



Lee County School District Has Implemented Best Practices and Is Eligible for State Seal

at a glance

On March 4, 2003, the Lee County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 02-58). OPPAGA developed these action plans to help the Lee 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.

As of August 2005, the district had implemented 113 of the 115 action plans contained in the OPPAGA report. In addition, it is taking steps needed to fully address the two remaining action plans. Thus, the district has put systems in place that should help it to significantly improve its management practices and increase its efficiency and effectiveness.

Because the district completed its implementation of many report action plans in the past year, it will require additional time to realize the full, five-year cost savings projected in the original report. Thus, we recommend that district administration report on a quarterly basis the status of the fiscal impact of these recommendations to the school board and public. We also recommend that the district monitor several issues to ensure that it continues to meet best practice standards.

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

Scope and Methodology —

This report provides the Florida Legislature with information on the status of the Lee County School District's implementation of action plans included in the Best Financial Management Practices Review published in November 2002.¹ On March 4, 2003, the Lee 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 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 Lee County School District, Report No. 02-58*, November 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.

The Florida Legislature directed OPPAGA to contract for a Best Financial Management Practices Review of the Lee County School District during Fiscal Year 2001-02.³ Based on review field work, we concluded that the Lee County School District was using 67% (143 of

214) of the best practices adopted by the Commissioner and was not eligible for a Seal of Best Financial Management at that time.⁴ (See Exhibit 1.)

Exhibit 1 Our Initial Review Found that the District Was Using Two-Thirds of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (12)	8	4
Performance Accountability System (5)	0	5
Educational Service Delivery (16)	9	7
Administrative and Instructional Technology (20)	14	6
Personnel Systems and Benefits (15)	12	3
Use of Lottery Proceeds (5)	4	1
Use of State and District Construction Funds (4)	3	1
Facilities Construction (32)	22	10
Facilities Maintenance (26)	8	18
Student Transportation (20)	12	8
Food Service Operations (17)	13	4
Cost Control Systems (31)	29	2
Community Involvement (11)	9	2
All Areas (214)	143 (67%)	71 (33%)

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 Lee 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 \$23,403,968 over a five-year period.

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

³ Refer to [Ch. 2001-367, Laws of Florida](#), Specific Appropriation 86A.

⁴ OPPAGA contracted with ValienteHernandez, PA, of Tampa, Florida, to conduct 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 August 2005, the Lee County School District has implemented 113 of the 115 action plans contained in the original report.⁵ In addition, the district is taking steps to fully address the two remaining action plans. Thus, the district has put systems in place that will help it improve its management, increase its efficiency and effectiveness, and reduce its costs. Therefore, OPPAGA recommends that the State Board of Education award the Seal of Best Financial Management to the Lee County School District.⁶ For the implementation status of action plans by best practice area, see Exhibit 2.

Exhibit 2

The Lee County School District Has Implemented 113 of the 115 Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans	
		Implemented	Underway
Management Structures	11	11	0
Performance Accountability System	5	5	0
Educational Service Delivery	10	10	0
Administrative and Instructional Technology	8	8	0
Personnel Systems and Benefits	7	7	0
Use of Lottery Proceeds	1	1	0
Use of State and District Construction Funds	2	2	0
Facilities Construction	9	9	0
Facilities Maintenance	28	28	0
Student Transportation	22	20	2
Food Service Operations	5	5	0
Cost Control Systems	3	3	0
Community Involvement	4	4	0
All Areas	115 (100%)	113 (98%)	2 (2%)

Source: OPPAGA.

⁵ OPPAGA based its overall conclusions on district actions taken as of August 2005. However, we conducted additional follow-up in September 2005 to obtain updated information on selected action plans.

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

The two action plans still being implemented are in the transportation area. One action plan relates to bus driver absenteeism. The district has begun to take steps to ensure that it has sufficient bus drivers to cover all regular bus routes including the routes of drivers who are absent. For instance, the district has begun to examine the reasons for high absenteeism. To fully implement this action plan the district should complete its analysis, and develop and implement specific strategies to reduce absenteeism to targets acceptable to district leadership and the school board.

