included recommendations that if implemented would have had an estimated positive fiscal impact of \$55,985,731 over a five-year period.

Exhibit 2

District Has Fully or Partially Implemented 95% (81 of 85) of Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	5	5	0	0
Performance Accountability System	4	0	4	0
Educational Service Delivery	8	1	7	0
Administrative and Instructional Technology	7	1	6	0
Personnel Systems and Benefits	15	3	12	0
Facilities Construction	9	1	8	0
Facilities Maintenance	2	0	2	0
Transportation	2	0	2	0
Food Service Operations	3	3	0	0
Cost Control Systems	30	5	21	4
All Areas	85 (100%)	19 (22%)	62 (73%)	4 (5%)

Source: OPPAGA.

Overall Conclusions

Since October 2003, the district fully implemented 19 and partially implemented 62 of the 85 action plans contained in the original OPPAGA report. Thus, while the district made progress on 95% (81 of 85) of the action plans, it currently is not eligible for a Seal of Best Financial Management.⁴ For this report, we reviewed the district’s progress as of January 2005 and based our conclusions on documentation provided by the district, discussions with district staff on the status of action plan implementation, and a site visit to assess the district’s implementation of the action plans. Any action taken since January 2005 will be reviewed in concert with the district’s next progress report. (See Exhibit 2 for the implementation status of action plans by best practice area.)

We discussed our conclusions with the Collier County School District and presented a detailed description of what it needs to do to fully implement the remaining action plans. To allow us to confirm that these actions have

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.

been taken, in its next status report the district will need to provide detailed descriptions of the steps that it has taken to implement each incomplete plan and documentation of these actions.

Implementation Status by Best Practice Area

Management Structures

In our original report, the Collier County School District was using 11 of the 14 best practices established for management structures. We recommended five action plans to assist the district in meeting best practice standards by increasing management training, making board meetings more efficient, and integrating financial information into decision making.

Since October 2003, the district implemented all five action plans in this area. The district implemented recommendations to enhance board training and assess the board’s effectiveness in meeting its priorities and the district’s goals. For example, as recommended in our original report, all board members agreed to attend master board training offered by the Florida School Boards Association. The

board also is requiring that staff prepare and present information on the fiscal and budgetary implications for all actions considered by the board.

The district also took several steps to reduce the length and increase the efficiency of school board meetings. These include

- restricting regular school board meetings to official board business;
- holding Committee of the Whole meetings every other month to workshop specific topics;
- holding town hall meetings every other month to allow for extended public input; and
- instituting parliamentary procedures that include enforcing a time limit for each speaker.

According to district staff and board members, these steps significantly reduced the length of board meetings.

As recommended, the district also eliminated the deputy superintendent position, thereby realizing a savings of \$167,593 per year for a total of \$837,965 over five years.

Performance Accountability System

In our original report, the Collier County School District was using one of the three best practices established for performance accountability systems. We recommended four action plans to assist the district in meeting best practice standards by establishing accountability mechanisms to improve the performance and efficiency of its educational and operational programs.

Since October 2003, the district partially implemented all four action plans in this area. For instance, the district's Office of Planning and Accountability/Staff Development conducted training sessions for all department directors on strategic planning, which included components on developing measurable goals and objectives. Individual departments began developing program-level strategic plans that will include goals and

objectives that will link to the superintendent's performance objectives and be used to make future budget decisions. To meet best practice standards, department managers also will need to develop performance measures and benchmarks so that they can regularly assess the extent to which program goals and objectives have been met.

The district also took steps to improve its ability to evaluate the efficiency and effectiveness of major educational and operational programs. For instance, it established a peer review process through its data warehouse, so that it can more quickly and easily match student demographic and academic information needed to evaluate its education programs. In addition, in July 2005 the district plans to hire an internal auditor and staff to evaluate major operational programs, such as transportation and food services.

Educational Service Delivery

Our original report found that the Collier County School District was using 10 of the 12 educational service delivery best practices. We recommended eight action plans to assist the district in meeting best practice standards by improving the efficiency and effectiveness of its educational programs.

Since October 2003, the district fully implemented one of the eight action plans in this area. For instance, the district brought its policy in line with its peers by no longer offering services to Exceptional Student Education (ESE) students during short vacation periods and made modest reductions in the number of one-to-one assistants for ESE students. However, it should assess the current number of one-to-one assistants and demonstrate that this number is reasonable.

