



## Collier County School District 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). 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.

As of April 2006, the district had implemented 83 of the 85 action plans contained in the original OPPAGA report. In addition, it is taking steps to fully address the two remaining action plans. Thus, the district has put systems in place that should help it significantly improve its management practices and increase its efficiency and effectiveness.

Because the district completed its implementation of many action plans in the past year, it will require additional time to realize the full, five-year costs savings projected in our original report. Thus, we recommend that district administration report quarterly the fiscal impact of these recommendations to the school board and the public. We also recommend that the district monitor some 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 Collier County School District.

### 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.<sup>1</sup> 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 to institute the action plans must submit an annual report to a number of entities, including the Legislature, the Governor, 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 review a district's practices for two years to determine whether it is using the best financial management practices in the areas covered by the action plans.

We based our conclusions in this report on documentation provided by the district and discussions with district staff on the status of action plan implementation.

<sup>1</sup> 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.<sup>2</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.

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 conduct a Best Financial Management Practices Review of the Collier County School District in

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

Fiscal Year 2002-03.<sup>3</sup> 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.)<sup>4</sup>

## Exhibit 1 Our Original Review Found That the 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
<b>All Areas (148)</b>	<b>111 (75%)</b>	<b>37 (25%)</b>

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 standards within two years. By implementing these action plans and other recommendations, the Collier 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 \$55,985,731 over a five-year period.

<sup>3</sup> Ch. 2002-394, *Laws of Florida*, Specific Appropriation 132A.

<sup>4</sup> 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.

## Overall Conclusions

As of April 2006, the district had fully implemented 83 of the 85 action plans contained in the original OPPAGA report. In addition, the district is taking steps to fully address the remaining two 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 Collier County School District.<sup>5</sup> For the implementation status of action plans by best practice area, see Exhibit 2.

### Exhibit 2 District Has Fully Implemented 83 of the 85 Report Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans	
		Implemented	Underway
Management Structures	5	5	0
Performance Accountability System	4	4	0
Educational Service Delivery	8	8	0
Administrative and Instructional Technology	7	7	0
Personnel Systems and Benefits	15	15	0
Facilities Construction	9	9	0
Facilities Maintenance	2	2	0
Transportation	2	2	0
Food Service Operations	3	3	0
Cost Control Systems	30	28	2
<b>All Areas</b>	<b>85 (100%)</b>	<b>83 (98%)</b>	<b>2 (2%)</b>

Source: OPPAGA.

The two remaining action plans being implemented are in the area of cost control systems. The district has restructured its business services department but is awaiting construction of its district warehouse before

centralizing its receiving function. In addition, the district is in the process of tagging equipment so that it can fully implement a bar-coding inventory system as recommended in the original report.

To ensure that the district continues to meet best practice standards and realize projected cost savings, it should continue to monitor several issues including those outlined below.

- While the district’s performance accountability system meets best practice standards, it should continue to collect data to determine the extent to which it is achieving its objectives, use this information to improve operations, and continue to share this data with the public.
- The district took steps to increase the percentage of educable mentally handicapped (EMH) students in regular education classroom settings and to reduce the over-representation of black students in the EMH category, and modified its procedures for identifying low income and minority students as gifted. The district should continue to monitor the effectiveness of these actions and periodically present the results of these efforts to the school board and the public and determine whether further action is needed.
- Several of the implemented action plans should help to reduce the district’s construction costs; however, the district has not begun construction of a new school since many of these changes were made. Therefore, we recommend that each year at the school board’s Annual Capital Budget Workshop, facilities staff report on the district’s actual cost per student station and actual cost per square foot for each school constructed that year compared to similar averages for the state and other school districts. If the district’s unit costs exceed those of the state and/or other districts, the facilities staff should explain the reasons for these differences and the steps it will take to minimize future construction costs.

<sup>5</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.

- To improve facility maintenance operations, the district developed a performance appraisal system to assess the productivity of its maintenance staff and initiated a custodial training program. To continue to meet best practice standards, the district should revise the current employee performance appraisal form after finalizing negotiations with the union.
- To improve the efficiency and effectiveness of student transportation, the district revised bell times and developed plans to identify unsafe walking criteria and to evaluate the number of courtesy riders. To continue to meet best practice standards, the district should annually report to the board the number of courtesy riders, the cost to the district, and the steps it has taken to eliminate unsafe walking conditions.

