



# PERFORMANCE AUDIT OF OKALOOSA COUNTY SCHOOL DISTRICT

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## FINAL REPORT

August 28, 2020



McCONNELL & JONES LLP

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August 28, 2020

Marcus Chambers  
Superintendent of Schools  
Okaloosa County School District  
120 Lowery Place  
Fort Walton Beach, FL 32548

Dear Mr. Chambers:

McConnell & Jones LLP (MJ) is pleased to submit our final report of the performance audit of Okaloosa County School District (District) pursuant to s. 212.055(11), *Florida Statutes*. In accordance with the requirements of Ch. 2018-118, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MJ to conduct a performance audit of the program areas related to (1) Facilities Use, Renovation, Construction, and Land Acquisition; (2) Safety Enhancements; (3) Transportation Services and School Bus Purchasing; (4) Equipment Acquisition; (5) Technology; (6) Portable Classrooms Reduction; and (7) Service Bond Indebtedness. Decision Support Group, LLC, based in Rockville, Maryland, served as technical advisor for transportation-related functions. Huerta & Associates Architects, based in Houston, Texas, served as technical advisor for facilities-related functions.

We conducted this performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of s. 212.055(11), *Florida Statutes*. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed sales surtax adoption. The audit must be conducted at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed sales surtax adoption based on the following criteria:

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1. The economy, efficiency, or effectiveness of the program
2. The structure or design of the program to accomplish its goals and objectives
3. Alternative methods of providing services or products
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments
5. The accuracy or adequacy of public documents, reports, and requests prepared by the District, which relate to the program
6. Compliance of the program with appropriate policies, rules, and laws

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Executive Summary and discussed in detail in the body of the report.

Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, with the exception of the findings discussed in the report and based upon the work performed, the departments that expend sales surtax funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in s. 212.055(11), *Florida Statutes*.

*McCormick + Jones LLP*

Houston, Texas

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# EXECUTIVE SUMMARY

## AUDIT OBJECTIVE

On March 30, 2020, the School Board (the Board) of the School District of Okaloosa County (the District) approved a resolution to place on the ballot of a referendum, to be held on November 3, 2020, the imposition of a 10-year ½ cent sales surtax upon the district’s electors effective January 1, 2021. Section 212.055(11), *Florida Statutes*, provides requirements associated with such referenda, including that the Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) procure the services of a certified public accountant to conduct a performance audit of the program associated with the proposed surtax.

The certified public accountant must conduct a performance audit of the Okaloosa County School District’s program areas within the administrative unit(s) which will receive funds through the referendum. Should Okaloosa County voters approve the sales surtax of one-half cent, the proceeds will be used for the acquisition, renovation, construction, and equipping of public schools; land; safety enhancements; buses; equipment; technology; portable classrooms reduction; and debt reduction. The revenues collected through the sales surtax shall be shared with eligible charter schools within the Okaloosa School District.

In accordance with s. 212.055(11), *Florida Statutes*, and Government Auditing Standards, a certified public accountant must conduct a performance audit of the Okaloosa County School District program areas within the administrative unit(s) that will receive funds through the referendum approved by Resolution adopted by the School Board of Okaloosa County, Florida, on March 30, 2020.

Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

Pursuant to the requirements of s. 212.055(11), *Florida Statutes*, OPPAGA selected McConnell & Jones LLP (“MJ” or “Team MJ”) to conduct the performance audit of the programs associated with the surtax resolution.

## PROJECT SCOPE

The subject auditee for the performance audit is the Okaloosa County School District. The performance audit was conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. Those standards require the audit be conducted in a manner to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our observations and conclusions.

## SCOPE OF WORK CLARIFICATION

The contracted scope of work identifies seven subsections related to the purpose for which surtax funds are earmarked in the board resolution. As required in the contract between OPPAGA and MJ, this report includes an analysis of the seven (7) subsections using the six (6) research tasks. The seven (7) subsections in the contract are:

1. Facilities Use, Renovation, Construction, and Land Acquisition;
2. Safety Enhancements;
3. Transportation Services and School Bus Purchasing;
4. Equipment Acquisition;
5. Technology;
6. Portable Classrooms Reduction; and
7. Service Bond Indebtedness.

We have combined three (3) of the seven (7) subsections into other sections thereby reducing the number from seven to four. We believe this consolidation streamlines the report structure, facilitates richer analysis, and promotes greater clarity and reader comprehension without compromising our contractual obligations. We are not eliminating the subsections, only combining them. As required by our contract, each finding statement provides a clear conclusion related to each of the six (6) research tasks, and each of the four (4) subsections provides the rationale for the finding related to the applicable research task.

MJ evaluated debt service in its own section of the report because it is unique compared to facilities, technology, and transportation, which are operations. Indebtedness is not an operation; it is an obligation. Nor is it a program; it is a payment schedule. Accordingly, not all of the subtasks are relevant. Only the subtasks that are relevant and applicable are addressed in the Debt Service section. These subtasks include 1.1; 1.2; 4.3; 5.1; 6.1; and 6.2 each of which is discussed in the Debt Service section of the report. Subtasks 6.3 and 6.4 are relevant to indebtedness, but they are addressed with Research Task 6 in the main body of the report.

**Figure ES-1** provides a crosswalk between the seven (7) subsections listed in the contract and the four subsections delineated in the report. The figure illustrates where each contractual subsection will be addressed in the report to the extent relevant and applicable.

**FIGURE ES-1**

### SUBSECTION RECONCILIATION- CONTRACT AND REPORT

SUBSECTION PER CONTRACT	SUBSECTION PER REPORT			
	Facilities	Technology	Transportation	Debt Service
Facilities Use, Renovation, Construction, and Land Acquisition	X			
Safety Enhancements	X	X	X	

SUBSECTION PER CONTRACT	SUBSECTION PER REPORT			
	Facilities	Technology	Transportation	Debt Service
Transportation Services and School Bus Purchasing			<b>X</b>	
Equipment Acquisition	<b>X</b>	<b>X</b>	<b>X</b>	
Technology		<b>X</b>		
Portable Classrooms Reduction	<b>X</b>			
Service Bond Indebtedness				<b>X</b>

## METHODOLOGY

The MJ Team conducted all fieldwork virtually for the performance audit from June 29 – August 3, 2020 due to COVID-19. MJ held an introductory kick-off-meeting on June 29, 2020, to discuss the project scope via teleconference. All interviews were conducted via teleconference or using Zoom or TEAMS software. Audit team members met with a total of ten (10) directors and management-level staff during the fieldwork period regarding each of the six (6) audit research tasks. Some interviews were conducted via focus groups and had varying management team members in attendance depending on their involvement with a particular research task.

During the 27 interviews and/or focus group meetings, management team members' roles were discussed along with processes and procedures the District follows to address the six (6) research tasks and underlying subtasks. The MJ Team initiated multiple individual interview follow-up contacts with nearly all District management team members to clarify information outlined in processes, procedures, and management reports the District provided to address the research tasks. Additionally, performance audit team members reviewed relevant operational and financial data to document and report findings and conclusions.

The MJ Team is evaluating debt service in its own section of the report because it is unique compared to facilities, technology, and transportation, which are operations. Indebtedness is not an operation; it is an obligation. Nor is it a program; it is a payment schedule. Accordingly, not all of the subtasks are relevant. Only the subtasks that are relevant and applicable are addressed in the Debt Service section of the report.

## USE OF SURTAX FUNDS

The District will use the proceeds of the sales surtax to renovate, construct, and equip schools; acquire land; enhance school safety; purchase new buses and equipment; enhance technology; reduce portable classrooms; and service debt.

The resolution establishes a citizen oversight advisory committee consisting of five (5) volunteer Okaloosa County citizens appointed by the board to monitor implementation of the capital improvement plan and to advise the board on sales surtax expenditures. The District



must share revenues collected with its eligible charter schools based on their proportionate share of total student enrollment.

If voters approve the referendum, the District's planned facility uses for the sales surtax funds include new school construction, additional classrooms to replace portables, replacement of roofing, major mechanical HVAC systems such as chillers, boilers, cooling towers, and piping replacement. Planned safety enhancements include single point entry, communication systems/enhancements, camera systems, digital/software threat mitigation platforms, physical hardening, and fencing. In the technology area surtax funds will be used for routers, switches, devices, and other enhancements to the District's technology infrastructure. Planned technology and safety needs that would be addressed with surtax proceeds overlap with respect to single point of entry, camera systems, swipe card activated Salto door locks, and radio repeater towers that enhance and broaden districtwide communications. For transportation, the primary use of the surtax funds will be to purchase new buses. Ancillary purchases will include on bus camera enhancements, childcare safety seats, and wheelchair lifts on buses designed to transport pre-K disabled children.

Chief Financial Officer and Operational Services are the two (2) organizational units within the District that will administer and spend the funds. The departments, department leaders, and the intended uses of the surtax funds are presented in **Figure ES-2**.

**FIGURE ES-2**  
**ORGANIZATIONAL UNITS, MANAGERS, AND SURTAX USES**

Division/ Department	Leadership	Intended Uses of Surtax Funds
<i>Operational Services</i>	Assistant Superintendent-Operational Services	<ul style="list-style-type: none"> <li>• N/A; This is the name of the Division</li> </ul>
<i>Transportation</i>	Program Director-Transportation	<ul style="list-style-type: none"> <li>• Purchase new buses and equipment</li> <li>• Enhance technology</li> </ul>
<i>Maintenance</i>	Program Director-Maintenance	<ul style="list-style-type: none"> <li>• Reduce portable classrooms</li> <li>• Renovate, equip schools</li> <li>• Enhance school safety</li> </ul>
<i>Information Services</i>	Director-Information Services	<ul style="list-style-type: none"> <li>• Enhance technology</li> <li>• Equip schools</li> <li>• Enhance school safety</li> </ul>
<i>Facilities Planning</i>	Program Director-Facilities Planning	<ul style="list-style-type: none"> <li>• Renovate, construct, equip schools</li> <li>• Acquire land</li> <li>• Reduce portable classrooms</li> <li>• Enhance school safety</li> </ul>
<i>School Safety</i>	Specialist-School Safety	<ul style="list-style-type: none"> <li>• Enhance school safety</li> <li>• Equip schools</li> <li>• Enhance technology</li> </ul>

Division/ Department	Leadership	Intended Uses of Surtax Funds
<i>Chief Financial Officer</i>	Chief Financial Officer	<ul style="list-style-type: none"> <li>• Service debt</li> </ul>
<i>Accounting &amp; Financial Reporting</i>	Director-Accounting and Financial Reporting	<ul style="list-style-type: none"> <li>• Service debt</li> </ul>
<i>Budgeting &amp; Financial Services</i>	Director-Budgeting and Financial Services	<ul style="list-style-type: none"> <li>• Service debt</li> </ul>
<i>Purchasing</i>	Program Director-Purchasing	<ul style="list-style-type: none"> <li>• Renovate, construct, equip schools</li> <li>• Acquire land</li> <li>• Enhance school safety</li> <li>• Equip schools</li> <li>• Enhance technology</li> <li>• Purchase new buses and equipment</li> </ul>

Source: Okaloosa County School District's Organization Chart and Fiscal Year 2020 Budget.

Operational Services houses all of the departments that will spend surtax funds while the Chief Financial Officer houses the administrative units that will provide stewardship over the funds.

**Figure ES-3** provides an overview of each operating department's function while **Figure ES-4** provides their budgets. **Figure ES-5** presents the District's projected five-year capital improvement plan (CIP) expenditures for Fiscal Years 2020 through 2024.

### FIGURE ES-3 ORGANIZATIONAL UNIT FUNCTION

Department	Function Description
<i>Transportation</i>	Provides student transportation services in three zones within the District's geographical boundaries: North, Central, South.
<i>Maintenance</i>	Provides maintenance of all facilities to include preventive maintenance, safety inspections, routine repairs, and emergency responses.
<i>Information Services</i>	Collects, manages, and reports information to regulatory agencies; provides information to district departments and schools to promote fact-based decisions about programs, performance, and resource management; oversees the District's administrative computer system, AS400; maintains existing systems and incorporates changes and enhancements recommended from both the school and district level; provides systems that will minimize duplication of data entry work and maximize management information; provides systems that will comply with the Department of Education (DOE) Data Base requirement; continues to evaluate new technology and select proven solutions; and selects hardware and software that form the foundation for a network with rich connectivity and electronic transfer of information. Oversees the seat management contract and Mobile Learning initiatives.

Department	Function Description
<b>Facilities Planning</b>	Provides oversight of all District owned properties, indoor air quality issues, district-wide self-help projects, and the construction Total Program Management (TPM) contract. Compiles reports and recommendations for the school board, issues building permits, has oversight of the DOE Florida Inventory of School Houses (FISH) database, and maintains records and plans for all District owned properties.
<b>School Safety</b>	Responsible for supervision and oversight of all school safety and security personnel, policies, and procedures including serving as liaison with local public safety agencies and national, state, and community agencies and organizations in matters of school safety. Provides training and resources to students and school district staff in matters related to emergency procedures and school safety and security to include reviewing policies and procedures for compliance with state law and rules and conducting risk assessments to provide best practices for harm mitigation.

Source: Okaloosa County School District's Fiscal Year 2020 Budget.

**FIGURE ES-4**  
**OPERATIONAL UNIT BUDGETS**

Expenditure Description	Transportation	Maintenance	Information Services	Facilities Planning	School Safety
<b>Salaries &amp; Benefits</b>	\$10,990,457	\$4,118,376	\$2,228,468	\$252,263	\$86,783
<b>Purchased Services</b>	127,345	106,000	66,565	32,125	3,600
<b>Energy Services</b>	1,185,800	100,600	1,100	4,350	0
<b>Materials &amp; Supplies</b>	782,250	56,200	28,200	4,000	1,000
<b>Capital Outlay</b>	8,700	1,887	4,000	1,700	1,000
<b>Other Expenses</b>	60,311	4,800	0	13,600	0
<b>Total Combined Appropriations</b>	<b>\$13,154,863</b>	<b>\$4,387,863</b>	<b>\$2,328,333</b>	<b>\$308,038</b>	<b>\$92,383</b>

Source: Okaloosa County School District's Fiscal Year 2020 Budget.

**FIGURE ES-5**  
**PROJECTED FIVE-YEAR CIP EXPENDITURES**  
**FISCAL YEARS 2020-2024**

Fiscal Year	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
<b>Projected CIP Expenditures</b>	\$45,899,892	\$30,961,527	\$32,014,186	\$31,894,987	\$31,894,987

Source: Okaloosa County School District's Five-Year Capital Improvement Plan.

# SUMMARY OF RESULTS

## **RESEARCH TASK 1 – The Economy, Efficiency, or Effectiveness of the Program.**

### **Finding Summary: Overall, the Okaloosa County School District Partially Meets Task 1.**

Operational Services management, Information Services, and the Transportation Department use reports/data on a regular basis to monitor program performance and cost, and the reports/data are adequate for their intended purpose.

Although Operational Services management reviews a work order aging report every six months, it does not evaluate the information against key performance indicators and other reasonable criteria to assess facility maintenance program performance and costs. However, with respect to facility safety, the District completes the Florida Safe School Assessment Tool each year. This tool enables the District to evaluate the level of safety at each of its school facilities and to identify areas that require improvements.

The technology vendor's performance, under a seat management contract the District has with a technology vendor, is periodically evaluated using a pre-established annual goal of 85 percent of the time meeting the service level agreement requirement.

Transportation Department staff and applicable school personnel complete the Florida Department of Education's Transportation Monitoring Self-Evaluation each year. Although these evaluations are suitable for their purpose, they are not comprehensive evaluations of transportation operational costs and efficiency. Moreover, the Transportation Department does not use available key performance indicators to evaluate the transportation program.

Operational Services management engages a structural engineer to inspect the District's bleachers. Findings and recommendations are included in the school bleacher inspection reports. In addition, reasonable, timely actions are taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, maintenance staff have no formal means of documenting and tracking critical repairs to ensure they are made, and a record of such repairs kept.

The Florida Auditor General conducted an operational audit of the District in which technology recommendations were made. One of the recommendations led to the District having its seat contract vendor perform a security assessment of the District's wide area network. Both reports included findings and recommendations to which management provided reasonable, timely responses.

The Transportation Department used a tool developed by the Florida Department of Education to conduct a self-assessment of transportation operations. Findings were identified and corrective action plans were developed timely to address the deficiencies.

Operations does not evaluate maintenance program performance and cost based on reasonable measures, including best practices. Information Services relies on performance metrics included in the District's seat management contract but could benefit from technology measures published by the Council of Great City Schools (CGCS). Like Operations, transportation also does not evaluate program performance and cost based on reasonable measures, including best practices.

In general, projects were completed for reasonable cost and completed well, on time, and within budget. For Information Services projects administered by the Seat Management contractor, the District should develop a method to determine the reasonableness of project costs.

The District has written procurement policies and procedures that contain provisions allowing it to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. Also, the District participates in cooperative arrangements with other Florida school districts to obtain advantageous volume discount pricing and is a member of four (4) national purchasing cooperatives.

**FIGURE ES-6  
SUMMARY OF OCSD'S RESEARCH RESULTS**

<b>RESEARCH RESULTS</b>						
<b>1. The Economy, Efficiency, or Effectiveness of the Program.</b>						
<b>Research Subtask</b>	<b>Facilities</b>	<b>Technology</b>	<b>Transportation</b>	<b>Debt Service</b>	<b>Conclusion</b>	<b>Recommendation</b>
<b>1.1</b>	Based on the analysis performed, Operational Services management uses reports/data on a regular basis to monitor program performance and cost and the reports/data are adequate for their intended purpose.	Based on the analysis performed, Information Services management uses reports/data on a regular basis to monitor service level agreement (SLA) performance under the District's seat management contract, and these reports are adequate for their intended purpose.	Based on the analysis performed, Transportation management uses reports and data on a regular basis to track the bus and vehicle fleet inventory and to manage and monitor transportation operations. These reports are adequate to monitor transportation performance and cost.	Based on the analysis performed, the District has management reports/data that program administrators use on a regular basis to manage debt and the reports are adequate to monitor debt service requirements and debt balances.	<b>Met</b>	N/A

## RESEARCH RESULTS

### 1. The Economy, Efficiency, or Effectiveness of the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>1.2</b>	<p>Based on the analysis performed, although Operational Services management reviews a work order aging report every six months, staff provided no evidence that the information is evaluated against key performance indicators and other reasonable criteria to assess facility maintenance program performance and costs.</p> <p>With respect to facility safety, the District completes the Florida Safe School Assessment Tool each year. This tool enables the district to evaluate the level of safety at each of its school facilities and to identify areas that require improvement.</p>	<p>Based on the analysis performed, the technology vendor's performance under the seat management contract is periodically evaluated using metrics establishing an annual goal of 85 percent of the time meeting the SLA requirement.</p>	<p>Based on the analysis performed, transportation assessments occur through the Florida Department of Education's Transportation Monitoring Self-Evaluation, summertime bus route evaluation, and ad hoc late bus investigations. However, these are not comprehensive evaluation measures and transportation management does not use available key performance indicators to evaluate the transportation program.</p>	<p>Based on the analysis performed, the District evaluated its debt to assess the potential for reducing interest costs. As a result, the District refunded its debt resulting in interest savings over the remaining life of the debt. In addition, the District received a positive rating from one of the largest bond rating agencies in the world.</p>	<b>Partially Met</b>	<p>Develop methods, processes, and timeframes to evaluate the maintenance and transportation programs periodically to ensure that operations are performed efficiently and cost effectively. Generate the Analysis of in Progress Work Order report at least quarterly, and measure the information against pre-determined performance standards and goals.</p>

## RESEARCH RESULTS

### 1. The Economy, Efficiency, or Effectiveness of the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>1.3</b>	Based on the analysis performed, findings and recommendations were included in the school bleacher inspection reports. In addition, reasonable, timely actions were taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, there is no formal methodology for documenting and tracking repairs to ensure they are completed and that a historical repair record is maintained.	Based on the analysis performed, findings and recommendations were included in the Auditor General Operational Audit and reasonable, timely actions were taken to address deficiencies noted in program operations.	Based on the analysis performed, findings and recommendations were included in the Fiscal Year 2019 District School Transportation Monitoring Self-Evaluation and reasonable and timely actions were taken to address deficiencies noted in program compliance.	N/A	<b>Partially Met</b>	Document and track critical bleacher conditions to ensure they are repaired, and maintain a record of the repairs.
<b>1.4</b>	See 1.3	See 1.3	See 1.3	See 1.3	See 1.3	See 1.3
<b>1.5</b>	Based on the analysis performed, Operational Services management and staff provided no evidence that maintenance program performance and costs are evaluated based	Based on the analysis performed, Information Services uses the metrics in its seat management contract to evaluate the performance and cost of technology operations. While	Based on the analysis performed, Transportation management and staff provided no evidence that transportation program performance and costs are evaluated based	N/A	<b>Partially Met</b>	Identify sources of comparative data and/or develop key performance indicators internally to evaluate facility, transportation, and technology program performance and costs.



## RESEARCH RESULTS

### 1. The Economy, Efficiency, or Effectiveness of the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	on reasonable measures.	the measures are reasonable, based on MJ's comparison of customer satisfaction measures with industry standards, the District could benefit from using additional key performance indicators (KPIs) such as those published by the Council of Great City School (CGCS) in its 2019 Performance Measurement and Benchmarking Project.	on reasonable measures.			
1.6	Projects reviewed were completed well, on time, and within budget.	Although projects reviewed were completed well and within budget, Information Services relies on the Seat Management contractor to estimate the costs and select subcontractors for various task orders without an independent verification of the cost.	Projects reviewed were completed well, on time, and within budget.	N/A	<b>Partially Met</b>	Develop a methodology to determine the reasonableness of project costs associated with Information Services projects administered by the Seat Management contractor.

## RESEARCH RESULTS

### 1. The Economy, Efficiency, or Effectiveness of the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>1.7</b>	Based on the analysis performed, the District has written procurement policies and procedures that contain provisions allowing it to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Met</b>	N/A

## **RESEARCH TASK 2 – The structure or design of the program to accomplish its goals and objectives.**

### **Finding Summary: Overall, the Okaloosa School District Partially Meets Task 2.**

The Facilities Planning, Transportation, and Information Systems Departments demonstrated program organizational structures with clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. Staffing levels and workloads were adequate for the departments except for Transportation. Bus driver positions have a vacancy rate of approximately 20% and it takes an average of 23 days to fill a vacancy. Bus drivers have a daily absenteeism rate of approximately 10 to 15 percent. The Transportation Department has 14 mechanics for 207 route buses or a ratio of 14 buses per mechanic. This ratio is lower than a common industry value of 25 to 30 buses per mechanic. The age of the current fleet is a significant contributor to the lower than expected bus to mechanic ratio. The current fleet is 14 years old on average, which implies a 28-year replacement cycle. To address these issues, Transportation should undertake two (2) separate assessments for their department's staffing needs: (1) Determine whether current pay and compensation packages should be revised to improve flexibility in pay rates required to bolster recruitment from the area; and, (2) explore the use of dedicated personnel who are assigned specifically to recruit bus driver positions. Additionally, the District should undertake an efficiency and effectiveness study of fleet management and maintenance services.

**FIGURE ES-7**

#### **SUMMARY OF OCSD'S RESEARCH RESULTS**

<b>RESEARCH RESULTS</b>						
<b>2. The structure or design of the program to accomplish its goals and objectives.</b>						
<b>Research Subtask</b>	<b>Facilities</b>	<b>Technology</b>	<b>Transportation</b>	<b>Debt Service</b>	<b>Conclusion</b>	<b>Recommendation</b>
<b>2.1</b>	Based the analysis performed, our work revealed no issues or concerns related to the program's organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive	Based the analysis performed, our work revealed no issues or concerns related to the program's organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive	Based the analysis performed, our work revealed no issues or concerns related to the program's organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative	N/A	<b>Met</b>	N/A

## RESEARCH RESULTS

### 2. The structure or design of the program to accomplish its goals and objectives.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	administrative layers, and has lines of authority that minimize administrative costs.	administrative layers, and has lines of authority that minimize administrative costs.	layers, and has lines of authority that minimize administrative costs.			
2.2	Based the analysis performed, our work revealed no issues or concerns related to the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Based the analysis performed, our work revealed no issues or concerns related to the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Our work revealed that bus driver position vacancy rates are 20% and the daily absenteeism rate is 10 to 15 percent, which sometimes disrupts student transportation services. The District's bus to mechanic ratio is significantly lower than the industry average.	N/A	<b>Partially Met</b>	Evaluate bus driver recruiting and onboarding process to determine how to attract additional applicants and evaluate the efficiency and effectiveness of fleet maintenance services.

## RESEARCH TASK 3 – Alternative Methods of Providing Services or Products.

### **Finding Summary: Overall, the Okaloosa County School District Partially Meets Task 3.**

The District’s facilities and technology functions have formally evaluated existing in-house services to assess the feasibility of alternative delivery methods; assessed the effectiveness and cost-savings achieved for contracted services; assessed and changed service delivery methods to reduce costs; and consulted with peer and neighboring school districts to assess possible opportunities for alternative service delivery methods to significantly reduce cost. The District’s transportation program administrator has not formally assessed outsourcing to determine the potential cost savings or service improvements associated with alternative services for the department as a whole or for specific targeted services. Limited outsourcing of towing services, paint and body, glass repair, and tire mounting services provides an example of how an evaluation can determine the value of alternative service offerings. The Transportation Department has utilized the tools available to it to craft alternative service delivery methods to increase service offerings without increasing the number of buses or buses used in the operation. A short-term strategy of acquiring used buses from neighboring counties is an example of the use of an alternative service delivery option that has mitigated but not remedied structural issues that are impacting the cost and quality of operations. The Department continues to consider options for the use of alternative services, but more formal processes should be considered to fully evaluate the viability of outsourcing systemic or targeted services.

**FIGURE ES-8**

#### **SUMMARY OF OCSD’S RESEARCH RESULTS**

RESEARCH RESULTS						
3. Alternative Methods of Providing Services or Products.						
Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
3.1	Based on the analysis performed, the District’s facilities program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of	Based on the analysis performed, the District’s technology program administrators have formally evaluated existing in-house services and activities to assess the feasibility of	Based on the analysis performed, the Transportation Department continues to be considerate of the use of contract services for both systemic and targeted opportunities. However, there have been no	N/A	<b>Partially Met</b>	Conduct a formal assessment to determine the feasibility of outsourcing key services provided by the Transportation Department. The analysis should formally address the cost of transportation and maintenance services individually and

## RESEARCH RESULTS

### 3. Alternative Methods of Providing Services or Products.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	providing services, such as outside contracting and privatization, and determined the reasonableness of their conclusions. Once a determination is made to use TPM, a formal process is used to obtain board approval to proceed and manage the project's tasks	alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.	recent formal efforts to evaluate the viability of contracting and privatizing transportation and fleet maintenance services.			collectively. This would allow for an assessment of which services might be more efficiently or effectively provided by alternative service providers. The outsourcing assessment should include the value that private vendors could offer as a supplement to rather than just a replacement for district provided services.
<b>3.2</b>	Based on the analysis performed, the District's facilities program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved.	Based on the analysis performed, the District's technology program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved.	Based on the analysis performed, there are a limited number of issues and concerns related to program administrators' assessment of existing in-house transportation services and activities to determine the feasibility of contracted services. The lack of a structured and formal process of assessment is a limitation of the current approach to assessing outsourcing.	N/A	<b>Partially Met</b>	Assess the impact that fleet age and costs have on the cost competitiveness of operations.

## RESEARCH RESULTS

### 3. Alternative Methods of Providing Services or Products.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>3.3</b>	Based on the analysis performed, the District's facilities program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Based on the analysis performed, the District's technology program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	Based on the analysis performed, the Transportation Department has evaluated multiple services for outsourcing using a structured and competitive process.	N/A	<b>Met</b>	N/A
<b>3.4</b>	Based on the analysis performed, the District's facilities management has identified possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).	Based on the analysis performed, the District's technology management seeks possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).	Based on the analysis performed, the Transportation Department remains aware of innovations and options in its peer organizations, but similar evaluations have not been conducted by the Department.	N/A	<b>Partially Met</b>	Evaluate additional alternative service options in the Transportation Department that may improve service delivery, address driver shortages, and reduce costs.

## **RESEARCH TASK 4 – Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments.**

### **Finding Summary: Overall, the Okaloosa County School District Partially Meets Task 4.**

Although the District has developed strategic priorities, it lacks a formal strategic plan structure with performance indicators and measures. The District lacks a program performance plan that periodically assess progress towards meeting its stated goals and objectives. In addition, program-level goals and objectives are not documented, and the district lacks comprehensive policies and procedures.

**FIGURE ES-9**

#### **SUMMARY OF OCSD’S RESEARCH RESULTS**

<b>RESEARCH RESULTS</b>						
<b>4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.</b>						
<b>Research Subtask</b>	<b>Facilities</b>	<b>Technology</b>	<b>Transportation</b>	<b>Debt Service</b>	<b>Conclusion</b>	<b>Recommendation</b>
<b>4.1</b>	Based on the analysis performed, the District lacks documented departmental goals and objectives which are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan. The program descriptions in the budget align with a strategic priority. However, the District's strategic priorities are limited and lack performance indicators and	Based on the analysis performed, the District lacks documented departmental goals and objectives which are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan. The program descriptions in the budget align with a strategic priority. However, the District's strategic priorities are limited and lack performance indicators and	Based on the analysis performed, the District lacks documented departmental goals and objectives which are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan. The program description lacks alignment with a strategic priority. In addition, the District's strategic priorities are limited and lack performance indicators and measures. Thus,	N/A	<b>Partially Met</b>	Document departmental goals and objectives which are clearly stated, measurable and can be achieved within budget. Ensure goals are consistent with the school district's strategic plan and consider strategic priorities, performance indicators, and measures.



## RESEARCH RESULTS

### 4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	measures. Thus, this subtask is partially met.	measures. Thus, this subtask is partially met.	this subtask is not met.			
<b>4.2</b>	Based on the analysis performed, the district does not use performance measures to evaluate program performance and to assess program progress toward meeting its stated goals and objectives. Therefore, this subtask is deemed to be not met.	Based on the analysis performed, few performance measures are reported for seat management related to customer service. Thus, this subtask is partially met.	Based on the analysis performed, the district does not use performance measures to evaluate program performance and to assess program progress toward meeting its stated goals and objectives. Therefore, this subtask is deemed to be not met.	N/A	<b>Partially Met</b>	Establish a program performance plan and regularly assess progress to ensure the District meets its stated goals and objectives.
<b>4.3</b>	Although various internal controls exist to provide reasonable assurance that program goals and objectives will be met, the District lacks comprehensive departmental policies and procedures manuals that support program goals and objectives. In addition, monthly construction program meetings are conducted, yet meeting minutes	Although various internal controls exist to provide reasonable assurance that program goals and objectives will be met, the District lacks comprehensive departmental policies and procedures manuals that support program goals and objectives. Therefore, this subtask is deemed to be partially met.	Based on the analysis performed, various internal controls exist to provide reasonable assurance that program goals and objectives will be met. Therefore, this subtask is deemed to be met.	Based on the analysis performed, the District has internal controls, including written procedures and debt limit calculations that provide reasonable assurance that debt service goals and objectives will be met.	<b>Partially Met</b>	Strengthen internal controls by developing comprehensive departmental policies and procedures manuals to support program goals and objectives. In addition, maintain minutes from monthly construction program meetings.

## RESEARCH RESULTS

### 4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	are not maintained to document decisions made and items to address in future meetings. Therefore, this subtask is deemed to be partially met.					

## **RESEARCH TASK 5 – The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the District, which Relate to the Program.**

### **Finding Summary: Overall, the Okaloosa County School District (the District) Partially Meets Task 5.**

The District uses its website to disseminate important financial and non-financial information. Examples of information located on the website include the annual financial audit, debt service – estimated revenue and appropriations with comparative revenue data, monthly financial statements, and the five-year work plan. Non-financial information includes news releases and social media posts to inform community members about important events “real-time.” Cost information is publicly available, but program performance information is not. Providing program performance data to the public will enhance transparency and accountability and make the financial data that is already readily available even more useful. The District has processes in place to evaluate the accuracy of public documents and uses its contracted webmaster to evaluate the accuracy and adequacy of public data. Clear processes are in place to validate the accuracy and completeness of public data and the District provided examples of taking timely actions to correct erroneous and/or incomplete information, when necessary.

**FIGURE ES-10**

#### **SUMMARY OF OCSD’S RESEARCH RESULTS**

<b>RESEARCH RESULTS</b>						
<b>5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the District, which Relate to the Program.</b>						
<b>Research Subtask</b>	<b>Facilities</b>	<b>Technology</b>	<b>Transportation</b>	<b>Debt Service</b>	<b>Conclusion</b>	<b>Recommendation</b>
<b>5.1</b>	This Subtask was not subdivided. Based on the analysis performed, MJ had no issues or concerns related to whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Met</b>	N/A

## RESEARCH RESULTS

### 5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the District, which Relate to the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>5.2</b>	This Subtask was not subdivided. Based on the analysis performed, MJ found no concerns with the review of the available documents including relevant internal and external reports that evaluate the accuracy and adequacy of public documents.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Met</b>	N/A
<b>5.3</b>	This Subtask was not subdivided. Although the District has compiled useful project cost data, program performance data is not currently prepared or accessible to the public.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Partially Met</b>	Prepare program performance data for all major projects and make it accessible to the public.
<b>5.4</b>	This Subtask was not subdivided. Based on the analysis performed, our work revealed no issues or concerns related to processes the program has in place to ensure the accuracy and completeness of any program performance and	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Met</b>	N/A

## RESEARCH RESULTS

### 5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the District, which Relate to the Program.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	cost information provided to the public.					
<b>5.5</b>	This Subtask was not subdivided. Based on the analysis performed, our work revealed that while the District provided multiple examples of taking timely actions to correct erroneous and/or incomplete information that has been provided to the public no formal procedures are in place to: (1) document the process/procedure that should be followed, (2) ensure all appropriate staff are knowledgeable of the process/procedure, and (3) ensure consistency of the information that is made available to the public.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	N/A	<b>Partially Met</b>	Establish and implement a formal procedure to ensure timely actions are taken to correct erroneous and/or incomplete data in the public domain.

## RESEARCH TASK 6 – Compliance of the Program with Appropriate Policies, Rules, and Laws.

### Finding Summary: Overall, Okaloosa County School District Partially Meets Task 6.

The school board attorney, special legal counsel, professional associations, and a news service online subscription constitutes the District’s process for assessing its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Although policies and procedures are periodically reviewed, the process could be improved by implementing a two to three-year rotation cycle for all policies to be reviewed; and program administrators have timely addressed some areas of noncompliance identified by external audits. The Safety Department reviews all safety policies and procedures periodically. The District’s Comprehensive Emergency Operations Plan identifies the required timeline for review. The District has taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Moreover, the superintendent intends to ask the school board to appoint an oversight committee at the September 2020 board meeting. The oversight committee will oversee how surtax dollars are being spent in comparison to the plan outlined in the resolution. The District has processes to distribute funds to its charter schools and mechanisms for charter schools to report how the funds are used. Internal controls also provide assurance that charter school allocations are accurate.

**FIGURE ES-11**  
**SUMMARY OF OCSD’S RESEARCH RESULTS**

RESEARCH RESULTS						
6. Compliance of the Program with Appropriate Policies, Rules, and Laws.						
Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
6.1	This Subtask was not subdivided. Based on the analysis performed, the school board attorney, special legal counsel, professional associations, and a news service online subscription constitute the District’s process for assessing its compliance with applicable (i.e., relating to the	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	Met	N/A

**RESEARCH RESULTS**
**6. Compliance of the Program with Appropriate Policies, Rules, and Laws.**

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.					
<b>6.2</b>	<p>This Subtask was not subdivided. Based on the analysis performed, program internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures yet requirement improvement.</p> <p>The District lacks a board policy for the review of all policies on a two to three-year cycle, especially those dated in 1999, and to ensure that departmental policy and procedures manuals are comprehensive and complete.</p>	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	<b>Partially Met</b>	Implement a board policy to review all policies on a two to three-year cycle and require departments to maintain comprehensive current policies and procedures to ensure compliance with board policies.