The district substantially implemented the remaining seven action plans, most of which relate to its ESE and gifted programs. For instance, the district implemented several initiatives to increase the percentage of

educable mentally handicapped (EMH) students in regular education classroom settings and reduced the over-representation of black students in the EMH category, and modified its procedures for identifying low income and minority students as gifted. However, some of the initiatives are still underway and, while the results to date are encouraging, it is too early to make a final determination on their success. Therefore, once the district completes its implementation of these initiatives, it should assess and demonstrate their effectiveness in addressing the issues raised in our original report.

In addition, the district began filing directly for Medicaid reimbursement for most eligible ESE services. The district estimates that direct filing has generated an additional \$121,619 to date. However, it has not yet begun filing for reimbursement of eligible ESE transportation services as recommended in our original report.

Our original report estimated that the district could save approximately \$5.9 million over five years by reducing its administrative staffing levels to that of its peers. The district proposed an administrative staffing process that allows departments to maintain appropriate staffing levels as the district grows. This process meets the intent of our action plan by requiring that staffing recommendations be based on comparable staffing levels in peer districts and evidence of change in workload factors that create the need for new or additional positions (e.g., failure to meet timelines, excessive overtime, and error rates). According to finance and accounting staff, the Curriculum and Instruction Department will complete its final staffing formula proposals by December 1, 2005.

Administrative and Instructional Technology

Our original report found that the Collier County School District was using seven of the nine administrative and instructional

technology best practices. We recommended seven action plans to assist the district in meeting best practice standards by improving the efficiency and effectiveness of its administrative and instructional technology initiatives.

Since October 2003, the district fully implemented one of the seven action plans in this area. The district established a committee of a broad range of stakeholders to develop and oversee the implementation of the district's technology plan.

The district partially implemented the six remaining action plans by improving its technical support service. For instance, the district established a priority-based technical support system, identified a training program for system support technicians, and gave principals access to work order information. The district also established an equipment replacement plan and enhanced its technology plan.

Although the district established an equipment replacement plan, it has not formally adopted the new policy. To fully implement this action plan, the district should adopt the policy and more accurately reflect the budget requirements of that policy in its technology plan.

Following our recommendation, the district identified a training program for its system support technicians; however, the school board did not approve the program. To fully implement this action plan, the district should address the concerns the board voiced about the plan and consider steps to decrease costs of the program.

Personnel Systems and Benefits

Our original review found that the Collier County School District was using 6 of the 11 personnel systems and benefits best practices. We recommended 15 personnel action plans to assist the district in meeting best practice standards by improving the operations of the district's human resource department.

Since October 2003, the district fully implemented 3 of the 15 action plans in this area. For instance, the district began using its claim history to plan its workers' compensation budget each year and using data in making decisions to make the human resource department more efficient and effective.

The district partially implemented the 12 remaining action plans by continuing to collect data on issues such as employee turnover and absenteeism so that year-to-year trends and variations can be identified and used for developing policies. The district also made substantial improvements to the organization of its file room and established a light duty program to facilitate returns to work for employees with workers' compensation claims.

To fully implement these action plans, the district should continue to improve and use data in managing the various human resource functions and making final decisions about district policies in such areas as absenteeism and the training of substitute teachers.

Facilities Construction

Our original review found that the Collier County School District was using 20 of the 24 best practices for facilities construction. We recommended nine action plans to assist the district in meeting best practice standards by improving the efficiency, effectiveness, and accountability of its construction program.

Since October 2003, the district fully implemented one of the nine action plans in this area. For instance, the district plans to comply with Florida's SMART (soundly made, accountable, reasonable, and thrifty) school design philosophy when building new school facilities. Adhering to SMART principles should help the district reduce its new school construction costs, which were among the highest in the state at the time of our original review.

The district partially implemented the remaining eight action plans, most of which

related to further reducing construction costs and strengthening public accountability. For instance, the district is revising its procedures manuals to ensure that it

- systematically evaluates estimated construction costs when considering new schools and presents this information to the school board;
- considers measures to reduce life cycle costs in new building construction;
- considers passive design and "green architecture" concepts and techniques in new building construction; and
- conducts comprehensive building evaluations at the end of the first year of operation and regularly during the next three to five years to collect information about building operation and performance.