Because the district implemented many of the report recommendations in the past year, it will require additional time to realize the full, five-year fiscal impact of \$55 million projected in the original report. Therefore, district administration should report quarterly on the fiscal impact of these recommendations to the school board and public. (Appendix A provides the fiscal impact to date of implementing report action plans.)

A more detailed explanation of the actions the district has taken to implement report recommendations and the areas that it should monitor to continue to meet best practice standards is presented below.

## 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 the board's effectiveness in meeting its priorities. For example, all board members attended master board training offered by the Florida School Boards Association. The board now also requires that staff present information on the fiscal and budgetary implications for all actions considered by the board.

In addition, the district took several steps to reduce the length and increase the efficiency of school board meetings, including restricting regular school board meetings to official board business; holding Committee of the Whole meetings every other month to workshop specific topics; and holding town hall meetings every other month to allow for extended public input. According to staff and board members, these steps significantly reduced the length of board meetings.

As recommended, the district also eliminated the deputy superintendent and associated secretary positions, thereby realizing a savings of \$605,014 to date.

### *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 implemented all four action plans in this area. For instance, the district's Office of Planning and Accountability/Staff Development conducted training for all department directors on strategic planning, which included developing measurable goals and objectives. Each

department developed goals and objectives that link to the superintendent's performance objectives and benchmarks so that they can regularly assess the extent to which program goals and objectives have been met. This measurability will enhance performance accountability.

The district also improved its ability to evaluate the efficiency and effectiveness of major educational and operational programs. 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, the district hired an internal auditor and staff to evaluate major operational programs, such as transportation and food services.

While the district has established a performance accountability system that meets best practice standards, at the time of our follow-up review this system had not been in place long enough to produce the kind of information needed to make program improvements or develop program annual budgets. Therefore, to continue to meet best practice standards, the district should collect data to determine the extent to which it is achieving its objectives, use performance information to improve operations, and continue to share this information with the public.

### ***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 implemented all 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 reducing the

number of one-to-one assistants for ESE students. The district also took steps to increase the percentage of educable mentally handicapped (EMH) students in regular education classroom settings and to reduce the over-representation of black students in the EMH category, and modified its procedures for identifying low-income and minority students as gifted. The district also began filing directly for Medicaid reimbursement for eligible ESE services. The district estimates that direct filing has generated an additional \$209,283 to date.

Our original report also recommended that the district reduce 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, Southern Association of Colleges and Schools accreditation standards, and evidence of change in workload factors that creates the need for new or additional positions (e.g., failure to meet timelines, excessive overtime, and error rates). The district estimates that these changes have resulted in a cost savings of approximately \$2.4 million to date.

While the results to date of these changes are encouraging, the district should continue to monitor the effectiveness of these actions. For instance, in the next school year the district should complete its work with schools that have relatively high percentages of black students in the EMH category and present the results of its efforts to the school board and the public at a regular school board meeting. In addition, the district also should evaluate whether it has met the benchmarks established in its continuous improvement/self monitoring plan for addressing under-representation of minorities and economically disadvantaged students in its gifted program, and determine whether further plan modifications are needed.

### ***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 all 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 technology plan now includes measurable goals, implementation costs, and a timeline for completing those goals. The district established a needs assessment process for technology resources, developed an equipment replacement plan, and improved its technical support services. For instance, the district established a priority-based technical support system and gave principals access to work order information. The district implemented a training program and increased the qualifications for its system support technicians.

### ***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 has implemented all 15 action plans in this area. For instance, the district has developed tracking systems for employee turnover; improved orientation and training for substitute teachers; implemented a strategy for imaging personnel records to facilitate long-term personnel file management; and begun using its claim history to plan its workers' compensation budget each year. The human

resource department is using data to make decisions to become more efficient and effective.

### ***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 all nine action plans in this area. For instance, the district has begun 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. The district also implemented action plans to

- systematically evaluate estimated construction costs when considering new schools and present this information to the school board;
- adopt and use prototypes to design new schools to reduce future construction costs and planning time;
- consider measures to reduce life-cycle costs in new building construction;
- consider passive design and "green architecture" concepts and techniques in new building construction;
- conduct 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; and
- assess the facilities construction program's efficiency and effectiveness, using a set of key performance and cost-efficiency measures and benchmarks.

