



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

### *at a glance*

On September 23, 2003, the Monroe County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 03-42) published in August 2003. OPPAGA developed these action plans to help the Monroe County School District implement the best practices, which would make the district eligible to receive the Seal of Best Financial Management from the State Board of Education.

As of May 2005, the district reports that it has partially implemented 20 of the 26 action plans contained in the original OPPAGA report. Thus, the district currently is not eligible for the Seal of Best Financial Management. The district indicates that it has been unable to make significant progress implementing report action plans due to high turnover in the superintendent and top management positions.

The district's final progress report is due at the end of January 2006, and our review will be scheduled shortly thereafter.

### Scope

This report provides the Florida Legislature with information on the status of the Monroe County School District's implementation of action plans included in the Best Financial Management Practices Review published in August 2003.<sup>1</sup> On September 23, 2003, the Monroe 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 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. The report should describe the progress the district has made towards implementing the action plans and any changes may have occurred in other areas that would affect the district's use of the best practices.<sup>2</sup> The law also requires that OPPAGA annually review the district to determine whether it has started using the Best Financial Management Practices in the areas covered by the plans.<sup>3</sup>

<sup>1</sup> *Best Financial Management Practice Review Monroe County School District*, [Report No. 03-42](#), August 2003.

<sup>2</sup> School boards that agree to implement the best practices must do so by a majority plus one vote.

<sup>3</sup> The Commissioner of Education granted a four-month extension to the district's annual report due to turnover in district leadership.

# 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.<sup>4</sup> 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.

<sup>4</sup> The 2001 Legislature passed the Sharpening the Pencil Act, which made several substantive changes to the Best Financial Management Practices Review process.

The Florida Legislature directed OPPAGA to conduct a Best Financial Management Practices Review of the Monroe County School District during the 2002-03 fiscal year.<sup>5</sup> Based on review field work, we concluded that the district was using 80% (119 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.)

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. By implementing the action plans and other report recommendations, we determined that the Monroe County School District could improve district operations, save money, and demonstrate good stewardship of public resources. The report included recommendations that, if implemented, would have had an estimated positive fiscal impact of \$3,841,920 over a five-year period.

<sup>5</sup> Refer to [Ch. 2002-394, Laws of Florida](#).

## Exhibit 1 Our Original Review Found that the Monroe County School District Was Using 80% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	12	2
Performance Accountability System (3)	1	2
Educational Service Delivery (12)	10	2
Administrative and Instructional Technology (9)	9	0
Personnel Systems and Benefits (11)	10	1
Facilities Construction (24)	21	3
Facilities Maintenance (22)	16	6
Transportation (20)	14	6
Food Service Operations (11)	8	3
Cost Control Systems (22)	18	4
<b>All Areas (148)</b>	<b>119 (80%)</b>	<b>29 (20%)</b>

Source: OPPAGA.

## Overall Conclusions ———

Since August 2003, the district has partially implemented 20 of the 26 action plans contained in the original OPPAGA report. Thus, the district is not eligible for the Seal of Best Financial Management.<sup>6</sup> The slow progress the district has made toward implementing the action plans is due in part to turnover in the superintendent and top management positions since the original report was issued. The district’s final progress report is due in January 2006.

For this report, we reviewed the district’s progress as of March 2004 and based our conclusions on a desktop review limited to the district’s self-report. Any action taken since then will be reviewed when we conduct a site visit to the district in July 2005. For the implementation status of action plans by best practice area, see Exhibit 2.

We have discussed our conclusions with the Monroe County School District and presented a detailed description of what it still needs to do to fully implement each of the remaining action

<sup>6</sup>This includes district actions that varied slightly from the recommended action, but generally addressed the intent of the action plan included in the report.

plans. In order for us to fully confirm the status of the district’s implementation of each action plan, the district will need to describe in detail the actions it has taken to implement each step in the action plans and provide supporting documentation.

## Implementation Status by Best Practice Area ———

### *Management Structures*

In our original report, the Monroe County School District was using 12 of the 14 best practices for management structures. The final report contained one action plan designed to assist the district in meeting best practice standards. The action plan describes steps the district should take to strengthen its oversight of school operations.

Since August 2003, the district has partially implemented this action plan by having an open discussion of the district’s school-based management system between board members, executive staff, and principals and developing oversight strategies. It also is revising its policies and procedures and discussing changes to its accountability system for all employees.

