



Volusia County School District Eligible for the State's Seal of Best Financial Management

at a glance

On January 27, 2004, the Volusia County School Board voted to implement the action plans in the Best Financial Management Practices Review (OPPAGA Report No. 03-59) published in October 2003. OPPAGA developed these action plans to help the Volusia 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.

Since the release of our original report, the district has implemented all 14 action plans contained in the original OPPAGA report. Thus, the district has put systems in place that will help it improve its management, increase its efficiency and effectiveness, and reduce its costs. By implementing report action plans, the district estimates that, to date, it experienced a net positive fiscal impact of \$9 million.

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

Scope

This report provides the Florida Legislature with information on the status of the Volusia County School District's implementation of action plans

included in the Best Financial Management Practices Review published in October 2003.¹ On January 27, 2004, the Volusia 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. The report should describe the progress the district has made toward implementing the action plans and any changes that may have occurred in other areas that would affect the district's use of the best practices. 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.²

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.

¹ *Best Financial Management Practice Review Volusia County School District*, [Report No. 03-59](#), October 2003.

² For OPPAGA's previous conclusions on the district's progress in implementing action plans contained in the original report, please refer to *Volusia County School District Making Progress, But Not Yet Eligible for the State's Seal of Best Financial Management*, [Report No. 05-52](#), November 2005.

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. 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.

The Florida Legislature directed OPPAGA to conduct a Best Financial Management Practices Review of the Volusia County School District during the 2002-03 fiscal year.³ Based on review field work, we concluded that the Volusia County School District was using 93% (138 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 within two years.

We determined that by implementing the action plans and other report recommendations, the Volusia County School District could improve district operations, save money, and demonstrate good stewardship of public resources. The report included recommendations that, if implemented,

³ Refer to [Ch. 2002-394, Laws of Florida](#).

would have had an estimated positive fiscal impact of \$10.9 million over a five-year period.

Exhibit 1 Our Original Review Found that the Volusia County School District Was Using 93% of the Best Practices

Best Practice Area (Total Practices)	Is the District Using Individual Best Practices?	
	Yes	No
Management Structures (14)	14	0
Performance Accountability System (3)	3	0
Educational Service Delivery (12)	11	1
Administrative and Instructional Technology (9)	9	0
Personnel Systems and Benefits (11)	9	2
Facilities Construction (24)	23	1
Facilities Maintenance (22)	19	3
Transportation (20)	20	0
Food Service Operations (11)	10	1
Cost Control Systems (22)	20	2
All Areas (148)	138 (93%)	10 (7%)

Source: OPPAGA.

Overall Conclusions

The district has implemented all 14 action plans contained in the original OPPAGA report by putting 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 Volusia County School District.⁴ For the implementation status of action plans by best practice area, see Exhibit 2.

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. Appendix A provides the fiscal impact to date of implementing report action plans.

⁴This includes district actions that varied slightly from the recommended action, but generally addressed the intent of the action plan included in the report.

Exhibit 2
The District Has Implemented All 14 Action Plans

Best Practice Area	Total Action Plans	Status of Action Plans
		Implemented
Management Structures	0	NA
Performance Accountability System	0	NA
Educational Service Delivery	4	4
Administrative and Instructional Technology	0	NA
Personnel Systems and Benefits	3	3
Facilities Construction	1	1
Facilities Maintenance	3	3
Student Transportation	0	NA
Food Service Operations	1	1
Cost Control Systems	2	2
All Areas	14	14

NA: Not applicable because there were no action plans for this best practice area in the original report.
 Source: OPPAGA.

Implementation Status by Best Practice Area

Management Structures

Our original report found that the Volusia County School District was using all 14 of the best practices established for management structures. Especially noteworthy was the progress the district had made in assigning school principals the authority they need to improve student achievement, the district’s efforts with regard to community involvement, the district’s willingness to pursue new sources of revenue, and the accuracy of the district’s enrollment projections. The school board and the superintendent also had established a constructive working relationship and work together effectively to serve the community. The final report contained no action plans for this area.

Performance Accountability System

Our original report found that the Volusia County School District was using all three performance accountability best practices. The district had clearly stated goals and measurable objectives that could be achieved within budget for each major educational and operational program. In addition,

the district evaluated the performance and cost of its instructional and operational programs and used evaluation results to improve program performance and cost-efficiency. Furthermore, the district clearly reported on the performance and cost-efficiency of its programs to ensure accountability to parents and other taxpayers. The final report contained no action plans related to its performance accountability system.

Educational Service Delivery

Our original review found that the Volusia County School District was using 11 of 12 educational service delivery best practices. The district had a system of educational accountability that included the use of academic and nonacademic performance data to drive instructional decisions, a strong school improvement planning process, and effective support services to meet the needs of its diverse student population. To assist the district in meeting the remaining best practice, our final report included four action plans designed to make improvements in its Exceptional Student Education (ESE) and Title I programs as well as to develop ratios for school-based administrative staffing and assign staffing based on these ratios.