Several of the implemented action plans should help to reduce the district's



construction costs. However, according to district staff, because the school district has not begun construction of a new school since many of these changes were made, it is too early to assess the extent to which these changes have reduced construction costs. Estimating the impact of these changes is further complicated by the fact that construction costs have risen significantly over the past few years and these marketplace cost increases may have offset or exceeded the savings achieved from the implemented recommendations.

Thus, we recommend that each year at the school board's Annual Capital Budget Workshop facilities staff report on the district's actual cost per student station and actual cost per square foot for each school constructed that year compared to similar averages for the state and other school districts. Comparison districts should include adjacent counties where market conditions are relatively similar, model school districts, and other similarly sized districts. If Collier's unit costs exceed that of the state and/or other Florida school districts, the facilities staff should explain the reasons for these differences and the steps it will take to minimize future construction costs. In addition, we recommend that prior to presentation of this information to the school board, it be reviewed and verified by the district's internal auditor and budget director.

### ***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 districtwide custodial training.

Since October 2003, the district fully implemented both action plans. It took several steps to develop and implement its performance appraisal system, including identifying and communicating productivity measures and providing additional training to underperforming employees. It also

implemented a districtwide custodial training program and obtains evaluative feedback on the usefulness of classes and incorporates feedback as appropriate when developing and arranging future classes. To continue to meet best practice standards, the district should revise the current employee performance appraisal form after finalizing union negotiations.

### ***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 fully implemented both of the action plans. The district implemented recommendations to revise new bell schedules, which will save the district \$140,000 annually. The transportation department developed plans to identify unsafe walking criteria and evaluated the number of courtesy riders. The department also took steps to be more accountable by establishing performance and cost-effectiveness measures for student transportation. The department now collects and analyzes data on its performance measures and meets monthly with the assistant superintendent and is preparing to present pertinent results to the school board. To continue to meet best practice standards, the district should annually report to the board the number of courtesy riders, the cost to the district for these riders, and the steps it has taken to address unsafe walking conditions.

### ***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 food service program.

Since October 2003, the district fully implemented all three action plans. For instance, the district reduced labor costs by approximately \$8,000 per year by instituting a shared cafeteria manager program at four schools. The district plans to expand this program over time. The district further reduced labor costs by \$414,000 per year 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 store 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 28 of the 30 action plans in this area. For instance, the district strengthened its financial position by increasing its general fund unreserved fund balance to over 5% of operating revenues, which will help ensure that it has adequate reserves to meet unforeseen expenses. The increase in the

unreserved fund balance played a part in improving its debt rating in the financial market, which will help ensure that it is able to borrow funds at more favorable rates, should it need to do so in the future. In addition, the district improved internal controls for check signing, improved financial reports to the school board, and purged duplicative or unused vendors from the purchasing system. It also improved purchasing practices by shifting buying office supplies to direct delivery and initiating a procurement card program.

The district partially implemented the two remaining action plans. The district restructured its business services department but is awaiting construction of its district warehouse before centralizing its receiving function. In addition, the district is in the process of tagging equipment so that it can fully implement a bar-coding inventory system as recommended in the original report. The district administration should report on a quarterly basis the implementation status of these action plans to the school board and public.

## **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/).

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

OPPAGA review staff included Byron Brown, Rashada Houston, and Kathy McGuire, under the supervision of David Summers.

Auditor General staff included Reggie McNeil, under the supervision of David Martin.

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## Appendix A

# Estimated Fiscal Impact

Our initial review estimated that the Collier County School District could realize a positive fiscal impact of more than \$55 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 fiscal impact 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. The table below provides a detailed description of these impacts by best practice area.