## RESEARCH RESULTS

### 6. Compliance of the Program with Appropriate Policies, Rules, and Laws.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>6.3</b>	This Subtask was not subdivided. Based on the analysis performed, program administrators have not fully implemented recommendations to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. The recommendation in the 2018 State of Florida Auditor General's Report to require school personnel with direct knowledge of SRO services to document receipt of services prior to invoice payment has not been implemented.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	<b>Partially Met</b>	Continue plans to fully implement the auditor's recommendations and require the school principals to sign invoice support. Include documentation of any new procedures and reports used in the Accounting & Financial Reporting Department's policy and procedures manual to maintain knowledge transfer and consistent accounting practices.



## RESEARCH RESULTS

### 6. Compliance of the Program with Appropriate Policies, Rules, and Laws.

Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
<b>6.4</b>	This Subtask was not subdivided. Based on the analysis performed, the District has taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Moreover, the superintendent intends to ask the school board to appoint an oversight committee at the September 2020 board meeting. The oversight committee will oversee how surtax dollars are being spent in comparison to the plan outlined in the resolution.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	<b>Met</b>	N/A
<b>6.5</b>	This Subtask was not subdivided. This subtask applies to charter schools. Based on the analysis performed, the District has processes to distribute funds to its charter schools and mechanisms for charter schools to report how the funds are used. Internal controls also provide assurance that	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	This Subtask was not subdivided. See Facilities column.	<b>Met</b>	N/A

## RESEARCH RESULTS

### 6. Compliance of the Program with Appropriate Policies, Rules, and Laws.

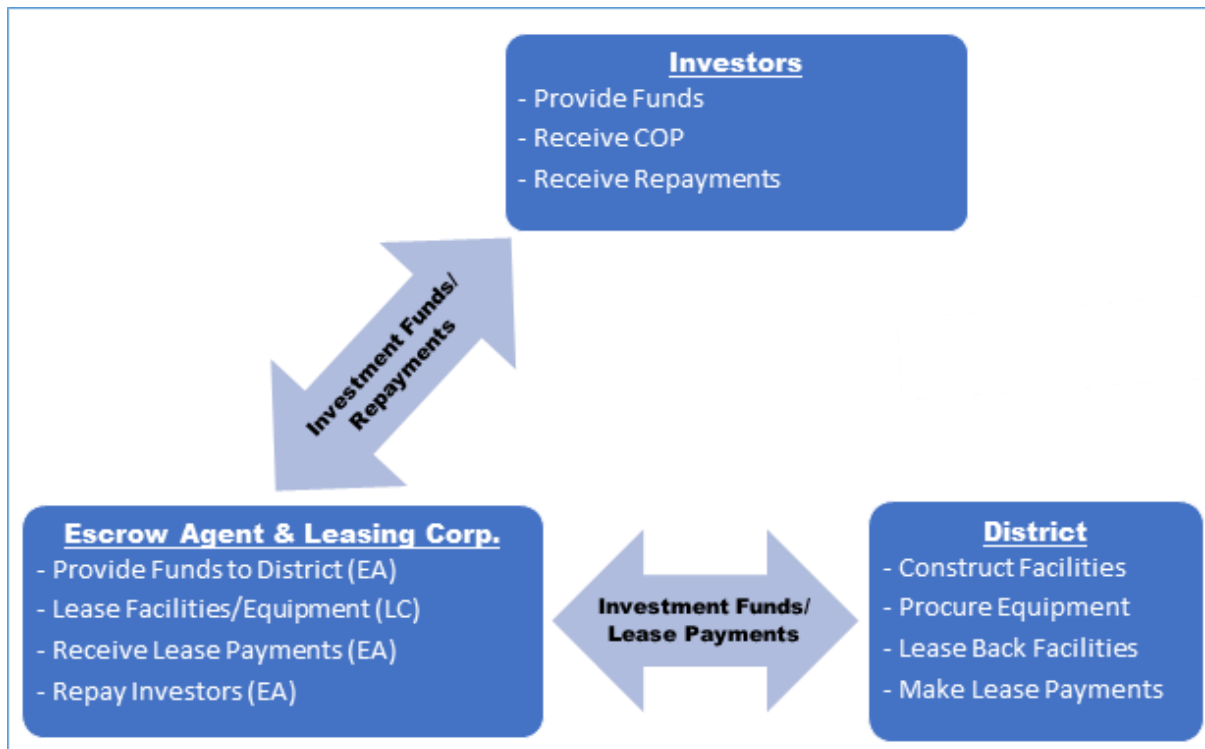
Research Subtask	Facilities	Technology	Transportation	Debt Service	Conclusion	Recommendation
	charter school allocations are accurate.					

## DEBT SERVICE

The Okaloosa County School District resolution authorizing the sales surtax to be placed on the November 3, 2020, ballot states that the funds may be used for the retirement of debt. However, should the referendum pass, the District will not use the sales surtax funds to retire existing debt but rather to service new debt. The District will issue bonds for approximately 50 to 75 percent of the estimated \$230 million dollars necessary to finance its capital improvement program (CIP) of construction, renovation and remodeling projects. Debt would be issued to expedite initializing construction, renovation and remodeling projects.

The District is considering issuing 15-year Certificates of Participation (COP) to minimize interest costs. Ultimately, the maturity would depend on market factors at the time of issue. However, using a bond program would accelerate the projects and reduce the overall costs of the projects. A COP is a type of financing used by governmental entities whereby investors purchase a share of lease revenues pursuant to a facility lease back arrangement with a third party. Funds provided by investors are used to construct school facilities that are then leased back to the government entity. The investor “participates” by receiving a share of the lease payments made by the governmental entity pursuant to an agreement with the third-party. The COPs are secured by lease revenue. **Figure ES-12** illustrates a typical COP arrangement.

**FIGURE ES-12**  
**TYPICAL CERTIFICATE OF PARTICIPATION ARRANGEMENT**



Source: Developed By MJ Based Upon Independent Research.

## DETAILED FINDINGS AND RESULTS

## RESEARCH TASK 1

### THE ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM.

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets Task 1.

Operational Services, Information Services, and the Transportation Department use reports/data on a regular basis to monitor program performance and cost, and the reports/data are adequate for their intended purpose.

Although Operational Services management reviews a work order aging report every six months, it does not evaluate the information against key performance indicators and other reasonable criteria to assess facility maintenance program performance and costs. However, with respect to facility safety, the District completes the Florida Safe School Assessment Tool each year. This tool enables the District to evaluate the level of safety at each of its school facilities and to identify areas that require improvements.

The technology vendor's performance, under a seat management contract that the District has with a technology vendor, is periodically evaluated using a pre-established annual goal of 85 percent of the time meeting the service level agreement requirement.

Transportation Department staff and applicable school personnel complete the Florida Department of Education's Transportation Monitoring Self-Evaluation each year. Although these evaluations are suitable for their purpose, they are not comprehensive evaluations of transportation operational costs and efficiency. Moreover, the Transportation Department does not use available key performance indicators to evaluate the transportation program.

Operational Services management engages a structural engineer to inspect the District's bleachers. Findings and recommendations are included in the school bleacher inspection reports. In addition, reasonable, timely actions are taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, maintenance staff have no formal means of documenting and tracking critical repairs to ensure they are made, and a record of such repairs kept.

The Florida Auditor General conducted an operational audit of the District in which technology recommendations were made. One of the recommendations led to the District having its seat contract vendor perform a security assessment of the District's wide area network. Both reports included findings and recommendations to which management provided reasonable, timely responses.

The Transportation Department used a tool developed by the Florida Department of Education to conduct a self-assessment of transportation operations. Findings were identified and corrective action plans were developed timely to address the deficiencies.

Operations does not evaluate maintenance program performance and cost based on reasonable measures, including best practices. Information Services relies on performance metrics included in the District's seat management contract but could benefit from technology measures published by the Council of Great City Schools (CGCS). Like Operations, transportation also does not evaluate program performance and cost based on reasonable measures, including best practices.

In general, projects were completed for reasonable cost and completed well, on time, and within budget. For Information Services projects administered by the Seat Management contractor, the District should develop a method to determine the reasonableness of project costs. The District has written procurement policies and procedures that contain provisions allowing it to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. Also, the District participates in cooperative arrangements with other Florida school districts to obtain advantageous volume discount pricing and is a member of four (4) national purchasing cooperatives.

## RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS

**SUBTASK 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.**

To achieve the objectives of this subtask, MJ conducted interviews with individuals in the positions below, examined sample projects, and reviewed management reports.

- Chief Financial Officer
- Program Director-Purchasing
- Assistant Superintendent-Operational Services
- Director-Information Services
- Technology Outsourcing Project Manager
- Director-Transportation
- Program Director-Maintenance
- Specialist-School Safety
- Program Director-Facilities Planning

## FACILITIES

The Assistant Superintendent-Operational Services oversees the District's facilities planning, maintenance, and safety functions all of which will use sales surtax funds should the referendum pass. Planning involves implementation of the capital construction program while maintenance is responsible for preventive, emergency, and routine maintenance of the District's facilities. Safety administers the District's safety program.

During interviews, MJ learned that staff have regular meetings where planning, maintenance, and safety issues are discussed. In addition, MJ received management reports and data that staff indicated are used on a regular basis. The information and reports that the Facilities Planning and Maintenance department provided are discussed in **Figure 1-1**.

**FIGURE 1-1**  
**FACILITIES PLANNING & MAINTENANCE REPORTS**

Report/Activity	Description	Assessment
<i>Maintenance Staff Meetings</i>	Maintenance staff meet regularly to review budgets, review work schedules, set priorities, assess performance, and implement best practices. The Program Director-Maintenance meets monthly with maintenance foremen to assess maintenance activities for the prior month, what is occurring during the current month, and what is planned for the coming month.	<p>MJ reviewed the agenda for the 3/31/2020 foremen's meeting and determined that topics were relevant and provided evidence that information is discussed and reviewed to monitor program performance and cost. The agenda included the following topics:</p> <ul style="list-style-type: none"> <li>• Work orders</li> <li>• Needed positions</li> <li>• Budget balances</li> <li>• Identification of projects that can be completed during 30-day period.</li> <li>• What chillers/boilers/cooling towers need to be replaced and budgeted for in the coming year.</li> <li>• Listing of priorities <ul style="list-style-type: none"> <li>○ Reducing work order response time</li> <li>○ Specific school needs in areas of maintenance, upgrades, bleacher inspections, and safety.</li> </ul> </li> </ul>
<i>Work Order Listing</i>	During interviews, the work order was described as the heartbeat of the maintenance function. They are generated by school and are connected with procurement card and purchase order transactions. The work order listing can be aged to track the status of open work orders.	<p>MJ reviewed a work order listing noting that the work orders were listed in 30-60-90 and older aging categories. It contained information useful and necessary to adequately monitor maintenance work in the District. Maintenance staff review the work order listing during staff meetings. It provides the following information:</p> <ul style="list-style-type: none"> <li>• Work order number</li> <li>• Center number</li> <li>• Location</li> <li>• Status</li> </ul>

Report/Activity	Description	Assessment
		<ul style="list-style-type: none"> <li>• Request date</li> <li>• Description</li> <li>• Contact name</li> <li>• Phone</li> </ul> <p>MJ also reviewed a work order listing by school showing the number of work orders outstanding.</p>
<b><i>Budget Report</i></b>	<p>Maintenance staff can view reports in the financial system to determine how much an individual school has remaining in its maintenance expense budget. This information is helpful to determine if the school can fund its outstanding work orders or whether a budget transfer is necessary.</p> <p>The departments within Operations can also view their budgets to monitor their spending.</p>	<p>MJ reviewed a budget inquiry screen from the District's accounting system noting that it contained the account code, budget amount, available amount, and percentage remaining.</p>
<b><i>Current Capital Outlay Projects</i></b>	<p>The District maintains a master spreadsheet to track current capital project information. With respect to the surtax funds, the District has not yet identified, prioritized, or priced potential projects. Exhibit A of the school board resolution authorizing placement of the surtax on the November ballot, has a list showing the capital needs of each school. The list only identifies the potential scope of work. If the referendum passes, the list will be prioritized at that time.</p>	<p>MJ reviewed the spreadsheet, which shows the project number, project name, completion status, project type, budget, encumbered, expended, and available noting that it is adequate to track project financial status and costs.</p>
<b><i>Proposed Capital Outlay Budget &amp; Five Year Work Plan</i></b>	<p>This report is an Excel spreadsheet that shows the projected revenue for each capital project over a five-year period and also shows related funding sources.</p>	<p>MJ reviewed this spreadsheet and determined that it is adequate to meet the purpose of showing projected capital needs five-years into the future and how the capital costs will be funded.</p>
<b><i>Fire Safety Report</i></b>	<p>The fire safety report is a list of fire safety issues noted at a school during inspection.</p>	<p>MJ examined a Fire Safety Report for a school that had been inspected on 6/8/2020. The report listed 137 items that needed corrective action. The instructions on the report stated: "Please make corrections to the following and send a signed copy of this report back to the District Fire Safety Inspector for State Audit purposes." MJ found this</p>



Report/Activity	Description	Assessment
		report to be adequate to identify and address individual school fire safety issues.

Source: Okaloosa County School District's Meeting Minutes and Report Examples.

Based on the analysis performed, Operational Services management uses reports/data on a regular basis to monitor program performance and cost and the reports/data are adequate for their intended purpose. Therefore, Subtask 1.1 for the Facilities subsection is met.

## TECHNOLOGY

The District does not have an item-by-item listing of how the surtax funds will be used for technology. However, there are infrastructure needs such as routers, switches, and devices. The District performed a needs assessment at each school to determine what type of technology was needed. This listing is attached as Exhibit A to the resolution and will be used as the starting point should the referendum pass and the District begin to solidify how it will use the sales surtax funds for technology needs.

Meanwhile, the District contracts with an information technology (IT) vendor to provide seat management services. Should the referendum pass and the District purchase technology equipment, there will be implications for how the equipment is integrated into the seat management contract.

Seat management is when an outside IT contractor manages and coordinates all of an organization's personal computer-related technology. The contractor oversees the installation, operation, and maintenance of hardware and software at each workstation.

A user "sits in a seat" and receives computing services at an expected level of performance for a price per month. The hardware, software, peripherals, support, and LAN connectivity are all integrated into the seat price. Service continues on a seamless, uninterrupted basis to provide the employee who occupies the "seat" with an expected level of performance.

The seat management contractor provides the following services for which the District pays a fixed monthly lease price per seat:


- End-User Based Platforms (asset management, help desk, end-user support)
- Enterprise Operation Services (LAN/WAN, email, system and server administration)
- Enterprise Application Services (GRADES, website and web server services)

The seat management contract requires the vendor to provide regular reports to enable the District to monitor the vendor's performance under service level agreements (SLAs). The vendor's services are defined as a set of seat management characteristics such as hardware, software, installation, maintenance, customer support, and system refresh. The seat management service categories form the basis of the primary required SLA's in the contract.

The vendor provides regular reports to the District on the performance of the outsourced functions in order to assist in the effective management of the SLA.

The District provided examples of two (2) reports directed at monitoring the SLAs of the seat management contract. These and other reports are discussed at monthly meetings along with the SLA contract and vendor performance. The first report is the monthly Contact Service Queue Report, which is essentially a monthly help desk response report. The second is the SLA Matrix Summary report, which is the annual SLA measurement for specific portions of the contract's requirements. **Figure 1-2** presents an example of the help desk report. An example of the SLA Matrix Summary monitoring report is provided in **Figure 1-6** as part of the Subtask 1.2 evaluation.

**FIGURE 1-2**  
**CONTACT SERVICE QUEUE REPORT (HELP DESK)**

									
Contact Service Queue Report (Monthly)									
Okaloosa County School District (OCSD)									
Month	Calls Presented	Calls Handled	Average Speed of Answer (ASA)	% Answered in SLA	Average Handle Time	Calls Abandoned	Short Abandons	Abandoned Before Answer Rate (ABA)	First Contact Resolution
<b>SLA</b>			<b>≤ 0:00:45</b>	<b>≥ 85%</b>				<b>≤ 6.0%</b>	<b>≥ 80%</b>
July 2019	1,043	994	0:00:36	88%	0:09:03	49	40	0.9%	99.6%
August 2019	3,034	2,708	0:03:06	62%	0:09:05	326	163	5.4%	97.7%
September 2019*	2,033	1,670	0:01:03	80%	0:09:04	332	200	6.5%	97.1%
October 2019	2,017	1,774	0:01:15	72%	0:09:20	243	138	5.2%	97.4%
November 2019	1,406	1,251	0:01:56	74%	0:09:34	155	89	4.7%	98.0%
December 2019	1,372	1,219	0:01:30	73%	0:09:44	153	92	4.4%	97.5%
January 2020*	2,045	1,890	0:00:44	86%	0:08:20	155	88	3.3%	97.1%
February 2020	1,150	1,096	0:00:28	90%	0:08:31	54	46	0.7%	96.2%
March 2020*	1,672	1,506	0:00:33	93%	0:08:07	219	80	8.3%	99.2%
April 2020*	1,133	1,086	0:00:14	100%	0:10:34	58	26	2.8%	97.8%
May 2020*	569	548	0:00:15	100%	0:10:26	21	14	1.2%	97.2%
June 2020*	537	510	0:00:17	100%	0:10:31	27	13	2.6%	98.2%
<b>TOTAL</b>	<b>18,011</b>	<b>16,252</b>	<b>0:01:00</b>	<b>85%</b>	<b>0:09:10</b>	<b>1,792</b>	<b>989</b>	<b>4.5%</b>	<b>97.1%</b>

\* indicates exemptions applied

Source: Okaloosa County School District's Director Information Services.

Based on the analysis performed, Information Services management uses reports/data on a regular basis to monitor SLA performance under the District's seat management contract, and these reports are adequate for their intended purpose. Therefore, Subtask 1.1 for the Technology subsection is met.

## TRANSPORTATION

If the referendum passes, the Transportation Department will purchase new buses to enhance its existing fleet. The goal is to purchase 10-15 buses per year. Also acquired will be equipment such as enhanced camera systems with GPS and live feed video capability. These camera

systems are more user-friendly and can be downloaded automatically instead of manually, which is more efficient. Other equipment includes childcare safety seats on special needs pre-K buses for disabled 3-4 year old children. Reports that Transportation management uses on a regular basis to monitor program performance and costs are discussed and assessed in **Figure 1-3**.

**FIGURE 1-3  
TRANSPORTATION MANAGEMENT REPORTS**

Report/Activity	Description	Assessment
<i><b>Fleet Inventory</b></i>	This is a comprehensive inventory of buses and vehicles owned by the District.	This spreadsheet shows the item number, center, asset number, description, original value, accumulated depreciation, current value, serial number, acquisition date, vehicle tag number, and vehicle number. The listing is essential and effective for tracking and managing the District's bus and vehicle inventory.
<i><b>Repair Parts Budget</b></i>	This report shows how much money has been budgeted and spent for repair parts for the fiscal year.	This report is essential for managing the repair parts budget. It shows the month, total budget for the month, amounts encumbered, amounts spent, and available balance.
<i><b>Vehicle Fueling Summary</b></i>	This report provides principals and department heads with a breakdown of all fueling transactions charged to their cost center for the previous month.	This report is essential for transportation management to track and monitor bus and fuel usage and costs. The report provides information collected at the fueling depot such as the date, time, user ID, transaction number, odometer reading, hose number, fuel grade, product number, unit cost, quantity, and total.
<i><b>Parts Bid List</b></i>	This is a list of bid prices for standard bus and vehicle parts. Prices are checked daily as parts are purchased to ensure the District is getting the price that is on the bid list. The bookkeeper and shop foreman check the price.	This list is essential to ensure that parts vendors are charging the District the correct price for parts. The list is essential and effective. MJ compared a part on the bid list with the vendor's invoice noting that the part number, description, and price agreed.
<i><b>Monthly Bus Inspection Report</b></i>	Buses undergo a detailed inspection each month. This report serves as the inspection checklist.	This report is essential and effective for ensuring that each bus undergoes a thorough review each month. The report, which is essentially a checklist, shows the

Report/Activity	Description	Assessment
		<p>bus number, mileage, date, capacity, model year, and other descriptive information. The inspector checks the status code, which is either "Item is OK," "Item needs repair," "out of service," or "not applicable" for each inspection item, which is classified in the following three categories:</p> <ul style="list-style-type: none"> <li>• Inside bus-(21 inspection items)</li> <li>• Outside bus-(5 inspection items)</li> <li>• Engine compartment-(6 inspection items)</li> </ul>
<b><i>Driver's Daily Pre-trip Inspection Report</i></b>	Bus drivers complete this inspection report daily and turn it into the shop foreman at the end of each week.	<p>This report is essential and adequate to ensure that buses are inspected every day and transportation management is made aware of the condition of each bus. The report shows the bus number; month; date; daily mileage; 23 inspection items; status as "OK" or "Needs Repair"; a.m. or p.m.; driver daily temperature; driver signature; and the following driver certifications:</p> <ul style="list-style-type: none"> <li>• "I have performed all required pre-trip inspections and found all safety items in the above noted conditions."</li> <li>• "I have performed a complete interior inspection of my assigned bus after each run or trip to ensure no students are left on board."</li> </ul>
<b><i>Department of Motor Vehicle Quarterly Driver Record</i></b>	Each quarter, the Transportation Department obtains driving records for each driver from the Florida Department of Motor Vehicles.	<p>This report is adequate and useful for ensuring that all bus drivers have safe, clean driving records. These reports are reviewed each quarter and kept on file.</p>

Source: Transportation Department Report Examples.

Based on the analysis performed, Transportation management uses reports and data on a regular basis to track the bus and vehicle fleet inventory and to manage and monitor transportation operations. These reports are adequate to monitor transportation performance and cost. Therefore, Subtask 1.1 for the Transportation subsection is met.

### **SUBTASK 1.1 CONCLUSION**

Operational Services, Information Services, and the Transportation Department use reports/data on a regular basis to monitor the performance and cost related to its facilities, technology, and transportation programs, and the reports/data are adequate for their intended purpose. Based upon the work performed, Subtask 1.1 is met.

**SUBTASK 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.**

### **FACILITIES**

In the Facilities section of Subtask 1.1, MJ concluded that facilities management uses reports/data on a regular basis to *monitor* program performance and cost. However, facilities management provided no evidence that facilities operations are periodically *evaluated* using performance information or other reasonable criteria. There is a difference between monitoring and evaluating.

Monitoring takes place while an activity is being undertaken. For example, maintenance staff use the Work Order Listing discussed in Subtask 1.1 to identify maintenance work that needs to be completed and to monitor such work as it progresses. During meetings, maintenance staff review and discuss the status of projects on the Work Order Listing.

Evaluation takes place at the end of an activity and examines the effects often in comparison to a goal or standard. For example, once work orders are completed, an evaluation could be performed to determine the average turn-around time compared to a pre-established standard. For example, what percentage of work orders were for reactive rather than for preventative maintenance? Who is placing work orders, when, and why? While monitoring ensures that work gets done, evaluation provides an opportunity to do it more effectively and efficiently.

Operational Services provided Analysis of In Progress Work Order reports dated October 25, 2019 and May 28, 2020. These are work order aging reports that show the work order number, school/center name, maintenance zone, work orders in progress as of the report date, columns for >30; >60; >90 days, and the percentage of work orders >90 days. Operations Services staff review the report every six months.

Other than the reports themselves, Operational Services provided no evidence that the work order aging information was actually used to evaluate maintenance operations against a given standard, nor was any documentation provided demonstrating actions program managers take

if the standard is not met. For example, while the report shows the number of work orders older than 90 days, it does not provide the minimum tolerance for work orders in this range, nor does it provide actions the District took to address work orders in this category. In addition, producing the Analysis of In Progress Work Order report only twice a year creates a risk that emerging issues with longer work order response times could be overlooked by Operational Services staff between report dates.

**Figure 1-4** provides best practice examples of information that maintenance management could use to evaluate maintenance functions using performance information and other reasonable criteria to assess program performance and cost.

**FIGURE 1-4  
BEST PRACTICE MAINTENANCE EVALUATION REPORTS**

Report/Activity	Description	Potential Evaluation Uses
<i>Upcoming and Deferred Preventive Maintenance</i>	Track and schedule what equipment is due for maintenance and what is overdue.	<ul style="list-style-type: none"> <li>Calculate average completion rates (the number of tasks completed in a time period divided by the total number of tasks in a given period measured against a pre-established standard).</li> <li>Calculate work back log in terms of days or weeks and measure against a pre-established standard.</li> </ul>
<i>Comprehensive Costs</i>	Associate labor hours, inventory, and any additional costs with work orders and preventive maintenance tasks.	<ul style="list-style-type: none"> <li>Compare facilities costs over time to examine and evaluate historical cost trends to assess how well costs are being controlled.</li> <li>Break facilities costs down into detailed categories such as school, technician, work type, supplies, and equipment. Ask questions such as how much is a school spending on air filters and why?</li> </ul>
<i>Equipment Histories</i>	Track all of the activities (work orders, preventive maintenance, downtime, etc.) associated with a particular piece of equipment.	<ul style="list-style-type: none"> <li>Determine how much maintenance was performed on a piece of equipment over time to forecast how close a piece of equipment might be to its projected useful life, what it's costing the District to maintain, and when it needs to be replaced.</li> </ul>



Report/Activity	Description	Potential Evaluation Uses
		<ul style="list-style-type: none"> <li>Determine how past work orders were resolved and possibly develop standard approaches from the historical data.</li> </ul>
<b><i>Team Performance</i></b>	View the maintenance team's average response time and average resolution time. Also determine the total number of labor hours the team has spent over a given time period.	<ul style="list-style-type: none"> <li>Measure response and resolution time against standards based on the type of work being performed. For example, a standard of 4 hours to replace an air conditioner fan motor.</li> <li>Measure staffing against workload to determine if shop is overstaffed or understaffed based on the workload.</li> </ul>

*Source: Compiled from Independent Research.*

If the referendum passes, the District plans to use sales surtax funds to enhance its safety program. Okaloosa's School Safety Department consists of the safe schools specialist and a maintenance foreman experienced in fire/safety inspections. The safe schools specialist is responsible for implementing the District's comprehensive school safety and security initiatives, working with the school board attorney to develop district policies for school board adoption, and overseeing the development and implementation of procedures related to school safety. The safe schools specialist works closely with the Facilities, Maintenance, Technology, and Transportation departments, law enforcement, emergency management, and all schools to coordinate a comprehensive safety program for the district. In response to the Marjory Stoneman Douglas mass school shooting that occurred on February 14, 2018, in Parkland, Florida, the Florida Legislature took steps to help schools harden their facilities.

Senate Bill 7026, also known as the Marjory Stoneman Douglas High School Safety Act, requires each school district in Florida to conduct a school security risk assessment, in accordance with s. 1006.1493, *Florida Statutes*, at each public school using the Florida Safe School Assessment Tool (FSSAT) developed by the Florida Department of Education Office of Safe Schools. The Office of Safe Schools serves as a central repository for best practices, training standards and compliance oversight in all matters regarding school safety and security. Based on the assessment's findings, the district's school safety specialist provides recommendations to the district school board that identifies strategies and activities that the district should implement to improve school safety and security. Annually, each district school board must receive such findings and the school safety specialist's recommendations at a publicly noticed district school board meeting to provide the public an opportunity to hear the board members discuss and act on the findings and recommendations.

Each school facility site is assessed annually at a minimum or as may be deemed necessary to ascertain its safety and security status as required by Florida statute. Once the evaluation is completed, District staff will develop standards for each site to improve facility security districtwide. The improvement recommendations will be provided to the school board for their review and approval.

In accordance with s. 119.071(3)(a) and 281.301, *Florida Statutes*, data and information related to security risk assessments and the security information contained in the annual report are confidential and exempt from public records requirements. Therefore, MJ was unable to obtain specific safety information. However, we were able to obtain assurance that the District performs safety assessments through interviews, a safety checklist, email communication regarding the checklist's findings, FSSAT system screen shots showing a school in progress of completing the safety assessment, and evidence of the District's school hardening grant funding, which was reduced between Fiscal Years 2019 and 2020.

The Florida Legislature appropriates funds for school districts to harden the physical security of their buildings based on the FSSAT. To receive grant funds, each school district must complete a Request for Application. Security risk assessments must be conducted in consultation with local law enforcement. Based on the security risk assessment, campus tours, standard best practices and lessons learned, local law enforcement and campus assessment teams outline protective measures the school district should consider enhancing campus security.

To be eligible for funding under the School Hardening Grant, a proposed expenditure must be:

- A fixed capital outlay expenditure;
- Associated with improving the physical safety and security of school buildings;
- Identified by a security risk assessment;
- Used for items other than code compliance deficiencies; and
- Used in addition to or to augment existing security features.

The funds are nonrecurring and may not be used to pay for expenditures related to maintenance of existing security features, administration or compensation of school district employees. The state allocates the funds based upon capital outlay full-time equivalent students.

Between Fiscal Years 2019 and 2020, funding for school hardening grants was cut in half. The statewide allocation fell 49 percent from approximately \$99 million in Fiscal Year 2019 to \$50 million in Fiscal Year 2020. The District's allocation fell from approximately \$1 million to \$554,387, a drop of 49 percent. Similar cuts were experienced by the District's peers, all of which received reductions of around 50 percent. In both years, the District received the second highest allocation compared to its peers. **Figure 1-5** presents school hardening grant allocations for the District, its peers, and statewide for Fiscal Years 2019 and 2020.



**FIGURE 1-5  
SCHOOL HARDENING GRANT ALLOCATIONS  
FISCAL YEARS 2019 & 2020**

Description	FY 2020	FY 2019	Percent Increase (Decrease)
Leon County Schools	\$610,863	\$1,210,065	(50%)
<b>Okaloosa County Schools</b>	<b>\$554,387</b>	<b>\$1,092,787</b>	<b>(49%)</b>
Alachua County Schools	\$507,932	\$1,004,968	(49%)
Santa Rosa County Schools	\$498,361	\$973,412	(49%)
Bay County Schools	\$460,501	\$972,185	(53%)
Hernando County Schools	\$399,159	\$780,249	(49%)
<b>Statewide</b>	<b>\$50,000,000</b>	<b>\$98,962,286</b>	<b>(49%)</b>

Source: Fiscal Year 2019 and 2020 Florida Department of Education School Hardening Grant Notification.

Based on the analysis performed, Operational Services management does not use performance information and other reasonable criteria to assess maintenance program performance and costs. While various reports and data are used to monitor maintenance activity, management provided no documentation demonstrating that maintenance activities are assessed and evaluated. For example, while Operational Services management produces and reviews a work order aging report every six months, no evidence was provided that this information is used to evaluate program performance and costs against pre-determined standards. Moreover, reviewing this information only twice per year may not be adequate to detect developing problems with work order response times. With respect to facility safety, the District completes the Florida Safe School Assessment Tool each year. This tool enables the District to evaluate the level of safety at each of its school facilities and to identify areas that require improvement. Therefore, Subtask 1.2 for facilities is partially met.

## TECHNOLOGY

To address the requirements of this subtask for the Technology subsection, the MJ Team reviewed the District's seat management contract with its technology vendor. As discussed in Subtask 1.1, the District contracts with an information technology company to provide seat management services.

The seat management contract requires the vendor to *"continuously measure and improve its service delivery and the OCSD's employee satisfaction with those services."* The service level agreements (SLAs) are the basis for evaluating performance under the contract. The vendor calculates and reports service delivery, availability, and customer satisfaction metrics for all of the services that it provides to the District. These metrics are used to measure vendor performance and are described below:

## SERVICE DELIVERY METRIC

Measures, as a percentage, the frequency of action requests being responded to and successfully completed within the allotted time. An action request is successfully completed when the vendor has correctly implemented the move/add/change request or the vendor has successfully concluded a return to service where the problem is resolved by restoring the user's system to full service functionality, and the user's data is accessible within the time specified time requirement.

## AVAILABILITY METRIC

Vendor must record all scheduled and unscheduled outages, and the number of users affected for each service. The seat/system is considered available when the entire hardware and software configuration of the seat/system operates correctly at the subscribed service level. A seat is defined as unavailable when the Vendor discovers a problem or is otherwise notified of a problem.

## CUSTOMER SATISFACTION METRIC

Measured using commercial/broad industry-accepted practices and objective evidence based on a statistical approach specified by the vendor and found acceptable to the District (i.e., selected customer surveys, comment forums). The metric measures the user's determination of the accuracy, completeness, consistency, effectiveness, timeliness, and overall quality of the vendor's service. The primary measure is the percentage of respondents who choose a score above the neutral level ('satisfied' or greater on an adjective scale, or above the mid-point on a numeric scale). The vendor provides the District with monthly help desk statistics that show its response time performance. An example of this report is provided in **Figure 1-2**.

The contract has defined basic service items that fall into the three categories: (1) End-User Platforms, (2) Enterprise Operations, and (2) Enterprise Applications. The vendor reports response and resolution times for Restore to Service and Moves/Add/Changes (MACs) for these three (3) service areas.

The annual service level goal is 85 percent, which means that at least 85 percent of the time, the vendor's performance meets the SLA requirement. The vendor provides the reports to the District's Specialist Technology Outsourcing Project Manager who reviews them to ensure that the established goal of 85 percent service level is met or exceeded. **Figure 1-6** provides an example of the performance report, known as the SLA Matrix Summary, where these metrics are reported.

**FIGURE 1-6**  
**SERVICE LEVEL AGREEMENT METRICS EVALUATION MATRIX**  
**JULY 2019-JUNE 2020**

OCSD SLA Matrix Summary YTD July 2019 - June 2020				
Service Delivery Goal = 85% Annually				
Notes: 11 hours = 1 day (6AM-5PM) Services	Restore to Service Request		MAC Request	
	Response Time Actual %	Resolution Time Actual %	Response Time Actual %	Resolution Time Actual %
End-User Based Platforms	98.45%	89.99%	97.06%	90.88%
Enterprise Operations	96.47%	89.75%	99.02%	98.57%
Enterprise Applications	88.89%	100.00%	99.23%	98.16%

Source: Director Information Services-SLA Matrix Summary July 2019-June 2020.

Based on the analysis performed, the technology vendor's performance under the seat management contract is periodically evaluated using metrics establishing an annual goal of 85 percent of the time meeting the SLA requirement. Therefore, Subtask 1.2 for the Technology subsection is met.

## TRANSPORTATION

To address the requirements of this subtask for the Transportation subsection, the MJ Team reviewed evaluation information provided by the Director of Transportation. The transportation self-evaluation discussed below is triggered by state mandate.

### DISTRICT SCHOOL TRANSPORTATION MONITORING SELF-EVALUATION

The Florida Department of Education (DOE) administers a school transportation monitoring program for all Florida school districts. The program requires each school district to submit a completed *District School Transportation Monitoring Self-Evaluation* to the DOE's School Transportation Management Section (STMS) by a specified date per year. Okaloosa's 2019 self-evaluation was due March 8, 2019.

STMS provides a self-evaluation workbook to assist school districts with preparing the evaluation. STMS encourages districts to use the workbook as a tool to evaluate their school transportation programs and to ensure compliance with Florida transportation laws. STMS staff conduct onsite compliance monitoring and provide district support, as necessary, based on self-evaluation findings and the individual needs or requests of each school district.

The self-evaluation workbook contains six (6) evaluation categories, each of which is described in **Figure 1-7**.

**FIGURE 1-7**

**DISTRICT SCHOOL TRANSPORTATION MONITORING SELF-EVALUATION CATEGORIES**

<b>Evaluation Category</b>	<b>Description</b>
<b>1. School Bus Evacuation Drills</b>	Documentation was sufficient to confirm that all students who regularly ride a school bus and all persons qualified to transport students participated in emergency evacuation drills on school buses serving the school during the first six weeks of each semester, and all passengers on field and school activity trips received instructions on the location and proper use of emergency exits prior to such trips....
<b>2. School Bus Loading Zones</b>	Vehicular and pedestrian traffic shall be prevented from crossing each other on the site, or appropriate safety devices shall be provided where vehicular and pedestrian traffic cross....
<b>3. School Bus Operator Qualifications</b>	All persons who drove school buses transporting district students met the requirements of law and State Board of Education rules related to licensure, training, qualifications and requests for driving history records...
<b>4. School Bus Inspection Records</b>	There was a system of record keeping verifying that all school buses were inspected.
<b>5. Special Needs Transportation</b>	Documentation was sufficient to confirm that all operators and attendants transporting students with disabilities were provided the appropriate training to meet the students' needs based on the students' individual educational plans (IEPs), and the transportation services for each student were in compliance with his/her IEP. Observation and inspection confirmed that the school bus equipment used to meet each student's IEP was in compliance with the Florida School Bus Specifications, and the equipment was being used properly by the operators and/or attendants.
<b>6. District Policies and Procedures</b>	<p>Districts must provide documentation verifying that they have developed and implemented policies and procedures for:</p> <ul style="list-style-type: none"> <li>• Cell phone use;</li> <li>• School bus engine idling;</li> <li>• Safe rider instructions; and</li> <li>• Safe driver plan.</li> </ul> <p>Attach a copy of each policy to be returned with this self-evaluation document.</p>

Source: Okaloosa County School District's Transportation Monitoring Self Evaluation-July 2018 Edition.