Since the release of our original report, the district has implemented all four action plans in this area. For instance, the district restructured the Department of Exceptional Student Education and the Department of Special Needs Programs, renamed job titles, and realigned job responsibilities, which district administrators indicate have resulted in a more effective and less confusing structure and a better division of responsibilities. In addition, the district restructured the Title I office to better reflect changes in the way the program operates and better ensure that services are delivered under the district’s approach to site-based management. The district also took steps to ensure that school-based employees have the ability to access and manipulate student testing and performance data contained in the district’s data warehouse. This data includes student FCAT test scores, grades, attendance, and disciplinary data.

In addition, the district implemented the action plan developed to address concerns regarding the appropriateness of assistant principal staffing levels at each school. The district adopted a standard for determining school-based administrative staffing levels. The new standard provides the number of assistant principals, and teachers on assignment that each school should have based on the number of students at the school. The district has adjusted staffing levels at the schools to meet the standard which resulted in a net reduction of 10 assistant principals and 3.5 teachers on assignment for a savings of about \$975,000 annually.

Administrative and Instructional Technology

Our original report found that the Volusia County School District was using all nine of the administrative and instructional technology best practices. The district was doing a good job of overall planning for its technology needs and providing training for the various technology applications purchased. Our final report contained no action plans related to its administrative and instructional technology function.

Personnel Systems and Benefits

Our original review concluded that the district was using 9 of the 11 best practices in this area. The final report contained three action plans to assist the district in meeting best practice standards. These action plans were to (1) develop a more structured process for analyzing, reporting and using data to determine factors that may be contributing to turnover or low morale; (2) conduct a systematic review of the district’s merit program and state-required Pay for Performance Plan to avoid duplication of effort and determine the effectiveness of both plans in meeting the program objectives; and (3) revisit the district’s strategic plan for Personnel Services to ensure that it includes measurable objectives that reflect the purpose and expected outcomes of the program as reflected in the district’s overall strategic plan.

Since the release of our original report, the Volusia County School District has implemented all three action plans in this area. For instance, the

district has reviewed its merit and state-required pay systems, improved its strategic and operational planning process, and developed a method for collecting and analyzing information to better respond to turnover and morale issues as they develop.

To ensure that it continues to use best practice standards, the district should

- continue to periodically review its merit and state-required pay systems to determine the effectiveness of both plans in meeting program objectives; and
- continue implementation of the district developed succession plan.

Facilities Construction

Our original review found that the Volusia County School District was using 23 of the 24 facilities construction best practices. The report contained one action plan designed to assist the district in meeting best practice standards for facilities construction. This action plan was to develop management-level goals and objectives and a system to evaluate progress and efficiency toward meeting them.

Since the release of our original report, the district implemented the action plan by using its Project Oversight Committee, which oversees accountability for the majority of construction projects, to identify benchmarking information for management follow-up. District management also has established goals such as to conduct post-occupancy evaluations of facilities, and it is in the process of implementing a more thorough formal accountability process. The district is now gathering and assessing data on its goals and objectives, which are reported to the board while also being utilized in a feedback loop for future projects. Further adjustment of the goals and objectives will help the district continue to enhance its operations and allow for continuous process improvement.

Facilities Maintenance

Our original review found that the Volusia County School District was using 19 of the 22 best practices relating to facilities maintenance. The

report contained three action plans to assist the district in meeting best practice standards for facilities maintenance. These action plans were to (1) establish outcome-based goals and specific measurable objectives for maintenance operations; (2) develop a systematic method to regularly review the appropriateness of maintenance costs; and (3) establish and follow procedures to regularly monitor and report on energy management systems operations and train staff to follow these procedures.

Since the release of our original report, the district has implemented all three action plans. The district has established outcome-based goals and objectives for a variety of functions within the maintenance with regular evaluations of these functions. The district also has conducted customer satisfaction surveys to ensure feedback on program customer service functions which helped redirect some needed funds and effort towards maintaining the scholastic environment.

The district has established an historical database on projects and has incorporated this data in project estimating. Using information from prior projects and incorporating market factors such as inflation, the district has established a process for all projects that ensures up-front development of project specifications and evaluation of cost estimates.

To improve energy consumption management, the district has established a second shift monitoring operation. This second shift monitors energy usage and is able to provide improved reporting on energy operating systems. These reports are then used by management to adjust energy controls such as thermostat settings as well as identify other systems problems to ultimately reduce total energy usage. As a result of implementing this action plan, the district has reported achieving a 12% reduction in annual energy usage.

Student Transportation

Our original report found that the Volusia County School District was using all 20 best practices for student transportation. Our final report contained no action plans related to student transportation.

Food Service Operations

Our original review found that the Volusia County School District was using 10 of the 11 food service operations best practices. The district had established an effective training program for employees and made effective use of customer information to support program operations. In addition, the district had performed well on state inspections. Our final report contained one action plan to assist the district in meeting best practice standards by developing a system for timely integrated profit and loss statements.