The second remaining action plan recommended that the district reduce the size of its bus fleet to eliminate the costs associated with maintaining unneeded vehicles. As of September 2005, the district has sold 100 buses and has plans to auction additional buses during Spring 2006. However, to fully implement this action plan it should determine the optimal number of spare buses it needs based on the daily routes, buses out of service for repair/inspection, and buses used for field trips. The district should use this information to determine whether additional reductions can be made. This information should be presented to and approved by the school board by January 2006 and submitted as part of the transportation department’s budget request annually thereafter. In addition, the district should continue to take steps to improve bus mechanic attendance, if high absenteeism is a reason for its need to maintain a high number of spare buses.

Even though the district has implemented all remaining action plans, to ensure that it continues to meet best practice standards and realizes the projected cost savings in our original report, it also should monitor several issues including those outlined below.

- Although the district has developed an accountability system that now meets best practice standards, it has not had sufficient time to adequately assess its performance and efficiency using its accountability measures and benchmarks. Thus, the district should continue to collect data to determine the extent to which it is achieving its

objectives at the district and program level. In addition, it should report new accountability information to the public and use this information to make improvements in program performance and efficiency. The district also should consider revising its budget-level goals and objectives so that they are more outcome-oriented and quantifiable, which will enable it to measure the extent to which it is meeting its expectations.

- The district has taken several steps, such as reorganizing the structure of its maintenance program and revising training, to increase the productivity of its maintenance staff. It also has made substantial progress in developing performance standards for routine tasks. These performance standards will also help the district to better evaluate individual staff members. The district should complete its development of these standards and use them to ensure that staff's performance and productivity are in line with district expectations. The district also should regularly review maintenance staffing levels and base future decisions to add new positions on criteria such as increases in workload as it builds new facilities.
- The district has begun billing Medicaid for payment of eligible services provided to students in its Exceptional Student Education (ESE) program. The district should monitor implementation of its new billing process to ensure that it maximizes federal reimbursement for the costs associated with all eligible services.
- The district should monitor the implementation and effectiveness of recently developed procedures and plans designed to ensure management control over decentralized databases and to replace student workstations and other technology hardware.
- Because the district is experiencing significant growth, it did not eliminate as many transportation supervisory positions as recommended in our original report.

While the rationale provided for not making additional cuts seems reasonable, district administration should monitor staffing levels and report to the school board annually to demonstrate that the ratio of transportation employees to transportation supervisors meets or exceeds the average of its peers.

- Finally, the district's transportation department has made significant structural changes which should help it to more efficiently and cost-effectively transport students. In addition, the district has established accountability measures and benchmarks, which it has begun to use to assess the efficiency and effectiveness of its transportation department. The district should expand existing measures and benchmarks, and collect necessary data to enable it to assess other key aspects of its transportation function, particularly average bus occupancy and bus driver attendance. The district also should incorporate its measures and benchmarks into a long-range transportation accountability plan that more clearly delineates measurable outcome-oriented goals and objectives.

Our initial review estimated that the district could realize a positive fiscal impact of \$23 million over five years by implementing report recommendations. Because the district implemented many of these recommendations in the past year, it will require additional time to realize the full, five-year cost savings projected in the original report. Thus, district administration should report on a quarterly basis the status of the fiscal impact of these recommendations to the school board and public. (Appendix A at the end of this report provides the fiscal impact to date estimated by the district as a result of implementing report action plans.)

A more detailed presentation of the actions the district has taken to implement report recommendations and the areas that the district should monitor to continue to meet best practice standards is presented in the Implementation Status by Best Practice Area section below.

Implementation Status by Best Practice Area

Management Structures

Our original report found that the Lee County School District was using 8 of 12 management structures best practices. The final report contained 11 action plans designed to assist the district in meeting best practice standards by evaluating legal services, streamlining the organizational structure, monitoring staffing levels, and linking the district's strategic priorities to the budget.

As of August 2005, the district has implemented all 11 action plans. For instance, the district has revised its organizational structure to better align responsibilities and improve the flow of information, and has demonstrated a willingness to adjust this structure as needed. The district has a process in place to develop a budget that is aligned with district goals and has continued to refine and improve the budgeting and goal setting process. In addition, the district has expanded the role of the grants department and has budgeted for a coordinator of grants development. With the addition of this position, the district expects to pursue highly competitive grants which it might otherwise be unable to pursue. Finally, the district has evaluated several other issues identified in our original report including the use of outside legal counsel, to reduce costs, and improve its efficiency and effectiveness.