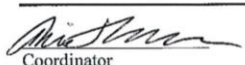
In addition to the self-evaluation, transportation and operations administrators have sought alternatives to acquiring new buses. This action was prompted by an aging fleet and a backlog of bus replacement requirements. See Subtask 3.3 for further discussion of this issue in the Transportation subcategory.

## BUS ROUTE EVALUATION

Every summer, two senior drivers from each bus route drive the route to check for time, safety, and efficiency using a checklist. For example, they determine the time it takes to drive the route noting issues along the way. The District's area route coordinators use the bus route evaluations and factor the checklist's findings into their preparation of route sheets for the coming school year. **Figure 1-8** provides an example of the Bus Stop Criteria Checklist.

**FIGURE 1-8**

### BUS STOP CRITERIA CHECKLIST

BUS STOP CRITERIA		
Bus #	02-32	
Route #	0092020N	
Indicate response to question/statement with Y(yes) or N(no)	YES	NO
a. Is there adequate off street waiting area for students?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Is there adequate visibility front and rear?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Is stop located at a four-way intersection with traffic light or four-way stop sign?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Is stop located where students must cross four lanes of traffic or posted speed limit is in excess of 45 mph?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Does bus operator make a left hand turn on a multi-lane road within 300 feet of bus stop?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f. Is bus operator required to back up at any stop?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Is stop located within 300 feet of a railroad crossing?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Is stop considered unsafe for any other reason? Explain below.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Comments:		
<hr/>		
<hr/>		
<hr/>		
 Coordinator	6-17-20 Date	

Source: Okaloosa County School District's Bus Stop Criteria Checklist.

## LATE BUS INVESTIGATION

When a bus is consistently late on its route, and school staff notify the Transportation Department, staff will visit the route to identify issues causing the bus to be consistently late. The time the route should take is predetermined and the time for each stop is documented on the route sheet. Therefore, the route visit is evaluated against the standard time on the route

sheet. These evaluations are performed only on an as needed basis and are not documented. However, MJ examined email documentation in support of the fact that the evaluations do occur. The following are excerpts from two emails regarding late bus issues:

**Email #1**

*"Attached you will find the times our buses were dismissed over the last two weeks.... We still have 4-5 buses arriving after 3:30 each day. ... is our bus that is the last bus to arrive on most days. I am looking forward to meeting with .... about this issue to outline our plan for next year. I am hoping the adjustment to our schedule next year will not have our students and staff enduring a 25-30 minute dismissal period.*

*... has worked very hard this year and the improvements have been tremendous. We did have a longer dismissal period prior to the changes ... made."*

**Email #2**

*"Starting on Tuesday 11-19-2019 bus ... and ... will be arriving at the school for PM release between 3:20-3:25. I have already contacted your front office and made them aware of the change. This is part of the continued effort to resolve the bus issue that [name of school] has experienced this year. Correct me if I am wrong but the AM times seem to be working. We are committed to improving the afternoon times the buses arrive at your school. I will continue to reevaluate the routes and make adjustments as we move forward in this school year."*

**TRANSPORTATION KEY PERFORMANCE INDICATORS**

The Council of the Great City Schools (CGCS) is a coalition of the nation's 76 largest urban public school systems dedicated to the improvement of education for children in the inner cities. In 2002, CGCS developed performance measures that could be used to improve business operations in school districts. The Council launched the Performance Measurement and Benchmarking Project to achieve these objectives. The project developed a common set of key performance indicators (KPIs) in a range of school operations, including transportation.

The District has a report that tracks accidents. It is produced in cooperation with the Risk Management Office. The purpose of the report is to track accidents and to have an accurate report as soon after the accident as possible. Transportation management indicated that the school board attorney, risk manager, and director of Transportation meet with the driver, if at fault, to collect the details. Staff indicated that the safety committee reviews accident trends and incidents and the number of accidents for a driver in a given time period and plans individual training or department wide training as needed. While this report exists, the District provided no evidence that the information is used to develop or measure results against key performance indicators.

The District provided no evidence indicating that it uses KPIs to evaluate transportation operations. Developing and using KPIs to evaluate fleet operations could help the District

improve service levels and enhance cost efficiency. **Figure 1-9** provides examples of KPIs that the District could use to evaluate the performance and cost of transportation operations.

**FIGURE 1-9**  
**KEY PERFORMANCE INDICATORS-TRANSPORTATION**

KPI	Description	Usage
<i>Cost per Mile Operated</i>	Total transportation costs divided by total miles operated.	Measures the cost efficiency of a transportation program.
<i>Cost per Rider</i>	Total transportation costs divided number of riders.	Measures the cost efficiency of a transportation program.
<i>Miles Between Accidents</i>	Total number of accidents divided by the total number of miles driven.	Tracking accidents by type, analyzing trends, and designing specific training programs to reduce/prevent them.
<i>Daily Bus Percentage</i>	Number of daily buses, divided by total number of buses.	Measures buses actually needed plus an appropriate spare ratio to eliminate the cost of unneeded buses.
<i>Bus Usage</i>	Total number of daily bus runs, divided by the total number of buses used	Efficiencies are gained when one bus is used multiple times.

Source: Council of Great City Schools-Managing for Results-2019-A Report of the Performance Measurement and Benchmarking Project.

Based on the analysis performed, transportation assessments occur through the Florida Department of Education’s Transportation Monitoring Self-Evaluation, summertime bus route evaluation, and ad hoc late bus investigations. However, these are not comprehensive evaluation measures and transportation management does not use available key performance indicators to evaluate the transportation program. KPIs can provide insights into how transportation operations can be improved particularly when compared in context with peer districts. Therefore, Subtask 1.2 for the Transportation subsection is partially met.

## SUBTASK 1.2 CONCLUSION

Although Operational Services management reviews a work order aging report every six months, staff provided no evidence that the information is evaluated against key performance indicators and other reasonable criteria to assess facility maintenance program performance and costs. However, with respect to facility safety, the District completes the Florida Safe School Assessment Tool each year. This tool enables the District to evaluate the level of safety at each of its school facilities and to identify areas that require improvements.



The technology vendor's performance under the seat management contract is periodically evaluated using a pre-established annual goal of 85 percent of the time meeting the SLA requirement.

Transportation Department staff and applicable school personnel complete the Florida Department of Education's Transportation Monitoring Self-Evaluation each year. Other evaluations occur through riding bus routes during the summer to identify potential issues and performing ad hoc investigations of late bus complaints. Although these evaluations are suitable for their purpose, they are not comprehensive evaluations of transportation operational costs and efficiency. Moreover, the Transportation Department does not use available key performance indicators to evaluate the transportation program. Therefore, Subtask 1.2 is partially met.

### RECOMMENDATION 1.2

Develop methods, processes, and timeframes to evaluate the maintenance and transportation programs periodically to ensure that operations are performed efficiently and cost effectively. Generate the Analysis of in Progress Work Order report at least quarterly, and measure the information against pre-determined performance standards and goals.

**SUBTASK 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost.**

**SUBTASK 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.**

Subtasks 1.3 and 1.4 are closely related and will be assessed together in this section. To address the requirements of these subtasks, the MJ Team reviewed the findings, recommendations, and management's responses in various external audits and assessments of facilities, technology, and transportation performance and costs.

### FACILITIES

To address the requirements of these subtasks for the Facilities subsection, the MJ Team interviewed the Program Director-Maintenance and reviewed bleacher inspection reports, which are triggered by state mandate as well as the need to ensure spectator safety.

The Florida Department of Education-Office of Educational Facilities requires school districts to engage a structural engineer to conduct bi-annual inspections of football, baseball, softball, and track field bleachers across the District. MJ reviewed Fiscal Year 2019 bleacher inspection reports for 14 schools. Conditions were classified into four categories:

1. Safety Issues;
2. Previous Structural Items Not Corrected from 2017;



3. Structural Issues; and
4. Architectural Issues.

The engineer sited a total of 174 conditions, 10 of which had not been corrected from the 2017 bleacher inspection. Of the 174 conditions, 67 percent related to structural deficiencies while 22 percent resulted from architectural items. Examples of category conditions include the following:

Safety Issues

- Insufficient bearing at the support members. The bearing has the potential to fail which could lead to a catastrophic failure of the bleacher sections due to a cascading effect.

Previous Structural Items Not Corrected from 2017

- The precast sections in many of the locations throughout the home stands have shifted and become misaligned or opened excessive gaps between adjacent precast sections.

Structural Issues

- Bent and broken seat support "L" Bracket at multiple locations on the south end of the home bleachers.

Architectural Issues

- A number of the handrails in the seating aisles have begun to corrode and deteriorate at the base attachments.

**Figure 1-10** presents a summary of the number of conditions by category identified in the Fiscal Year 2019 bleacher inspection report.

**FIGURE 1-10**  
**DISTRICTWIDE BLEACHER CONDITION COUNT**  
**FISCAL YEAR 2019 INSPECTIONS**

Location	Safety	Previous Structural Items-FY 2017, not Corrected	Structural	Architectural	Total
Baseball Bleachers	2	2	31	8	43
Football Bleachers	6	8	42	20	76
Softball Bleachers	1	0	38	10	49
Track Bleachers	0	0	5	1	6
<b>Total</b>	<b>9</b>	<b>10</b>	<b>116</b>	<b>39</b>	<b>174</b>
<b>Percentage</b>	<b>5%</b>	<b>6%</b>	<b>67%</b>	<b>22%</b>	<b>100%</b>

Source: Okaloosa County School District's Bleacher Inspection Reports-2019.

The District resolves bleacher inspection deficiencies by engaging a firm to make repairs districtwide. MJ reviewed a 2018 bid tabulation awarding a contract to a firm to make repairs identified during the Fiscal Year 2017 bleacher inspections. We also reviewed an invitation to bid solicitation dated March 12, 2020, seeking bids from contractors to make districtwide repairs resulting from the Fiscal Year 2019 inspections.

The bids are general evidence that deficiencies are being addressed. When asked how specific deficiencies are addressed, MJ was told that the District's building official examines the critical structural areas and randomly verifies that the deficiencies were corrected. MJ was told: *"It is a visual inspection, and once inspected, the permit is closed out. No written report is available."*

As shown in **Figure 1-10**, six percent of the Fiscal Year 2019 bleacher inspection conditions resulted from Fiscal Year 2017 inspections that had not been corrected. A more formal means of tracking repairs should be implemented. The District should use the structural engineer's report as the starting point for identifying, documenting, tracking, and reporting critical bleacher repairs.

Based on the analysis performed, findings and recommendations were included in the school bleacher inspection reports. In addition, reasonable, timely actions were taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, there is no formal means of documenting and tracking specific critical repairs to ensure they are made and to keep a historical record. The Fiscal Year 2019 bleacher report indicated that six percent of conditions identified during the 2017 bleacher inspections had not been corrected. Therefore, Subtasks 1.3 and 1.4 for the Facilities subsection are partially met.

## TECHNOLOGY

To address the requirements of these subtasks for the Technology subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services and the Director of Information Services and reviewed findings in an operational audit report as well as the District's responses. The operational audit was triggered by statutory requirement.

Section 11.45, *Florida Statutes* requires the Auditor General to conduct operational audits of district school boards and various other state entities at least every three (3) years. The State of Florida Auditor General (Auditor General) conducted an operational audit of the District from February 2018 to July 2018 and issued their report in November 2018. **Figure 1-11** provides a summary of the report's findings that are relevant to this performance audit. The findings are related to the Technology subsection.

**FIGURE 1-11**  
**AUDITOR GENERAL OPERATIONAL AUDIT-NOVEMBER 2018**  
**TECHNOLOGY-RELATED FINDINGS**

Finding	Recommendation	Management's Response
<p><b>Finding 10: Information Technology - User Access</b></p> <p>.... Effective controls restrict employees from accessing information unnecessary for their assigned job responsibilities and provide for documented periodic evaluations of information technology (IT) user access privileges to help prevent personnel from accessing sensitive personal information inconsistent with their responsibilities.... The existence of unnecessary access privileges increases the risk of unauthorized disclosure of SSNs and the possibility that sensitive personal information may be used to commit a fraud against District students, employees, and others.</p>	<p>The District should continue efforts to ensure that only those IT users with a demonstrated need to access the sensitive personal information of students and employees have such access. Such efforts should include documented, periodic evaluations of assigned IT user access privileges to sensitive personal information to determine whether such privileges are necessary, and the timely removal of any unnecessary access privileges detected. If an individual only requires occasional access to such information, the privileges should be granted only for the time needed.</p>	<p>In the District's formal response to the Auditor General's Office Dated November 16, 2018, the superintendent wrote:</p> <p>"The District has taken corrective action, programmatically and through review of user access needs, to limit access to current and former student and employee social security numbers (SSNs). The District will increase the detail of all documentation provided to administrators and increase periodic evaluations of assigned user access privileges to twice per year. These enhancements should allow for a more detailed inspection and timely review and removal of unnecessary access to SSNs."</p>
<p><b>Finding 11: Information Technology User Access Privileges – Business Application</b></p> <p>Our examination of District records for 19 employees with IT access privileges to selected critical functions within the District business application disclosed that 4 employees, including a Curriculum and Instruction Department secretary, two Human Resource (HR)</p>	<p>The District should continue efforts to ensure the assignment of appropriate access privileges, periodic documented evaluations of assigned access privileges, and timely removal or adjustment of any unnecessary or inappropriate access privileges detected.</p>	<p>In the District's formal response to the Auditor General's Office Dated November 16, 2018, the superintendent wrote:</p> <p>"The District was advised to continue efforts to ensure the appropriateness of access privileges, akin to those identified in this finding. The District's Information Systems department is currently reviewing the possibility of placing programmatic controls on conflicting user profiles to reduce</p>

Finding	Recommendation	Management's Response
Department secretaries, and an HR Department specialist had the ability to access and adjust employee salary records; however, such access was unnecessary for their assigned job responsibilities.		or eliminate their assignment to a single employee. Upon the completion of this review, the District will make recommendations at the department level regarding profile revision to eliminate as many a la carte changes or individual access conflicts going forward."
<p><b>Finding 12: Information Technology Risk Assessment</b></p> <p>In July 2018, the District obtained an information security assessment from the District technology vendor that focused on the risks to sensitive data assets and services such as student and employee personally identifiable information, electronic mail communications, financial data, and security camera video data. District personnel informally considered external and internal risks; however, the District had not developed a comprehensive, written IT risk assessment.</p>	The District should develop a comprehensive, written IT risk assessment to provide a documented basis for managing IT-related risks.	<p>In the District's formal response to the Auditor General's Office Dated November 16, 2018, the superintendent wrote:</p> <p>"The District in collaboration with its technology vendor developed an IT security vulnerability assessment and information security assessment as a result of a previous audit. The District will implement additional corrective action to develop a more comprehensive assessment to further address consideration of threats and vulnerabilities to all District IT assets, systems, sub systems, data, and document the range of risks that District assets, systems and subsystems, and data may be subject to, including those posed by internal and external users."</p> <p>MJ noted the implementation of this recommendation and summarized the results of the assessment in Figure 1-12</p>

Finding	Recommendation	Management's Response
<b>Finding 13: Information Technology Security Controls – Data Loss Prevention and Monitoring of Application Activity</b> Our audit disclosed that certain District security controls related to data loss prevention and monitoring of system activity need improvement.	The District should improve IT security controls related to data loss prevention and monitoring of system activity to ensure the continued confidentiality, integrity, and availability of District data and IT resources.	In the District's formal response to the Auditor General's Office Dated November 16, 2018, the superintendent wrote:  "The District will implement a corrective action plan to address the concerns as outlined in the above referenced finding." MJ examined the District's implementation plan, noting that the District indicated that the finding had been resolved and the recommendation implemented. The corrective action plan outlined specific actions taken and stated: "...the District has instituted review responsibilities in Human Resources and Finance/ Purchasing in order to ensure user access is conducted under scrutiny."

Source: Auditor General Operational Audit-Okaloosa County District School Board-November 2018.

The Auditor General's *Finding #12-Information Technology Risk Assessment*, discussed in **Figure 1-11**, triggered the District to have its seat technology vendor perform a security assessment of the District's wide area network (WAN). The vendor's report, dated December 13, 2019, provides an overview of security requirements for the WAN and describes the security controls in place or planned for implementation.

Security controls are essential for protecting District information transmitted, processed, and stored in the District's information technology system. The seat vendor assessed the District's security controls against National Institute of Standards and Technology (NIST) Special Publication 800-171, standard controls. This NIST standard governs controlled unclassified information (CUI) in non-federal information systems and organizations. The categories of controls are described in **Figure 1-12**. The District was assessed in 14 NIST control categories against 110 standards.

Due to the confidential nature of the report's security findings, the District could not share its specific implementation actions with the MJ team. Accordingly, the District redacted the implementation section of the report. However, MJ was able to ascertain the thoroughness of the review. Moreover, although we were unable to determine management's specific

implementation actions, we observed, for each control category, that management had checked off on the status of the District's implementation efforts.

**Figure 1-12** provides a summary of the controls and statuses the District checked for each control category. The last column in the table demonstrates that the District acted on the recommendations. However, due to security concerns, the District could not provide the specific actions taken for each control. Therefore, MJ could only provide the number of total controls per category in the second column and the implementation actions taken within each category of controls in the last column. It is important to note that statuses checked "not implemented" may be the result of many reasons such as lack of funding, assessed need, and perceived threat.

**FIGURE 1-12**  
**WIDE AREA NETWORK SYSTEM SECURITY PLAN**  
**SUMMARY OF CONTROLS AND IMPLEMENTATION STATUSES**

Control Category	Number of Controls in Category	Control Description	Implementation Statuses Checked by District
<i>Access Control</i>	22	Access is the ability to make use of any system resource. Access control is the process of granting or denying access to: <ul style="list-style-type: none"> <li>• use information,</li> <li>• use information processing services, and</li> <li>• enter District facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented</li> <li>• Partially implemented</li> <li>• Not implemented, not in planning</li> </ul>
<i>Awareness and Training</i>	3	System users can be the weakest link in system security. Training can help make system users aware of their security responsibilities and teach them correct security practices.	<ul style="list-style-type: none"> <li>• Partially implemented</li> <li>• Not implemented, not in planning</li> </ul>
<i>Audit and Accountability</i>	9	An audit is an independent review and examination of records and activities to assess the adequacy of system requirements and ensure compliance with established strategies and operational procedures.	<ul style="list-style-type: none"> <li>• Implemented</li> <li>• Partially implemented</li> <li>• Not implemented, not in planning</li> </ul>
<i>Configuration Management</i>	9	These are activities to establish and maintain the integrity of information technology products and systems through controlling processes for initializing, changing, and monitoring the configurations of such products and systems throughout the System Development Life Cycle (SDLC).	<ul style="list-style-type: none"> <li>• Implemented</li> <li>• Partially implemented</li> <li>• Not implemented, not in planning</li> </ul>
<i>Identification and Authentication</i>	11	The means of verifying the identity of a user, process, or device, typically as a prerequisite for granting access to resources in a system.	<ul style="list-style-type: none"> <li>• Implemented</li> </ul>

Control Category	Number of Controls in Category	Control Description	Implementation Statuses Checked by District
			<ul style="list-style-type: none"> <li>Partially implemented</li> <li>Not implemented, not in planning</li> </ul>
<i><b>Incident Response</b></i>	3	Standard operating procedures to follow in the event of an incident such as corrupted data files, viruses, and natural disasters.	<ul style="list-style-type: none"> <li>Partially implemented</li> </ul>
<i><b>Maintenance</b></i>	6	Procedures for systems maintenance to keep systems in good working order and to minimize risks resulting from hardware and software failures.	<ul style="list-style-type: none"> <li>Implemented</li> <li>Not Applicable</li> </ul>
<i><b>Media Protection</b></i>	9	Requirements that address protection of digital and non-digital system media.	<ul style="list-style-type: none"> <li>Partially implemented</li> <li>Not implemented, not in planning</li> </ul>
<i><b>Personnel Security</b></i>	2	Seeks to minimize the risk that staff (permanent, temporary, or contractor) pose to District assets through the malicious use or exploitation of their legitimate access to the District's resources.	<ul style="list-style-type: none"> <li>Implemented</li> </ul>
<i><b>Physical Protection</b></i>	6	Measures taken to protect systems, buildings, and related supporting infrastructure against threats associated with their physical environment.	<ul style="list-style-type: none"> <li>Partially implemented</li> <li>Not implemented, not in planning</li> </ul>
<i><b>Risk Assessment</b></i>	3	Identifies and prioritizes risks to District operations, assets, employees, and other organizations that may result from the operation of a system.	<ul style="list-style-type: none"> <li>Not implemented, not in planning</li> <li>Planned</li> </ul>
<i><b>Security Assessment</b></i>	4	Testing and/or evaluating the management, operational, and technical security requirements of a system to determine the extent to which the requirements are implemented correctly, operating as intended, and producing the desired outcome concerning meeting the security requirements for the system.	<ul style="list-style-type: none"> <li>Planned</li> </ul>
<i><b>System and Communication Protection</b></i>	16	Provides an array of physical and/or logical system safeguards that address the confidentiality of information at rest and in transit.	<ul style="list-style-type: none"> <li>Implemented</li> <li>Partially implemented</li> </ul>



Control Category	Number of Controls in Category	Control Description	Implementation Statuses Checked by District
			<ul style="list-style-type: none"> <li>Not implemented, not in planning</li> </ul>
<i>System and Information Integrity</i>	7	Guarding against improper information modification or destruction and includes ensuring information non-repudiation and authenticity. Assures that data can only be accessed or modified by authorized employees.	<ul style="list-style-type: none"> <li>Implemented</li> <li>Partially implemented</li> <li>Not implemented, not in planning</li> </ul>
<b>Total Control Categories</b>	<b>110</b>		

Source: Okaloosa County School District Wide Area Network Security Plan, December 13, 2019.

Based on the analysis performed, findings and recommendations were included in the Auditor General Operational Audit and reasonable, timely actions were taken to address deficiencies noted in program operations. Therefore, Subtasks 1.3 and 1.4 for the Technology subsection are met.

## TRANSPORTATION

To address the requirements of Subtasks 1.3 and 1.4 for the Transportation subsection, the MJ Team reviewed the transportation self-evaluation discussed in Subtask 1.2, Figure 1-7. During interviews with the Director of Transportation, MJ requested copies of all of the corrective action plans in the six (6) evaluation categories. According to the information provided, deficiencies were identified for two of the six evaluation categories and involved eight schools. One school identified deficiencies in the School Bus Loading Zone category while seven had deficiencies in the School Bus Evacuation Drills category. MJ noted that all of the deficiencies were accompanied by a timely corrective action plan noted on the deficiency form.

**Figure 1-13** provides an example of one of the self-evaluation forms, which shows the deficiency and the anticipated completion date of the corrective action, which was April 26, 2019. This date is timely given that the self-assessment was due March 8, 2019.



**FIGURE 1-13**

**SELF-EVALUATION DEFICIENCY AND CORRECTIVE ACTION PLAN**

School Bus Evacuation Drills Corrective Action Plan	
District <u>OKALOOSA</u>	MSID # _____
School/Program Name <u>Ruckel, Ft Walton Beach, Silver Sands, Florosa, Bluewater</u> <u>Antioch</u> (No Abbreviations) <u>Niceville High</u>	
A CAP may apply to multiple schools if the schools had identical deficiencies. In this case, identify all of the applicable schools above.	
Summary of Deficiencies: <u>Some schools failed to do the drills in the 1st 6 weeks of each semester</u>	
Corrective Actions: <u>We will more aggressively remind the schools of the drills to be done.</u> <u>We will oversee and/or conduct the drills ourselves, if need be.</u>	
Person(s) Responsible: <u>Bob Martin</u>	
Anticipated Completion Date: <u>4/26/19</u>	
Signature <u>BMA</u>	Title <u>Training &amp; Safety Coordinator</u>
Print Name <u>Bob Martin</u>	Date <u>3/08/2019</u>

Source: Self-Assessment Deficiency and Corrective Action Plan.

Based on the analysis performed, findings and recommendations were included in the Fiscal Year 2019 *District School Transportation Monitoring Self-Evaluation* and reasonable and timely actions were taken to address deficiencies noted in program compliance. Therefore, Subtasks 1.3 and 1.4 for the Transportation subsection are met.

**SUBTASKS 1.3 & 1.4 CONCLUSION**

Operational Services management engages a structural engineer to inspect the District's bleachers. Findings and recommendations are included in the school bleacher inspection reports. In addition, reasonable, timely actions are taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, maintenance staff have no formal means of documenting and tracking critical repairs to ensure they are made, and a record of such repairs kept.

The Florida Auditor General conducted an operational audit of the District in which technology recommendations were made. One of the recommendations led to the District having its seat contract vendor perform a security assessment of the District's wide area network. Both reports included findings and recommendations to which management provided reasonable, timely responses.

The Transportation Department used a tool developed by the Florida Department of Education to conduct a self-assessment of transportation operations. Findings were identified and corrective action plans were developed timely to address the deficiencies. Based upon the work performed, Subtasks 1.3 and 1.4 are partially met.

### **RECOMMENDATION 1.3**

Document and track critical bleacher conditions to ensure they are repaired, and maintain a record of the repairs.

**SUBTASK 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices.**

### **FACILITIES**

To address the requirements of this subtask for the Facilities subsection, the MJ Team inquired whether Operational Services management evaluates program performance and costs based on reasonable measures including best practices.

Each year the Florida Department of Education (FDOE) publishes reports showing energy, operations, and maintenance costs for all Florida school districts. Although the District's facilities management team is aware of these reports, they indicated that they do not use them to evaluate facilities operations and costs because the data is dated, and there are many underlying variables that make it unrealistic to draw conclusions from the data.

Instead, staff use work orders and budgets to manage daily maintenance operations. Program performance and budgets are discussed in staff meetings and issues resolved as they arise routinely. However, there are no formal evaluations of program performance or costs using internal or external data sources. Decisions are intuitive rather than data driven. Despite these limitations, MJ performed comparative analysis using the FDOE data.

**Figure 1-14** compares Okaloosa's Fiscal Year 2018 energy costs to those of its peers and the state. Okaloosa's energy cost per square foot of \$1.33 ranked 3<sup>rd</sup> highest among six (6) school districts in 2018 while its energy cost per student ranked 5<sup>th</sup> highest. When compared to peer and state averages, Okaloosa's energy cost per square foot was higher than the peer and state averages. Meanwhile, energy costs per student were lower than peer and state averages.

**FIGURE 1-14  
ENERGY COSTS OKALOOSA SCHOOLS, PEER DISTRICTS, AND STATE AVERAGE  
FISCAL YEAR 2018**

Name	Florida Inventory of Schools Gross Square Feet	Capital Outlay Full-Time Equivalent Students	All Energy Cost per Square Foot	All Energy Cost per Capital Outlay Full-Time Equivalent Student
Alachua County Schools	5,477,066	26,032	\$1.46	\$306.89
Santa Rosa County Schools	4,398,171	26,805	\$1.37	\$224.63
<b>Okaloosa Schools</b>	<b>4,607,541</b>	<b>28,915</b>	<b>\$1.33</b>	<b>\$212.29</b>
Hernando County Schools	4,412,929	21,270	\$1.28	\$265.19
Bay County Schools	6,236,239	22,137	\$1.15	\$322.90
Leon County Schools	6,344,192	31,914	\$1.02	\$202.58
<b>Peer Average</b>			<b>\$1.26</b>	<b>\$264.44</b>
<b>State Average</b>			<b>\$1.15</b>	<b>\$216.52</b>

Source: Florida Department of Education Annual Energy Report-Fiscal Year 2018.

**Figure 1-15** compares Okaloosa’s Fiscal Year 2018 facility operations and maintenance costs to that of its peer districts and the state. Okaloosa’s facility operations and maintenance costs per square foot ranked 2<sup>nd</sup> highest among the six (6) school districts in 2018. When compared to peer and state averages, Okaloosa’s facility operations cost per square foot was higher than peer and state averages while maintenance costs were higher than the peer average and lower than state average.

Okaloosa’s facility operations and maintenance costs per student ranked 4<sup>th</sup> highest among the six (6) peer districts in 2018. When compared to peer and state averages, Okaloosa’s operations and maintenance costs per student were lower than peer and state averages.

**FIGURE 1-15  
OPERATIONS & MAINTENANCE COSTS OKALOOSA SCHOOLS, PEER DISTRICTS, AND STATE AVERAGE, FISCAL YEAR 2018**

Name	Cost per Square Foot		Cost per Capital Outlay Full-Time Equivalent Student	
	Operations	Maintenance	Operations	Maintenance
Alachua County Schools	\$4.23	\$1.32	\$890.03	\$278.57
<b>Okaloosa Schools</b>	<b>\$4.06</b>	<b>\$1.43</b>	<b>\$646.87</b>	<b>\$228.43</b>
Hernando County Schools	\$3.60	\$1.19	\$747.19	\$246.91

Name	Cost per Square Foot		Cost per Capital Outlay Full-Time Equivalent Student	
	Operations	Maintenance	Operations	Maintenance
Santa Rosa County Schools	\$3.07	\$0.86	\$503.01	\$140.73
Leon County Schools	\$2.93	\$1.53	\$582.16	\$303.90
Bay County Schools	\$2.53	\$0.78	\$712.55	\$218.36
<b>Peer Average</b>	<b>\$3.27</b>	<b>\$1.14</b>	<b>\$686.99</b>	<b>\$237.69</b>
<b>State Average</b>	<b>\$3.95</b>	<b>\$1.44</b>	<b>\$747.31</b>	<b>\$273.00</b>

Source: Florida Department of Education Annual Operations & Maintenance Report-Fiscal Year 2018.

When comparing the average annual growth in Okaloosa's energy, operations, and maintenance costs to state averages over the three-year period from Fiscal Year 2016 through 2018, Okaloosa's average annual growth rate was lower in four of the six cost categories as shown in **Figure 1-16**.

**FIGURE 1-16  
ENERGY, OPERATIONS, & MAINTENANCE COSTS, OKALOOSA AND STATE AVERAGE ANNUAL GROWTH RATES, FISCAL YEAR 2016-2018**

Benchmark	2016	2017	2018	Average Annual Growth Rate	
				Okaloosa	State
All Energy Cost per Square Foot	\$1.38	\$1.33	\$1.33	<b>(1.2%)</b>	<b>0.3%</b>
All Energy Cost per Capital Outlay Full-Time Equivalent Student	\$233.22	\$217.41	\$212.29	<b>(3.0%)</b>	<b>1.4%</b>
Operations Cost per Square Foot	\$3.51	\$3.34	\$4.06	<b>5.6%</b>	<b>0.8%</b>
Maintenance Cost per Square Foot	\$1.43	\$1.50	\$1.43	<b>0.1%</b>	<b>2.5%</b>
Operations Cost per Capital Outlay Full-Time Equivalent Student	\$592.48	\$544.98	\$646.87	<b>3.6%</b>	<b>1.9%</b>
Maintenance Cost per Capital Outlay Full-Time Equivalent Student	\$241.45	\$244.99	\$228.43	<b>(1.8%)</b>	<b>3.7%</b>

Source: Florida Department of Education Annual Energy, Operations, and Maintenance Reports-Fiscal Years 2016-2018.

Based on the analysis performed, Operational Services management and staff provided no evidence that maintenance program performance and costs are evaluated based on reasonable measures. Therefore, Subtask 1.5 for Facilities is not met.

## TECHNOLOGY

To address the requirements of this subtask for the Technology subsection, MJ reviewed provisions of the District's seat management contract as they relate to performance evaluation and inquired whether Information Services staff evaluate program performance and costs

based on reasonable measures and best practices outside of the seat management contract. This subtask is closely related to Subtask 1.2, which MJ found to be met because the seat management contract vendor's performance is continually evaluated against metrics outlined in the contract.

One of the metrics against which the seat management vendor's performance is measured is customer satisfaction, which is defined in Subtask 1.2. MJ compared the metrics in the contract with industry standards, obtained by MJ through Internet research, noting that the metrics in the seat management contract are generally within range of industry standards. **Figure 1-17** presents the results of the comparison using standard industry performance indicators for call center and helpdesk operations.

**FIGURE 1-17**  
**CALL CENTER/HELPDESK KPIs**  
**DISTRICT COMPARED TO INDUSTRY STANDARD**

Benchmark	District Seat Management Contract	Industry Standard
Average Speed of Answer	< 45 seconds	8.97 seconds
First call resolution	85% for calls within the Help Desk resolution capability	74%, but varies based on nature of request, industry etc.
Call Abandon rate	< 6% for calls waiting > 45 seconds	9.07%

Source: District Seat Management Contract and 2018 *Talkdesk Contact Center KPI Benchmarking Report*.  
*MetricNet Article: First Contract Resolution Rate*.

Performance metrics in information technology assess productivity, cost efficiency, and service levels. The CGCS Performance Measurement and Benchmarking Project, discussed in the Transportation section, also has information technology performance measures, but the District does not use them to measure performance. However, the District could benefit from using the published KPIs in addition to the evaluation metrics in its seat management contract.

**Figure 1-18** presents examples of CGCS KPIs that the District could use to evaluate and potentially improve its technology function, particularly when the data is compared with peer school districts to perhaps gain deeper insights.

**FIGURE 1-18**  
**KEY PERFORMANCE INDICATORS-TECHNOLOGY**

KPI	Description	Usage
<i>Information Technology (IT) Spending Percent of District Budget</i>	Total IT staffing costs plus total IT hardware, systems and services costs, divided by total district operating expenditures.	Provides tool to compare with other districts. Because each district defines IT differently, what is included in IT expenditures must be defined.
<i>IT Spending Per Student</i>	Total IT staffing costs plus total IT hardware, systems and services costs, divided by total student enrollment.	Same as IT Spending as a Percentage of District Budget.
<i>Network - Bandwidth per Student</i>	Total standard available bandwidth (in Mbit/s), divided by total student enrollment	Provides a relative measure of capacity to support computing applications that support teaching, learning and district operations.
<i>Network - Days Usage Exceeded 75% of Capacity</i>	The number of days that peak daily internet usage reaches more than 75% of the standard available bandwidth for five (5) minutes or longer.	Staying below the metric threshold is critical to application performance and user satisfaction. This metric may also provide justification for network expansion and capacity planning.
<i>Systems Cost - Business Systems Cost per Employee and Cost per Student</i>	Personnel costs of staff for administration, development and support of enterprise business systems, plus annual maintenance fees for all enterprise business systems, plus total outsourced services fees for enterprise business systems, all divided by total number of district FTEs and total student enrollment.	Used to evaluate total relative cost of systems

Source: Council of Great City Schools-Managing for Results-2019-A Report of the Performance Measurement and Benchmarking Project.

Based on the analysis performed, Information Services uses the metrics in its seat management contract to evaluate the performance and cost of technology operations. While the measures are reasonable, based on MJ's comparison of customer satisfaction measures with industry standards, the District could benefit from using additional KPIs such as those published by the

CGCS in its 2019 Performance Measurement and Benchmarking Project. Therefore, Subtask 1.5 for Technology is partially met.

## TRANSPORTATION

To address the requirements of this subtask, MJ inquired whether Transportation staff evaluate program performance and costs based on reasonable measures including best practices.

FDOE publishes Florida School District Transportation Profiles. Transportation staff told the review team that operational efficiency is inherent and intuitive based on staff familiarity with the operation and the relatively small number of drivers and routes. The District believes the FDOE data is relevant and the information is reviewed. However, it is not used on a day-to-day basis to impact or inform transportation operations.

When Okaloosa's 2018 transportation cost per mile is compared to that of its peer districts, Okaloosa ranks 2<sup>nd</sup> highest among the six districts at \$4.55 per mile. This amount is also higher than the peer and state averages of \$3.45 and \$4.43 per mile, respectively. **Figure 1-19** provides selected transportation information from the 2018 profile.