Since the release of our original report, the district has implemented this action plan by developing timely financial information reports and measures that provide management key information necessary to actively monitor and manage the food service program.

Cost Control Systems

Our original review found that the Volusia County School District was using 20 of the 22 cost control system best practices. Our final report contained two action plans to assist the district in meeting best practice standards by enhancing the district's cost control systems.

Since the release of our original report, the district has implemented both action plans in this area. For instance, the district developed written risk management policies and procedures and hired a consultant who conducts an annual risk assessment and develops audit plans to investigate the risks identified.

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 Cost Savings

The Volusia County School District estimates that to date it has experienced a net positive fiscal impact of \$ 9,394,517 by implementing report action plans. The table below provides a detailed description of these impacts by best practice area.

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Narrative
Educational Service Delivery			
<ul style="list-style-type: none"> Develop ratios of assistant principals and school-based administrators to students consistent with its peer districts and consider reclassifying deans as department heads rather than assistant principals. (Best Practice 8, page 4-18) 	\$6,900,000	\$1,477,795	<p>The formulas for assistant principals and school-based administrative teachers on assignment were revised for Fiscal Year 2007-08. Also included in the new formulas was a decrease in months for a number of assistant principals. The implementation of the new formulas resulted in a reduction of 10 assistant principals and 3.5 teachers on assignment. Twenty-eight assistant principals were decreased from 12 months to 11 months. The total savings for 2007-08 was \$1,477,795. Volusia is now in line with our peer ratio of students per assistant principals and deans.</p>
Facilities Construction			
<ul style="list-style-type: none"> Increase to the maximum possible the number of workers assigned to four 10-hour shifts each week. (Best Practice 6, page 8-10) 	\$213,124	\$94,722	<p>Following the OPPAGA recommendation, the Maintenance Department moved an additional 38 employees to four 10-hour shifts per week in 2005. Using the OPPAGA calculation figure of a 70-minute gain in productivity for each employee when on a weekly shift of four 10-hour days, 38 employees translates to a gain in maintenance capacity to respond to work orders of about 1 FTE. Based upon an average salary and benefits of \$31,574 per year, this change has resulted in the district avoiding \$31,574 annually in costs, for a total cost avoidance of \$94,722 over three years.</p>
<ul style="list-style-type: none"> Establish workload standards that are more consistent with an industry and create a district wide grounds maintenance program. (Best Practice 6, page 8-10) 	\$2,800,480	\$4,500,000	<p>Following the OPPAGA recommendation, the district consolidated custodial positions and increased the net square feet per custodian to approximately 20,019 square feet. This allowed the district to reduce 35 custodial FTEs over two years throughout the district for a savings of approximately \$877,240 annually in salaries and benefits. In 2005, the district centralized grounds care for all facilities resulting in additional savings of \$608,000 annually over previous grounds care costs. Total savings due to restructuring of custodial and grounds care services over the five-year period is approximately \$4.5 million.</p>
<ul style="list-style-type: none"> Establish and follow procedures to regularly monitor and report on energy management system operations, and adequately train staff to follow these procedures. (Best Practice 17, page 8-19) 	\$717,651	\$3,147,700	<p>The district has benefited from a cost deferral of over \$3.1 million over five years resulting from an effective energy management program</p>

Recommendation(s) by Review Area	Original Report Projected Five-Year Net Fiscal Impact	District's Estimate of Fiscal Impact to Date	Narrative
Student Transportation			
<ul style="list-style-type: none"> ▪ Reduce spare bus inventories to no more than 10% to 12%. (Best Practice 8, page 9-13) 	\$172,000	\$174,300	<p>The district has reduced its spare fleet to 14%. Based on that reduction, the district has achieved a net savings of \$174,300. The average auction value is \$4,800 per bus or a total of \$100,800 for the additional 21 bus reduction. Using the average maintenance of \$3,500 per bus quoted by OPPAGA results in further savings of \$73,500 or a grand total of \$174,300.</p> <p>The district reduced its spare bus ratio to 14% after considering the following factors in reaching that conclusion.</p> <ul style="list-style-type: none"> ▪ Continued increase in routes due to program requirements ▪ Rezoning of schools and the addition of new schools ▪ High number of trips where schools request buses during home-school-home hours ▪ Buses out-of-service due to lengthy, high-tech repairs
Food Service Operations			
<ul style="list-style-type: none"> ▪ Reduce the number of benefit packages. (Best Practice 2, page 10-8) 	\$109,000	Unable to determine	<p>The district has done the following to reduce health insurance costs:</p> <ul style="list-style-type: none"> ▪ hired more staff from a temp service and ▪ eliminated the five-hour maximum and hire more employees from five to seven hours.
Totals	\$10,912,255	\$9,394,517	

Source: The Volusia County School District, February 2008.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



OPPAGA provides performance and accountability information about Florida government in several ways.

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- [Florida Government Accountability Report \(FGAR\)](#), an Internet encyclopedia, www.oppaga.state.fl.us/government, provides descriptive, evaluative, and performance information on more than 200 Florida state government programs.
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