Performance Accountability System

Our original report found that the Lee County School 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 by establishing an accountability framework, developing performance and cost-efficiency measures, using performance data to assess progress, evaluating programs, and publicly reporting results.

As of August 2005, the district has implemented all five action plans in this area. For instance, not only has it developed clear goals and measurable objectives for each operational unit as recommended, the district also has developed goals and objectives for each budget entity. However, it should consider revising its budget-level goals and objectives so that they are more outcome-oriented and quantifiable, which will enable the district to measure the extent to which it is meeting its expectations. The district also has developed a systematic way to collect and evaluate potential cost-savings ideas from all district staff. And finally, the district has expanded its efforts to provide the school board, district administrators, and the public with performance and cost-efficiency information of major programs.

Although the district now has developed an accountability system that meets best practice standards, it should continue to collect data to determine the extent to which it is achieving its objectives at the district and program level. In addition, it should report expanded accountability information to the public and use this information to make improvements in program performance and efficiency.

Educational Service Delivery

Our original report found that the Lee County School District was using 9 of the 16 educational service delivery best practices. The final report contained 10 action plans designed to assist the district in meeting best practice standards by making improvements in some of its educational programs.

As of August 2005, the district has implemented all 10 action plans. For instance, the district has developed effective mechanisms for identifying and communicating exemplary educational strategies, developed curriculum guides that contain effective teaching strategies, and begun using an electronic curriculum planning and instructional management tool. In addition, the district has implemented strategies to improve the timeliness of evaluation and placement for exceptional students and has reduced the percentage of inappropriate referrals for

Exceptional Student Education services. Finally, the district has completed a cost-benefit analysis to determine the feasibility of seeking reimbursement for Medicaid-eligible direct services, and has begun billing Medicaid for most services. The district should monitor implementation its new billing process to ensure that it maximizes the reimbursement of federal funds.

Administrative and Instructional Technology

Our original report found that the Lee County School District was using 14 of the 20 administrative and instructional technology best practices. The report contained eight action plans designed to assist the district in meeting best practice standards by making improvements in areas such as technology planning and acquisition.

As of August 2005, the district has implemented all eight action plans. For instance, it has established standards for school-based decision makers for technology acquisitions and has implemented a process to systematically solicit input from technology users on their reporting and informational needs. In addition, the district has established procedures to ensure management control over decentralized databases and has developed a long-range plan for replacing student workstations and other technology hardware. The district should continue to monitor the implementation of its replacement policy to ensure that students have access to modern workstations.

Personnel Systems and Benefits

Our original review found that the Lee County School District was using 12 of 15 best practices for personnel systems and benefits. The final report included seven action plans designed to assist the district in meeting best practice standards by recommending improvements in recruitment, records management, and program accountability.

As of August 2005, the district has implemented all seven action plans. For instance, the district has taken steps to coordinate the training of non-instructional as well as instructional staff, 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. In addition, the district has developed more effective recruitment strategies and implemented a software program to streamline the application process.

Use of Lottery Proceeds

Our original review found that the Lee County School District was using four of five best practices for the use of lottery proceeds. The final report contained one action plan to assist the district in meeting best practice standards relating to the communication to stakeholders of the use of lottery proceeds. As of August 2005, the district has fully implemented this action plan.

Use of State and District Construction Funds

Our original review found that the Lee County School District was using three of the four best practices related to the use of state and district construction funds. The final report contained two action plans designed to assist the district in meeting best practice standards in this area.

As of April 2005, the district has fully implemented both action plans. Specifically, the district added life-cycle costing for new building systems and has standardized building systems through the use of prototype designs for all school construction.

Facilities Construction

Our original review found that the Lee County School District was using 22 of the 32 best practices for facilities construction. The final report contained nine action plans designed to assist the district in meeting best practice standards by improving short- and long-term planning, costing, and facilities evaluation.

As of August 2005, the district has implemented all nine facility construction action plans. The district has made significant improvement in its construction program by putting together an experienced construction and planning team to manage and guide its program. The new team has produced a short- and long-term capital plan that prioritizes district needs through 2013-14 based on an assessment of its existing facilities and future needs.

In addition, the facilities team has standardized building design and systems, implemented a new process for selecting construction professionals, and implemented a model post-occupancy building evaluation process that analyzes maintenance and operating costs to improve future construction projects. Many of the systems and processes the district has put in place to provide a framework for its construction program, including the development of prototypes for elementary, middle, and high schools, could serve as a model to other Florida school districts. To date, the district has saved \$1.2 million and expects to achieve a long-term savings of \$4.7 million by using these prototypes.