To assess the facilities construction program's efficiency and effectiveness, program managers monitor whether projects are completed on time and within budget. While these are reasonable end-of-project measures, to increase its accountability and day-to-day oversight of critical department activities, the district should consider monitoring other measures as recommended in our original report. In addition, staff should formalize other aspects of the construction program's performance accountability system. For instance, the district should regularly assess and revise facility designs and construction practices to ensure it minimizes maintenance and operations costs based on appropriate standards from comparable school districts, government agencies and private industry.

Facilities Maintenance

Our original review found that the Collier County School District used 20 of 22 best practices for facilities maintenance. We recommended two action plans to assist the district in meeting best practice standards by developing a performance appraisal system to assess productivity of its maintenance staff

and initiating a districtwide custodial training program.

Since October 2003, the district partially implemented both action plans. For instance, the district took several steps to develop its performance appraisal system, including

- identifying potential appraisal processes, limitations, and legal considerations;
- identifying productivity measures and meeting with supervisors to identify the best methods for collecting the necessary data; and
- identifying solutions for addressing underperforming employees during the appraisal.

To fully implement this action plan, the district should finalize the appraisal process by selecting the appropriate productivity measures and data collection mechanisms and communicating the new appraisal system to employees. After implementing the appraisal system, the department should prepare summaries of performance measures prior to each employee's review and benchmark performance against the selected standards.

The district also initiated its custodial training program by

- identifying custodial training needs;
- contacting peer districts to identify successful custodial training programs;
- developing an appropriate training program; and
- scheduling training for custodial supervisors.

To fully implement this action plan, the department should conduct training for the supervisors and custodians. After completion of the training, the department should obtain evaluative feedback on the usefulness of classes, and incorporate feedback as appropriate when developing and arranging future classes.

Student Transportation

Our original report found that the Collier County School District was using 18 of the 20 best practices for student transportation. We recommended two action plans to assist the district in meeting best practice standards by improving the efficiency and effectiveness of student transportation.

Since October 2003, the district partially implemented both of the action plans. For instance, the Transportation Department identified optimal bell times that could possibly save at least \$300,000 in transportation costs. However, the board voted not to implement the new bell times for health and safety reasons. The department also proposed unsafe walking criteria that could decrease the number of courtesy riders. The department took steps to be more accountable by establishing appropriate performance and cost-effective measures for student transportation.

To fully implement these action plans, the school board should periodically revisit the bell times issue given the district's relatively low bus occupancy and high transportation cost per student. The board also should adopt unsafe walking criteria and direct the department to monitor courtesy riders and annually report to the school board on the reason for the number of courtesy riders, the cost of courtesy ridership, and the steps it has taken to eliminate unsafe walking conditions. Finally, the department should collect and analyze data on its performance measures and annually present pertinent results to the school board.

Food Service Operations

Our original review found that the Collier County School District was using 10 of 11 best practices for food service. We recommended three action plans to assist the district in meeting best practice standards by improving the efficiency and effectiveness of the remaining food service program.

Since October 2003, the district fully implemented all three action plans. For instance, the district reduced labor costs by over \$11,000 per year by instituting a shared cafeteria manager program at three schools. The district plans to expand this program in the 2005-06 school year and over time. The district further reduced labor costs by increasing its use of pre-prepared and convenience foods instead of making items such as bread and rolls from scratch. In addition, the district reduced its need for additional warehouse space by converting the central warehouse to house food items only and improved the oversight of warehouse employees by having them report directly to the food service director.

Cost Control Systems

Our original review found that the Collier County School District was using 8 of the 22 best practices for cost control systems. We recommended 30 action plans to assist the district in meeting best practice standards by enhancing operations and accountability for resources.

Since October 2003, the district fully implemented 5 of the 30 action plans in this area. For instance, the district improved internal controls for checks and cleaned the vendor database to purge duplicative or unused vendors from the purchasing system. It also discontinued warehousing office supplies and now buys them with direct delivery.

The district partially implemented 21 of the remaining action plans, including restructuring the business services department, developing financial reports to allow the school board to compare actual versus budgeted revenues and expenditures, and initiating a bar-coding inventory system and a procurement card program. The district has not yet implemented the four actions plans pertaining to purchasing procedures that will be developed by the new internal audit staff, identifying manual processes that can be automated for greater efficiency, transferring vehicle inventories from business services to the departments that have custody of the vehicles, and researching standards to ensure the effectiveness of the district's risk management program.

To fully implement the best practice standards for cost control systems, the district should complete the remaining steps of the unfinished action plans.

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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