**FIGURE 1-19**

### TRANSPORTATION PROFILE OKALOOSA SCHOOLS, PEER DISTRICTS, AND STATE AVERAGE FISCAL YEAR 2018

Name	# Buses in Daily Service	Total Buses	Bus Purchases	Annual Bus Miles Traveled	Total Expenditures	Expenditures per Mile
Bay County Schools	139	172	\$736,301	1,860,696	\$9,278,292	\$4.99
<b>Okaloosa Schools</b>	<b>199</b>	<b>269</b>	<b>\$543,923</b>	<b>2,983,025</b>	<b>\$13,578,144</b>	<b>\$4.55</b>
Alachua County Schools	124	201	\$1,909,076	3,804,738	\$13,109,131	\$3.45
Leon County Schools	177	215	\$0	4,370,442	\$14,417,709	\$3.30
Santa Rosa County Schools	205	244	\$0	3,940,172	\$12,322,896	\$3.13
Hernando County Schools	110	161	\$765,086	2,595,360	\$8,070,591	\$3.11
<b>Peer Average</b>	<b>151</b>	<b>199</b>	<b>\$682,093</b>	<b>3,314,282</b>	<b>\$11,439,724</b>	<b>\$3.45</b>
<b>State Average</b>				<b>257,534,211</b>	<b>\$1,140,444,953</b>	<b>\$4.43</b>

Source: Florida Department of Education Annual Transportation Profile-Fiscal Year2018.

When comparing the average annual growth in transportation costs per mile over the three-year period from Fiscal Year 2016 through 2018, Okaloosa's average annual growth rate of negative 1.5 percent was lower than the state growth rate of 5.7 percent as shown in **Figure 1-20**.



**FIGURE 1-20  
TRANSPORTATION COSTS PER MILE OKALOOSA SCHOOLS AND STATE AVERAGE GROWTH  
RATE, FISCAL YEARS 2016-2018**

Metric	2016	2017	2018	Average Annual Growth Rate
# Buses in Daily Service	201	197	199	
Total Buses	269	269	269	
Bus Purchases	\$0	\$107,338	\$543,923	
Annual Bus Miles Traveled	2,644,798	3,416,931	2,983,025	
Total Expenditures	\$13,724,662	\$12,382,519	\$13,578,144	
<b>Okaloosa Expenditures per Mile</b>	<b>\$5.19</b>	<b>\$3.62</b>	<b>\$4.55</b>	<b>(1.5%)</b>
<b>State Average</b>	<b>\$3.77</b>	<b>\$4.27</b>	<b>\$4.43</b>	<b>5.7%</b>

*Source: Florida Department of Education Annual Transportation Profile-Fiscal Years 2016-2018.*

Should the surtax pass, the Transportation landscape could change with new buses and equipment that will require a higher degree of accountability. While the FDOE energy, maintenance, operations, and transportation cost information is dated, it can still be useful to raise questions about differences in Okaloosa and peer district costs. For example, during professional association networking events, management can gain insight into why a peer district's costs are lower or higher than Okaloosa's. Moreover, although two (2) years old, the data can be useful to observe costs over time and identify trends that might have implications for current and future cost patterns.

Based on the analysis performed, Transportation management and staff provided no evidence that transportation program performance and costs are evaluated based on reasonable measures. Therefore, Subtask 1.5 for Transportation is not met.

### **SUBTASK 1.5 CONCLUSION**

Based on the analysis performed, Operations does not evaluate maintenance program performance and costs based on reasonable measures, including best practices. Information Services relies on performance metrics included in the District's seat management contract but could benefit from technology measures published by the CGCS. Like Operations, transportation also does not evaluate program performance and costs based on reasonable measures, including best practices. Therefore, Subtask 1.5 is partially met.

### **RECOMMENDATION 1.5**

Identify sources of comparative data and/or develop key performance indicators internally to evaluate facility, transportation, and technology program performance and costs.



**SUBTASK 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.**

To address the requirements of Subtask 1.6, MJ will review various documents for a sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget. Documents reviewed included the following.

- Board agenda item approving contractor;
- Contract;
- Purchase order;
- Notice to proceed;
- Last payment application and support;
- Last change order;
- Examples of two (2) inspection reports during construction;
- Examples of two (2) meetings/correspondence during construction;
- Certificate of substantial completion;
- Punch list;
- Final completion report; and
- Expenditure report.

To determine if costs were reasonable, Team MJ reviewed for independent approval by the contract architect/engineer or if the vendor with the lowest bid was selected. To evaluate if costs were within budget, MJ compared the total costs to the project budget or confirmed if the project was for a guaranteed maximum price. For timeliness, the target substantial completion date was compared to the actual certificate of substantial completion date and final inspection report dates. The certificate of substantial completion and inspection reports were also reviewed to determine if the project was completed well.

**Figure 1-21** presents a summary of budgeted projects for Fiscal Years 2019 and 2020.

**FIGURE 1-21  
SUMMARY OF PROJECTS BUDGETED FY2019 AND FY2020**

PROJECT TYPE	BUDGET AS OF 6/30/2019	BUDGET AS OF 6/30/2020
Board – Various	\$277,032.37	\$184,746.35
Boiler Replacement	\$394,691.00	\$39,083.00
Classroom Renovations/Roof	\$599,176.24	\$855.31
Doors	\$356,569.13	\$515,559.61
Emergency	\$250,000.00	\$250,000.00
Equipment	\$406,908.86	\$483,305.35
Flooring	\$178,181.20	\$316,431.80

PROJECT TYPE	BUDGET AS OF 6/30/2019	BUDGET AS OF 6/30/2020
Furniture	\$37,204.84	\$15,905.16
HVAC Replacement	\$1,392,920.03	\$1,398,761.91
Lighting Replacement	\$100,000.00	\$145,392.33
Painting	\$68,316.96	\$42,659.10
Paving	\$95,517.99	\$138,934.34
Playground Renovations	\$276,006.35	\$277,921.45
Portables	\$797,727.29	\$467,755.99
Project Contingency	\$1,416,077.65	\$547,046.77
Renovation	\$242.65	\$97.06
Repair & Maintenance	\$1,736,478.22	\$1,554,534.83
Replacement/Site/Equipment	\$63,926.02	\$168,776.02
Roofing	\$828,169.77	\$2,191,517.81
Security Upgrades	\$4,457,727.00	\$14,567,007.80
Site Improvement	\$1,897,954.05	\$1,231,438.05
Surveillance Equipment	\$20,531.04	\$8,693.03
Technology	\$341,131.89	\$393,103.23
Technology & Seat Mgt. Lease	\$5,000,000.00	\$2,963,613.75
Districtwide – Maintenance – Vehicle	\$271,420.00	\$188,552.00
<b>Total Budget</b>	<b>\$21,263,910.55</b>	<b>\$28,091,692.05</b>

Source: Okaloosa County School District's Capital Projects Listing.

## FACILITIES

The Okaloosa School District Facilities Planning Department is responsible for the development and implementation of the District's Capital Construction Program. This includes the renovation, remodeling, and construction of school facilities to meet the District's needs. The Department also develops the Five-Year Work Plan, the Educational Plant Survey, and the District Project Priority list which are submitted annually to the Florida Department of Education. In this process, the department develops plans for growth to meet the district's long-range goals. In addition, the department oversees the care of legal documents for all parcels of land owned by the Okaloosa County School District. Construction documents and blueprints are housed in a secure area where an inventory is in process. Permitting and inspection services are provided by the district through the Facilities Planning Department.

The Maintenance Department repairs heating and cooling systems, scoreboards, and intercoms and also provides plumbing, electrical, carpentry, welding, locksmith and grounds services, including athletic field preparation and maintenance.

The District executed an agreement for total program management services in November 2018. The Total Program Manager (TPM) provides program management services for the design, renovation, construction and equipping of schools and other projects. See an evaluation of the TPM and cost-benefits in the Facilities section of **Research Task 3**.

Construction and renovation projects are based on a guaranteed maximum price (GMP) and change orders are at the District's discretion without additional costs. To determine if the GMP is a reasonable cost, the District executed an agreement with a construction consulting firm (FGI) to provide cost consulting services. A Board member signs an authorization for professional services for the project. FGI submits a letter to the district with a cost comparison matrix showing FGI's project cost versus the TPM's proposed GMP. FGI does not conduct site visits to prepare their cost estimates and indicates that their cost estimate is based on drawings and additional scope information obtained from the TPM. In addition to the GMP, the District pays pre-GMP costs to the TPM. Project status is reported in monthly construction meeting agendas.

The District also executed a contract with Trane for the acquisition of equipment. No land acquisitions have occurred within the past five (5) years. **Figure 1-22** presents the sample of projects tested.

**FIGURE 1-22**  
**SAMPLE OF PROJECTS REVIEWED – FACILITIES**

Fiscal Year	Project	Project Name	Project Type	Budget	Expended	Reasonable Cost	Completed within Budget?	Completed Timely?	Completed Well?
<b>COMPLETED PROJECTS</b>									
2019	5375	RICHBOURB - ESE CR - P5/TO 21	CLASSROOM RENOVATIONS/ ROOF	\$578,655	\$576,552	Yes- Verified by External Consultant	Yes- Guaranteed Maximum Price (GMP)	Yes	Yes
2019	5376	RICHBOURG - CR/ROOF - ODP - P5TO21	CLASSROOM RENOVATIONS/ ROOF	\$20,462	\$17,593	Yes- Verified by External Consultant	Yes-GMP	Yes	Yes
2020	3309	NICEVILLE - ROOFING - P6/TO1	ROOFING	\$1,175,945	\$714,183	Yes- Verified by External Consultant	Yes-GMP	Yes	Yes
2020	3353	SCHOOL SECURITY - BD - P6TO2	SECURITY UPGRADES	\$90,353	\$90,353	Yes- Verified by External Consultant	Yes-GMP	Yes	Yes
<b>ONGOING PROJECT</b>									
2020	3354	SCHOOL SECURITY UPGRADES P6/TO 2	SECURITY UPGRADES	\$7,451,637	\$1,928,630	Yes- Verified by External Consultant	Yes-GMP and ongoing project	Ongoing project	Ongoing project

Source: Okaloosa County School District's Capital Projects Listing and Project Documents Provided by District.

## TECHNOLOGY

The Okaloosa County School District (OCSD) continues to seek effectiveness of its current IT services and has implemented a system for the total management of all District personal computer-related technology called “Seat Management.” The Seat Management concept enables OCSD to work within annual budget limitations while avoiding technological obsolescence.

The term Seat Management relates the concept that a user sits at a “Seat” and expects to receive computing services at an expected level of performance for a price per month. The hardware, software, peripherals, support, and LAN connectivity are all integrated into the seat price. Hardware “Refresh” will occur on a continuing schedule to provide the user with the expected level of performance. TelaForce (formerly part of L-3 and CACI) was selected from a competitive bid process to provide computing services for the District's students, teachers, and administrators. Under the Seat Management contract, TelaForce provides a full range of services to include:

- End-User Based Platforms (ex: asset management, help desk, end-user support)
- Enterprise Operation Services (ex: LAN/WAN, email, system and server administration)
- Enterprise Application Services (ex: GRADES, website and web server services)

The following sample of projects was reviewed in **Figure 1-23**.

**FIGURE 1-23**

### SAMPLE OF PROJECTS REVIEWED - TECHNOLOGY

Fiscal Year	Project #/ Vendor	Project Name	Project Type	Budget	Expended	Reasonable Cost	Completed within Budget?	Completed Timely?	Completed Well?
2020	#2364 TSC Productions	SCHOOL EQUIPMENT - BOARD	EQUIPMENT	\$104,324 Total; \$7,819 for one of the PO's	\$80,861 Total; \$7,819 for one of the PO's	Yes, based on bid tabulation	Yes; invoice agrees to PO amount	Yes	Yes based on Receiving Report
2020	#3325 CACI, Inc	LIVE STREAM CONNECTIVITIES	TECHNOLOGY	\$343,022	\$343,022	Per Seat Management Contractor	Yes; invoice agrees to PO amount	No; not delayed by vendor	Yes based on Receiving Report
2019	#0387 CACI, Inc	OTC - R&R - FIBER OPTIC CABLE	TECHNOLOGY	\$136,909	\$136,909	Per Seat Management Contractor	Yes; invoice agrees to PO amount	No; not delayed by vendor	Yes based on Receiving Report

Source: Okaloosa County School District's Capital Projects Listing and Project Documents.

Project #2364 is the cumulative total of several purchase orders. The MJ Team selected purchase order (PO #20003805) for \$7,819.38 for testing. The PO was quoted through the Purchasing Department (RFQ 20-50). Three quotes were received and the award was made to TSC Productions. Per School Board policy 2-17(A)(7), Informal Requests for Quotations (RFQ) shall be requested in writing from three or more sources for any authorized purchase of any item or group of similar items or contract for services from \$5,000 to \$25,000 unless otherwise exempted under DOE Rule 6A-1.012 Purchasing Policies.

According to Information Services management, project delays were not caused by the vendors. For Project #3325, the delay in this project was specific to training scheduling and delays outside the project with the fiber installation. This was all worked out via phone calls. For project #387, when the second phase was added early it extended the contract timing.

Projects #3325 and #387 represent purchases coordinated by the Seat Management contractor. The District has a right at any time to have a projected rebid if Information Services believes the District can get better pricing elsewhere. However, the District lacks an independent cost estimate and comparison to determine if the cost for each projects was reasonable.

## TRANSPORTATION

Besides transporting students, the Transportation Department also:

- Provides transportation for extra-curricular activities;
- Educates elementary students in bus safety;
- Trains prospective drivers in commercial driver training programs;
- Processes vehicle tags and registration for all schools and departments; and
- Issues vehicle numbers.

The District acquires buses from a state-approved vendor. The Florida Department of Education solicits and awards a school bus contract for use by all Florida School Districts. The school bus purchase in Fiscal Year 2017-18 (PO 18001191) was purchased through the Florida Department of Education School Bus Contract ITB 2017-02. The DOE awarded this contract to three bus manufacturers (International, Blue Bird, & Thomas Bus). Each manufacturer has an authorized bus dealer that processes all orders. The state-approved bus dealer for International buses was Sun State International Trucks, LLC for Fiscal Year 2017-2018. The District's Transportation Department has purchased International Buses since 2001. The Transportation Department standardized their bus purchases to International because the District's mechanics are trained and familiar with International buses and parts. Also, International has a parts dealer in the area with parts readily available when needed.

The contract required that buses must be delivered within 240 days from the date the bus dealer receives the district's FDOE approved purchase order. This date is specified on the FDOE cover sheet that is transmitted to the bus dealer. The District ordered the buses 9/14/2017 and received the buses on 3/9/2018, within the required delivery time. The School Board approved

the Budget for the purchase of these buses at the 8/1/2017 School Board meeting as part of the Budget approval for Fiscal Year 2017-18.

The following sample of projects was reviewed in **Figure 1-24**.

**FIGURE 1-24**

**SAMPLE OF PROJECTS REVIEWED - TRANSPORTATION**

Fiscal Year	Project Type	Budget	Expended	Reasonable Cost	Completed within Budget?	Completed Timely?	Completed Well?
2018	School buses – 3 each	\$262,305	\$262,305	Yes/ State Contract	Yes	Yes	Yes, per Receiving Report
2018	School buses – 2 each	\$179,232	\$179,232	Yes/ State Contract	Yes	Yes	Yes, per Receiving Report

Source: Okaloosa County School District's Capital Projects Listing and Project Documents.

**SUBTASK 1.6 CONCLUSION**

Based on the analysis performed, Facilities and Transportation projects tested were completed for reasonable cost and completed well, on time, and within budget. Information Systems relies on the Seat Management contractor to estimate the costs and select subcontractors for various task orders without an independent verification of the cost. Therefore, Subtask 1.6 is deemed partially met.

**RECOMMENDATION 1.6**

Develop a methodology to determine the reasonableness of project costs associated with Information Services projects administered by the Seat Management contractor.

**SUBTASK 1.7 – Determine whether the school district has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.**

MJ did not divide Subtask 1.7 into the four (4) subcategories of facilities, technology, transportation, or debt service because the District's purchasing policies and procedures are universal and apply to all four areas.

To address the requirements of this subtask the MJ Team interviewed the Chief Financial Officer and the Program Director-Purchasing.

School board policy 2-17 constitutes the District's purchasing procedures. The policy establishes requirements in key procurement areas such as purchasing authority, bid and proposal process, purchase order requirements, exceptions to purchase order requirements, emergency purchases, online procurement, and procurement involving federal funds. The policy also

incorporates by reference *Florida State Board of Education Administrative Rule 6A-1.012, Purchasing Policies* and states that the District will comply with these requirements as well.

Policy 2-17 and the state’s procurement rules contain provisions that allow the District to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements through cooperative agreements and piggyback contracts. **Figure 1-25** summarizes the applicable provisions from these sources.

**FIGURE 1-25**  
**DISTRICT PURCHASING POLICY 2-17 AND STATE RULE 6A-1.012**  
**ADVANTAGEOUS PRICING**

Description
<p><b><u>District Policy 2-17</u></b></p> <p><i>“The district shall receive and give consideration to the prices available to it through the on-line procurement system as referenced in §287.057(23), Florida Statutes, for the purchase of commodities and contractual services provided that a determination is made by the district’s purchasing department that the school district will receive potential benefits, including but not limited to savings from strategic sourcing and process efficiencies, as a result of using the on-line procurement system.”</i></p>
<p><b><u>Rule 6A-1.012</u></b></p> <p><i>“...the district school board shall have the option to purchase under the current contracts as may be established for any of the public agencies as set forth above at or below the unit price stated therein, if such purchase is to the economic advantage of the district school board....</i></p> <p><i>“In lieu of requesting competitive solicitations from three (3) or more sources, district school boards may make purchases at or below the specified prices from contracts awarded by other city or county governmental agencies, other district school boards, community colleges, federal agencies, the public or governmental agencies of any state, or from state university system cooperative bid agreements, when the proposer awarded a contract by another entity defined herein will permit purchases by a district school board at the same terms, conditions, and prices (or below such prices) awarded in such contract, and such purchases are to the economic advantage of the district school board.”</i></p>

Source: Policy 2-17 and State Administrative Rule 6A-1.012.

The District participates in cooperative solicitations with other K-12 school districts to take advantage of volume discounts when available and when it’s to the District’s advantage. For example, the District included the Santa Rosa County School District in its invitation to bid (ITB) for copy paper. As a result, both school districts were able to obtain more favorable pricing and delivery terms than would have been offered under a state contract. The ITB language states the following:

*“This is a co-operative Invitation to Bid (ITB), issued by the School Board of Okaloosa County, Florida on behalf of the Okaloosa County School District and the Santa Rosa County School District for the purchase and delivery of copy paper at a fixed price for a three (3) year term. Any contract established as a result of this ITB is to be used to replenish site inventories for office and classroom copy paper. Contractor is required to provide inside delivery to all locations within the Okaloosa County School District and Santa Rosa County School District on an as needed basis.”*

MJ reviewed term bids and contracts on the District's website noting cooperative bids with other school districts as follows:

- Escambia County School District-Dispensing System for General Cleaning Supplies
- Pinellas County Schools-Bleacher Repairs & Motorization
- Brevard School District-Bus Cameras, Accessories, & Installation
- Hillsborough Schools-Cosmetology Equipment & Related Supplies
- Osceola County Schools-Large Cafeteria Equipment

Finally, the District is a member of the following purchasing cooperatives:

- OMNIA Partners Public Sector
- Sourcewell (formally NJPA)
- Buyboard Cooperative Purchasing
- Panhandle Area Educational Consortium / Association of Educational Purchasing Agencies

#### **SUBTASK 1.7 CONCLUSION**

Based on the analysis performed, the District has written procurement policies and procedures that contain provisions allowing it to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. Also, the District participates in cooperative arrangements with other Florida school districts to obtain advantageous volume discount pricing and is a member of four national purchasing cooperatives. Therefore, Subtask 1.7 is met.

**Overall Research Task 1 Conclusion: Based upon the work and conclusions reached for the seven (7) subtasks, we deem that this research task is partially met.**



## RESEARCH TASK 2

### THE STRUCTURE OR DESIGN OF THE PROGRAM TO ACCOMPLISH ITS GOALS AND OBJECTIVES.

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets this research objective.

The Facilities Planning, Transportation, and Information Systems Departments demonstrated program organizational structures with clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. Staffing levels and workloads were adequate for the departments except for Transportation. Bus driver positions have a vacancy rate of approximately 20% and it takes an average of 23 days to fill a vacancy. Bus drivers have a daily absenteeism rate of approximately 10 to 15 percent. The Transportation Department has 14 mechanics for 207 route buses or a ratio of 14 buses per mechanic. This ratio is lower than a common industry value of 25 to 30 buses per mechanic. The age of the current fleet is a significant contributor to the lower than expected bus to mechanic ratio. The current fleet is 14 years old on average, which implies a 28-year replacement cycle. To address these issues, Transportation should undertake two (2) separate assessments for their department's staffing needs: (1) Determine whether current pay and compensation packages should be revised to improve flexibility in pay rates required to bolster recruitment from the area; and, (2) explore the use of dedicated personnel who are assigned specifically to recruit bus driver positions. Additionally, the District should undertake an efficiency and effectiveness study of fleet management and maintenance services.

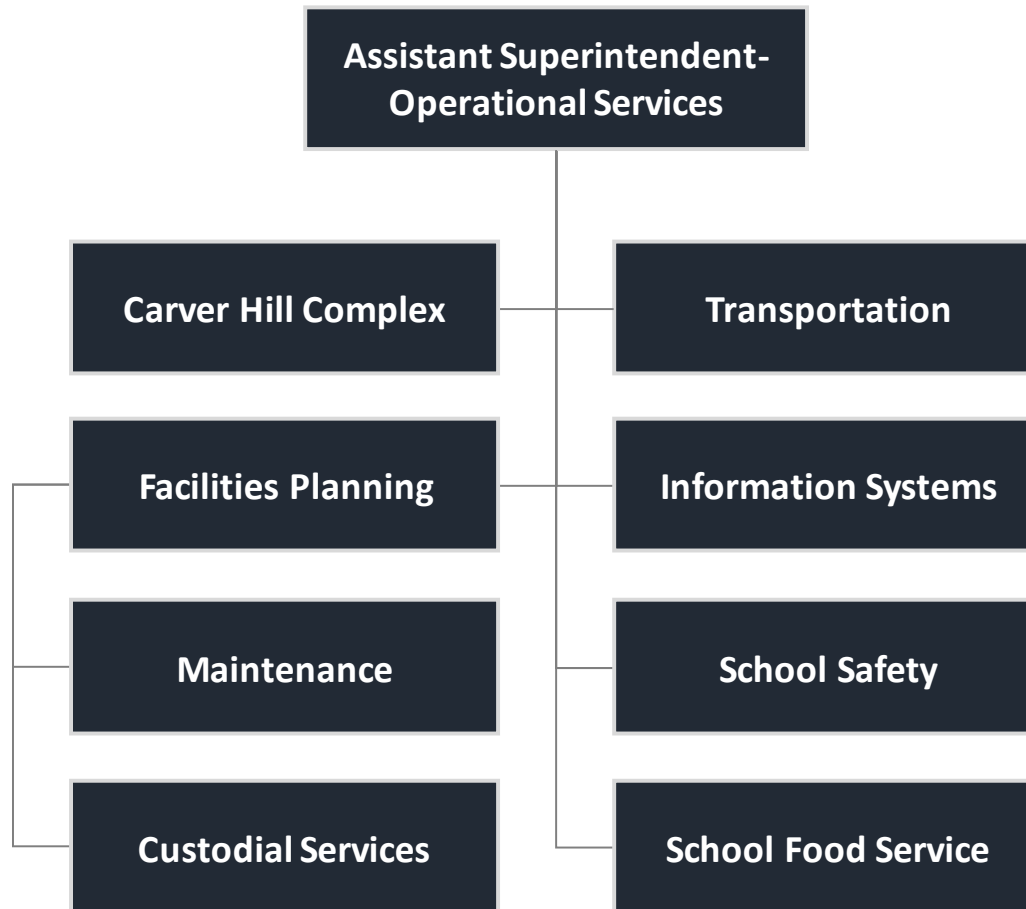
## RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS

**SUBTASK 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.**

To address the requirements of this subtask, the MJ Team reviewed the Okaloosa County School District's high-level and department level organizational structure. The Assistant Superintendent-Operational Services has oversight responsibility for eight (8) organizational units including the District's Facilities Planning, Transportation, and Information Systems Departments.

**Figure 2-1** below presents the departments that report to the Assistant Superintendent-Operational Services.

**FIGURE 2-1**  
**ORGANIZATIONAL STRUCTURE OF OKALOOSA COUNTY SCHOOL DISTRICT**



*Source: Okaloosa County School District Human Resources Department.*

Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff.

When comparing the District's organizational chart span of control for Operations, the organizational charts throughout this section show that the span of control for all organizational units fall within the suggested Society for Human Resource Management (SHRM) guidelines as shown in **Figure 2-2**. For example, the Assistant Superintendent-Operational Services has eight (8) direct reports, which falls in the 75<sup>th</sup> percentile for executive level (director) subordinate positions suggested by SHRM. The Facilities, Transportation and Information Systems Directors all have ten (10) or fewer direct reports, which also falls within the SHRM guidelines.

**FIGURE 2-2  
SPAN OF CONTROL DATA – NATIONAL BENCHMARKS**

Management Level	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile	Average
	Number of Direct Reports			
Executive Level	4	5	8	7
Middle Management	5	8	14	12

*Source: Society for Human Resource Management, Human Capital Benchmarking Report, December 2017.*

## ***Organizational Structure***

### **FACILITIES**

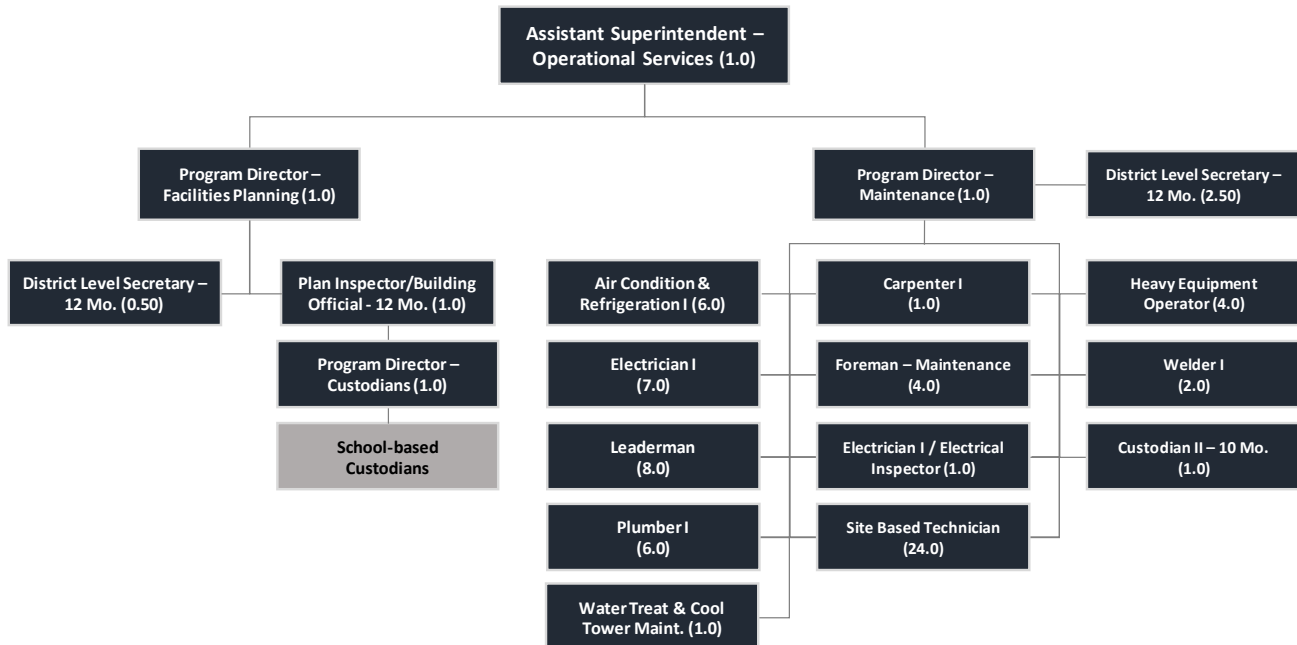
**Facilities Planning** is overseen by the Program Director and is responsible for planning and implementing the District's facilities services program and coordinating delivery of services that ensure administrative buildings and schools are safe, clean, and attractive. Facilities planning also develops building utilization criteria related to whether identified facility needs are to be met by standard or contract maintenance procedures or construction projects.

**Maintenance** is managed by the Program Director who supervises crews in three (3) operating zones to ensure quality performance of preventive, routine, and emergency maintenance on all buildings and facility systems in accordance with industry standards.

Each operating zone location is assigned a site-based technician to handle work orders for that campus, though some are not full time. Some campuses share a technician based on the size or age of the facility and the work order volume, and the District reviews work order volume to determine if staffing needs to be adjusted. Budget limitations prevent the District from hiring additional maintenance personnel, which makes it difficult to shift support from one campus to another without significantly reducing the efficiency at the first campus. When work order volume requires it, the District uses a triage approach to ensure priory needs are addressed timely.

**Custodial Services** are overseen by the building inspector position that reports to the Facilities Planning organization unit. The District uses a weighted formula that combines building needs (i.e., number of classrooms, number of teachers, number of students, type of school, number of students at the school) and square footage of buildings to determine the number of custodial positions required. As shown in **Figure 2-3** below, the Facilities organizational structure is overseen by the Assistant Superintendent-Operational Services.

**FIGURE 2-3**  
**FACILITIES ORGANIZATIONAL STRUCTURE**

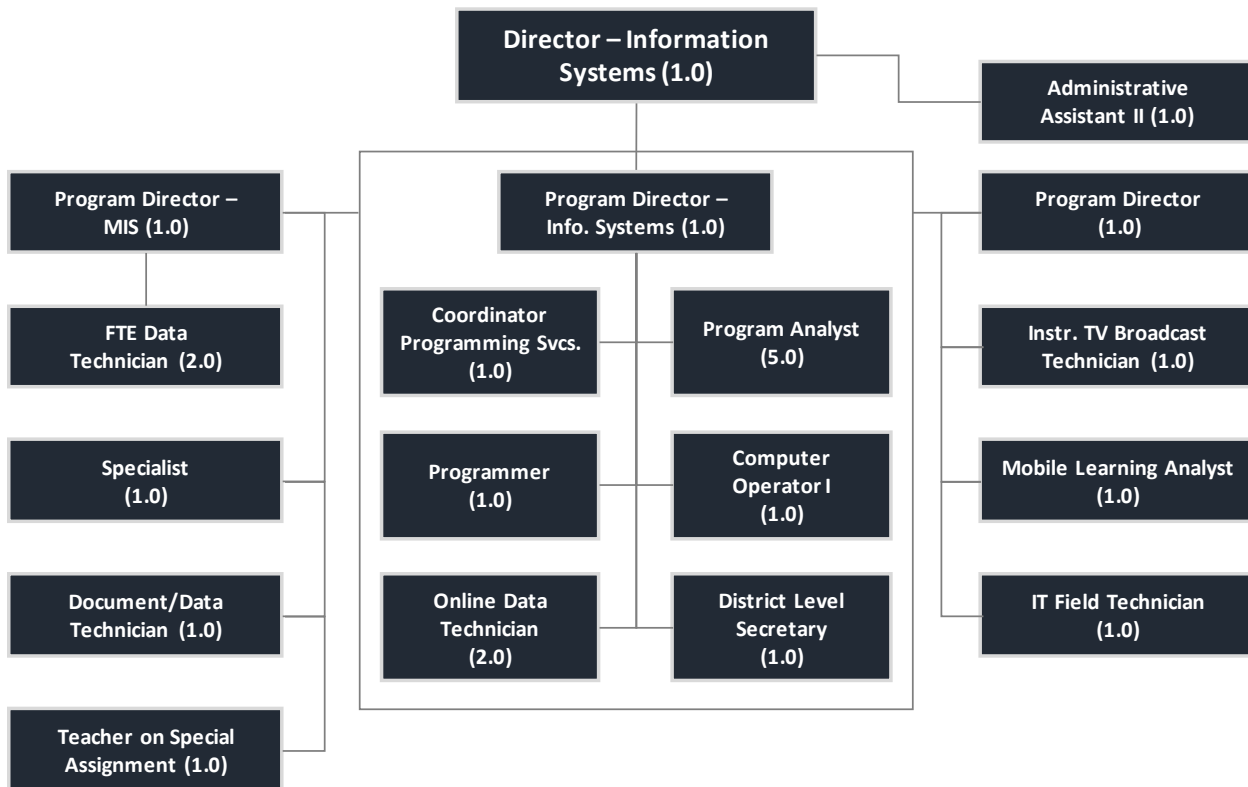


Source: Okaloosa County School District Human Resources Department.

## TECHNOLOGY

Information Systems is responsible for the District’s technology-related matters and is managed by the Program Director. The department is organized into three (3) functional units: Management Information Systems (MIS), Information Systems, and Instructional Technology. An Administrative Assistant supports the department. MIS is staffed with a Data Technician, Specialist–Seat Management Administrator, Document Technician, and Special Assignment Teacher. Information Systems is staffed with a Coordinator for Programming Services, Programmer Analysts, Programmer, Computer Operators, Online Data Technician, and Secretary. Instructional Technology is staffed with an Instructional TV Broadcast Technician, IT Field Technician, and a Mobile Learning Analyst. **Figure 2-4** presents the District’s organizational structure for the Information Services Department.

**FIGURE 2-4**  
**INFORMATION SERVICES ORGANIZATIONAL STRUCTURE**



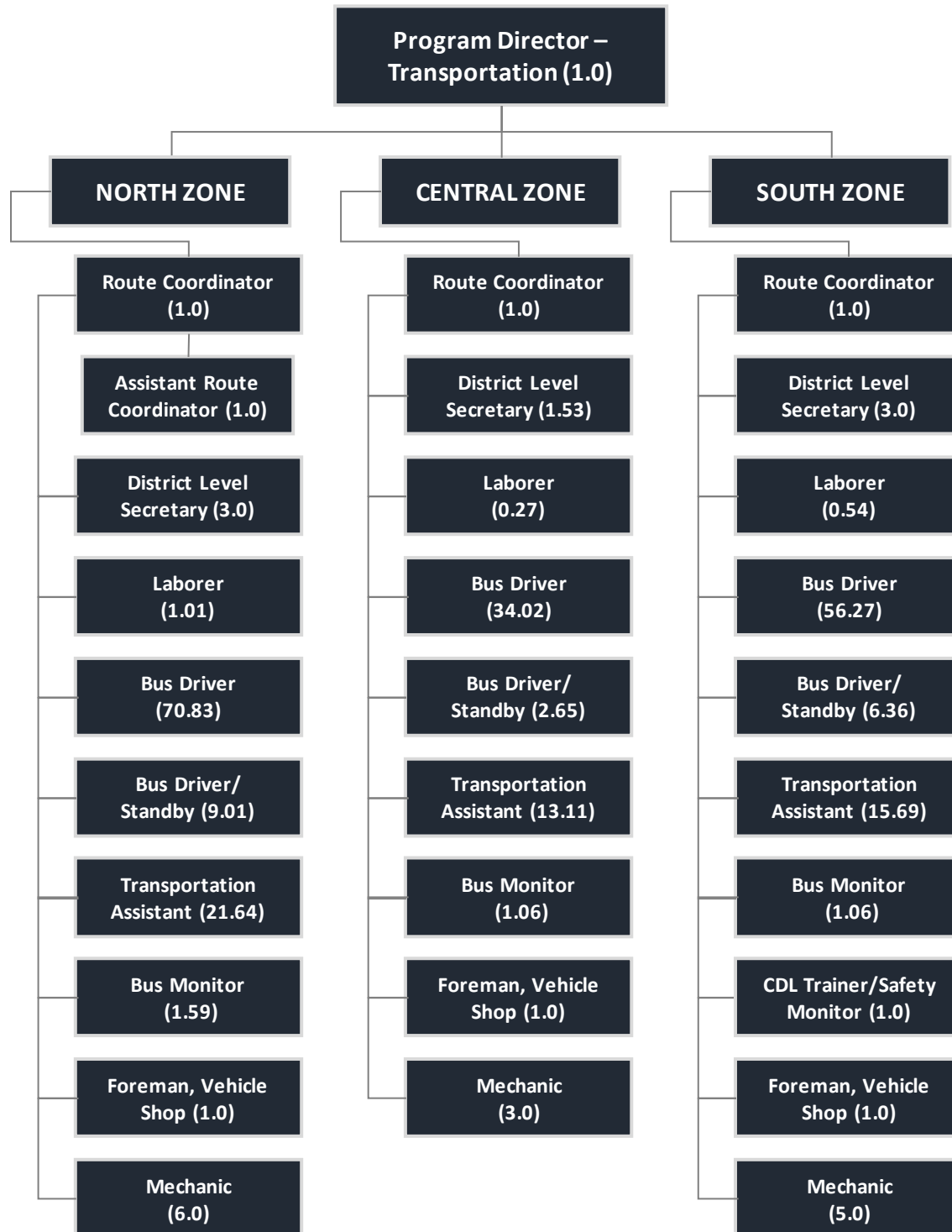
Source: Okaloosa County School District Human Resources Department.