Recommendation(s) by Review Area	Original Report Projected 5-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Explanation of Fiscal Impact
<b>Management Structures</b>			
6 <ul style="list-style-type: none"> <li>▪ Eliminate the position of deputy superintendent. (Best Practice 5, page 2-19)</li> </ul>	\$ 837,965	\$605,014	The position of deputy superintendent was eliminated as recommended in the original report. In addition, the secretary to the deputy superintendent position was also eliminated, which resulted in additional savings to the school district over the past three years.
<b>Educational Service Delivery</b>			
<ul style="list-style-type: none"> <li>▪ Participate in the Medicaid Certified Match Program. (Best Practice 2, page 4-20)</li> </ul>	\$2,734,990	\$209,283	The fiscal projections in the original report were estimated using a spreadsheet provided on the Shared Services Network for Medicaid Match claiming. The following issues have had a significant impact on the amount of money recovered from Medicaid billing compared with the projection in the original report: <ul style="list-style-type: none"> <li>○ the rate per unit stated in the Medicaid manual is the "full" rate; districts receive approximately 59%;</li> <li>○ a significant difference in eligibility enrollment from the reported 25% to the actual 14% of eligible students;</li> <li>○ a significant increase in enrollment for student insurance by families resulting in decreased eligibility;</li> <li>○ units of therapy provided in excess of amount eligible for reimbursement; and</li> <li>○ changes in the eligibility file format.</li> </ul>

Recommendation(s) by Review Area	Original Report Projected 5-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Explanation of Fiscal Impact
<ul style="list-style-type: none"> <li>Reallocate assistant principals/deans to meet SACS standards. (Best Practice 8, page 4-55)</li> </ul>	\$ 8,211,745	\$1,980,000	As part of the district's Budget Reduction Plan for 2004-05, the number of site-based administrators and administrative support personnel was reduced using the following: reductions of 0.5 to 1.0 positions at the elementary level, 0.5 at middle school, and 0.5 to 2.5 at high school for a total of 16.5 positions. According to district staff, the difference between the projected and actual cost savings is based on the fact that the school district reduced the formula closer but not all the way to the SACS minimum accreditation standards for staffing schools. Community expectations in terms of quality of educational support and service to students and the nature of the student populations served by the district, e.g., ESOL, migrant, and ESE, require greater than normal administrator staffing than the minimum identified in the SACS minimums.
<ul style="list-style-type: none"> <li>Revisit district level staffing. (Best Practice 8, page 4-55)</li> </ul>	5,884,990	443,382	The school district conducted a study of peer districts and professional literature regarding staffing levels of all departments. Staffing formulas were developed and reviewed by the district staffing formula committee and recommended to the superintendent, who in turn recommended approval by the school board. The positions of area assistant superintendent/North and the secretary to the area assistant superintendent were eliminated as part of school district restructuring.
<b>Personnel Systems and Benefits</b>			
<ul style="list-style-type: none"> <li>Reestablish a third party administrator for the workers' compensation plan. (Best Practice 8, page 6-23)</li> </ul>	\$ 1,176,549	\$ 237,581	The district has formalized as a district procedure the recommendation regarding a return to work procedure. In addition, the safety committee is reviewing the causes of injuries and providing remediation. The district is in the second year of the program described in Action Plan 6-6 with the 2004 school year used as a baseline. This was the first year that Johns Eastern administered the claims for an entire year. In addition to experiencing reduced claims, the average cost per claim was also reduced, yielding a greater return than projected. It is estimated that at the conclusion of the five-year period, the savings will equal or exceed the original projections.
<b>Facilities Construction</b>			
<ul style="list-style-type: none"> <li>Reduce new construction costs. (Best Practice 12, page 7-20)</li> </ul>	\$32,618,000	\$ 0	The district indicates that the original report's calculation of Collier's unit costs did not exclude construction costs that are excluded from the state's average construction costs-per-student station and cost per square foot. As a result, the district's cost-per-student station and cost-per-square foot appeared to be significantly higher than state averages, which was the basis for the projected five-year net fiscal impact included in the original report. Despite a disagreement regarding the magnitude of the potential cost savings, the school district believes that there is potential for reducing its construction costs and has implemented the original report recommendations. However, because the district has not begun construction of a new school since many of these changes were made, it is too early to assess the extent to which these changes have reduced construction costs. Estimating the impact of these changes is further complicated by the fact that construction costs have risen significantly over the past few years and these marketplace cost increases may have offset or exceeded the savings achieved from the implemented recommendations. The district will assess the fiscal impact of these changes as it constructs schools in the future.

