



Volusia County School District Making Progress, But Not Yet 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 within two years, which would make the district eligible to receive the Seal of Best Financial Management from the State Board of Education.

Since October 2003, the district has fully implemented 10 and partially implemented 4 of the 14 action plans contained in the original OPPAGA report. Thus, while the district has made progress on all of the action plans, it currently is not eligible for a Seal of Best Financial Management.

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

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.

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

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

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.² 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. By implementing the action plans and other report recommendations, we determined that 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, would have had an estimated positive fiscal impact of \$10.9 million over a five-year period.

² Refer to [Ch. 2002-394](#), *Laws of Florida*.

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

Since October 2003, the district has fully implemented 10 and partially implemented 4 of the 14 action plans contained in the original OPPAGA report. Thus, while the district has made progress on all of the action plans, it currently is not eligible for a Seal of Best Financial Management.³

For this report, we reviewed the district’s progress as of May 2005 and based our conclusions on the district’s annual self-report, discussions with district staff, and an inspection of available documentation provided by the district. In addition, in May 2005, we visited the district to collect additional information related to the implementation of the action plans. Any action taken since May 2005 will be reviewed in concert with the district’s next progress report. For the implementation status of action plans by best practice area, see Exhibit 2.

³ This 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
District Has Fully Implemented 71% (10 of 14) of Report Action Plans**

Best Practice Area	Total Action Plans	Status of Action Plans	
		Fully Implemented	Implementation Underway
Management Structures	0		
Performance Accountability System	0		
Educational Service Delivery	4	2	2
Administrative and Instructional Technology	0		
Personnel Systems and Benefits	3	2	1
Facilities Construction	1	1	
Facilities Maintenance	3	3	
Student Transportation	0		
Food Service Operations	1	1	
Cost Control Systems	2	1	1
All Areas	14 (100%)	10 (71%)	4(29%)

Source: OPPAGA.

We have discussed our conclusions with the Volusia County School District and presented a detailed description of what it still needs to do to fully implement each of the remaining action plans. In order for us to fully confirm the status of the district’s implementation of each action plan, in its next status report the district will need to provide detailed descriptions of the additional steps at it has taken to implement each incomplete action plan, including how it specifically has addressed the action steps, and documentation that demonstrates the actions taken.

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 best practice standards, 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 October 2003, the district has fully implemented two of the 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 to address the concerns raised in the original report. The school board approved these changes in May 2004. According to district administrators, these changes have resulted in a more effective and less confusing structure and a better division of responsibilities. The district also restructured the Title I office to better reflect changes in the way the program operates and that services are delivered under the district's approach to site-based management.

The district will need to take additional steps to fully implement the remaining two action plans. For instance, our original report pointed out that school-based personnel needed additional capabilities to access and manipulate student testing and performance data. This data is contained in the district's data warehouse, which among other things integrates student FCAT test scores, grades, attendance, and disciplinary data. The district has developed a prototype that will provide this capability. Once the new capabilities

are in place district-wide and training has been provided, this action plan will be fully implemented.

Our report also concluded that the district had a relatively high number of assistant principals assigned to each school. The report recommended that the district develop assistant principal and school-based administrators to student ratios for the elementary, middle, and high school levels taking into consideration a variety of information including peer district ratios, SACS accreditation standards, job responsibilities, and district/school need. Since our review, the district conducted an analysis which showed that its staffing is in line with its Florida peer school districts, but has not yet implemented other aspects of this action plan.

The district's current staffing is 10 school-based administrator positions (assistant principals and teachers on special administrative assignment) over its own staffing guidelines. The district has established an internal staff process to evaluate the administrative staffing at each school each year including schools that may be staffed above the level specified by the guidelines. However, the staffing guidelines have not been adopted by the school board. The additional positions above the district's staffing guidelines represent a considerable cost to the district. The 10 school-based administrator positions cost the district \$690,000 per year and \$3.45 million over five years.

To fully implement this action plan we recommend that the district take the actions described below.

- Make any needed changes to the current administrative staffing guidelines that result from the district's examination of its guidelines in light of peer district information, SACS standards, and the needs of its schools.
- Submit the guidelines to the school board for review and approval along with

sufficient information to enable school board members to determine the appropriateness of the guidelines. The school board should be made aware of any staffing in excess of the guidelines and the reasons those staff are needed.

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 initiatives.

Personnel Systems and Benefits

Our original review found that the district was using 9 of the 11 personnel systems and benefits best practices. Our final report contained three personnel action plans designed to improve the operations of the district's human resource department and 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 October 2003, the district has fully implemented two of the three action plans in this area. For instance, the district has reviewed its merit and state-required pay systems and

improved its strategic and operational planning process.

The district has partially implemented the remaining action plan by developing a method for collecting and analyzing information to better respond to turnover and morale issues as they develop. To fully implement this action plan, the district should now follow through with its plan, analyze gathered information, and proactively respond to identified retention and morale issues.

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.

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) conduct a detailed evaluation of project cost estimates, establish procedures to develop detailed project specifications prior to cost estimates, and establish procedures to regularly evaluate future cost estimates for maintenance projects; and (3) establish and follow procedures to regularly monitor and report on energy management systems operations and train staff to follow these procedures.

Since October 2003, 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 official inspections conducted by the state. 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 October 2003, the district has fully 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 October 2003, the district has partially implemented our action plan to conduct annual risk assessments. The district hired a consulting firm to perform an initial risk assessment. While the district has identified various risk areas, it has not yet developed action plans to

minimize those identified risks or documented the factors that led to the risk assessments.

During March 2005, the district hired an internal auditor. Correspondence dated April 1, 2005, from the internal auditor to district personnel indicated the planned function areas to be reviewed, and they were prioritized (highest to lowest) by the consultant's risk rating. However, as of April 2005, no reviews had been initiated. The internal auditor duties will include performing future annual risk assessments for the district.

The district has fully implemented the remaining action plan in this area by developing written risk management policies and procedures. On March 9, 2004, the district school board adopted Policy No. 716, requiring the superintendent to recommend annually to the board insurance programs that provide quality, cost-effective protection against loss to the district. In addition, procedures were developed for the processing, review and approval for fleet and general liability claims.

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.

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- [Florida Government Accountability Report \(FGAR\)](#) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance.
- [Best Financial Management Practices Reviews of Florida school districts](#). In accordance with the *Sharpening the Pencil Act*, OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

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