**Exhibit 2**  
**District Has Partially Implemented 20 of 23 (77%) of Report Action Plans**

Best Practice Area	Total Action Plans	Status of Action Plans		
		Fully Implemented	Implementation Underway	Not Implemented
Management Structures	1	0	1	0
Performance Accountability System	2	0	1	1
Educational Service Delivery	3	0	3	0
Administrative and Instructional Technology	0	0	0	0
Personnel Systems and Benefits	1	0	1	0
Facilities Construction	2	0	0	2
Facilities Maintenance	7	0	7	0
Student Transportation	4	0	3	1
Food Service Operations	3	0	2	1
Cost Control Systems	3	0	2	1
<b>All Areas</b>	<b>26 (100%)</b>	<b>0 (0%)</b>	<b>20 (77%)</b>	<b>6 (23%)</b>

Source: OPPAGA.

In addition, the district has adopted a new organizational structure that includes a deputy superintendent for principals and schools. This clarifies the lines of authority for principals. Finally, the district has reinstated the practice of holding regular meetings between principals and district executive staff.

To fully implement this action plan, the district should complete its revision of policies and procedures and creation of an accountability system for principals. The new policies and procedures should better describe district oversight practices.

### ***Performance Accountability System***

In our original report, the Monroe County School District was using one of the three best practices for performance accountability systems. The district had accountability measures and benchmarks for educational services at the school level and used educational service performance data to develop school improvement plans. It reported this data to the school board and public. It also had conducted evaluations on some educational services programs and strategies.

The final report contained two action plans to enable the district to improve its performance accountability system and meet best practice standards. The first was for the district to develop and use an accountability system for its support programs. The second was for the district to develop criteria for determining which of its educational and support programs or activities to evaluate and conduct evaluations of these programs or activities.

Since August 2003, the district has partially implemented one of the two action plans by beginning a process to identify individuals within the district who can help develop an accountability system. The district has made no progress on implementing our action plan pertaining to program evaluation. To fully implement these action plans, the district should carry out the remaining steps outlined in the two action plans.

### ***Educational Service Delivery***

Our original report found that the Monroe County School District was using 10 of the 12 educational service delivery best practices. The district used data to improve student performance, provided effective accelerated and workforce development programs, and ensured that schools use effective planning and evaluation processes. The final report contained three action plans designed to improve efficiency and effectiveness of the district's educational programs and assist the district in meeting best practice standards. Two of these plans related to the district's exceptional student education (ESE) program, and the third related to textbooks.

Since August 2003, the district has partially implemented all three action plans in this area.

- For the first action plan, the district has created an ESE referral log and database to better track the timeliness of the Exceptional Student referral process and the appropriateness of the students referred for services. In addition, the district requires each school to include an inclusion plan as part of its school improvement plan. To fully implement this action plan, the district should track the effectiveness of the inclusion plan and make necessary adjustments.
- For the second action plan, the district requires ESE specialists to give teachers a list of the accommodations their ESE students should receive. Teachers are required to record the accommodations provided to each student in a log, which principals then review to ensure that the recommended accommodations are provided. To fully implement this action plan, the district should review the effectiveness of this process.
- For the third action plan, the district has acquired a textbook inventory program and has purchased some texts at the district level. However, not all schools use the inventory system, and some school may still be purchasing their own textbooks. To fully implement this recommendation, the district

should develop controls to ensure that textbooks are acquired in a timely and cost-effective manner. It also should develop procedures for collecting funds from parents of students who have lost or damaged their textbooks.

### ***Administrative and Instructional Technology***

Our original report found that the Monroe County School District was using all nine of the administrative and instructional technology best practices. The district planned, acquired, and supported its technology effectively. It also provided training for various technology applications and had comprehensive written policies. In addition, the district had well-developed data systems for delivering accurate financial and student information; its network infrastructure was dependable; and district personnel made good use of the Internet and email communications.

The final report contained no action plans for administrative and instructional technology.

### ***Personnel Systems and Benefits***

Our original review found that the Monroe County School District was using 10 of the 11 personnel systems and benefits best practices. The district recruited and hired qualified employees, provided a comprehensive staff development program, and used cost containment methods for its worker's compensation and employee benefits programs. Our final report contained one personnel-related action plan designed to improve the operations of the district's human resource department and assist the district in meeting best practice standards.

Since August 2003, the district has partially implemented this action plan by moving from a manual to an automated system for its personnel information. To fully implement the action plan, the district should develop a process for monitoring employee evaluation data to ensure that administrators are correctly using the performance evaluation system. It also should

develop procedures to organize and update any remaining paper files.

### ***Facilities Construction***

Our original review found that the district was using 21 of the 24 facilities construction best practices. The district operated a well managed, mostly privatized construction program that delivered projects on time and within budget. Our final report contained two action plans to assist the district in meeting best practice standards. These included developing a post-occupancy building evaluation process and developing accountability measures and benchmarks for its construction program.