Facilities Maintenance

Our original review concluded that the Lee County School District was using 8 of the 26 facilities maintenance best practices. The final report contained 28 action plans designed to assist the district in meeting best practice standards by making improvements in several areas including planning, staffing and organization, operating policies and procedures, benchmarking maintenance services, performance appraisal, and work order management.

As of August 2005, the district has implemented all 28 action plans. For instance, it has reorganized the maintenance program to make more effective use of staff and was in the process of establishing performance and productivity standards to evaluate employees. The district also has made standard maintenance policies and operating procedures available to all employees on the Plant Management website. In addition, the district has implemented a staff

development program linked to maintenance needs, safety, and job satisfaction.

To measure departmental performance and identify areas for improvement, the maintenance department created a customer satisfaction survey for each job performed. In addition, supervisors routinely analyze work order system data to measure efficiency and identify opportunities for privatization of services. Finally, the district has become more proactive in its approach to maintaining and managing district facilities by implementing a preventative maintenance program and an energy management program that rewards schools for conserving energy. To date, the district has realized a cost savings of \$228,727 and expects to increase annual savings to \$343,090 once this program is expanded to all district facilities. Over the five-year period, the district expects to achieve a total savings of \$1.7 million.

Although the district is now using the facilities maintenance best practices, it should continue to monitor two issues in this area. First, the district should ensure that it completes its development of performance standards for routine maintenance tasks in a timely manner and uses these standards to evaluate staff performance. Second, it should regularly review maintenance staffing levels and base future decisions to add new positions on criteria such as increases in workload as it builds new facilities.

Student Transportation

Our original review found that the Lee County School District was using 12 of 20 best practices for transportation. The final report contained 22 action plans to assist the district in meeting best practice standards by improving key aspects of its transportation function including bus routing, program accountability, outsourcing, and vehicle maintenance.

As of August 2005, the district has implemented 20 of the 22 action plans by taking actions including those described below.

- The district has developed a form for students requesting transportation due to unsafe walking conditions. It also developed criteria

used to evaluate these requests as well as the safety of routes students use to walk to bus stops. The district analyzes the forms to provide district management information for improving transportation services.

- The district has analyzed student ride times and made needed adjustments to ensure ride times do not exceed district guidelines.
- The district has taken actions to reduce the number of courtesy riders such as purchasing land to build a bridge so students from nearby neighborhoods can safely walk to school and formalizing the decision-making process on eligibility for courtesy rider transportation. These efforts have resulted in a reduction in the number of courtesy riders, despite a large increase in student population within the district.
- The district has instituted a policy to charge schools for the costs of field trips. While the district has increased the amount it charges for field trips (thus reducing its losses), it does not yet charge the full cost for these trips. Therefore, we recommend that the district review the cost of such services at the end of the 2005 school year and the school board reconsider whether to charge schools for the full cost of field trips.
- The district has changed school bell times to improve average bus occupancy (ABO) of buses and overall efficiency. This has resulted in a slight increase in the average bus occupancy rate. In addition, the district began implementing a new student assignment plan in 2005-06 which was initially expected to reduce the percentage of students riding buses, thereby decreasing the percentage of students needing transportation. However, the district now reports that in the long-term, it expects to transport the same percentage of the student population as prior to implementing the new student assignment plan. If ABO has not increased as a result of the new assignment plan, we recommend that the district closely review ABO at the end of the 2005-06 school year and annually thereafter, and take additional steps as necessary.
- The district has promulgated standardized managerial guidelines to standardize driver discipline and improve attendance, and is in the process of implementing these guidelines. The district should evaluate the effectiveness of the new guidelines after they have been in place long enough to allow for the collection of sufficient data.
- The district is simultaneously operating both the current payroll system and the new payroll system to ensure accuracy of the new software.
- The district has established and is following a formal bus replacement policy and a policy to review repairs that are expected to exceed \$2,500. As these are relatively new policies, the district needs additional time to realize the cost savings projected in our original report.
- The district completed the construction of a new comprehensive transportation facility along with significant upgrades to another facility.
- The district presented comprehensive information on its transportation program to the superintendent and school board for use in setting policy and making managerial decisions.
- The district has reorganized its transportation department since our initial review, reduced its supervisory staff, and shifted positions to create a special needs unit within the transportation department to improve services to students with special needs. Because the district is experiencing significant growth in student population and has opened another bus compound, it did not eliminate as many positions as recommended in our original report because it believes these positions will be needed in the near future. While this seems like a reasonable approach, we recommend that district administration monitor staffing levels and report to the school board annually to demonstrate that the ratio of total transportation employees to transportation supervisors at least meets or exceeds the average of its peers in next two years.