## TRANSPORTATION

Transportation Department's daily operations are the responsibility of the program director. The department is organized into three (3) geographic zones and is administratively lean. Each of the three (3) zones is staffed with a route coordinator. In the North region, which has the most buses there is also an assistant route coordinator. In the North and South regions there are secretaries that help with routing. The Council of Great City Schools' 2012 report on Managing for Results indicated that the median number of buses managed by a route planner was 88. Okaloosa County's route planner ratio is 96 buses per route planner. This structure and personnel complement is appropriate for the Department.

**Figure 2-5** presents the District's high-level organizational structure related to the Transportation Department's functions.

**FIGURE 2-5**  
**TRANSPORTATION ORGANIZATIONAL STRUCTURE**



Source: Okaloosa County School District Human Resources Department.

## SUBTASK 2.1 CONCLUSION

Based on the analysis performed, Facilities, Transportation, and Information Systems organizational structures have clearly defined units and lines of authority, and no overlapping functions. Additionally, the managerial span of control ratio to subordinates for all three (3) departments falls within SHRM guidelines, which suggests reasonable administrative layers. Therefore, the subtask is deemed to be met.

### SUBTASK 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.

To address the requirements of this subtask, the MJ Team reviewed the Okaloosa School District's staffing and workload rationale provided by the Assistant Superintendent-Operational Services and Facilities Planning, Maintenance, Transportation, and Information Systems Program Directors.

The MJ Team's assessment of these areas is outlined below.

#### *Program Staffing and Workloads*

##### **FACILITIES**

**Facilities Planning** is managed by the program director and is supported by the building inspector and a .5 FTE secretary. To augment Facilities Planning services, the District contracts with the Total Program Management (TPM) vendor to procure staff to complete building/renovation projects, and the Facilities Planning program director oversees this contract. This way, staff positions are only utilized and funded as needed, which reduces unnecessary cost. For example, the District has been converting schools to single point of entry, which has resulted in some construction work. The TPM is responsible for providing staff to accomplish those tasks. The cost of each project is presented to the District and to the school board for approval in the form of a guaranteed maximum price and includes all costs, including labor. This guaranteed maximum price is validated by an outside, independent firm with experience in costing out projects. Workloads are not monitored for contracted third party management staff since contract costs are agreed upon prior to work being performed.

**Maintenance** is organized into three (3) operating zone locations, and each is assigned a site-based technician to handle work orders for that campus, though some are not full-time. The total number of Maintenance staff is 32, which includes one (1) administrative position. Some campuses share a technician based on the size, age of the facility, and the work order volume associated with the facility. The District determines maintenance staff workloads by the number of preventive, regular/routine, and emergency work orders and the timeframe (backlog) for completion. Approximately 1,500 work orders are completed by operating zone each school year. Staffing levels are adjusted as work order volume and backlog dictate. The required number of Maintenance staff depends on both the complexity and number of

workorders completed. The formula that the District uses to determine the number of staff is appropriate based on facilities best practices outlined in CGCS' benchmark data.

**Custodial Services** clean 37 schools and 3,146,489 square feet of building space. Custodial cleaning formulas are developed by the program director for Facilities Planning and the Program Director – Custodial Services. Based on the application of the custodial staffing formula provided by Facilities Planning, the District is budgeted to have 168.98 custodians and is currently staffed with 165.03 custodians. The number of custodians assigned to each building ranges from 1 to 10 full-time equivalent (FTE) staff depending on the size of the building. A review of the application of the custodial staffing formula by school shows that most of the District's 37 schools are within .25 FTE range (lower of higher) of being within the desired staffing level.

Once the number of custodians is assigned to a school, workloads are primarily dictated by school principals. Principals have some flexibility within their site-based custodial staffs to adjust staffing levels as long as it is cost neutral. For example, custodial cleaners are 3.5 hour positions and schools may exchange part-time cleaners for full-time custodial cleaners if they believe it will have a positive impact on the cleanliness of the school. Those requests are approved by the Program Director-Custodial Services and the Assistant Superintendent-Operational Services as long as they are cost neutral. Principals have a discretionary budget at the school level that could be used to provide additional custodial support.

## TECHNOLOGY

**Management Information Systems** which is responsible for infrastructure support (network, servers, and databases) has a staffing level of six (6). Information Systems which has the responsibility for analysis and programming has a staffing level of thirteen. Instructional Technology with responsibility for supporting classroom instruction and mobile learning has a staffing level of four. Due to high turnover in the computer support technician position, computer technical support has been outsourced with approximately 30 contracted employees providing this service.

Based on a Hanover Research Council research study, there is no clear benchmark or standard for the number of information technology staff members found in school districts. This is explained in part because of the different scopes found within district technology departments.

However, their research discovered that the Connecticut State Department of Education (CSDE) collects and publishes district-level data on number of employees classified as technical staff. Their most recent district enrollment and staffing figures are school districts with enrollments of 2,000 to 4,999 students reported an average of 4.9 full-time equivalent technical staff members. Extrapolating this for a district of 32,000 results in a staffing level of 31 ( $32,000/4,999 \times 4.9=31$ ) at the low-end and 78 ( $32,000/2,000 \times 4.9=78$ ) at the high-end. The District's information technology staff of 23 in-house and 30 outsource members that equals 53 falls well within the average range of the CSDE study.



Staff workloads are managed and handled according to the type and number of technology work requests received. The outsourcing of computer technical support using the seat management approach has reduced the in-house staff workload and cost.

## TRANSPORTATION

**Transportation** staffing structures are reasonable for an operation of this size, with the possible exception of mechanics as discussed below. Administrative staff provide general support to manage the 30 to 90 drivers at each location and the daily administrative activities associated with fleet maintenance such as order tracking and follow up. While no defined criteria are available to determine how many administrative positions are appropriate or required, the number of activities at each location necessitate administrative support. Key positions associated with bus routing are within expected guidelines of 96 routes per planner versus the median value of 88 provided by the Council of Great City Schools in its *Managing for Results* report in 2012. Key training positions are established and administrative staffing at each location are appropriate with a single secretary position available.

Fully staffing the organization has been a challenge. The bus driver position has a vacancy rate of approximately 20% and it takes an average of 23 days to fill a vacancy. Bus drivers have a daily absenteeism rate of 10 to 15 percent. The bus driver vacancy and absenteeism rates are typical for school districts according to a 2017 survey by the National Association for Pupil Transportation that indicated that 73 percent of responding districts had driver shortages of 6 percent or greater. Of this total nearly 40 percent indicated their shortage was between 6 and 11 percent. These values have been a persistent problem in the industry since at least 2012. Typical passive efforts including relying on referrals, using signs displayed on buses, and low visibility advertisement on the District's Transportation Department website links on websites have proven to be ineffective at addressing the issue of driver recruitment across the nation.

Two (2) recruiting strategies the District could use to reduce bus driver staffing shortages follow: 1) Increasing driver pay scales to make salaries more competitive and eliminating employee benefits for potential staff who do not need them may attract retired military personnel from the area who already have healthcare coverage but desire a higher rate, and 2) Establishing dedicated recruiting teams that increase the amount of active outreach to bus drivers may decrease shortage concerns.

Additionally, increasing bus driver attendance rates requires a highly coordinated effort with human resources staff to incentivize attendance within the parameters of each bargaining unit. The Department has collaborated with Human Resources to discuss compensation alternative packages, but no changes have been made to date. In conjunction with the recommendation included in Section 3.4, additional collaboration should occur to determine the viability of alternative strategies to address the driver shortage issue.

Based upon the Council of Great City Schools and U.S. Air Force metrics, as well as MJ team member experience in the transportation industry, the Transportation Department's staffing ratios are typical for school districts, except for mechanics. The total number of staff is 312, which includes five (5) administrative positions. The Transportation Department has 14 mechanics for 207 route buses or 14 buses per mechanic. This ratio is lower than a common industry value of 25 to 30 buses per mechanic as reported in the industry trade magazine School Transportation News. When determining the appropriate mechanic ratio, it is necessary to consider a variety of factors including hours of operations, facility size and equipment, preventive maintenance and inspection intervals, the volume of outside services, mechanic experience, and warranty services. The Department has chosen to provide most services using internal staff which helps explain the lower than common value. The age of the current fleet is a significant contributor to the lower than expected ratio. The current fleet is 14 years old on average, which implies a 28-year replacement cycle if fleet replacement was normally distributed. **Figure 3-14** in Task 3 shows the distribution of the fleet age and indicates that 2003 and 2004 are the most common model years in the fleet. This demonstrates that the most common units in the fleet are already older than the 12 to 15-year recommended replacement cycle provided by the National Association of State Directors for Pupil Transportation Services.

## SUBTASK 2.2 CONCLUSION

In summary, the District's Facilities, Information Systems, and Transportation staffing levels are adequate except for bus driver positions. Bus driver staffing levels are low and workloads for mechanics are high in the Transportation Department. Moreover, Transportation lacks an adequate assessment to determine staffing needs. An assessment would also include a review of current pay and compensation packages to determine whether revisions and/or flexibility is required to recruit from the area.

Workloads for Facilities, Information Systems, and Transportation are adequate except for the Transportation mechanic position. To address this issue, the Transportation Department should undertake an efficiency and effectiveness study of fleet maintenance services. The goal of this effort should be to determine the degree to which a change in fleet composition through the purchase of new buses should change staffing ratios in each of the shop locations. Included in this assessment should be a review of existing tooling and shop capacity to determine whether additional services should be provided by outside vendors. Based on the analysis performed, Subtask 2.2 is partially met.

## RECOMMENDATION 2.2

Evaluate bus driver recruiting and onboarding process to determine how to attract additional applicants and evaluate the efficiency and effectiveness of fleet maintenance services.

**Overall Research Task 2 Conclusion: Based upon the work and conclusions reached for the two (2) subtasks, we deem that this research task is partially met.**

## RESEARCH TASK 3

### ALTERNATIVE METHODS OF PROVIDING SERVICES OR PRODUCTS.

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets Task 3.

The District’s facilities and technology functions have formally evaluated existing in-house services to assess the feasibility of alternative delivery methods; assessed the effectiveness and cost-savings achieved for contracted services; assessed and changed service delivery methods to reduce costs; and consulted with peer and neighboring school districts to assess possible opportunities for alternative service delivery methods to significantly reduce cost. The District’s transportation program administrator has not formally assessed outsourcing to determine the potential cost savings or service improvements associated with alternative services for the department as a whole or for specific targeted services. Limited outsourcing of towing services, paint and body, glass repair, and tire mounting services provides an example of how an evaluation can determine the value of alternative service offerings. The Transportation Department has utilized the tools available to it to craft alternative service delivery methods to increase service offerings without increasing the number of buses or buses used in the operation. A short-term strategy of acquiring used buses from neighboring counties is an example of the use of an alternative service delivery option that has mitigated but not remedied structural issues that are impacting the cost and quality of operations. The Department continues to consider options for the use of alternative services, but more formal processes should be considered to fully evaluate the viability of outsourcing systemic or targeted services.

## RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS

**SUBTASK 3.1 – Determine whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.**

### FACILITIES

To address the requirements of this subtask in the Facilities subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Program Director-Facilities Planning; Program Director-Maintenance; Chief Financial Officer; and Specialist-School Safety. The information obtained during the interviews and review of the documentation provided



revealed that the District has made the decision that capital construction projects will be justified and worked under the Total Program Management (TPM) methodology.

TPM is a school board directed and approved program that provides the District with services that include design and all aspects of construction within a guaranteed maximum price (GMP). For TPM projects, a board member is designated to serve as owner. Projects that fall under TPM include new construction, major renovations, roof replacements, and disaster repairs. TPM is managed by an outside contractor selected through a competitively bid process. The steps of the District's TPM methodology are:

- TPM contractor prepares a document that consists of pre-GMP development costs and the proposed project's scope of work that's presented to the board for approval to proceed. **Figure 3-1** shows an example of a pre-GMP board approval document.
- Pre-GMP costs validated by an independent company with an acceptable variance of five per cent. **Figure 3-2** shows an example of the pre-GMP cost validation letter.
- TPM contractor prepares the final GMP for presentation to the school board for approval for the project to proceed. **Figure 3-3** shows an example of a final GMP.
- TPM uses task orders to manage project progress and costs. **Figure 3-4** shows an example of a TPM project task order.
- Any project savings will be shared (District 60%, TPM contractor 40%).

**FIGURE 3-1  
PRE-GMP BOARD APPROVAL DOCUMENT**

5/17/2019
BoardDocs® Pro

**Agenda Item Details**

Meeting	May 13, 2019 - Regular Meeting
Category	11.Construction Program/Owner's Representative's Business
Subject	11.2 TPM Program #6, Task Order #4 - Pre-GMP Baker School Kitchen Renovation, presented by Dr. Bill Smith, Specialist, Facilities Planning and Maintenance, and recommended by the Superintendent for approval.
Access	Public Type Action Preferred Date May 13, 2019
Absolute Date	May 13, 2019
Fiscal Impact	Yes
Dollar Amount	<b>80,000.00</b>
Recommended Action	Motion to approve TPM Program #6, Task Order #4 -Pre-GMP Baker School Kitchen Renovation in the amount of \$80,000.00.

**Public Content**

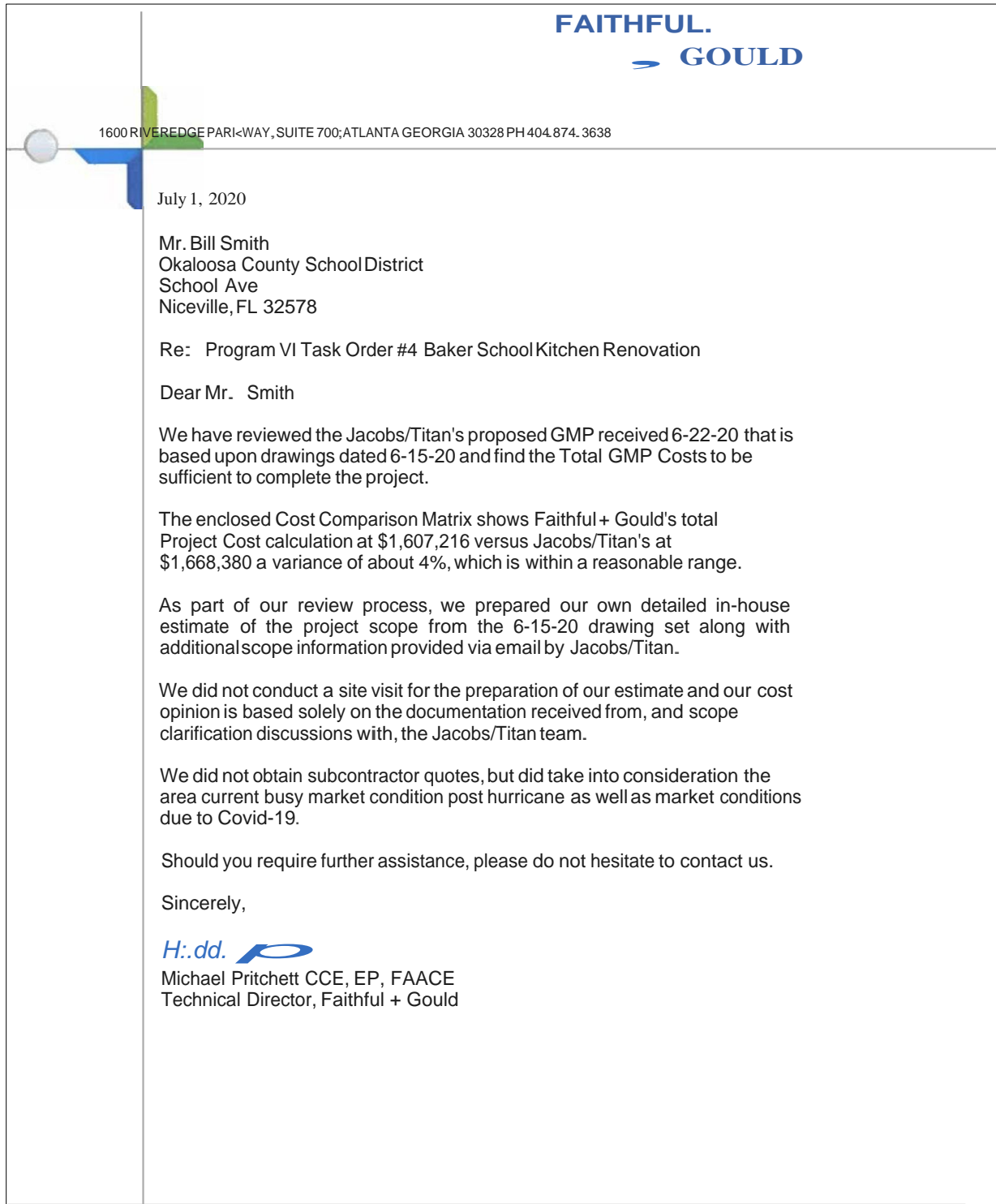
Approval is requested for Program #6, Task Order #4, and Baker School Kitchen Renovation.

The preliminary estimate of Pre-GMP costs for this project is \$80,000. The scope of this project will require engineers and consultants to perform designs and analysis that are more elaborate than normal classroom renovation projects and this estimate reflects the possible inclusion of a food service equipment consultant and/or electrical load analysis and metering efforts.

The scope of work for this project consists of the renovation of the existing Baker Kitchen area within the existing perimeter walls. The intent of the renovation is to double the serving line capability and to allow the current serving equipment that is located in the Dining Area to be moved within the kitchen/serving line area. This reconfiguration will require wall demolition and a complete redesign of the layout as well as supporting systems such as HVAC, Plumbing and Electrical. We will re-purpose the existing walk-in cooler/freezer area to house cooking equipment and a new hood. The newly installed exterior cooler/freezer will support the Kitchen going forward. A substantial portion of the design work will center on resolving the existing electrical distribution and service issues. A load analysis will be performed to identify potential solutions for the electrical load shortfall.

Source: Okaloosa County School District Facilities Department, July 2020.

**FIGURE 3-2**  
**TPM PROJECTED COSTS THIRD-PARTY VALIDATION**



Source: Okaloosa County School District Facilities Department, July 2020.

**FIGURE 3-3**  
**TPM FINAL GMP BOARD APPROVAL**

<p><b>ACOBSITITAN</b></p>	<p>Jacobs/Titan, A Joint Venture School District of Okaloosa County Program Office 70 Ready Avenue NW, Ft Walton Beach, FL 32548 850.897.8115 FAX 850.897.0123</p>
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June 22, 2020

Honorable Tim Bryant, Board Chairman  
Honorable Dewey Destin, Board Member and Owner's Representative  
School District of Okaloosa County  
120 SE Lowery Place  
Ft. Walton Beach, FL 32548

RE: Guaranteed Budget Limitation Proposal, Okaloosa Schools Program Phase VI  
Task Order #4 – Baker School Kitchen Renovation Project

Dear Honorable Tim Bryant and Honorable Dewey Destin:

Jacobs/Titan is pleased to furnish our Guaranteed Budget Limitation for Task Order #4 Baker School Kitchen Renovation Project in the amount of One Million Six Hundred Sixty-Eight Thousand Three Hundred Eighty Dollars (\$1,668,380.00) for the Okaloosa Schools Program Phase VI. The Pre-GMP for this task was previously authorized in the amount of Eighty Thousand Dollars (\$80,000.00). The Owner Direct Purchase (ODP) of Kitchen Equipment for this task is One Hundred Eighty-Nine Thousand Six Hundred Seventy-Four Dollars (\$189,674.00). Our proposal is submitted in the form of Task Order #4 of our Agreement for Total Program Management Services dated November 13, 2018. This proposal will remain open for 30 calendar days from June 22, 2020.


The Total Cost of Work for Task Order #4 is recapped below:

Jacobs/Titan Guaranteed Maximum Price (GMP)	\$ 1,668,380.00
Pre-GMP Phase Services- Previously Authorized	80,000.00
Owner Direct Purchase (ODP)- Kitchen Equipment	189,674.00
<b>Total Cost of Work</b>	<b><u>\$ 1,938,054.00</u></b>


We greatly appreciate the assistance and cooperation we have received from the School Board, Superintendent, District Staff and school personnel in preparing this proposal. We are excited about the opportunity to perform this work and look forward to a successful project.

Please call at your convenience to address any questions regarding our proposal.

Sincerely,  
JACOBS/TITAN, A Joint Venture.



Joe Mastrucci - Managing Principal



Les Rose - Managing Principal

Source: Okaloosa County School District Facilities Department, July 2020.

**FIGURE 3-4**  
**TPM TASK ORDER**

# JACOBS/TITAN

## ATTACHMENT 1 – GENERAL SCOPE DESCRIPTION

### TASK ORDER #4

### BAKER SCHOOL KITCHEN RENOVATION PROJECT

Baker Kitchen Renovation- This project consists of the complete renovation of the existing Baker Kitchen. The existing area will be demolished, including all plumbing, electrical and mechanical systems as well as existing walls. System components located on the roof will be removed. The existing walk-in coolers and freezers will be removed. The existing restroom and locker area will be demolished and reconfigured to meet ADA codes.

A new floorplan that provides for an expanded serving line and A la Carte area will be constructed. The revised plan will require a new hood and all associated components. The new hood will require structural modifications to the existing precast double-tee roof sections. New structural supports will be installed at the new penetrations.

A new electrical distribution system will be installed including two (2) new panels and a new exterior, pad-mounted transformer. New HVAC units will be installed to serve the renovated area. Condensing units will be installed outside at the rear of the building.

The new walk-in coolers and freezers are located outside and will be powered by a new pole-mounted service. A new aluminum walkway cover will be installed at the exterior that provides a path to the walk-in cooler/freezer.

*Source: Okaloosa County School District Facilities Department, July 2020.*

For complex construction and maintenance projects that do not fall under TPM, they are assessed to determine whether there are ample resources in-house to do the work. The in-house technicians can do general HVAC, plumbing and ground maintenance. Otherwise, the work is contracted out through obtaining three competitive bids. For example, contractors are



used to do chiller and boiler maintenance, major roof repair, and other complex projects. The same contractors are used for annual inspection and maintenance services.

Several large programs were evaluated for outsourcing:

- **Custodial Services** – did not outsource after two-year pilot did not result in satisfactory performance (facilities were not adequately cleaned and high employee turnover due to more competitive opportunities in the area; Air Force base, hotels/condos).
- **Lawn Care** – outsourced replacing custodial staff and eliminating purchase and maintenance of lawn equipment.
- **Pest Control** – outsourced to consolidate and standardize specifications across the District reducing costs.

The District has outsourced school physical security through a contract with the Okaloosa Sheriff Department. Each school campus has a deputy(s) assigned to serve as a School Resource Officer (SRO). The cost for SRO's is shared between the District and the Sheriff's Department that's negotiated annually based on:

- Duties and responsibilities,
- Cost of operations, and
- Statement of work (must be backed by s. 1006.12, *Florida Statutes*).

Based on the analysis performed, the District's facilities program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determined the reasonableness of their conclusions. Once a determination is made to use TPM, a formal process is used to obtain board approval to proceed and manage the project's tasks. Based on the personnel resources and funds available, the District's evaluations and conclusions were reasonable to get the most services and products provided. Therefore, the subtask is deemed to be met in the Facilities subsection.

## TECHNOLOGY

To address the requirements of this subtask in the Technology subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Director-Information Services; Chief Financial Officer; and Program Director-Purchasing. The information obtained during the interviews and review of the documentation provided revealed that formal processes are used to identify and evaluate technology projects. Many programming requests come through the help desk system. Those requests are evaluated to determine whether to program in-house or buy a software product. If the decision is made to do the programming in-house, the following project/program management steps are taken:

- Programmer meets with the requester to better understand the requirement.
- Program directors and/or programmers meet to determine path forward.
- Estimate developed for programming and implementation timeline.

- Proof of concept prepared and conducted.
- Upon 80-95% completion, conduct second proof of concept.
- Beta test run, if desired.
- Changes made as necessary.
- Implemented in production districtwide.

In 2003, experiencing high turnover in the hardware technician position, the District evaluated outsourcing computer hardware support. The evaluation revealed that outsourcing of hardware support was feasible using the seat management approach that would provide an acceptable level of support at a reduced total cost of ownership (TCO). The seat management approach provided the following

- An integrated approach to delivering end user systems and services under a single offering or seat price.
- Hardware, software, peripherals, support and Local Area Network (LAN) connectivity included in a single per seat price.
- Systems refreshed on a recurring scheduled basis (three (3) years for laptops and four (4) years for desktops).

The District's evaluation of the seat management approach revealed the following benefits:

- Provides for more effective use of operational funds.
- Allows teachers to focus on educating.
- Lowers Total Cost of Ownership (asset acquisition, tracking, disposal, support).
- Scheduled and regular refresh of systems.
- Consistent and increased level of technical support.

Analysis of the District's projected TCO after implementing seat management against industry entities and the current District TCO revealed that it would be at a reduced level. **Figure 3-5** shows the District's TCO analysis results.

**FIGURE 3-5**  
**ANALYSIS OF TOTAL COST OF OWNERSHIP**

TOTAL COST OF OWNERSHIP ANALYSIS	
Organization	Total Cost of Ownership (TCO) Estimate Per Computer (Per Year)
CIO Magazine & Gartner Group Industry Studies	\$10,000 - \$13,000
International Data Corporation (IDC) Study for Education	\$5,000 - \$6,000
Denver Public Schools	\$3,943
Current Okaloosa County School District Current (2004)	\$3,130
<b>Projected Okaloosa County School District (2004)</b>	<b>\$3,054</b>

Source: Okaloosa County School District Information Services Department, July 2020.

Based on the TCO analysis and the projected benefits, in 2004 the District entered into a five-year, with a five-year option, seat management contract with Titan Corporation.

Prior to seat management, the standard desktop seat cost (hardware, software, and support) was estimated at \$30 per month. Under seat management, the standard desktop seat cost was reduced to \$16 per month.

Being satisfied with the seat management results; in 2014 the District re-evaluated and renewed the seat management contract with L-3, Incorporated (previously Titan Corporation). **Figure 3-6** shows the criteria used to evaluate and select the seat management contractor.

**FIGURE 3-6**  
**SEAT MANAGEMENT CONTRACTOR SELECTION RESULTS**

SEAT MANAGEMENT CONTRACTOR SELECTION RESULTS			
Evaluation Criteria	Maximum Points	Edcovation, LLC	L-3, Inc. STRATIS
<i>Overall capability to provide the services and requirements described with this RFP.</i>	150 points	110	145
<i>A successful history in government outsourcing.</i>	75 points	70	75
<i>The financial stability necessary to support Information Technology Seat Management for 5-7 years.</i>	50 points	24	50
<i>The ability to serve as Prime Contractor and act as a single point of contact for the services described in this RFP.</i>	50 points	38	49
<i>Vendor must meet or exceed all existing OCS D security requirements in conformance with state and federal regulations.</i>	50 points	47	48
<i>The ability to provide experienced personnel including key personnel.</i>	125 points	96	119
<i>Vendor demonstrates the ability to accept the transfer of ownership/lease of the current District's IT assets?</i>	Yes/No	Yes	Yes
<b>Total Points</b>	<b>500 points</b>	<b>393</b>	<b>486</b>
Additional Selection Criteria		Edcovation, LLC	L-3, Inc. STRATIS
<i>Estimated Monthly Cost Using Current Seat Numbers including Managed, Support, and WAN</i>		\$443,150.03	\$528,757.51
<i>Ability to meet all requirements in this RFP?</i>	Yes/No	Yes	Yes

Source: Okaloosa County School District's Information Services Department, July 2020.

Based on the analysis performed in 2014, the District's technology program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization. Based on the lack of availability of technical personnel and the reduced TCO for computing resources, the District's evaluations and conclusions were reasonable to provide the best products and service delivery at a reduced cost. Therefore, the subtask is deemed to be met in the Technology subsection.

## TRANSPORTATION

To address the requirements of this subtask in the Transportation subsection, the MJ Team conducted interviews and reviewed available expenditure and operations reports. The interviews and the reports are detailed in **Figure 3-7** below.

**FIGURE 3-7**  
**INTERVIEWS CONDUCTED AND REPORTS REVIEWED**

Information Sources
<ul style="list-style-type: none"> <li>• Interview of the Assistant Superintendent-Operational Services and Director-Transportation, 7/14/2020</li> <li>• Expenditure and operations reports: <ul style="list-style-type: none"> <li>• Bus fleet inventory</li> <li>• Driver absence history</li> <li>• Florida Department of Education Annual Transportation Profile-Fiscal Year 2018</li> <li>• Expenditure reports</li> </ul> </li> </ul>

*Source: Team MJ interviews.*

The Transportation Department (the Department) has not conducted or commissioned a formal review of outsourcing transportation services in the recent past. Internal discussions have occurred about the viability of outsourcing, but they have not led to any formal assessment about the cost or service implications of an alternative service for the organization in its entirety. Targeted outsourcing opportunities for specific services have been informally considered but not implemented in transportation operations.

Limited outsourcing of transportation maintenance services has been implemented where equipment, tooling or training were determined to be too costly. Towing services is the primary example of services where this has been implemented, but that decision was made years ago. Interviews indicated that there was a structured analysis of the cost of acquiring and staffing a district operated tow truck. This analysis was coupled with a review of towing history, and it was determined that it would be more cost effective to contract for towing services without reducing service quality. The description provided during the interviews indicated that the Department considered the full cost of acquisition and staffing for a new tow vehicle and the limited volume of service to conclude that on a cost per instance basis, the costs of owning and operating the tow vehicle was substantially higher than if the services were outsourced. MJ concludes that there are no issues with the analysis or structure of the contracting process for this service.

Based on the analysis performed, the Transportation Department continues to be considerate of the use of contract services for both systemic and targeted opportunities. However, there have been no recent formal efforts to evaluate the viability of contracting and privatizing transportation and fleet maintenance services. Overall, this Subtask 3.1 is deemed to be partially met in the Transportation subsection.

### SUBTASK 3.1 CONCLUSION

Based on the analysis performed, facilities program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services. Once a determination is made to use TPM, a formal process is used to obtain board approval to proceed and manage the project's tasks. Based on the personnel resources and funds available, the facilities management evaluations and conclusions were reasonable to maximize services and products provided. Therefore, with respect to Facilities, Subtask 3.1 is deemed to be met.

With respect to technology, a formal evaluation was performed to select and implement the seat management program that reduced the TCO for computers and increased technology support satisfaction. Therefore, for Technology, Subtask 3.1 is deemed to be met.

Transportation services have not been formally evaluated for outsourcing. The Department should perform a full evaluation of outsourcing options in both transportation and maintenance services. Therefore, for Transportation, Subtask 3.1 is deemed to be partially met.

Therefore, overall, Subtask 3.1 is deemed to be partially met.

### RECOMMENDATION 3.1

Conduct a formal assessment to determine the feasibility of outsourcing key services provided by the Transportation Department. The analysis should formally address the cost of transportation and maintenance services individually and collectively. This would allow for an assessment of which services might be more efficiently or effectively provided by alternative service providers. The outsourcing assessment should include the value that private vendors could offer as a supplement to rather than just a replacement for district provided services.

**SUBTASK 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.**

### FACILITIES

To address the requirements of this subtask in the Facilities subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Program Director-Facilities Planning; Program Director-Maintenance; Chief Financial Officer; and Specialist-School Safety. The information obtained during the interviews and review of the documentation provided revealed program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved. For each TPM project, a board member is assigned as the project owner. A regular monthly TPM project meeting is held to review project timelines and statuses. The attendees at the meeting are:

- TPM Project Board Member Owner
- School Board Attorney
- Chief Financial Officer
- Assistant Superintendent-Operational Services
- Program Director-Facilities Planning
- Program Director-Maintenance
- TPM Project Manager

A task order spreadsheet is used to capture and report cost as the project progresses. To reduce project cost, Owner Direct Products (ODP) are provided by the District as appropriate. ODPs are manufactured engineered items that the State of Florida allows the District to save six percent sales tax on purchases. Per the TPM contract, any project savings are shared between the District (60%) and TPM contractor (40%). **Figure 3-8** shows for a TPM project the task orders with combined shared savings of \$212,741.

**FIGURE 3-8**  
**TPM PROJECT TASK ORDER SHARED SAVINGS**

TPM PROJECT TASK ORDER SHARED SAVINGS				
Project Task Order	School District Shared Savings (\$) (60%)	Contractor Shared Savings (\$) (40%)	Combined Shared Savings (\$) (100%)	Comments
13	\$1,005	\$670	\$1,675	
14	\$1,791	\$1,194	\$2,985	
15	\$8,536	\$5,691	\$14,227	
16	\$146	\$97	\$243	
17	\$14,384	\$9,590	\$23,974	
18	\$74,719	\$49,813	\$124,532	
19	\$28,623	\$0	\$28,623	Return to General Fund
20	\$8,642	\$5,761	\$14,403	
21	\$1,247	\$832	\$2,079	Return to Richbourg Internal Funds
<b>TOTAL</b>	<b>\$139,093</b>	<b>\$73,648</b>	<b>\$212,741</b>	

Source: Okaloosa County School District Facilities Department, July 2020.

Based on the analysis performed, the District's facilities program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved. The realized shared savings in the TPM balance indicates the decision to outsource or privatize services was a reasonable conclusion. Therefore, the subtask is deemed to be met in the Facilities subsection.

## TECHNOLOGY

To address the requirements of this subtask in the Technology subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Director-Information Services; Chief Financial Officer; and Program Director-Purchasing. The information obtained during interviews and documentation review revealed that the seat management contract includes service level agreements (SLAs) to assess the effectiveness and cost savings of the provided services. The SLA's are divided into three (3) categories:

- End-user Platform Services.
- Enterprise Operations.
- Software Services.

Figure 3-9 shows what is included within each SLA category.

**FIGURE 3-9**

### SEAT MANAGEMENT SERVICE LEVEL AGREEMENT CONTENT

SEAT MANAGEMENT SERVICE LEVEL AGREEMENT CONTENT	
Service Level Agreement Category	Technology Services Included
<b><i>End-user Platform Services</i></b>	<ul style="list-style-type: none"> <li>• Help Desk and Incident Management</li> <li>• Move/Add/Change (MAC)</li> <li>• Remote Diagnostics</li> <li>• Deskside Support</li> <li>• Printer Service Support</li> <li>• Desktop Virus Protection</li> <li>• Desktop LAN/WAN Access</li> <li>• Email Support</li> <li>• Internet Access and Internet Explorer (IE) Support</li> <li>• File Server Access and Support</li> <li>• Hardware Repair</li> <li>• Microsoft Office Applications</li> <li>• Other Desktop Applications</li> <li>• New User Provisioning</li> <li>• Peripheral Support</li> <li>• Security Monitoring</li> <li>• Emergency Response Services</li> <li>• Software Distribution</li> </ul>
<b><i>Enterprise Operations</i></b>	<ul style="list-style-type: none"> <li>• Local Area Network (LAN) Support</li> <li>• Wide Area Network (WAN) Support</li> <li>• Network Monitoring</li> <li>• Firewall Support</li> <li>• Security Monitoring</li> <li>• Emergency Response Services</li> </ul>

<b>SEAT MANAGEMENT SERVICE LEVEL AGREEMENT CONTENT</b>	
<b>Service Level Agreement Category</b>	<b>Technology Services Included</b>
	<ul style="list-style-type: none"> <li>• File and Print Services</li> <li>• Correction and Detection</li> <li>• Data Backup and Restoration</li> <li>• Troubleshooting and Client Support</li> <li>• Network Operating</li> <li>• User Administration and Access Control</li> <li>• Server-Based Software Deployments</li> <li>• Web Server Services</li> <li>• Application Server Services</li> <li>• Database Server Services</li> </ul>
<b>Software Services</b>	<ul style="list-style-type: none"> <li>• Software Testing</li> <li>• Management of District Website</li> <li>• GRADES Support</li> </ul>

Source: Okaloosa County School District Information Services Department, July 2020.