Since August 2003, the district has not made substantial progress implementing either of the two action plans in this area, although it reports that it has done some initial planning for their implementation.

### ***Facilities Maintenance***

Our original review found that the Monroe County School District used 16 of 22 facilities maintenance best practices. The district set priorities and adequately funded the operations and maintenance programs. It also effectively used its energy management control system to lower energy costs. Our final report contained seven action plans to assist the district in meeting best practice standards. These action plans were designed to help the district to improve maintenance planning, accountability, and productivity, and to reduce maintenance costs.

Since August 2003, the district has partially implemented all seven action plans in this area. For instance, it has examined the performance accountability systems of other districts, developed a customer satisfaction survey, begun developing additional policies and procedures, adopted employee maintenance standards, created a lead maintenance position and reduced overtime, and implemented a system for assessing maintenance performance and costs.

To fully implement these action plans, the district should

- complete development of its five-year plan and revision of its policies and procedures;
- revise and strengthen its accountability system;
- document its customer survey process;
- use its performance standards to evaluate maintenance staff's productivity;
- complete its reorganization of the maintenance department; and
- document its system for collecting and analyzing maintenance cost and performance information.

***Student Transportation***

Our original report found that the Monroe County School District was using 14 of the 20 best practices for student transportation. The district effectively recruited and trained bus drivers, made cost-effective fuel purchases, and ensured that bus routes operated in accordance with established routines. Our final report contained four action plans that would assist the district in meeting best practice standards. These action plans were designed to help the district improve bus routing and maintenance, improve parts inventory practices, and reduce student transportation costs.

Since August 2003, the district has partially implemented three of the five action plans by changing its bell times and reducing the number of bus routes it operates from 58 to 44, acquiring a new fleet management system, and improving its vehicle maintenance process. It also reports eliminating its inventory of vehicle parts. The district has made no significant progress on implementing the remaining two action plans pertaining to discouraging bus vandalism and assessing the potential cost-effectiveness of outsourcing some transportation functions.

To fully implement these action plans, the district should

- establish a policy defining the conditions under which it would transport students it does not receive state funds to transport;
- establish a process to discourage school bus vandalism and to catch and obtain reimbursement from those who vandalize buses; and
- examine the potential for outsourcing some transportation functions.

***Food Service Operations***

Our original review found that the district was using 8 of 11 best practices for food service. The program had many strengths including its overall organization, policies and procedures, employee training, and cash and account management. It also generally met program compliance requirements and used customer information to develop its program. Our final report contained three action plans to assist the district in meeting best practice standards. These action plans were designed to help the district to develop an operational plan for food services, perform annual assessments of food services operations, and establish a cost management system for food services.

Since August 2003, the district has fully privatized the food service program and made the provider responsible implementing these action plans. The provider has partially implemented the action plans by forming a committee to develop a food service plan, developing an assessment tool, and providing weekly operational reports to the district. To fully implement these action plans, the district should ensure that the private contractor

- develops and implements the food service operational plan;
- evaluates the performance and efficiency of the food service program against appropriate standards; and
- has an appropriate cost management system.

### ***Cost Control Systems***

Our original review found that the Monroe County School District was using 18 of 22 cost control systems best practices. The district had adequate financial information systems that provided timely, useful, and accurate information. It had adequate internal controls. It also received an annual external audit and used the results to improve operations. Our final report contained three action plans to assist the district in meeting best practice standards. These included developing comprehensive procedure manuals for its critical financial and accounting functions, establishing a policy to encourage the reporting of improprieties, and conducting annual risk assessments.

Since August 2003, the district has partially implemented two of the three action plans in this area. For instance, the district is in the

process of developing a financial and accounting procedures manual and has hired a consultant to develop a policy for confidential reporting of improprieties. The district has made no significant progress on implementing the remaining action plan related to conducting risk assessments. To fully implement these action plans, the district should complete the procedures manual, implement a policy for reporting of improprieties, and conduct annual risk assessments.

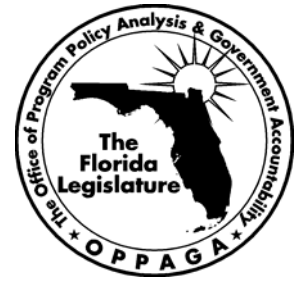
## **OPPAGA's Home Page Contains More Information**

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](http://www.oppaga.state.fl.us).



## *The Florida Legislature*

# *Office of Program Policy Analysis and Government Accountability*



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- [Performance-based program budgeting \(PB<sup>2</sup>\) reports and information](#) offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.
- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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