In September 2005, the district began seeking reimbursement through the Medicaid Certified School Match program for transportation services it provides to Medicaid-eligible students. The district should ensure that it continues to identify and seek reimbursement for all transportation services it provides to Medicaid-eligible students.

The district has partially implemented the remaining two action plans in this area by taking the actions described below.

- The district has begun to take steps to ensure that it has sufficient bus drivers to cover all regular bus routes including the routes of drivers who are absent. For instance, the district has begun to examine the reasons for high absenteeism. However, to fully implement this action plan the district should complete its analysis, establish acceptable absenteeism targets, and develop and implement specific strategies to reduce absenteeism so that it is in line with these targets. In addition, once absenteeism targets have been met, the district should regularly assess absenteeism and take any additional steps as necessary to ensure that it has the number of bus drivers needed.
- As of September 2005, the district had reduced its spare bus fleet by selling 100 buses and has plans to auction additional buses in the next several months. The district claims that reducing spare buses further as recommended in our original report may not be necessary due to increases in the number of students being transported and the need for additional buses to fully implement its school choice program. Thus, to fully implement this action plan the district should verify that no further reductions are justified by calculating the number of buses needed to cover regular daily routes, buses out of service for repair/inspection, and buses used for field trips. This information should be presented to and approved by the school board by January 2006 and submitted as part of the transportation department's budget request annually thereafter. In addition, the district should continue to take steps to improve bus

mechanic attendance, if high absenteeism is a reason for its need to maintain a high number of spare buses.

Food Service Operations

Our original review found that the Lee County School District was using 13 of 17 food service best practices. The final report contained five action plans designed to assist the district in meeting best practice standards by addressing program authority, the availability of non-nutritious foods during meals, evaluation of program options, equipment conditions, and failure to ensure that food service operations paid for equipment repair and maintenance.

As of August 2005, the district has implemented all five action plans in this area. For instance, the district clarified and centralized program authority and responsibilities. The district also has started systematically tracking equipment conditions to guide purchase and maintenance decisions. In addition, the district now charges the food service program for its share of overhead expenses, which should help ensure that the program is self-sufficient and that the district can maximize the use of general funds for educational purposes.

Cost Control Systems

Our original review found that the Lee County School District was using 29 of the 31 cost controls best practices. The final report contained three action plans to assist the district in meeting best practice standards in internal auditing and financial management.

As of August 2005, the district has fully implemented all three action plans for cost control systems. For instance, the district has taken steps to complete and deliver to each employee an employee handbook and has developed procedures to include the monitoring of the school FTE counts by the internal audit department. In addition, the district has completed its risk assessment project, established priorities for the identified risks, and developed strategies to eliminate or mitigate those risks.

Community Involvement

Our initial review found that the Lee County School District was using 9 of the 11 community involvement best practices. The final report contained four action plans designed to assist the district in meeting these best practices by developing a systematic approach to increasing community involvement; identifying, accurately collecting, and analyzing data needed to monitor these efforts; and by publicizing district information and successes to the community.

As of August 2005, the district has implemented all four action plans. For instance, the district has increased communication efforts with the community, audited data used to monitor volunteer efforts, and developed goals for its community involvement efforts. In addition, the district has begun publicizing its efforts and outcomes by printing a calendar that highlights various student achievements and operational performances each month.

To continue to meet best practice standards, the district should monitor its community involvement strategic plan goals and the effectiveness of these efforts. In addition, the district should continue efforts to improve data reliability of volunteer hours and overall volunteer participation.

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/

Appendix A

Estimated Fiscal Impact as of August 2005

The Lee County School District expects to achieve substantial cost savings in the next three years as a result of implementing report action plans. The district has yet to experience the full positive fiscal impact of several recently implemented recommendations such as creating a preventative maintenance program and filing for reimbursement from Medicaid for eligible transportation services. In addition, because the district is experiencing significant growth in student population and has opened another bus compound, it did not eliminate as many transportation positions as recommended in our original report, thereby avoiding the costs of later reinstating those positions and training new staff. The table below provides a detailed description of fiscal impact by action plan.