Recommendation(s) by Review Area	Original Report Projected 5-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Explanation of Fiscal Impact
<b>Facilities Maintenance</b>			
<ul style="list-style-type: none"> <li>Implement Energy Conservation Incentive Program. (Best Practice 15, page 8-20)</li> </ul>	\$ 492,416	\$ 0	The district is working with the Holmes Agency, a forensic engineering company, to study existing schools, those proposed to be remodeled, and new prototypes. The study will make conclusions and recommendations concerning the direction the district should be taking pertaining to air conditioning systems, building envelopes, operating and maintenance procedures, and maintenance organization.
<b>Transportation</b>			
<ul style="list-style-type: none"> <li>Revise staggered bell times to increase the number of school buses assigned to three-tier routes. (Best Practice 3, page 9-9)</li> </ul>	\$1,280,000	\$140,000	The revised bell times allowed for extended time between runs increasing average bus occupancy. Bus runs were reduced from 1491 to 1439, i.e., 52 runs were absorbed into other routes. Cost savings of \$140,000 per year were realized from the average hourly rate multiplied by hours saved multiplied by school days, which was less than originally estimated by the district.
<ul style="list-style-type: none"> <li>Reduce bus driver overtime. (Best Practice 6, page 9-14)</li> </ul>	285,135	0	According to the district, overtime is dependent upon several items such as the ability to maintain recruitment and retention, control absenteeism and provide for school activity and field trips. District staff indicates that a shortage of bus drivers in the county coupled with the need to cover bus routes resulted in no cost savings.
<ul style="list-style-type: none"> <li>Make claims for Medicaid reimbursement. (Best Practice 14, page 9-23)</li> </ul>	307,620	1,090	District staff indicates that the district now makes claims for reimbursement of eligible transportation services. The Exceptional Student Education Department submits and calculates the transportation Medicaid reimbursement portion.
<b>Food Service Operations</b>			
<ul style="list-style-type: none"> <li>Implement a shared manager program. (Best Practice 2, page 10-10)</li> </ul>	\$ 371,292	\$ 15,000	Five sites met the criteria for the shared manager program. Four sites received a shared manager as attrition allowed. The Learning Center may have a shared manager next year if satellite sites are moved to other school kitchens. According to district staff, the CSP-NEA union contract states that a worker in their bargaining unit can not supervise another in the same bargaining unit. The lowest level management employee that could be used for the shared manager program was an assistant food service manager. There is very little difference between an assistant manager salary and a manager level I (meal participation 0-300 meals) salary. The managers replaced were all on Level I.
<ul style="list-style-type: none"> <li>Reduce labor hours by reducing the number of scratch items on the menu and raise the MPLH standards. (Best Practice 2, page 10-10)</li> </ul>	500,000	828,000	According to district staff, labor savings exceeded the projections in the original report. The change in the labor formula reduced labor hours by 394 per day over two years.

Recommendation(s) by Review Area	Original Report Projected 5-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Explanation of Fiscal Impact
<ul style="list-style-type: none"> <li>▪ Expand Breakfast-in-a-Bag program. (Best Practice 6, page 10-16)</li> </ul>	694,165	0	The goal of increasing breakfast participation was reached. It is now approximately 120% higher than it was three years ago. The Department of Food Service received a letter from the Department of Education requesting that the reserve fund be reduced to the three-month operating balance. The school district chose to implement Provision 2 Breakfast so that the money in the reserve went back to the students. No revenue is collected from students with Provision 2 Breakfast.
<ul style="list-style-type: none"> <li>▪ Renovate four schools per year with \$50,000 budget to increase participation and net revenue. (Best Practice 6, page 10-16)</li> </ul>	\$510,944	\$ 332,234	Lunch and a la carte food sale increased as a result of implementing report recommendations. As indicated above, no revenue was collected for the increase in the Breakfast Program participation.
<b>Cost Control Systems</b>			
<ul style="list-style-type: none"> <li>▪ Restructure the Business Services Department. (Best Practice 1, page 11-8)</li> </ul>	\$ 79,920	(\$274,071)	Although the district addressed the components of this cost-saving recommendation, a combination of events altered the financial results to date. The changes were not implemented until 2004-05, so the fiscal impacts were delayed. In addition, due to a significant change in the school construction schedule related to the class size constitutional amendment, the purchasing positions were not eliminated.