The seat management contract established an annual SLA delivery goal of 85 percent for technology services. **Figure 3-10** depicts the contractor's annual delivery performance for each SLA category for the period July 2019 to June 2020.

**FIGURE 3-10**

**CONTRACTOR'S ANNUAL SERVICE LEVEL AGREEMENT PERFORMANCE**

<b>CONTRACTOR'S ANNUAL SERVICE LEVEL AGREEMENT PERFORMANCE</b>				
<b>Service Delivery Goal = 85% Annually</b>				
<b>Service Level Agreement Category</b>	<b>Restore to Service Request</b>		<b>*MAC Request</b>	
	<b>Response Time Actual</b>	<b>Resolution Time Actual</b>	<b>Response Time Actual</b>	<b>Resolution Time Actual</b>
End-User Platform Services	98.45%	89.99%	97.06%	90.88%
Enterprise Operations	96.47%	89.75%	99.02%	98.57%
Software Services	88.89%	100.00%	99.23%	98.16%

Source: Okaloosa County School District Information Services Department, July 2020.

\*MAC stands for Moves/Adds/Changes.

As depicted in **Figure 3-10**, the SLA delivery goal was met for all categories.

In assessing the seat management program, the District found that by using capital funds instead of general revenue funds to lease computer hardware it could return an estimated \$500,000 to \$1,000,000 back to the schools.



Based on the analysis performed, the District’s technology program administrators have assessed contracted and/or privatized services to verify effectiveness and cost savings achieved. Seat management is a proven approach for providing technology infrastructure support at a reduced cost. This approach has been adopted by many agencies such as the United States State Department and Montgomery County, Maryland. The District’s realized success and cost reduction of the seat management program validates the reasonableness of their conclusions. Therefore, the subtask is deemed to be met in the Technology subsection.

## TRANSPORTATION

To address the requirements of this subtask in the Transportation subsection, the MJ Team conducted interviews and reviewed available expenditure and operational data. MJ evaluated the scope of any outsourcing assessments and the reasonableness of their conclusions.

The primary point of comparison for Okaloosa when assessing alternative services is Santa Rosa County School District. This is due to the very limited amount of outsourced transportation in the State of Florida. Two (2) school districts (Santa Rosa County School District and Duval County School District) outsource transportation operations. Orange County School District has also developed a supplemental service partnership using private vendors to address bus driver shortages.

The Department considers reports and publicly available information from Santa Rosa County School District. **Figure 1-4** in Task 1 presents data from the Florida School District 2017-18 Transportation Profiles. It demonstrates that Santa Rosa County Schools expends approximately \$1.2 million less than Okaloosa County Schools for transportation using approximately the same number of buses. Santa Rosa also transports more students and a higher percentage of students than Okaloosa. Okaloosa transports approximately 42 percent more special needs students and travels nearly 34 percent more miles for athletic events and field trips than Santa Rosa.

Santa Rosa County School District provides a lower cost of service considering the key metrics of cost per student, cost per bus, and cost per mile. This is true even when accounting for the \$543,923 reported as bus replacement expenditures in Okaloosa and the absence of any reported expenditures in Santa Rosa as a contracted district. **Figure 3-11** shows the differences between the districts.

**FIGURE 3-11**  
**OKALOOSA AND SANTA ROSA COUNTIES COST COMPARISONS**

Title	Okaloosa	Santa Rosa
Expenditures	\$13,578,144	\$12,322,896
Daily buses	207	206
Eligible students transported	13,556	14,172
Total miles	2,983,025	3,940,172

Title	Okaloosa	Santa Rosa
Cost per daily bus	\$65,594.90	\$59,819.88
Cost per student	\$1,001.63	\$869.52
Cost per mile	\$4.55	\$3.13

*Source: Florida Department of Education Annual Energy Report-Fiscal Year 2018.*

Okaloosa transports 4 percent fewer students and also travels 24 percent fewer miles than Santa Rosa. However, unit costs for Okaloosa are 10 to 45 percent higher than Santa Rosa.

Interviews indicated that the District did not believe that outsourcing transportation would provide cost savings or service improvements. The approximately 10 percent difference in total costs would be a value that could be determined through available data. Operational differences between the districts cannot be determined through the available data. Satisfaction rates, driver turnover, vendor turnover, and on-time performance would all need to be assessed to determine the source of the cost differences.

The impact of fleet age on cost differences cannot be specifically identified, but the Santa Rosa County School District contract requires an average fleet age of 12 years and the Okaloosa average age is 14 years. The bid document and contracts that serve as the source for the Santa Rosa information can be found at the following link:

[https://sites.santarosa.k12.fl.us/purchasing/bids/bids\\_active.htm](https://sites.santarosa.k12.fl.us/purchasing/bids/bids_active.htm).

The sale of the bus fleet represented a particularly troublesome consideration for the District. Selling the fleet as part of an outsourcing would create a significant impediment to any future reversal of that choice.

Based on the analysis performed, there are a limited number of issues and concerns related to program administrators' assessment of existing in-house Transportation services and activities to determine the feasibility of contracted services. The lack of a structured and formal process of assessment is a limitation of the current approach to assessing outsourcing. Specific quantitative and qualitative analysis that would clarify the potential cost savings and the service considerations would provide additional precision on the marginal differences. The lack of process does not undermine the reasonableness of the conclusion that the marginal cost savings measured against a presumed level of service disruption reduces the feasibility of outsourcing. Therefore, this Subtask 3.2 is deemed to be partially met in the Transportation subsection.

### **SUBTASK 3.2 CONCLUSION**

Based on analysis performed, facilities and technology program administrators through regular scheduled status meetings and reports assessed the effectiveness and cost-savings achieved for contracted services. The Transportation Department has not evaluated contracted services in the context of a stabilized fleet replacement strategy to determine the impact on cost and

services. A reduction in the age of the fleet can contribute to a reduction in total costs of operations. A structured replacement strategy that reduces fleet age would likely narrow the difference in costs between the District and its peers. Therefore, Subtask 3.2 is deemed to be partially met.

### **RECOMMENDATION 3.2**

Assess the impact that fleet age and costs have on the cost competitiveness of operations.

**SUBTASK 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.**

### **FACILITIES**

To address the requirements of this subtask in the Facilities subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Program Director-Facilities Planning; Program Director-Maintenance; Chief Financial Officer; and Specialist-School Safety. The information obtained during the interviews and review of the documentation provided revealed program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.

The District evaluated lawn care that was being performed by the custodial staff and made the determination it was more cost-effective to outsource the service. The evaluation revealed that not having to buy and maintain lawn care equipment would result in an annual savings of approximately \$300K if outsourced. In addition, the custodial staff would be freed up to focus on cleaning the facilities. The lawn care contract provides for cutting, edging, and blowing off sidewalks once per month on all District grounds.

The District partnered with the Okaloosa County Board of County Commissioners, Emergency Management, and the Okaloosa Sheriff's Office (Sheriff) to implement the Alertus mass communication system to improve emergency notifications. The system allows Emergency Management to broadcast emergency messages to schools and neighboring communities. At no cost to the District, the system was purchased by the Board of County Commissioners using the state contract pricing for \$1.84M. To supplement the communications capability the District standardized and bought 700 radios that resulted in a rebate of \$7,500.

Based on the analysis performed, the District's facilities program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program costs without significantly affecting the quality of services. Therefore, the subtask is deemed to be met in the Facilities subsection.

## TECHNOLOGY

To address the requirements of this subtask in the Technology subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Director-Information Services; Chief Financial Officer; and Program Director-Purchasing. The information obtained during the interviews and review of the documentation provided revealed the District purchased the source code for the outdated Terms ERP system. This action allows for the software to be modified using in-house staff thereby increasing the life of the outdated application. In-house programmers have made access to the application more end-user friendly by creating a dashboard portal. This enhancement provides the District with more time to replace the application when funds become available.

The seat management program has resulted in many changes in the delivery of services at the school level as shown in **Figure 3-12**.

**FIGURE 3-12**  
**CHANGES IN DELIVERY OF SERVICES AT SCHOOLS**

Changes in Delivery of Services at Schools
<ul style="list-style-type: none"> <li>• Schools no longer have to provide basic support for computer technology, freeing up resources</li> <li>• Guaranteed standard level of service at all schools regardless of size</li> <li>• Teachers no longer have to act as the technology contact</li> <li>• Elementary schools have the same level of technology support and service as the high schools</li> </ul>

*Source: Okaloosa County School District Information Services Department, July 2020.*

The changes in delivery of services have resulted in a higher level of technology support and service that has produced a more satisfied end-user.

Based on the analysis performed, the District's technology program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services. Therefore, the subtask is deemed to be met in the Technology subsection.

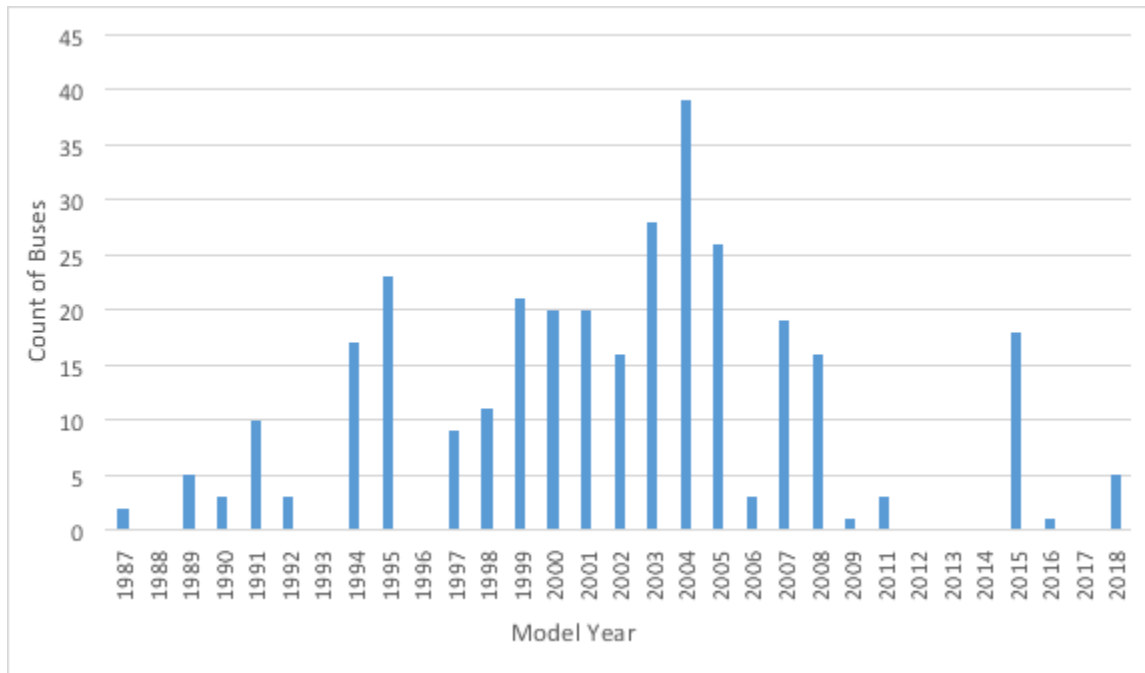
## TRANSPORTATION

To address the requirements of this subtask in the Transportation subsection, the MJ Team conducted interviews with program administrators and evaluated existing operational data and expenditure reports. The primary area of opportunity within transportation to gain cost savings without adversely impacting service quality is in the area of routing and bus scheduling. Additional targeted opportunities to improve internal service delivery in fleet maintenance and fleet replacement are considered.

Establishing and implementing a structured fleet replacement strategy is a key consideration in the management of the total cost of ownership of any school bus fleet. Okaloosa County School District operates 207 daily route buses. With a recommended replacement cycle of 12 to 15

years from the National Association of State Directors of Pupil Transportation Services (NASDPTS), the District should be purchasing 15 to 17 new buses per year. The District has not established a mechanism to acquire that number of new buses over the last several years. This situation has resulted in an aging fleet and a backlog of fleet replacement requirements. These difficulties have caused transportation and operations administrators to seek alternatives to acquiring new buses. **Figure 3-13** shows the count of buses in each model year for the entire fleet inventory, including spares.

**FIGURE 3-13**  
**MODEL YEAR DISTRIBUTION OF BUS FLEET INVENTORY**



Source: Okaloosa County School District Bus Fleet Inventory.

The chart demonstrates that since at least 2008, the Department has been challenged in its acquisition of new buses. The purchase of 18 buses in 2015 and 5 in 2018 are having a significant impact on the overall average age of the District’s bus fleet. A more sustainable strategy for acquiring new buses is required to improve the Department’s ability to establish and maintain a fleet that averages somewhere between 12 and 15 years.

Over the last two (2) years, the Department has collaborated with Escambia County School District to acquire the buses that Escambia has been retiring from their fleet. This has allowed the Department to acquire approximately 30 used buses at no cost to the District. The buses being provided were 2003 to 2005 models. These units are evident in the model year spikes for those years in **Figure 3-13**. While these continue to be older models, they have helped the District lower the average age of the fleet.

Providing for fleet replacement by acquiring used assets is not a sustainable long-term strategy. This is most evident in the District's spare bus ratio of approximately 30 percent (62 spares on 207 route buses) is three (3) times as high as would be expected using an industry norm spare ratio of approximately 10 percent. It is imperative that the District establish a more sustainable fleet replacement financing strategy given that the average age of the District's fleet is approximately 14 years. However, creating a pipeline of used assets is demonstrative of the effort that the Department has made to evaluate alternative practices that control costs and increase fleet reliability without negatively impacting service quality.

Transportation operations manage two (2) key variables to increase efficiency and manage service quality within their operations. The first variable is the distances that buses must travel. The design of bus routes, especially across large geographic areas like Okaloosa County, must consider the density of each service area, the structure of the road network, and the safety of pathways to school. Okaloosa County ranks 36<sup>th</sup> in student density in the state and 35<sup>th</sup> in rural roadways out of 67 counties.

The second key variable that is managed is time. The available time is directly related to the question of the distance that buses must travel on their routes. The primary constraint on time is the school bell schedule. The time between when groups of schools start and end determines how frequently buses can be used, how many stops they can make, and how far they can travel. These factors heavily influence how many students can be picked up or dropped off on a particular bus route. Effective coordination of the bell schedule between curriculum and transportation staff is the critical consideration when determining how to manage the cost of transportation without significantly impacting the quality of services.

The Department regularly uses the COMPASS routing software to evaluate alternative routing scenarios that support increased efficiency. This process includes evaluating alternative route designs (the actual path the bus takes), the connection of individual bus trips into bus routes, and the placement of new schools and programs within the bell schedule to maximize service delivery opportunities without increasing the number of buses required.

Three (3) recent examples are illustrative of how the Department designs the system to support high-quality cost-effective services. The first is the use of compounding strategies as a reflection of the differing regional geographies within the community. The second is an evaluation of later school start times that evaluated the operational challenges of transitioning high schools to begin later in the morning. The third is the management of school times for a countywide STEMM school to allow services to be provided without increasing the number of buses required for operations.

The northern area of Okaloosa County includes two kindergarten through 12<sup>th</sup> grade schools (Baker School and Laurel Hill School). These schools gather students from across the regional area. The Department recognized that domiciling buses at the north transportation compound would result in unnecessary and expensive deadhead miles every day. These miles would increase the costs associated with driver time, fuel, and maintenance. Consequently, the

District created a small parking facility at each of these schools to minimize unproductive travel time. This approach has allowed the Department to avoid significant operating costs by reducing deadhead mileage. **Figure 3-14** summarizes the cost avoidance that the ‘park outs’ have supported.

**FIGURE 3-14**  
**BAKER SCHOOL AND LAUREL HILL SCHOOL PARK OUT BUS COST AVOIDANCE**

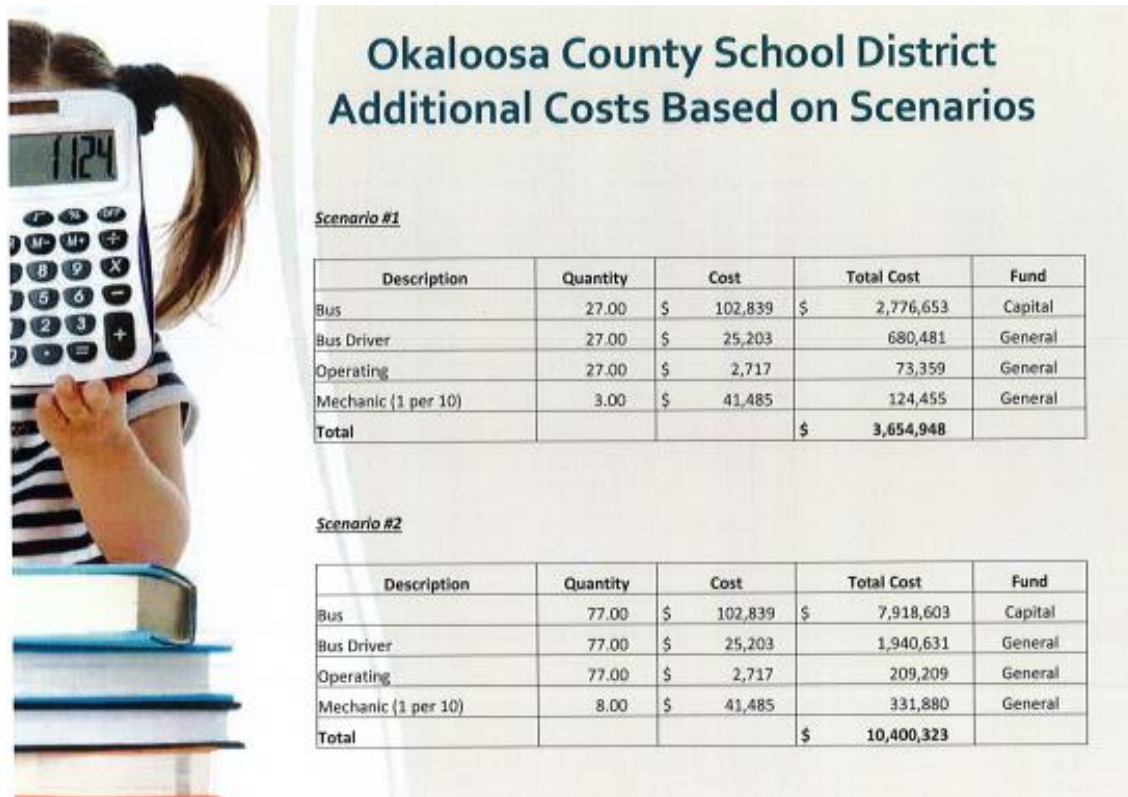
Item	Baker School	Laurel Hill School	Total
Buses	16	4	20
Avoided travel distance (in miles)	20	30	
Number of days	177	177	
Assumed cost per mile from state report	\$4.55	\$4.55	
<b>Total costs avoided</b>	<b>\$257,712</b>	<b>\$96,642</b>	<b>\$354,354</b>

*Source: Information provided by District and MJ Calculations.*

In 2017 the Department and the school district conducted a community assessment of the viability of later high school start times. This is an increasingly common effort following recommendations from the American Academy of Pediatrics that high school students perform better academically when school starts at approximately 8:30 AM. The modal high school start time in Okaloosa County School District is 7:00 AM with a limited number of schools starting at 7:20 or 7:35 AM. The Department worked with the community and the administration to evaluate the impact that later school start times would have on busing requirements. It was determined that a transition to later start times could cost between \$3.6 and \$10.4 million. **Figure 3-15** shows an exhibit from an April 2017 presentation to the School Start Time Committee detailing the scope of possible cost changes associated with two scenarios that were evaluated.



**FIGURE 3-15**  
**SCHOOL START TIME COMMITTEE COST COMPARISON SUMMARY**



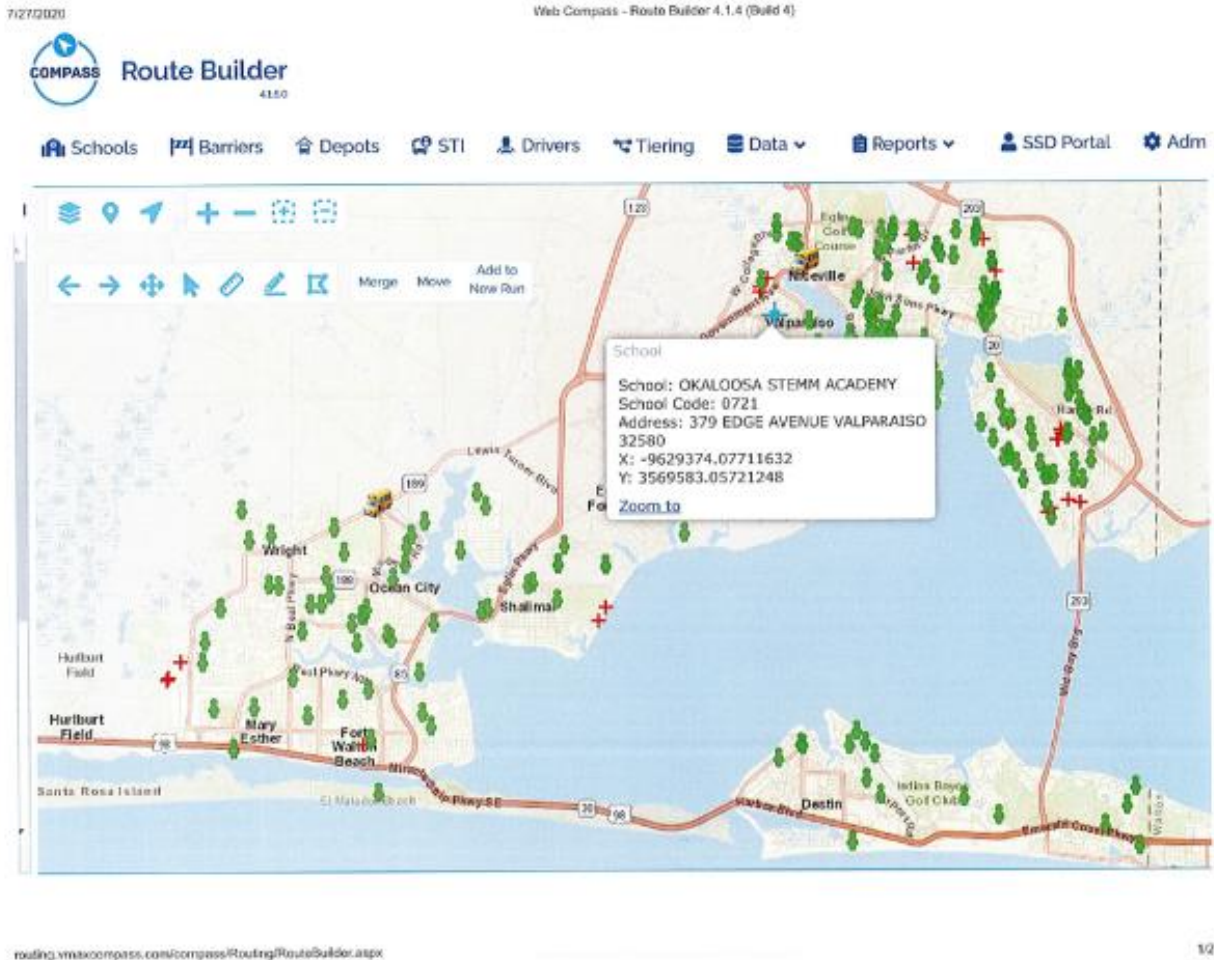
Source: Okaloosa County School District Transportation Department.

The report from which **Figure 3-15** was extracted demonstrates a comprehensive analysis and consideration of the factors associated with later school start times. Ultimately, the District chose not to change times.

The establishment of the Okaloosa STEMM Academy is an example of how the Department evaluates the bell schedule to determine how new programs can be incorporated without adding additional resources. When the school opened in 2012, the Department evaluated what school times were available and the routing strategies that would allow for transport of students from across the county to a single location in Valparaiso. **Figure 3-16** shows the broad distribution of students that attend STEMM and the logistical challenges of transporting those students.



**FIGURE 3-16**  
**STEMM ACADEMY STUDENT DISTRIBUTION**



Source: Okaloosa County School District Transportation Department COMPASS routing software.

The Department created a system whereby students would be responsible for getting themselves to one of five (5) hub stops across the county. From those hub stops, they would be shuttled to the STEMM Academy. In order to facilitate the use of buses completing their first-tier high school and middle school routes, the bell time for STEMM was offset to 7:30 AM. A similar offset in the afternoon is used to allow for the reuse of buses.

The Department has conducted structured assessments of the use of vendors as an alternative service for several maintenance-related services such as paint and body, glass repair, and towing services. These assessments were reasoned in their approach and evaluation. Other possible services, including warranty repairs, have been considered but not adopted because of concerns about operational impacts. The use of alternative vendor services for warranty repairs has caused some concerns related to vehicle downtime as buses are out-of-service at vendor locations. These evaluations are anecdotal but are indicative of the key concern of vehicle

downtime when outside vendors are used for services. Identifying whether there is sufficient vendor availability and capacity to supplement or replace existing maintenance services has not been formally evaluated.

Based on the analysis performed, the Transportation Department has conducted complete and detailed evaluations of the use of alternative service delivery methods. Multiple assessments and anecdotal evaluations have informed existing decision-making. Therefore, Subtask 3.3 is deemed to be met in the Transportation subsection.

### **SUBTASK 3.3 CONCLUSION**

Based on the analysis performed, program administrators assessed and changed delivery methods for capital projects, maintenance services, technology support, and transportation that resulted in improved delivery and cost-savings. Therefore, overall, Subtask 3.3 is deemed to be met.

**SUBTASK 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).**

### **FACILITIES**

To address the requirements of this subtask in the Facilities Subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Program Director-Facilities Planning; Program Director-Maintenance; Chief Financial Officer; and Specialist-School Safety. The information obtained during the interviews and review of the documentation provided revealed the District has identified possible opportunities for alternative service delivery that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer districts.

The District consults with peer districts to obtain and/or validate alternative delivery methods. The District frequently collaborates with a neighboring school district to identify possible cost saving opportunities. The neighboring school district was used to evaluate and initially set-up and purchase equipment for a new keyless door and lock system. The neighboring district was also consulted with to verify the type and height of fencing to be installed at schools for safety reasons.

The District participates in several consortiums, focus groups, and co-ops to identify possible opportunities for alternate delivery methods that result in cost-savings. A key consortium comprised of the area's small school districts is the Panhandle Area Educational Consortium (PAEC). The consortium meets quarterly to discuss and share maintenance best practices and issues. Any new or proposed legislation that affects facility construction or maintenance is presented and discussed to determine how best it could be implemented in a school district.

The District participates in several national co-ops like Staples, Office Depot, and Amazon. Also, the District participates in cooperative bids with a peer district for products such as paper supplies. This results in getting a better price than state pricing and better delivery.

Based on the analysis performed, the District's facilities management has identified possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.). Therefore, the subtask is deemed to be met in the Facilities subsection.

## **TECHNOLOGY**

To address the requirements of this subtask in the Technology subsection, the MJ Team interviewed the Assistant Superintendent-Operational Services; Director-Information Services; Chief Financial Officer; and Program Director-Purchasing. The information obtained during the interviews and review of the documentation provided revealed that the District seeks possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities. The District's Director-Information Services is an active participant in a Listserv chat used to communicate with other districts' IT Directors to discuss best practices and new trends in technology concepts and operations. He also participates in the Association of Educational Data Systems and Florida Association of MIS Directors for the same reasons.

Based on the analysis performed, the District's technology management seeks possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.). Therefore, the subtask is deemed to be met in the Technology subsection.

## **TRANSPORTATION**

To address the requirements of this subtask in the Transportation subsection, the MJ Team evaluated expenditure reports, operations information, and peer data to determine if there were additional opportunities to consider alternative services without affecting the quality of services.

In previous sections, MJ identified a need to evaluate alternative options for transportation and maintenance services. The full or partial outsourcing of operations are identified as options that should be considered in these evaluations. Evaluations similar to that performed to outsource towing services would allow the Department to determine whether alternative service delivery methods have the potential to reduce program costs without significantly affecting the quality of services.

Partnerships with other local agencies who provide transportation services have been considered and used in limited instances. The route structure of the local transit agency are not

sufficient to provide meaningful alternatives to support the transportation services of the District. Therefore, the primary opportunities are the assessment of services described in previous sections.

Consideration of unique and innovative options to use private vendors to support operations have occurred in peer operations. Nearly every transportation department across Florida has experienced a shortage of bus drivers and the situation for the District is no different. The current driver shortage of 20 positions is further exacerbated by approximately nine (9) driver absences per day for the 180 bus driver and standby driver positions. This equates to an average of 16 percent driver shortage on a daily basis.

The Department has undertaken a number of efforts to recruit and onboard new drivers but the market for personnel continues to be very constrained. Orange County Public Schools developed an innovative approach to addressing the driver shortage by attempting to partner with local private sector service providers. Orange County School District issued bid solicitation ITB-1710301 for Substitute Relief Bus Drivers in February of 2018. The goal of this effort was to use private vendors to supplement the existing complement of Orange County School District drivers rather than replace any of the current positions. The innovation was in trying to use the private providers to recruit, employ, train, and manage drivers from cohorts of the population that the county may not have been able to access with its available pay and benefits package.

Okaloosa County School District could consider a similar program where it partnered with private sector providers to design compensation packages that may be different than the standard agreement available from the District. By altering the mix of wage and benefited-based portions of the compensation strategy, it may be possible for private providers to recruit more effectively from the substantial retired military population in the area. Okaloosa County School District could then use these drivers to support open routes. While it is unlikely there would be any material cost savings the level of service provided to students would be improved as would the overall efficiency of the routing system.

Based on the analysis performed, the Transportation Department continues to assess options available to increase the efficiency and effectiveness of services through changes to operations or the use of external service providers. More complete and detailed assessments of outsourcing and alternative service offerings are required. Cost and service analyses similar to that which led to the outsourcing of towing services are necessary. The Department remains aware of innovations and options in its peer organizations through participation in professional associations. Therefore, overall, Subtask 3.4 is deemed to be partially met in the area of Transportation subsection.

### **SUBTASK 3.4 CONCLUSION**

Based on the analysis performed, facilities and technology management consults with peer and neighboring school districts to seek and assess opportunities for delivery of services to significantly reduce cost. They also participate in consortiums, focus groups, and forums to discuss best practices and gain from others alternative methods of delivering services to reduce

cost. MJ did not identify further opportunities for alternative service delivery methods in these two areas. However, alternative transportation services have not been fully evaluated and additional innovations in options related to driver staffing/shortages should be assessed. The Transportation Department remains aware of innovations and options in its peer organizations, but similar evaluations have not been conducted by the Department. Therefore, overall, Subtask 3.4 is deemed to be partially met.

#### **RECOMMENDATION 3.4**

Evaluate additional alternative service options in the Transportation Department that may improve service delivery, address driver shortages, and reduce costs.

**Overall Research Task 3 Conclusion: Based upon the work and conclusions reached for the four (4) subtasks, we deem that this research task is partially met.**

## RESEARCH TASK 4

### **GOALS, OBJECTIVES, AND PERFORMANCE MEASURES USED BY THE PROGRAM TO MONITOR AND REPORT PROGRAM ACCOMPLISHMENTS.**

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets Task 4.

Although the District has developed strategic priorities, it lacks a formal strategic plan structure with performance indicators and measures. The District lacks a program performance plan that periodically assess progress towards meeting its stated goals and objectives. In addition, program-level goals and objectives are not documented, and the district lacks comprehensive policies and procedures

## **RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS**

**SUBTASK 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan.**

A goal is a desired result to achieve and is typically broad and long-term. An objective, on the other hand, defines the specific, measurable actions to achieve the overall goal. Although performance measures may have other characteristics, these have been established by the Governmental Accounting Standards Board.

- Relevant measures matter to the intended audience, and clearly relate to the activity being measured.
- Understandable measures are clear, concise, and easy for a non-specialist to comprehend. This applies to language used in the title and description, and to technical aspects of the measure such as the scale used in charts or selection of performance targets.
- Timely measures have information available frequently enough to have value in making decisions.
- Comparable measures provide the reader with a frame of reference or context to tell if current performance meets or exceeds expectations.
- Reliable measures have data that is verifiable, free from bias, and an accurate representation of what it is intended to be.
- Cost effective measures justify the time and effort to collect, record, display, and analyze the data given the measure's value.

To address the requirements of this subtask, MJ requested documentation of the District's program goals and objectives to review them for consistency with the District's strategic plan.

The team first reviewed the District's 2015-2020 Strategic Plan, which is included on its website. The District adopted a strategic plan aligning its four strategic priority areas around the vision and mission of the District. Priority Area 2 relates to the facilities and security program areas and Priority Area 4 relates to the debt service and technology program areas. **Figure 4-1** presents the District's strategic priorities.

**FIGURE 4-1**

**DISTRICT STRATEGIC PRIORITIES PER THE 2015-2020 STRATEGIC PLAN**

PRIORITY AREA	STRATEGIC PRIORITIES
<b>PRIORITY AREA 1:</b> <i>Improving and Advancing Student Achievement</i>	<ul style="list-style-type: none"> <li>• Ensure access for all students to a rigorous and challenging curriculum</li> <li>• Integrate technology in learning by both educators and students</li> <li>• Use a variety of methods to communicate student progress with parents and stakeholders</li> </ul>
<b>PRIORITY AREA 2:</b> <i>Learning and Working in a Safe and Productive Environment</i>	<ul style="list-style-type: none"> <li>• Maintain a safe learning and working environment</li> <li>• Provide a culture conducive to learning and working</li> <li>• Provide adequate and appropriate facilities</li> </ul>
<b>PRIORITY AREA 3:</b> <i>Recruiting and Retaining a Highly Effective Workforce</i>	<ul style="list-style-type: none"> <li>• Promote advancement through workforce leadership opportunities and career ladders</li> <li>• Recruit and retain the highest quality workforce</li> <li>• Utilize an effective evaluation system to improve workforce performance</li> </ul>
<b>PRIORITY AREA 4:</b> <i>Allocating and Utilization District and School Resources</i>	<ul style="list-style-type: none"> <li>• Align community resources to reach district and school goals</li> <li>• Align financial resources to reach district and school goals</li> <li>• Align technology resources to reach district and school goals</li> </ul>

Source: Okaloosa County School District website.

However, the District's strategic priorities are limited and lack performance indicators and measures. In contrast, Hillsborough County Public Schools' strategic plan is more robust and includes performance measures. The link to the strategic plan follows.

[https://sdhc.k12.fl.us/docs/00/00/16/04/Updated\\_Strategic\\_Brochure3\\_23\\_20.pdf](https://sdhc.k12.fl.us/docs/00/00/16/04/Updated_Strategic_Brochure3_23_20.pdf)

Hillsborough County Public Schools also maintains its Annual Strategic Plan status on its website, which documents key objectives, measures, targets, and strategies, developed each academic year. The link to the website follows.

<https://www.sdhc.k12.fl.us/docs/00/00/19/25/sp1819.pdf>

**Figure 4-2** presents a sample strategic plan with measures of success associated with its strategic priorities. It links the strategic goals and tactics to measure success.



**FIGURE 4-2**  
**EXCERPT FROM SAMPLE STRATEGIC PLAN**

<b>Strategic Priority #1:</b> Improve value by achieving exemplary outcomes that matter to patients while lowering the per capita costs of care and anticipating changes in the dynamic healthcare environment		<b>Measure of Success:</b> Demonstrate improvement on national benchmarks of target outcomes and efficiency each year	
Goal		Highlighted Tactics	Measures
I	Improve value from our patients' perspectives	<ul style="list-style-type: none"> <li>Define core set of patient-centered outcomes</li> <li>Implement strategies to improve those outcomes</li> <li>In all processes, eliminate steps that do not create value for the patient</li> </ul>	<ul style="list-style-type: none"> <li>Improve performance on patient-centered outcome measures</li> </ul>
II	Build culture that fosters innovation in value-driven approaches to care	<ul style="list-style-type: none"> <li>Encourage, prioritize, and resource pilot projects focused on innovative approaches to value creation for specific conditions or chronic diseases</li> </ul>	<ul style="list-style-type: none"> <li>Adoption rate of innovations that emerge from pilot projects</li> </ul>

Source: Parkland Health & Hospital System Website, <https://www.parklandhospital.com/strategic-plan-2020>.

District management indicated that program goals and objectives are not formally documented. Thus, the team reviewed the departmental goals and objectives available in the District's budget.

## FACILITIES

For this subtask, MJ interviewed the Program Director-Facilities Planning and Program Director-Maintenance. **Figure 4-3** presents the program descriptions per the District's 2019-20 Budget Book that were reviewed for alignment with the strategic goals.