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			
Eliminate one position of board secretary (Action Plan 3-2).	\$150,000	\$0	Eliminating this position was recommended in OPPAGA's final report but not specified in the action plan voted on by the board. Thus, implementation of this action plan is not required for the district to be eligible for the Seal of Best Financial Management. The district has opted not to implement this action plan at this time, but will reevaluate the feasibility of implementing it at a later date.
Expand the grants writing activity (Action Plan 3-25).	4,300,000	100,000	The district has expanded the role of the grants department and has created a new position responsible for coordinating the development of grants. With the addition of the new grants coordinator, the department expects to have the capability in the future to pursue highly competitive grants which it might otherwise be unable to pursue.
Educational Service Delivery			
Add two curriculum specialists (Action Plan 5-7).	\$(385,900)	\$(77,180)	The district has added the two recommended positions. As of August 2005, each had worked about one-half year.
Increase accountability for lost or damaged textbooks (Action Plan 5-11).	418,384	308,886	Since our original review, the dollar amount lost due to lost or damaged textbooks has been reduced from \$557,679 to \$248,793. The district expects to reach the \$418,384 goal within the near future.

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
Administrative and Instructional Technology			
Replace older/obsolete instructional workstations (Action Plan 6-3).	\$ (5,625,000)	\$ (4,200,000)	The district has spent approximately \$4.2 million for replacement and new computers in existing schools since OPPAGA's initial visit. The technology refresh plan is a single plan for both the replacement of old workstations (recommended in Action Plan 6-3) and the addition of new workstations (recommended in Action Plan 6-6).
Consolidate workstation and server vendors (Action Plan 6-5).	6,300,000	300,000	The cost savings estimate in OPPAGA's original report was based on contracts awarded by other Florida school districts. Because the Lee County School District spent considerably less per student workstation than its peer districts prior to implementing this recommendation, it was unable to achieve the level of projected savings in our original report. The district consolidated contracts and negotiated a new pricing structure, dropping the cost of a standard computer workstation even further to \$659 per unit. These savings allowed schools to purchase a much larger number of computers. While entire budgets were still expended (failing to result in a net budgetary savings), the schools received the equivalent of \$300,000 to \$400,000 worth of additional equipment based on pricing in place prior to the new contract.
Acquire additional instructional workstations (Action Plan 6-6).	(462,000)	Fiscal impact addressed in Action Plan 6-3.	
Facilities Construction			
Conduct a facilities audit (Action Plan 10-6).	\$ (100,000)	\$ (1,000)	The district has completed one facility audit to date and will complete the entire process over the next four years. Based on a lower than expected cost of \$1,000 per audit, the total cost is expected to be \$80,000.
Facilities Maintenance			
Create three maintenance zones (Action Plan 11-5).	\$60,000	\$0	While initially there are expected to be costs associated with establishing satellite offices, the district expects to realize a cost savings of \$125,000 over the long term from reduced driving time between school sites.
Establish a uniform building management system (Action Plan 11-9).	275,000	1,200,000	The district has established a set of construction standards for each category of school and expects to achieve a total savings of \$4,700,000 over five years by using these prototypes.

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
Implement preventative maintenance (Action Plan 11-19).	1,729,200	228,727	To date, the district has realized a savings of \$228,727 based on the chiller preventative maintenance program's impact on energy efficiency. Over the five-year period, the district expects to achieve a total savings of \$1,715,450 (\$343,090 annually).
Student Transportation			
Eliminate unnecessary courtesy rides (Action Plan 12-4).	\$190,000	\$2,070	The district has reduced the number of courtesy riders from 2003-04 to 2004-05, realizing a cost savings of approximately \$2,070. The district also has taken additional steps to reduce the number of courtesy riders by building a bridge to provide safer walking conditions for students and by formalizing a district-wide safe walking policy. The initial cost savings estimate of \$190,000 was based on the assumption that the district would eliminate all courtesy riders. However, the district has determined that some students cannot safely walk to school and that it is appropriate to continue to transport these students.
Restructure the district's full-time and substitute bus driver ratios and wage structures (Action Plan 12-6).	707,500	182,615	The transportation department has reduced the substitute bus operator positions and reduced the budget for substitute bus operators from \$432,615 in 2003-04 to \$250,000 in 2004-05. It is using a separate group of drivers to cover open routes due to bus operator absences. The district is taking steps to reduce bus driver absenteeism, which will help it to reduce its budget for substitute bus operators further.
Develop a plan to increase bus occupancy, starting in the 2005-06 school year (Action Plan 12-8).	7,748,800	0	When the new student assignment plan went into effect at the beginning of the 2005-06 school year, the district expected to experience an increase in the number of parents and students selecting schools closer to their home. Consequently, the district expected to see a decrease in the number of buses needed, which would have increased its bus occupancy. However, the district reports that the new assignment plan may not result in bus occupancy increases it originally expected. Thus, we recommend that the district review bus occupancy at the end of the 2005-06 school year, and annually thereafter, and take additional steps as necessary if occupancy has not increased and if cost savings have not been realized.

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
Charge school groups for field trips to cover the full cost of the trip (Action Plan 12-10).	1,460,000	140,848	Beginning in 2004-05, the district began billing schools for all field trips. While the district has increased the amount it charges for field trips (thus reducing its losses), it does not yet charge the full cost for these trips. We recommend that the district review the cost of such services at the end of the 2005 school year and the school board reconsider whether to charge schools for the full cost of field trips.
Pursue reimbursement from Medicaid for eligible transportation (Action Plan 12-14).	250,170	0	The district has begun seeking reimbursement through the Medicaid Certified School Match program for transportation services it provides to Medicaid-eligible students. The district estimates that it will realize \$119,230 in savings annually for a total of \$596,150 over a five-year period.
Reduce spare bus ratio to 16% (Action Plan 12-15).	428,400	177,050	<p>The department has sold 100 spare buses and plans to auction additional buses during Spring 2006. The district expects to receive a higher price for the second group of buses. If the average selling price is \$2,000 per bus, the district can expect to receive a total of \$208,000 by selling an additional 104 school buses.</p> <p>We recommend that the district determine the number of spare buses it needs by considering the number of bus routes, bus breakdowns (on a daily basis in the previous year), and field trips (also on a daily basis in the previous year). Once this number is calculated, the district can more accurately determine whether it should sell even more spare buses. This information should be presented to and approved by the school board by January 2006 and submitted as part of the transportation department's budget request annually thereafter. In addition, the district should continue to take steps to improve bus mechanic attendance, if high absenteeism is a reason for its need to maintain a high number of spare buses.</p>
Sell 1988 special reserve buses in an auction (Action Plan 12-15).	153,000	56,715	The district has sold 35 of the 1988 special reserve buses for a total of \$56,715 to date. (These buses are in addition to the 100 spare buses that the district has sold as described above.) The district is currently selling the remaining special reserve buses and expects to achieve additional cost savings as a result.
Formalize and adhere to 12-year bus replacement policy (Action Plan 12-16).	4,356,750	0	The board approved the vehicle replacement policy on February 8, 2005. The district needs additional time to realize the cost savings of the policy.

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
Review staffing levels (Action Plan 12-30).	1,744,664	0	The district has reorganized its transportation department since our initial review, reduced its supervisory staff, and shifted positions to create a special needs unit within the transportation department to improve services to ESE students. Because the district is experiencing significant growth in student population and has opened another bus compound, it did not eliminate as many positions as recommended in our original report, thereby avoiding the costs of later reinstating those positions and training new staff. District administration should monitor staffing levels and report to the school board annually to demonstrate that the ratio of total employees to supervisors at least meets or exceeds the average of its peers in the next two years.
Cost Control Systems			
Contract out a risk assessment study (Action Plan 14-1).	\$(20,000)	\$0	In January 2005, the school board approved an expenditure of up to \$30,000 for the risk assessment, although no expenditure has been made to date.
Implement a purchasing card system (Action Plan 14-7).	(275,000)	0	Implementing a purchasing card system was recommended in OPPAGA's final report but not specified in the action plan voted on by the board. Thus, implementation of this action plan is not required for the district to be eligible for the Seal of Best Financial Management. However, the district has plans to implement a purchasing card system in the future. Based on a review of expenditures, the district estimates it could receive an annual rebate of approximately \$120,000 by implementing this recommendation.

Source: Lee County School District, August 2005.

The Florida Legislature

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