**FIGURE 4-3**  
**PROGRAM DESCRIPTION PER BUDGET BOOK – FACILITIES PLANNING & SCHOOL SAFETY**

Program Description	Clearly Stated?	Aligns with Strategic Plan?
Provide oversight of all District-owned properties, IAQ issues, district-wide self-help projects, and the Construction Total Program Management (TPM) contract.	Yes	Yes. <i>Priority Area 2: Learning and Working in a Safe and Productive Environment</i>
Compile reports and recommendations for the School Board.		
Issue building permits.		
Oversight of the DOE Florida Inventory of School Houses (FISH) database.		
Maintain records and plans for all District-owned properties.		



Program Description	Clearly Stated?	Aligns with Strategic Plan?
Provide supervision and oversight of all school safety and security personnel, policies, and procedures.	Yes	Yes. <i>Priority Area 2: Learning and Working in a Safe and Productive Environment</i>
Serve as liaison with local public safety agencies and national, state and community agencies and organizations in matters of school safety.		
Provide the necessary training and resources to students and school district staff in matters related to emergency procedures, and school safety and security, to include reviewing policies and procedures for compliance with state laws and rules and conducting risk assessments to provide best practices for harm mitigation.		

Source: Okaloosa County School District Budget Book, 2019-20.

## TECHNOLOGY

With respect to the information technology review for this subtask, MJ interviewed the Director-Information Services. **Figure 4-4** presents the program descriptions per the District's 2019-20 Budget Book that were reviewed for alignment with the strategic goals.

**FIGURE 4-4**

### PROGRAM DESCRIPTION PER BUDGET BOOK – INFORMATION SYSTEMS

Program Description	Clearly Stated?	Aligns with Strategic Plan?
Collect, manage and report information to regulatory agencies.	Yes	Yes. <i>Priority Area 4.3: Align Technology Resources to Reach District and School Goals</i>
Provide information to district department and schools to promote fact-based decisions about programs, performance, and resources management.		
Oversee the District's administrative computer system, AS400.		
Maintain existing systems and incorporate changes and enhancements recommended by school and district level.		
Provide systems that will minimize duplication of data entry work and maximize management information.		
Provide systems that will comply with the DOE Data Base requirement.		
Select hardware and software that form the foundation for a robust network with rich connectivity and electronic transfer of information.		
Manage Seat Management and Mobile Learning.		

Source: Okaloosa County School District Budget Book, 2019-20.

## TRANSPORTATION

With respect to the transportation review for this subtask, MJ interviewed the Director-Transportation. **Figure 4-5** presents the program description per the District's 2019-20 Budget Book that was reviewed for alignment with the strategic goals. The Budget Book presents a limited program description for Transportation and lacks a clear alignment with the strategic priorities.

**FIGURE 4-5**

### PROGRAM DESCRIPTION PER BUDGET BOOK – TRANSPORTATION

Program Description	Clearly Stated?	Aligns with Strategic Plan?
Develop and deliver student transportation services.	Yes	Not clearly linked to strategic priority.

*Source: Okaloosa County School District Budget Book, 2019-20.*

## SUBTASK 4.1 CONCLUSION

Based on the analysis performed, the District lacks documented departmental goals and objectives which are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan. Thus, the MJ Team reviewed the departmental program descriptions available in the District's budget for comparison to the strategic priorities. With respect to facilities and technology, the program descriptions align with a strategic priority. With respect to transportation, the program description lacks alignment with a strategic priority.

In summary, the District lacks robust strategic plan documents and documented departmental goals and objectives and. Therefore, overall, Subtask 4.1 is deemed to be partially met.

## RECOMMENDATION 4.1

Document departmental goals and objectives which are clearly stated, measurable and can be achieved within budget. Ensure goals are consistent with the school district's strategic plan and consider strategic priorities, performance indicators, and measures.

**SUBTASK 4.2 – Assess the measures, if any, the District uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.**

For this subtask, the MJ Team requested documentation of the performance measures used by the program areas.

## FACILITIES

MJ interviewed the Program Director-Facilities Planning and Program Director-Maintenance. Performance measures are not formally maintained to assess program progress toward meeting its stated goals and objectives.

## TECHNOLOGY

With respect to the information technology review for this subtask, MJ interviewed the Director-Information Services. Some customer service performance measures are provided in compliance with the contract executed with the seat management vendor as follows as depicted in **Figure 4-6** and **Figure 4-7**.

**FIGURE 4-6**

### MONTHLY CONTACT SERVICE QUEUE REPORT (HELP DESK PERFORMANCE METRICS)

Month	Calls Presented	Calls Handled	Average Speed of Answer (ASA)	% Answered in SLA	Average Handle Time	Calls Abandoned	Short Abandons	Abandoned Before Answer Rate (ABA)	First Contact Resolution
		TARGET	<- 0:00:45	>-85%					
June 2020	537	510	0:00:17	100%	0:10:31	27	13	2.6%	98.2%

Source: Seat Manager Vendor.

**FIGURE 4-7**

### SERVICE LEVEL AGREEMENT MATRIX SUMMARY

SERVICE DELIVERY GOAL = 85% ANNUALLY				
Services	Restore to Service Request		MAC Request	
	Response Time Actual %	Resolution Time Actual %	Response Time Actual %	Resolution Time Actual %
End-User Platforms	98.45%	89.99%	97.06%	90.88%
Enterprise Operations	96.47%	89.75%	99.02%	98.57%
Enterprise Applications	88.89%	100.00%	99.23%	98.16%

Source: Seat Management Vendor.

## TRANSPORTATION

With respect to the transportation review for this subtask, MJ interviewed the Director-Transportation. Performance measures are not formally maintained to assess program progress toward meeting its stated goals and objectives.

## SUBTASK 4.2 CONCLUSION

Based on the analysis performed, performance measures are not formally maintained to assess program progress toward meeting its stated goals and objectives with respect to facilities and transportation resulting in a not met assessment. The Council of the Great City Schools (CGCS) and other resources are available to provide performance measures that could be used to improve business operations for the program areas. With respect to technology, a few performance measures are reported for seat management related to customer service resulting in a partially met assessment.

Therefore, overall, Subtask 4.2 is deemed to be partially met.

## RECOMMENDATION 4.2

Establish a program performance plan and regularly assess progress to ensure the District meets its stated goals and objectives.

### **SUBTASK 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.**

For this subtask, the MJ Team discussed the internal controls in place with the program management team. All program areas include various processes including inspections, reports required by governmental agencies to self-evaluate aspects of the program areas, and periodic staff meetings as indicated below and in Task 1 of this report.

## FACILITIES

MJ interviewed the Program Director-Facilities Planning and Program Director-Maintenance. Some of the internal controls implemented include the following.

- Guaranteed maximum prices for major contracts to control costs.
- Total program manager for construction and renovation projects to drive quality and liability.
- Five-year work plan.
- Regular departmental meetings to discuss operations, issues, and budgets.
- Annual school safety inspections.
- Periodic asbestos inspections.

In addition, policies and procedures include 30 policies in Chapter 11, Facilities of the Board policies. The department also developed a maintenance manual. However, a project management manual was not maintained. Also, monthly construction meetings are conducted, yet meeting minutes are not maintained. Meeting participants include the Chief Financial Officer and representatives from other departments including Information Technology.

## TECHNOLOGY

With respect to the information technology review for this subtask, MJ interviewed the Director-Information Services. Some of the internal controls implemented include the following.

- Seat management performance monitoring reports.
- Regular departmental meetings to discuss operations, issues, and budgets.

However, the department lacks policies and procedures manuals.

## TRANSPORTATION

With respect to the transportation review for this subtask, MJ interviewed the Director-Transportation. Some of the internal controls implemented include the following.

- Monthly Bus Inspections.
- DOE's School Transportation Monitoring Self-Evaluation.
- Regular departmental meetings to discuss operations, issues, and budgets.

In addition, policies and procedures include 17 policies in Chapter 12, Transportation of the Board policies.

## SUBTASK 4.3 CONCLUSION

Based on the analysis performed, although various internal controls exist to provide reasonable assurance that program goals and objectives will be met, with respect to facilities, the departments lacks a project management manual and documentation of meeting minutes for critical monthly construction program meetings. With respect to technology, the department lacks departmental policies and procedures. With respect to transportation, documentation reviewed was adequate. Therefore, overall, Subtask 4.3 is deemed to be partially met.

## RECOMMENDATION 4.3

Strengthen internal controls by developing comprehensive departmental policies and procedures manuals to support program goals and objectives. In addition, maintain minutes from monthly construction program meetings.

**Overall Research Task 4 Conclusion: Based upon the work and conclusions reached for the three (3) subtasks, we deem that this research task is partially met.**

## RESEARCH TASK 5

### **THE ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS PREPARED BY THE DISTRICT WHICH RELATE TO THE PROGRAM.**

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets this research objective.

The District uses its website to disseminate important financial and non-financial information. Examples of information located on the website include the annual financial audit, debt service – estimated revenue and appropriations with comparative revenue data, monthly financial statements, and the five-year work plan. Non-financial information includes news releases and social media posts to inform community members about important events “real-time.” Cost information is publicly available, but program performance information is not. Providing program performance data to the public will enhance transparency and accountability and make the financial data that is already readily available even more useful. The District has processes in place to evaluate the accuracy of public documents and uses its contracted webmaster to evaluate the accuracy and adequacy of public data. Clear processes are in place to validate the accuracy and completeness of public data and the District provided examples of taking timely actions to correct erroneous and/or incomplete information, when necessary.

## RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS

**SUBTASK 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.**

MJ did not divide Research Task 5 into the four (4) subcategories of facilities, technology, transportation, and debt service because the District’s accuracy or adequacy of public documents, reports, and requests prepared by the District relate to all four (4) areas.

To address the requirements of this subtask, MJ conducted interviews with the Assistant Superintendent of Operations and the Chief Financial Officer.

MJ evaluated relevant documents that were available to the public on the District’s website during fieldwork (conducted July 6-24, 2020) to determine usefulness, timeliness, and accuracy. Most organizations consider their website to be the primary communications system (tool) that is used to ensure the public has access to pertinent, accurate, and timely data. The District’s primary webpage is located at <https://www.okaloosaschools.com>.

**Figure 5-1** summarizes some of the financial and non-financial data on the website. Based on the interviews completed and documents reviewed, the District has sufficient financial and non-financial-related information on the website that is useful, timely, and accurate.

**FIGURE 5-1**

**CURRENT FINANCIAL AND NON-FINANCIAL INFORMATION ON THE WEBSITE**

<b>Sample Okaloosa County School District Documents Available to the Public</b>	
<b>Description/Purpose</b>	<b>Description/Purpose</b>
<i>Financial Audit, Year Ended June 30, 2019</i>	An objective examination and evaluation of the District's financial records to ensure an accurate representation of the transactions based on generally accepted accounting principles.
<i>Annual Financial Report</i>	Financial report covering general fund, special revenue funds, debt service funds, and capital projects funds.
<i>Cost Report</i>	District Aggregate Program Cost Report and School Program Cost Report of General Fund and Special Revenue Funds.
<i>Debt Service – Estimated Revenue &amp; Appropriations with Comparative Revenue Data</i>	Estimated sources of revenue for FY 2019-2020 as of May 1, 2019 including transfers from debt service funds, transfers from capital improvement funds, transfers from inter-budgetary funds, proceeds from refunding bonds, and proceeds from certificates of participation.
<i>Lottery Funds Report</i>	Okaloosa County School District Schedule of Lottery Fund Expenditures by Object Code.
<b>Budget Publications</b>	<b>Description/Purpose</b>
<i>Capital Outlay Budget and Budget Workshop Agenda</i>	Five-year plan outlining projected capital expenditures.
<i>District Summary Budget – Final</i>	Detailed District budget that provides general fund, debt service funds, capital project funds, special revenue funds, and supplemental information.
<i>District Summary Budget - Preliminary &amp; Tentative</i>	Preliminary and draft budget data that provides general fund, debt service funds, capital project funds, special revenue funds, and supplemental information.
<i>Budget Amendment - Monthly</i>	Budget document which provides revised budgeted revenues and expenditures including justification.
<i>Financial Statement – Monthly</i>	Roll-up of the District's monthly actual revenues and expenditures.
<i>Final Budget Summary Report</i>	Roll-up of the District's annual budgeted revenues and expenditures
<b>School Budget Reports</b>	<b>Description/Purpose</b>
<i>Fiscal Year Budget 2019-2020, 2018-2019, 2017-2018 2016-2017</i>	Individual school budgets that present total budget by campus along with committed, encumbered, expended and available funds.
<i>School Budget Manual</i>	Document that describes the budgeting process, documents that process and timeline; enrollment and revenue projections; revenue calculations; school discretionary calculations; local revenue calculations and more.

<b>Sample Okaloosa County School District Documents Available to the Public</b>	
<b>Non-Financial Information</b>	<b>Description/Purpose</b>
<i>News Releases</i>	Official statements from the School District to update and/or inform the public about important issues such as COVID-19 and the impact of school openings.
<i>Superintendent's Bi-Weekly On-line Learning Updates</i>	Communication to parents regarding how to access District services during COVID-19. The publication noted the number of technology devices (i.e., iPad, Chromebooks, and computers) issued to students to facilitate on-line learning. The publication provides parents without Internet access ways to use "wi-fi hot-spots" at local school parking lots so that they can also be kept up-to-date about important school district matters.
<i>Public Meeting Agenda and Minutes and Archived School Board Meeting Video</i>	Posts of public meeting agendas and minutes so that community members are kept apprised of pertinent issues and provides public meeting video replay for which allows citizens who were unable to attend in person the opportunity to view meeting contents at their convenience.
<i>Quarterly Safer Schools Update</i>	Joint publication issued by the superintendent and local sheriff that provides tips to keep schools safe.
<i>Okaloosa County School District Strategic Plan 2015-2020</i>	One page strategic plan document that outlines the District's four main priorities including: 1) Improving and advancing student achievement; 2) Learning and working in a safe environment; 3) Recruiting and retaining a highly effective workforce, and 4) Allocating and utilizing district and school resources.

Source: Okaloosa County School District Website.

The Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on the District's website.

## **SUBTASK 5.1 CONCLUSION**

MJ evaluated the usefulness, timeliness, and adequacy of the financial and non-financial documents made available to the public and deemed both to be adequate. Therefore, MJ concludes that this subtask is met.

**SUBTASK 5.2 – Review available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the school district related to the program.**

To address the requirements of this subtask, MJ conducted interviews with the Assistant Superintendent of Operations and the webmaster. MJ also reviewed website and social media (Facebook, Twitter, and Instagram) analytics and online news releases disseminated by the District.



The District's Program Director-Community Affairs position, which traditionally handled media relations, was eliminated in February 2019 and the overall responsibility of communicating information to the public has been assigned to the Assistant Superintendent of Operational Services. The District's public information content for news releases, the website and social media, and general informational updates is developed by department staff or by individual schools. The Assistant Superintendent of Operations also assists schools with the development of their website and social media content.

The webmaster provides the District with website and social media analytic reports used to evaluate the adequacy and outreach to the public. Individual departments are responsible for the accuracy of information posted on the website on their behalf.

Figure 5-2 provides a summary of the District's contracted website services.

**FIGURE 5-2**  
**SAMPLE CONTRACTED WEBMASTER (WEB SERVER SERVICE)**

**7.4.5 WEB SERVER SERVICES**

**Functionality:** Provides World Wide Web (WWW) server support. This includes the hardware, network connection, system software and support, web server software and support, and back-end database connectivity and necessary infrastructure to support OCSD's initiatives. Manages the district's website [www.okaloosaschools.com](http://www.okaloosaschools.com).

**Table 3-4: System Administration Service Items**

Email Server Services	This service supports the end-user email service for the administration and management of email servers for applicable District users.
Virus Protection Services	This service provides for the support and management of anti-virus software.
Data Backup & Restoration	This service provides for the backup of server data including user directories and the restoration of servers and files. It also includes the administration of any supporting software and hardware backup devices.
Troubleshooting & Client Support	For software and hardware problems, the help desk coordinates to troubleshoot each problem. All problems are tracked by help desk analysts within the ITSM system, escalated to the appropriate support team as needed, and finally closed when the problem has been resolved.
Security Monitoring	This service provides an analysis of all security-related logs and alerts.
Emergency Response Services	This function provides an emergency response capability when a system or site has been subjected to an intrusion, breach, attack, or potential data loss.
User Administration and Access Control	This service provides the enterprise directory service, such as Active Directory, for the administration of user accounts, and the administration of user access to systems, services, and folders.
Server-Based Software Deployments	This function provides remote deployment of client software to desktops for server-based software.
Web Server Services	This service provides hosting and maintenance of all District-level web pages.
Application Server Services	This service provides support to the application server environment, including hardware, network connections, system software and support, server software and support.
Database Server Services	This service provides support to the database server environment, including hardware, system software and support, server software and support. This includes database maintenance and support.

Source: Okaloosa County School District Assistant Superintendent of Operational Services.

## SUBTASK 5.2 CONCLUSION

Based on the information provided, the MJ Team concludes that the District has processes in place to evaluate the accuracy and adequacy of information in the public domain. Accordingly, this subtask is met.

### SUBTASK 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.

To evaluate this subtask, MJ reviewed the following District web links and documents:

- Annual Financial Audit
- Budget Amendments
- Monthly Financial Statements
- Accounts Payable/Reconciliations
- Five-Year Work Plan

The MJ Team’s analysis revealed that the District plans for and prepares detailed budget and cost information for all projects and the website contains examples of how this information can be used to keep the public informed. **Figure 5-3** provides examples of cost information that is contained on the District’s website.

**FIGURE 5-3**

#### SAMPLE TYPES OF COST INFORMATION FOUND ON OCSD WEBSITE

Type of Information	Description
<i><b>Annual Financial Audit</b></i>	The public is able to see useful information for assessing cash flow and debt service. Financial audits provide information about resources, claims to those resources, and changes in the resources.
<i><b>Budget Amendments</b></i>	The public is able to see if there has been an increase/decrease in the current budget and how expenditures were used.
<i><b>Monthly Financials</b></i>	The public is able to review the current financial standing of the District and express concern if funds are not being allocated correctly or if they feel the District is not being good stewards of District funds.
<i><b>Accounts Payable</b></i>	The public is able to see who the District is paying and how much.
<i><b>Five-Year Work Plan</b></i>	Detailed listing of projects including budgets / projected costs for the next 5 years.

*Source: Okaloosa County School District Chief Financial Officer.*

Although the District has compiled useful project cost data, program performance data is not currently prepared or accessible to the public.

### SUBTASK 5.3 CONCLUSION

In summary, the public has access to transparent cost information, but program performance data has not been developed. Accordingly, MJ concludes that this subtask is partially met.

### RECOMMENDATION 5.3

Prepare program performance data for all major projects and make it accessible to the public.

### **SUBTASK 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.**

To address this subtask, MJ interviewed the District's Chief Financial Officer and reviewed the documents outlined below:

- Financial Audit, Year Ended June 30, 2019
- District Summary Budget – Final
- District Summary Budget – Preliminary & Tentative
- Capital Outlay Report

The District's Chief Financial Officer is a Certified Public Accountant, Certified Government Financial Manager and a Certified Public Finance Officer and attends continuing education classes in order to maintain certifications to ensure current knowledge of relevant accounting/reporting information. The financial staff that report to the Chief Financial Officer, which includes the Director of Accounting, Director of Budgeting, and Accounting Specialist attend continuing education workshops in their respective area to ensure they are knowledgeable of current and relevant areas with regards to their roles within the District. Collectively, these positions are responsible for accounting, budgeting, and reporting financial information.

The Chief Financial Officer oversees the preparation of the District's financial reports using the following sources and processes:

- Data is entered into the financial system by the Budgeting or Accounting Department.
- Separation of duties and cross checking validates all data entered into the system.
- Any information obtained through the AS400 or from the Department of Education is imported into Excel using Monarch data mining software in order to minimize errors.
- Once all the information is compiled, it is checked by another staff member not responsible for compiling the data.
- The Chief Financial Officer checks the reports and data to be published for reasonableness and random verification of financial information.

Each month, a meeting is held with District leadership to review and check project budgets, progress reports, schedules and other important project-related information to ensure program

performance and cost information is up-to-date (timely) and accurate. These leadership team members include:

- Assistant Superintendent-Operational Services;
- School Board Attorney;
- School Board Member Construction Representative;
- Program Director Maintenance;
- Program Director Facilities;
- Capital Outlay Accountant;
- Chief Financial Officer; and
- Representatives from the District's Total Program Manager firm.

In preparation for and during these review meetings, supporting budget, cost, and project completion status schedules (program performance) are checked against other schedules and reports to ensure data is accurate.

The District is required to prepare monthly financial reports, the Superintendent's Annual Financial Report (SAFR), Annual Cost Report and annual audited financial statements. The District's monthly and annual reports are prepared utilizing basic accounting and financial reporting processes to ensure the budget, financial statements and cost data is accurate and timely.

The required reports are prepared by personnel who possess specialized skills in the respective reporting areas.

The Finance Department requires multiple signoffs and validations from appropriate areas within the District to ensure relevant information has been recorded or disclosed on a timely basis and inter-organizational balances and transactions have been identified. There is also a process in place to ensure appropriate segregation of duties among staff from initiation, approving and posting of entries into the District's financial management system with supporting documentation.

Once the relevant accounting information is recorded, monthly financial statements are prepared by the Director of Budgeting and reviewed by the Director of Accounting, the Accounting Specialist, and the Chief Financial Officer to be included on the District's board agenda for board approval. Both the SAFR and the Annual Cost Report are also reviewed by the Director of Accounting, and the Chief Financial Officer.

Public Information produced by the District adheres to the following processes and/or procedures to ensure accuracy prior to dissemination to the public:

- Financial information is checked by another staff member to ensure the correct information has been posted
- Financial documents are published to the website
- Chief Financial Officer has final approval of all information published

## SUBTASK 5.4 CONCLUSION

The District has processes in place to ensure that the information provided to the public is accurate and complete, and no deficiencies were identified in the accuracy and completeness of the cost information in the sample documents that the MJ Team reviewed.

Based on our analysis, the MJ Team deems the District's processes are adequate to ensure the accuracy and completeness of data provided to the public and therefore, this subtask is met.

**SUBTASK 5.5 – Determine whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the school district and that these procedures provide for adequate public notice of such corrections.**

To address this subtask, MJ interviewed the Assistant Superintendent-Operational Services and the (contracted) webmaster. MJ also requested and evaluated sample documents to determine if corrections were made in a timely and consistent fashion.

As noted in Subtask 5.2, public information content for the website and social media is developed at the department or school level and is approved for posting by the Assistant Superintendent-Operational Services (or designee) and posted by the webmaster.

The public information posting process is initiated through an email request to the webmaster and confirmed to the requesting department via email or text. When the need for correction is identified either by the department or school that initiated the public information post or a community member that noticed the information is incorrect, the department or school responsible for developing the content is notified and makes the required content change.

Once the correction is made, the department or school emails the webmaster to make a correction to the website or social media posting. The District provided several examples of email requests that confirmed the process for posting and correcting information in a reasonable timeframe (2 days or less). **Figure 5-4** shows the required timeframes that the contracted webmaster must respond to website requests, including correcting information posted on the website or social media, once notified by the District.

However, no procedure to correct erroneous and incomplete information was provided.

**FIGURE 5-4**  
**WEBSITE CONTRACT VENDOR SERVICE LEVEL/RESPONSE RESOLUTION REQUIREMENTS**

Table 3-6: Service Level Metrics Response and Resolution Times

NOTES: 11 HOURS = 1 DAY (6AM - 5PM)		Restore to Service Request		MAC Request	
		Response Time	Resolution Time	Response Time	Resolution Time
	Priority	Goal	Goal	Goal	Goal
End-User Based Platforms	Urgent	2 hours	1 day	1 day	1 day
	High	4 hours	2 days	1 day	2 days
	Medium	1 day	3 days	1 day	5 days
LAN & WAN Infrastructure	Urgent	30 min	4 hours	2 hours	1 day
	High	30 min	6 hours	4 hours	2 days
	Medium	30 min	8 hours	8 hours	3 days
Server-Based Platforms	Urgent	30 min	2 hours	8 hours	6 hours
	High	30 min	4 hours	8 hours	1 day
	Medium	30 min	8 hours	8 hours	2 days
Systems Administration	Urgent	4 hours	1 day	4 hours	1 day
	High	4 hours	1 day	4 hours	2 days
	Medium	4 hours	3 days	4 hours	3 days
Software Testing	Urgent			1 day	1 week
	High			1 day	2 weeks
	Medium			1 day	3 weeks
Management of the District Website	Urgent			2 hours	1 day
	High			4 hours	2 days
	Medium			1 day	5 days
GRADES Support	Urgent	2 hours	1 day	2 hours	1 day
	High	4 hours	2 days	4 hours	2 days
	Medium	1 day	3 days	1 day	3 days

Source: See Research Task 3, Subtask 3.1 for Seat management contract.

## SUBTASK 5.5 CONCLUSION

Based on the information provided, the MJ Team concludes that the District corrects information timely, but no formal procedures are in place to: (1) document the process/procedure that should be followed, (2) ensure all appropriate staff are knowledgeable of the process/procedure, and (3) ensure consistency of the information that is made available to the public. Accordingly, this subtask is partially met.

## RECOMMENDATION 5.5

Establish and implement a formal procedure to ensure timely actions are taken to correct erroneous and/or incomplete data in the public domain.

**Overall Research Task 5 Conclusion: Based upon the work and conclusions reached for the five (5) subtasks, we deem that this research task is partially met.**



## RESEARCH TASK 6

### **COMPLIANCE OF THE PROGRAM WITH APPROPRIATE POLICIES, RULES, AND LAWS.**

**FINDING SUMMARY** – Overall, the Okaloosa County School District (the District) partially meets Task 6.

The school board attorney, special legal counsel, professional associations, and a news service online subscription constitutes the District’s process for assessing its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Although policies and procedures are periodically reviewed, the process could be improved by implementing a two to three-year rotation cycle for all policies to be reviewed; and program administrators have timely addressed some areas of noncompliance identified by external audits. The Safety Department reviews all safety policies and procedures periodically. The District’s Comprehensive Emergency Operations Plan identifies the required timeline for review. The District has taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Moreover, the superintendent intends to ask the school board to appoint an oversight committee at the September 2020 board meeting. The oversight committee will oversee how surtax dollars are being spent in comparison to the plan outlined in the resolution. The District has processes to distribute funds to its charter schools and mechanisms for charter schools to report how the funds are used. Internal controls also provide assurance that charter school allocations are accurate.

### **RESEARCH SUBTASK ANALYSIS AND CONCLUSIONS**

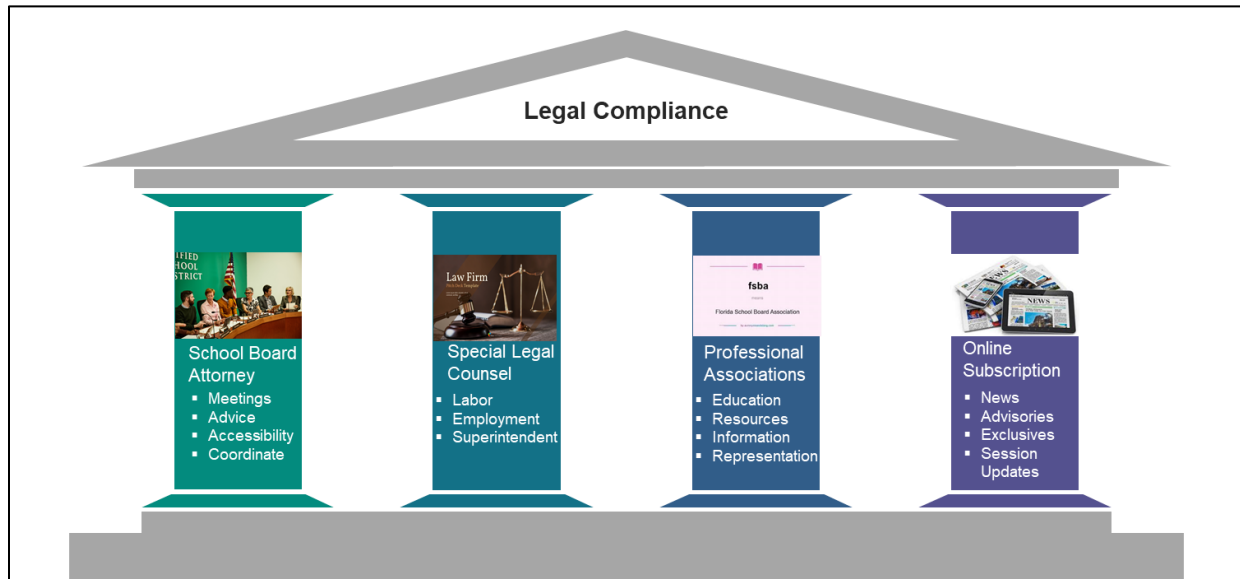
**SUBTASK 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program’s operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.**

MJ did not divide Research Task 6 into the four (4) subcategories of facilities, technology, transportation, or debt service because the District’s compliance with federal, state, and local laws, rules, and regulations; the internal controls that ensure such compliance; and charter school funding are universal and apply to all four (4) areas.

To address the requirements of this subtask the MJ Team interviewed the School Board Attorney and the Chief Financial Officer. The District’s compliance with federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies rests on the foundation of the School Board Attorney, Specialist Legal Counsel, Professional Association Memberships, and an online legal subscription service. The District does not have a lobbyist.

**Figure 6-1** graphically depicts the District’s legal infrastructure. Each element is discussed after the graphic.

**FIGURE 6-1**  
**LEGAL COMPLIANCE PROCESS & INFRASTRUCTURE**



Source: Constructed from Interviews and Related Documentation.

## SCHOOL BOARD ATTORNEY

The school board attorney is the cornerstone of the District's process for ensuring compliance with laws, rules, and regulations that impact the District. The school board attorney's contractual responsibilities to the District include, but are not limited to the following:

- attend board meetings and workshops;
- review agenda packet;
- render legal advice to the board, superintendent, and District departments, as necessary;
- serve as parliamentarian at board meetings;
- provide immediate accessibility and timely response to the school board, superintendent, and designated staff;
- Coordinate the work of outside counsel such as for insurance-related legal issues; and
- Provide access to qualified, specialized legal counsel as deemed appropriate.

The individual who serves as school board attorney is employed with a local law firm thereby providing him with reach back access to the following legal specialties should the need arise:

- General Civil
- Commercial and Business Transactions and Litigation
- Real Estate Transactions, Development, Land Use and Litigation
- Leases and Leasing



- Contracts
- Banking, Finance and Creditor's Rights
- Bankruptcy
- Criminal Defense
- Divorce and Family Law
- Estate Planning, Wills and Trusts
- Probate and Guardianship
- Construction and Lien Law
- Foreclosures
- Landlord Tenant
- Appeals
- Governmental and Utility Company Law

The School Board Attorney also provides updates and information to the board after each legislative session regarding new laws that result in changes to board policy and/or operations. The individual is also a member of the Florida School Board Attorneys Association (FSBAA). The FSBAA is a collegial body of school board attorneys who meet quarterly to hear speakers on current issues affecting school boards and to provide a forum for members to exchange ideas and information.

### **SPECIALIST LEGAL COUNSEL**

The District contracts with law firms that specialize in areas outside of the School Board Attorney's scope. For example, the District obtains outside legal counsel for labor and employment matters. There is also an agreement with a firm to represent the Superintendent in employment related matters. These firms provide an extra layer of legal representation and coverage in those areas where the School Board Attorney does not have the necessary training, experience, and expertise.

### **PROFESSIONAL ASSOCIATION MEMBERSHIPS**

The District is a member of several professional associations that provide benefits to its membership many of which enable it to strengthen its infrastructure to ensure compliance with laws, rules, and regulation. **Figure 6-2** summarizes the associations of which the District is a member.

**FIGURE 6-2  
DISTRICT PROFESSIONAL ASSOCIATION MEMBERSHIPS**

Association	Benefits
<i>Florida School Board Association</i>	<ul style="list-style-type: none"> <li>• Consults with school district personnel and school board members regarding employee and labor relations.</li> <li>• Produces publications to support, inform, and assist members.</li> <li>• Provides a monthly newsletter that highlights education related legal activities throughout the country.</li> <li>• FSBA legal counsel may serve as a representative for members in lawsuits that may impact all school boards.</li> </ul>
<i>Florida Association of District School Superintendents</i>	<ul style="list-style-type: none"> <li>• Provides legal information to school superintendents including advice on the roles, responsibilities, and duties of district school superintendents.</li> <li>• Provides general advice on issues that may arise in school districts that have a statewide impact.</li> <li>• General counsel is available for updates and interpretation of federal and state legislation.</li> <li>• Provides lobbying services before the Florida Legislature, Office of the Governor, State Board of Education, Department of Education and state agencies that impact public education.</li> <li>• Provides regulatory reports to members on at least a weekly basis during the regular legislative session and any special legislative session.</li> <li>• Provides a comprehensive final legislative report after the regular legislative session is complete.</li> <li>• Report is available after the regular legislative session is complete, and districts can request legislative updates.</li> </ul>
<i>Florida Association of School Administrators</i>	<ul style="list-style-type: none"> <li>• Hosts legislative days where members can participate in legislative briefings, set meetings with legislators, and network.</li> </ul>
<i>Florida Education Legislative Liaisons</i>	<ul style="list-style-type: none"> <li>• Assists school boards and superintendents in shaping and improving education by impacting legislation and providing leadership and training through a network of service and information.</li> </ul>
<i>Florida Government Finance Officers Association</i>	<ul style="list-style-type: none"> <li>• Provides educational opportunities through various venues and delivery methods.</li> <li>• Establishes a network of membership expertise.</li> <li>• Provides opportunities for individual development.</li> <li>• Communicates technical and legislative issues.</li> </ul>
<i>Finance Council</i>	<ul style="list-style-type: none"> <li>• Serves as an advisory committee to the Commissioner of Education on school funding and business issues.</li> <li>• Represents a diverse mix of school districts across the state in terms of size, student demographics, population density, and region.</li> </ul>

Source: List Provided by School Board Attorney and Website Description of Services.

## ONLINE LEGAL SUBSCRIPTION SERVICE

The District has a subscription to an online news service that provides constant updates on breaking news and exclusive features as well as gavel-to-gavel coverage of every action taken, and speech given, on the floor of the Florida House and Senate. Other benefits include, but are not limited to the following:

- Daily schedule of state government events
- Morning and evening advisories of developing news
- Continually-updated Web site tracking the daily news
- Press releases available online and searchable
- Stories about daily events
- Exclusive feature stories
- Roundup: Weekly recap of the news
- Archives of news coverage
- Archives of press releases
- Audio coverage of selected capitol events
- Video coverage of selected relevant events

## SUBTASK 6.1 CONCLUSION

Based on the analysis performed, the school board attorney, special legal counsel, professional associations, and a news service online subscription constitute the District's process for assessing its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Therefore, the subtask is met.

**SUBTASK 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.**

The management of an organization is responsible for maintaining an effective system of program internal controls. To address the requirements of this subtask, the MJ Team reviewed the program internal control environment in the areas of documented policies and procedures and internal and external audit results.

## POLICIES AND PROCEDURES

The MJ Team reviewed several school board policies maintained on the District's website and other policies provided by District staff to identify some of the key internal controls. The board policies include references to applicable *Florida statutes* and regulations. As indicated in **Figure 6-3**, some of the District's key policies were last adopted or reviewed in 1999.

**FIGURE 6-3  
EXAMPLES OF SCHOOL BOARD POLICIES**

Number	Title	Last Date	Description
02-17	Purchasing Procedures	8/12/2019	Purchasing and bidding requirements.
11-03	Facilities Master Plan	9/27/1999	Plan must be comprised of the following: 1) Five-Year Capital Outlay Plan; 2) Project Priority List; 3) Five-Year Educational Plant Survey. Include financial and one and five year capital layout plan
11-04	Construction Plan and Educational Specifications	9/27/1999	Planning base for acquiring construction sites and erecting, enlarging or altering facilities.
11-05	Selecting Professional Services	9/27/1999	Guidelines for approving services of an architect, engineer, total program manager, or construction manager
11-11	Inspection and Acceptance of New Facilities	9/27/1999	For all new construction, renovation, remodeling, day labor and maintenance projects, the District's Building Code Inspector, architect and engineer of record shall verify compliance with all <i>Florida Statutes</i> , State Board of Education Rules, and codes before a facility may be utilized.
11-16	Building Maintenance Requests	9/27/1999	The principal shall report, in writing, to the Maintenance Department any needed repairs to any buildings or the school grounds. Any emergency repairs shall be reported by the Maintenance Department by telephone and confirmed in writing.
12-01	Purpose and Functions of the Transportation Program	8/8/2016	Provide safe and efficient services at the lowest possible cost. Administration of the program includes procedures for the Transportation Department.

Source: Okaloosa County School District Website.

District management indicated that while there is not a written, documented procedure for policy review and revision, there is an ongoing organized process for such review and revision. Policies and procedures are updated and reviewed both due to changes in Legislation on an annual basis and routinely entire chapters are reviewed and revised. All chapters of the policy manual have revisions made to respective sections as warranted. If Legislation or internal guidance does not change, then policies are not amended. Annually those revisions and/or updates are based on Legislative changes which require either new policies or revisions to existing policies. The ongoing routine review and revision of the policy manual, which is done by entire chapters, is completed through a District department and legal review of existing policies. **Figure 6-4** shows that out of 14 chapters, the following nine chapters were reviewed and revised in their entirety since 2015.

**FIGURE 6-4  
SUMMARY OF CHAPTERS AND POLICIES REVIEWED SINCE 2015**

Year	Chapter	Current Number of Policies
2015	3	20
	6	40
	7	4
	8	13
	9	12
	10	3
2016	12	17
2017	14	22
2018	4	50

*Source: Okaloosa County School District Board Policy Manual on Website.*

The next chapters scheduled for entire reviews and updates are Chapter 1, 2, and 5. Chapter 11 has not been revised in its entirety during the last years. It includes 30 policies with the following adopted or last reviewed date.

- 21 policies adopted in September 1999 (such as Facilities Master Plan, School Construction Bids, Change Orders, Emergency Drills)
- 1 policy last revised in 2005
- 1 policy last revised in 2007
- 1 policy last revised in 2010
- 1 policy last revised in 2015
- 1 policy adopted in 2019

Although the District's policies and procedures are periodically updated and reviewed, the process could be improved by implementing a two to three-year rotation cycle for all policies to be reviewed and revised as needed.

For example, Duval County Public Schools has developed a written Board Policy Review Procedures with a two-year review cycle as depicted in **Figure 6-5**.

**FIGURE 6-5**

**DUVAL COUNTY PUBLIC SCHOOLS' BOARD POLICY REVIEW PROCEDURES**

<b>Board Policy Review Procedures</b>
<p>While some board policies are revisited annually, the School Board conducts a review of all the board policies over a two-year rotation. This is to ensure that policies reflect current practices and legislative mandates. In some instances, policies must be updated prior to the scheduled review. All policy review subcommittee meetings are noticed, posted, and open to the public.</p> <p>All revisions to Board Policy are published in a Public Hearing Notice at least 28 days prior to the Public Hearing. A Public Hearing will be held at a noticed Board Meeting prior to a board vote on any policy changes.</p> <p>Unless otherwise noticed, all meetings are held at 1701 Prudential Drive, Room 613.</p> <p>Wednesday, January 22, 2020 at 9 am - Chapter 1</p> <p>Wednesday, August 19, 2020 at 9 am - Chapter 2 &amp; 5</p> <p>Wednesday, September 16, 2020 at 9 am - Chapter 4</p> <p>Wednesday, November 18, 2020 at 9 am - Chapter 5</p> <p>Wednesday, January 20, 2021 at 9 am - Chapter 6</p> <p>In addition to the review of the designated chapters listed above, additional policies may be reviewed at these scheduled meetings due to changes in legislation, administrative rule, or district changes in practices.</p> <p>A new two-year review cycle will begin in January 2020.</p> <p><b>Even Years:</b> January - Chapter 1, March - Chapter 2, May - Chapter 3, September - Chapter 4, November - Chapter 5</p> <p><b>Odd Years:</b> January - Chapter 6, March - Chapter 7, May - Chapter 8, September - Chapter 9, November - Chapter 10</p>

Source: Duval County Public Schools Website - <https://dcps.duvalschools.org>.

In addition to board policies, Okaloosa County School District maintains a Finance and Accounting Procedures Manual which contains the following chapters. The manual will be an internal procedures manual which will not require school board approval. The school board typically adopts and approves policies, not any detailed procedures manuals. As indicated in **Figure 6-6**, this manual is incomplete and a work in progress per District management.

**FIGURE 6-6**  
**CONTENTS OF FINANCE AND ACCOUNTING PROCEDURES MANUAL**

Chapter Number	Title	Last Date	Description
1	Purchasing/Accounts Payable Procedures	No date; no approval page	Procedures for the requisition cycle; purchase order cancellation; outstanding purchase orders; receiving reports; and other financial areas. <i>(Note: Includes blank pages indicating to insert applicable form)</i>
2	Finance Procedures	No date; no approval page	Monthly expenditure report to be sent to each school, department, or project director listing budget versus actual expenditures to perform monthly reconciliations; Budget amendments procedures. <i>(Note: Includes blank pages indicating to insert applicable form)</i>
3	Payroll Procedures	No date; no approval page	Payroll procedures
4	Terms	No date no approval page	Using the AS/400 system

Source: Draft Finance and Accounting Procedures Manual.

## INTERNAL AUDIT FUNCTION

The District executed a contract which provides the ability to engage a certified public accounting firm to review the District's internal controls and to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error.

Currently the CPA firm only conducts an annual audit of each school's internal funds account and an audit report is published each year which states whether there are findings and recommendations. The District's Internal Funds Audit Report as well as the Financial Statement Audit Report has yielded an "Unqualified Opinion" for the past 20 years according to District management. The MJ team reviewed the reports from fiscal years 2016 through 2019 noting an unqualified opinion.

## EXTERNAL AUDITS OF INTERNAL CONTROLS

During an audit of a governmental entity, independent auditors perform procedures and issue reports that address the entity's internal controls. MJ reviewed the District's external audit reports to determine if the external auditors had identified internal control weaknesses that impact program internal controls.

In addition to the financial statement audit, the Compliance Section of an external audit report includes various reports required by Government Audit Standards. These compliance reports address the District's internal control over financial reporting and the external auditor's tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of these reports is solely to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting

or on compliance. These reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance. The audit report includes the following internal control definitions:

- **A deficiency** in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements or noncompliance on a timely basis.
- **A material weakness** is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements or noncompliance will not be prevented, or detected and corrected on a timely basis.
- **A significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The District's independent auditors issued the reports in connection with their audit, which are shown in **Figure 6-7**. No significant deficiencies in internal controls were identified.

**FIGURE 6-7**  
**SUMMARY OF EXTERNAL FINANCIAL AUDIT REPORTS FINDINGS**  
**FY2017, FY2018, FY2019**

AUDIT REPORT FINDINGS				
Report Name	Purpose	External CPA Firm FY2019 Audit, March 25, 2020	State of Florida Auditor General FY2018 Audit, February 20, 2019	External CPA Firm FY2017 Audit, March 30, 2018
<i>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of the Financial Statements Performed in Accordance with Government Auditing Standards</i>	Report deficiencies in internal controls considered to be a material weakness. Report results of tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements which could have a direct and material effect on financial statement amounts.	No findings	No findings	No findings
<i>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance</i>	Express opinion on the District's compliance with law and regulations for its major Federal programs. Report deficiencies in internal control over compliance	No findings	No findings	No findings



<b>AUDIT REPORT FINDINGS</b>				
<b>Report Name</b>	<b>Purpose</b>	<b>External CPA Firm FY2019 Audit, March 25, 2020</b>	<b>State of Florida Auditor General FY2018 Audit, February 20, 2019</b>	<b>External CPA Firm FY2017 Audit, March 30, 2018</b>
	considered to be a material weakness.			
<i><b>Schedule of Findings and Questioned Costs</b></i>	Schedule which lists the major Federal programs audited and any findings.	No findings	No findings	No findings
<i><b>Summary Schedule of Prior Audit Findings</b></i>	Schedule which describes the status of any prior audit findings on Federal programs.	No findings	No findings	2016 Finding Resolved
<i><b>Independent Auditor's Management Letter</b></i>	Executive summary of audit reports submitted, status of corrective actions for prior audit year audit findings, recommendations to improve financial management, transparency, and additional matters (noncompliance with contracts or grant agreements or abuse that is less than material but warrants management's attention).	Additional Matter ( <i>Not Material</i> ): Delinquent transfer of \$3,000 in student Pell Grant refunds for students who withdrew from classes. Recommended to enhance policies and procedures to ensure refunds are made within a timelier manner.	No Letter	2016 Finding Resolved
<i><b>Attestation Report on Compliance with s. 218.415, Florida Statutes</b></i>	Express opinion if District complied with requirements of Local Government Investment Policies.	No findings	Not reported	No findings

Source: Okaloosa County School District Annual Financial Reports.

In addition, MJ reviewed the State of Florida's Auditor General's Operational Audit report number 2019-057 dated November 2018 for relevant financial findings and recommendations as shown in **Figure 6-8**. One such finding indicated that District controls over payments for School Resource Officer (SRO) services needed enhancement.

**FIGURE 6-8  
SUMMARY OF AUDITOR GENERAL'S OPERATIONAL AUDIT FINDING  
CONTRACTUAL SERVICES**

<b>STATE OF FLORIDA AUDITOR GENERAL OPERATIONAL AUDIT – REPORT NO. 2019-057 DATED NOVEMBER 2018 FINANCIAL-RELATED FINDING</b>		
<b>Finding #8 – Contractual Services</b>	<b>Recommendation</b>	<b>Management's Response</b>
For one (1) of the five (5) contracts tested, the auditor's determined that for the contract with the Okaloosa County Sheriff's Office (OCSO) for School Resource Officers (SRO), 10 of the 12 monthly payments totaling \$1.2 million were made before the SRO services were provided for the respective month. Also, District records did not evidence that school personnel with direct knowledge of the SRO services documented receipt of the services. Absent applicable approval procedures, there was an increased risk that any overpayments that may occur would not be timely detected.	Establish procedures to require that before payments are made personnel with direct knowledge of SRO services document receipt of the services.	The District will establish a procedure, which requires personnel with direct knowledge of School Resource Officer services to document, and verify that said services have been received prior to payment.

*Source: State of Florida Auditor General's Operational Audit Report.*

## **SUBTASK 6.2 CONCLUSION**

Based on the analysis performed, program internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures yet requirement improvement. The District lacks a board policy for the review of all policies on a two to three-year cycle especially those dated in 1999 and to ensure that departmental policy and procedures manuals are comprehensive and complete. Therefore, this subtask is deemed to be partially met.

## **RECOMMENDATION 6.2**

Implement a board policy to review all policies on a two to three-year cycle and require departments to maintain comprehensive current policies and procedures to ensure compliance with board policies.

**SUBTASK 6.3 – Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.**

To address the requirements of this subtask, the MJ Team reviewed whether corrective actions were timely taken to address audit findings discussed in Subtask 6.2. In addition, a review of other external evaluations was completed in Subtask 1.4. Based on interviews and the review of supporting documents, the implementation status of the external auditor’s recommendations follow.

### **UNTIMELY GRANT REFUNDS**

The independent auditor’s report dated March 25, 2020 recommended in the Additional Matters (*less than material issues*) section of the management letter that the District update its policies and procedures to estimate and transfer Pell Grant monies into the appropriate bank account in a timely manner. The District provided the Okaloosa Technical College’s Student Financial Aid policy and procedures manual revised 2019-2020 (August 2019-May 2020) and referenced to Section 15.D. Refunds & Repayments (Return to Title IV) as the updated section of the policy. The revised policy states that the business office will return funds to the USDOE within the specified time frame either via funds transfer or by check mailed to the USDOE.

### **CONTRACTUAL SERVICES SUPPORT**

The State of Florida Auditor General’s Report No. 2019-057 dated November 2018 included a recommendation for *Finding 8, Contractual Services*, for the District to establish procedures to require that before paying invoices for SRO services, that school personnel with direct knowledge of SRO services document satisfactory receipt of the services.

The former Program Director for School Safety signed the invoice for services in December 2018. For the May 2020 SRO invoice, the Assistant Superintendent-Operations signed the invoice as authorization for payment. If an SRO were not to report to a school on any given day the Principal would notify the Sheriff’s School Resource Officer Coordinator who would ensure the school has an officer on site. The MJ Team was informed that the SROs daily attendance is monitored and/or verified by initiating a call to Dispatch upon arrival and departure. However, this process lacks compliance with the auditor’s recommendation as supporting documentation was not approved by school personnel.

### SUBTASK 6.3 CONCLUSION

Based on the analysis performed, program administrators have not fully implemented recommendations to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.

The recommendation in the 2018 State of Florida Auditor General’s Report to require school personnel with direct knowledge of SRO services to document receipt of services prior to invoice payment has not been implemented at the school level. Therefore, this subtask is deemed to be partially met.

### RECOMMENDATION 6.3

Continue plans to fully implement the auditor’s recommendations and require the school principals to sign invoice support. Include documentation of any new procedures and reports used in the Accounting & Financial Reporting Department’s policy and procedures manual to maintain knowledge transfer and consistent accounting practices.

**SUBTASK 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.**

To address the requirements of this subtask, the MJ Team compared the language of s. 212.055(6), *Florida Statutes, School Capital Outlay Surtax* to Resolution Number 20-01 approved on March 30, 2020, by the School Board of Okaloosa County authorizing the placement of a sales surtax on the November 3, 2020 ballot. During interviews, MJ learned that the school board attorney worked closely with the Assistant Superintendent-Operational Services and the Chief Financial Officer to prepare the resolution for approval by the school board.

**Figure 6-9** compares the provisions of the statute related to timeliness and planned use of funds. The figure demonstrates that the school district took timely action to adopt a resolution to place the surtax on the ballot for voter approval in time for the November 3, 2020, ballot and that the planned uses of the surtax are in accordance with the statute.

**FIGURE 6-9**  
**COMPARISON OF SURTAX STATUTE WITH SURTAX RESOLUTION**  
**RELATED TO TIMELINESS AND PLANNED USE OF FUNDS**

Section 212.055, <i>Florida Statutes</i> , School Capital Outlay Surtax	Resolution No. 20-01 Adopted March 30, 2020
<p><b><u>Timeliness (s212.055 (11) (b)1</u></b></p> <p>At least 180 days before the referendum is held, the county or school district shall provide a copy of the final resolution or ordinance to the Office of Program Policy Analysis and Government Accountability. MJ noted that the District's letter to OPPAGA was dated April 2, 2020, which is 215 days before the November 3, 2020 referendum and therefore in compliance with the statute and submitted timely.</p>	<p><b><u>Timeliness</u></b></p> <p>A resolution of the School Board of Okaloosa County, Florida ordering and providing for the holding of a referendum election to determine if the electors in the school district of Okaloosa County, Florida approve the levy by the school board of Okaloosa County, Florida of a one-half cent per dollar sales surtax for the (10) years.... Adopted by the School Board of Okaloosa County, Florida at a regular meeting in the 30<sup>th</sup> day of March 2020.</p>
<p><b><u>Plan Use of Funds 9s.212.055 (6)</u></b></p> <p>(b) The resolution shall include a statement that provides a brief and general description of the school capital outlay projects to be funded by the surtax.</p> <p>(c) The resolution providing for the imposition of the surtax shall set forth a plan for use of the surtax proceeds for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses</p>	<p><b><u>Plan Use of Funds</u></b></p> <p>(c) The School Board has heretofore determined to acquire land, construct and improve school facilities, including safety and security improvements, purchase equipment including but not limited to technology and school buses, and to service bond indebtedness therefore, if any, and all as further described in paragraph (E) below and on Exhibit A (collectively, the "Plan").</p>

Source: Section 212.055(6), *Florida Statutes*, and School Capital Outlay Surtax and Resolution Number 20-01.

Section 14 of the surtax resolution requires the school board to appoint a Citizen Oversight Advisory Committee, consisting of five (5) volunteer Okaloosa County citizens to monitor the implementation of the plan and advise the school board and superintendent on the expenditure of sales surtax funds. The role of the oversight committee in overseeing the implementation of the plan will be an integral part of the plan and is not subject to repeal prior to completion of the plan.

The committee will review the spending, progress, and completion of all expenditures related to the estimated \$23 million a year generated by the half-penny sales tax over the next decade to address essential district needs as outlined in the board's resolution authorizing the referendum to be placed on the November 3, 2020 ballot. The superintendent intends to ask the school board to appoint an oversight committee at the September 2020 board meeting.

#### SUBTASK 6.4 CONCLUSION

Based on the analysis performed, the District has taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Moreover, a citizen oversight committee will be created once the referendum is approved to oversee how surtax dollars are being spent in comparison to the plan outlined in the resolution. Therefore, the subtask is met.

**SUBTASK 6.5 – Determine whether the school district has processes to distribute funds to district charter schools and mechanisms for charter schools to report how the funds are used.**

To address the requirements of this subtask, the MJ Team interviewed the Chief Financial Officer and budget director to inquire whether the school district has processes to distribute funds to district charter schools and mechanisms for the charter schools to report how the funds are used. MJ discussed with the Chief Financial Officer whether and how charter schools report how they will spend the surtax funds specifically and how charter schools report their use of funds in general. We also requested information to assess processes and procedures used to ensure charters schools receive their proper and accurate share of surtax funds.

The District has three (3) charter schools as shown in **Figure 6-10**.

**FIGURE 6-10**  
**OKALOOSA CHARTER SCHOOLS**

Name	Established	Contract Expiration	Enrollment	Unweighted Full-time Equivalent (UFTE)
Liza Jackson Preparatory School, Inc.	2001	6/2036	861.00	862.08
Northwest Florida State College Collegiate High School	2000	School Year 2019-2020, with annual extensions	285.00	280.69
Okaloosa Academy, Inc.	1997	2/2022	188.00	179.41
<b>Total</b>			<b>1,334.00</b>	<b>1,322.18</b>

*Source: Okaloosa County School District. Provided in Initial Data Request, July 2020. Enrollment data is as of October 2019. UFTE data is as of the 2019-2020 4th FEFP Calculation.*

**Figure 6-11** presents the District’s estimated proceeds from the sales surtax and the amount allocable to the District and its charter schools.

**FIGURE 6-11**  
**PROJECTED SURTAX REVENUES & ALLOCATION**  
**JULY 2020**

Recipient	Enrollment	Proportionate Share
Liza Jackson Preparatory School	863	\$607,523
Northwest Florida State College Collegiate High School	281	197,815
Okaloosa Academy	196	137,977
Okaloosa County School District	31,332	22,056,685
<b>Total</b>	<b>32,672</b>	<b>\$23,000,000</b>

*Source: Projection of Sales Surtax Funds and Anticipated Allocation, July 2020.*

The District’s relationship with its charter schools is driven primarily by statute and school board policy. These are the mechanisms that determine and outline the process by which: (1) charter schools are funded and (2) how they report how the funds will be used.

In 1973, The Florida Legislature enacted the Florida Education Finance Program (FEFP), which is the primary mechanism for funding Florida school districts. Charter schools receive other types of funding from the District, but the FEFP is the primary source. Each year the District determines the amount of FEFP funds due to each charter school using a spreadsheet provided by the Florida Department of Education (FDOE) to calculate the amount due to each charter school. The charter schools invoice the District each month for their share of allocated funds.

The amount of funding each school district receives under the FEFP is based on a funding formula, which is embodied in the FDOE spreadsheet that the District uses to calculate each charter school’s annual allocation. The statutory formula recognizes the following variables:

- local property tax bases;
- education program costs;
- costs of living; and
- costs for equivalent educational programs due to sparsity and dispersion of the student population.

Chapter 1002 of the Florida Education Code authorizes the establishment of charter schools and states that “*All charter schools in Florida are public schools and shall be part of the state’s program of public education.*”

Florida funds charter schools through the FEFP in the same manner as all other Florida public schools are funded. Charter schools receive operating funds from the FEFP based on the number of full-time (FTE) students enrolled. Charter school funding includes gross state and local funds, discretionary lottery funds, and funds from the school district's current operating discretionary millage levy; divided by the total funded weighted full-time equivalent (FTE) students in the school district; multiplied by the weighted FTE students in the charter school.

In addition to funding received through the FEFP, House Bill 7097, passed during the 2020 Florida Legislative Session, amends s. 212.055 (6), *Florida Statutes* by requiring school districts to share sales surtax funds with charter schools based on their proportionate share of total district enrollment. The law outlines the allowable uses of the funds and requires charter schools to account for and report all of their revenues and expenditures.

School board policy dictates how charter schools report how funds will be used. District Board Policy 14-Charter Schools states:

*"A charter school shall maintain and provide financial information as required in this paragraph.... The governing board of the charter school shall annually adopt and maintain an operating budget."*

Each month, charter schools invoice the District for their share of allocated funds. Accounting staff review the invoices for accuracy, allowability, and compliance prior to approving them for payment. This review of monthly invoices is the primary means by which charter schools report how the funds are used and how the district determines if the funds were spent for authorized purposes.

#### **SUBTASK 6.5 CONCLUSION**

Based on the analysis performed, the District has processes to distribute funds to its charter schools and mechanisms for charter schools to report how the funds are used. Internal controls also provide assurance that charter school allocations are accurate. Therefore, Subtask 6.5 is met.

**Overall Research Task 6 Conclusion: Based upon the work and conclusions reached for the five (5) subtasks, we deem that this research task is partially met.**



## DEBT SERVICE

**SUBTASK 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.**

To address the requirements of this subtask, the MJ Team interviewed the Chief Financial Officer and reviewed reports management uses to monitor debt payments and balances.

At June 30, 2019, the District had total long-term debt outstanding of \$18,733,327 composed of \$15,157,000 of certificates of participation (COP), \$2,987,000 of bonds payable, and \$589,327 of capital leases payable. The COPs arise out of a 2003 master lease purchase agreement, with the Okaloosa County School Board Leasing Corporation whereby the District secured financing of various educational facilities.

Bonds payable consists of \$647,000 of state school bonds and \$2,340,000 of revenue bonds. The Florida State Board of Education issued the state school bonds on behalf of the District. They are secured by the District's pledge of a portion of motor vehicle license taxes. The District issued the revenue bonds to finance capital improvements and to refund outstanding series 1994 revenue bonds. The revenue bonds are secured by sales tax revenues as authorized by applicable *Florida Statutes*. Should voters approve the referendum, none of the sales surtax fund will be used to service the District's existing debt.

The Chief Financial Officer's department produces two (2) reports that are critical for debt management. Each is discussed and evaluated below.

### MATURITY SCHEDULE

This report displays how much interest and principal are due on the debt for each year from inception to maturity. It also shows the coupon rate and the total amount of debt service due each year. This report enables the District to plan and provide resources to ensure funds are available to pay the debt when due. **Figure DS-1** illustrates the COP maturity schedule.

**FIGURE DS-1  
CERTIFICATE OF PARTICIPATION MATURITY SCHEDULE**

BOND DEBT SERVICE					
The School District of Okaloosa County, Florida					
Certificates of Participation, Series 2016					
Refunded 2006, Partially Refunded Certificates of Participation, Series 2007					
Final Numbers					
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
1/1/2017			53,642.23	53,642.23	
7/1/2017	2,844,000	1.460%	214,568.90	3,058,568.9	3,112,211.13
1/1/2018			193,807.70	193,807.7	
7/1/2018	5,656,000	1.460%	193,807.70	5,849,807.7	6,043,615.40
1/1/2019			152,518.90	152,518.9	
7/1/2019	5,736,000	1.460%	152,518.90	5,888,518.9	6,041,037.80
1/1/2020			110,646.10	110,646.1	
7/1/2020	5,823,000	1.460%	110,646.10	5,933,646.1	6,044,292.20
1/1/2021			68,138.20	68,138.2	
7/1/2021	5,910,000	1.460%	68,138.20	5,978,138.2	6,046,276.40
1/1/2022			24,995.20	24,995.2	
7/1/2022	3,424,000	1.460%	24,995.20	3,448,995.2	3,473,990.40
	\$ 29,393,000.00		\$ 1,368,423.33	\$ 30,761,423.33	\$ 30,761,423.33

Source: Okaloosa Chief Financial Officer, Maturity Schedule, July 2020.

## AMORTIZATION SCHEDULE

The amortization schedule provides how much principal and interest is due for each payment over the life of the debt. It also provides the remaining principal balance after each payment. It is very similar to the maturity schedule and serves the same purpose except it has more detail. The District's revenue bond amortization schedule is shown in **Figure DS-2**. The complete schedule is not shown.

**FIGURE DS-2**  
**REVENUE BOND AMORTIZATION SCHEDULE**

BOND DEBT SERVICE								
The School District of Okaloosa County, Florida Refunding and Revenue Bond, Series 2011 Final Numbers Priced on April 26, 2011								
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value	
4/26/2011	\$ -		\$ -	\$ -	\$ -	2,975,000	2,975,000	
7/1/2011	165,000.00	2.000%	24,744.24	189,744.24	189,744.24	2,810,000	2,810,000	
1/1/2012			66,872.50	66,872.50		2,810,000	2,810,000	
7/1/2012	55,000	2.000%	66,872.50	121,872.50	188,745.00	2,755,000	2,755,000	
1/1/2013			66,322.50	66,322.50		2,755,000	2,755,000	
7/1/2013	55,000	2.000%	66,322.50	121,322.50	187,645.00	2,700,000	2,700,000	
1/1/2014			65,772.50	65,772.50		2,700,000	2,700,000	
7/1/2014	55,000	2.000%	65,772.50	120,772.50	186,545.00	2,645,000	2,645,000	
1/1/2015			65,222.50	65,222.50		2,645,000	2,645,000	
7/1/2015	60,000	2.250%	65,222.50	125,222.50	190,445.00	2,585,000	2,585,000	
1/1/2016			64,547.50	64,547.50		2,585,000	2,585,000	
7/1/2016	60,000	2.700%	64,547.50	124,547.50	189,095.00	2,525,000	2,525,000	
1/1/2017			63,737.50	63,737.50		2,525,000	2,525,000	
7/1/2017	60,000	3.000%	63,737.50	123,737.50	187,475.00	2,465,000	2,465,000	
1/1/2018			62,837.50	62,837.50		2,465,000	2,465,000	
7/1/2018	60,000	3.375%	62,837.50	122,837.50	185,675.00	2,405,000	2,405,000	
1/1/2019			61,825.00	61,825.00		2,405,000	2,405,000	
7/1/2019	65,000	3.750%	61,825.00	126,825.00	188,650.00	2,340,000	2,340,000	
1/1/2020			60,606.25	60,606.25		2,340,000	2,340,000	
7/1/2020	65,000	4.000%	60,606.25	125,606.25	186,212.50	2,275,000	2,275,000	
1/1/2021			59,306.25	59,306.25		2,275,000	2,275,000	
7/1/2021	70,000	4.000%	59,306.25	129,306.25	188,612.50	2,205,000	2,205,000	
1/1/2022			57,906.25	57,906.25		2,205,000	2,205,000	
7/1/2022	70,000	4.750%	57,906.25	127,906.25	185,812.50	2,135,000	2,135,000	
1/1/2023			56,243.75	56,243.75		2,135,000	2,135,000	
7/1/2023	75,000	4.750%	56,243.75	131,243.75	187,487.50	2,060,000	2,060,000	
1/1/2024			54,462.50	54,462.50		2,060,000	2,060,000	

Source: Okaloosa Chief Financial Officer, Debt Amortization Schedule, July 2020.

Based on the analysis performed, the District has management reports/data that program administrators use on a regular basis to manage debt and the reports are adequate to monitor debt service requirements and debt balances. Therefore, Subtask 1.1 for the Debt Service subcategory is met.

**SUBTASK 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.**

To address the requirements of this subtask, the MJ Team interviewed the Chief Financial Officer and reviewed debt refinancing documentation.

A debt refunding is retiring or redeeming an outstanding bond issue with the proceeds of a new bond issue at a lower interest rate ensuring reductions in interest costs. In November 2016, the District entered into a financing arrangement to refund debt issuances Certificates of Participation, Series 2006 and advance refunded Certificates of Participation, Series 2007. The

refinancing was accomplished through the issuance of \$29,393,000 in Certificate of Participation, Series 2016, and resulted in estimated interest savings of approximately \$1.75 million over five (5) years.

All of the “Big Three” investors' services conduct international financial research on bonds issued by commercial and government entities and are credit rating agencies. One assigned the District a favorable bond rating that *“reflects the District's large and growing tax base with average wealth levels, satisfactory financial position, prudent management and affordable fixed costs.”*

Based on the analysis performed, the District evaluated its debt to assess the potential for reducing interest costs. As a result, the District refunded its debt resulting in interest savings over the remaining life of the debt. In addition, the District received a positive rating from one of the largest bond rating agencies in the world. Therefore, Subtask 1.2 for the Debt Service subcategory is met.

**SUBTASK 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.**

**SUBTASK 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.**

Subtasks 4.3 and 6.2 are evaluated together because they both involve internal controls. To address the requirements of this subtask, MJ reviewed the District's debt service procedures noting that they contained all the elements of effective internal control. They were documented in writing, identified the responsible person and department, identified the applicable debt issuances, and outlined specific procedures for debt payments. The procedures specified key controls such as verification, documentation, standard forms, review, approval, signature, and segregation of duties. The debt service procedures are outlined as follows:

1. Receive the debt payment notification letter.
2. Verify payment letter amount to corresponding amortization schedule.
3. Ensure sufficient funds have been appropriated for the payment (both principal and interest).
4. Stamp the debt payment letter for payment processing requiring three items of information to be completed, the funding strip, the date, and Chief Financial Officer's signature for approval.
5. Chief Financial Officer reviews, approves, and signs the debt payment letter for payment.
6. Deliver originals to accounting operations specialist for payment processing.

7. The accounting operations financial analyst prepares the Wire Transfer Sheet (MIS 3289 form) for the Accounting Director's approval and signature.
8. The Accounting Operations Financial Analyst sets up the wire in the [bank name] Cash ProSystem as approved and the Accounting Specialist releases the wire for payment.
9. After the wire is completed, the accounting specialist prepares a Transmittal Voucher Sheet – Multiple Budget Strips (MIS 3043 form) for initiating an accounts payable check in order to record the payment under the associated vendor.
10. The check is then voided and a cash disbursement journal entry is prepared to record the wire into the AS400 bank activity.
11. The bank wire confirmation is then forwarded to the financial analyst for capital outlay for the debt service file.

MJ reviewed the documents evidencing the Fiscal Year 2020 payment of principal and interest on the Certificates of Participation (COP). We noted agreement of principal and interest with the amortization schedule, debt description, amount, timeliness of payment, and that the invoice and wire transfers were properly approved. We also noted evidence of segregation of duties in the processing of the payment.

Section 1011.71(2)(e), *Florida Statutes* sets limits on how much a Florida school district can levy for debt service. The statute states in part:

*"...each school board may levy not more than 1.5 mills against the taxable value for school purposes for charter schools pursuant to s. 1013.62(1) and for district schools to fund...Payments for educational facilities and sites due under a lease-purchase agreement entered into by a district school board pursuant to s. 1003.02(1)(f) or s. 1013.15(2), not exceeding, in the aggregate, an amount equal to three-fourths of the proceeds from the millage levied by a district school board pursuant to this subsection...."*

The District's Chief Financial Officer is responsible for ensuring that the District remains in compliance with this statute by calculating the debt limit each year as part of the budget process. MJ reviewed the Chief Financial Officer's calculations for Fiscal Years 2016 through 2020 noting that it included all of the elements required by the statute including nonexempt assessed property value, capital millage (1.5 mills) proceeds at 96 percent, maximum debt service capacity, current debt service, and potential additional debt service allowed.

Based on the analysis performed, the District has internal controls, including written procedures and debt limit calculations that provide reasonable assurance that debt service goals and objectives will be met and that the District is in compliance with applicable laws. Therefore, Subtasks 4.3 and 6.2 for the Bond Indebtedness subcategory are met.

**SUBTASK 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.**

To address the requirements of this subtask, MJ interviewed the Chief Financial Officer and assessed whether debt service is publicly available on the District's website. MJ identified three (3) schedules that show debt service balances.

- Estimated Revenue & Appropriations with Comparative Revenue Data
- Estimated Revenue & Appropriations by Fund
- Amortizations Schedule by Fund

Based on the analysis performed, the District has a process and professional service providers to ensure the adequacy and accuracy of information reported to the public. Therefore, Subtask 5.1 for the Debt Service subcategory is met.

**SUBTASK 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.**

To address the requirements of this subtask, MJ interviewed the Chief Financial Officer and examined a list of service providers who ensure the district remains in compliance with state law, debt covenants, bond documents, etc.

In addition to the legal infrastructure outlined and discussed in Subtask 6.1 in the main body of the report, the following are debt specific service providers who ensure the District's compliance with debt matters:

- Financial Advisor
- Bond Counsel
- School Board Attorney
- Bank Trustee
- Chief Financial Officer

Based on the analysis performed, the District has a process and professional service providers to assess indebtedness compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Therefore, Subtask 6.1 for the Debt Service subcategory is met.

**Overall Debt Service Conclusion: Based on our evaluation, we deem that all six (6) subtasks relevant to debt services are met.**

# MANAGEMENT RESPONSE



## SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS  
MARCUS D. CHAMBERS

ATTORNEY TO THE BOARD  
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS  
TIM BRYANT  
DEWEY DESTIN  
LINDA EVANCHYK  
DIANE KELLEY  
LAMAR WHITE

August 28, 2020

Gilbert R. Hopkins  
McConnell & Jones, LLP  
4828 Loop Central Drive  
Suite 1000  
Houston, TX 77081

Re: Management Response to the Performance Audit Report dated August 28, 2020

Below are the District's responses to the Performance Audit recommendations for items designated as "Partially Met".

### **Subtask 1.2**

#### **Facilities**

Based on the analysis performed, although Operational Services management reviews a work order aging report every six months, staff provided no evidence that the information is evaluated against key performance indicators and other reasonable criteria to assess facility maintenance program performance and costs.

#### **Transportation**

Based on the analysis performed, transportation assessments occur through the Florida Department of Education's Transportation Monitoring Self-Evaluation, summertime bus route evaluation, and ad hoc late bus investigations. However, these are not comprehensive evaluation measures and transportation management does not use available key performance indicators to evaluate the transportation program.

### **District Response**

The District will research and explore best practices in both the facilities and transportation program to evaluate performance goals and identify key performance indicators to adopt as assessment tools.

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TELEPHONE (850) 833-3100 FAX (850) 833-3436

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**Subtask 1.3****Facilities**

Based on the analysis performed, findings and recommendations were included in the school bleacher inspection reports. In addition, reasonable, timely actions were taken to address deficiencies noted during bleacher inspections by engaging a firm to make repairs districtwide. However, there is no formal methodology for documenting and tracking repairs to ensure they are completed and that a historical repair record is maintained.

**District Response**

The District will formally document and track bleacher repairs and maintain a cumulative record of those respective repairs. Currently, the District and School Administration perform a visual verification of bleacher repairs to ensure satisfactory corrective action has been completed.

**Subtask 1.5****Facilities**

Based on the analysis performed, Operational Services management and staff provided no evidence that maintenance program performance and costs are evaluated based on reasonable measures.

**Technology**

Based on the analysis performed, Information Services uses the metrics in its seat management contract to evaluate the performance and cost of technology operations. While the measures are reasonable, based on MJ's comparison of customer satisfaction measures with industry standards, the District could benefit from using additional key performance indicators (KPIs) such as those published by the Council of Great City School (CGCS) in its 2019 Performance Measurement and Benchmarking Project.

**Transportation**

Based on the analysis performed, Transportation management and staff provided no evidence that transportation program performance and costs are evaluated based on reasonable measures.

**District Response**

The District will research and explore reasonable assessment tools which may be used to evaluate facilities, technology, and transportation program performance and formally document the process used to select the assessment tools.

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**Subtask 1.6****Technology**

Information Services relies on the Seat Management contractor to estimate the costs and select subcontractors for various task orders without an independent verification of the cost.

**District Response**

The District will develop procedures and/or processes to formally document the completion of Seat Management projects. The District will compare and analyze the Seat Management vendor's subcontractor costs to state bid pricing, subject to information and/or data availability. The District's contract with the Seat Management vendor was competitively bid, recommended by evaluation committee, and ultimately approved by the School Board.

**Subtask 2.2****Transportation**

MJ's work revealed that bus driver position vacancy rates are 20% and the daily absenteeism rate is 10 to 15 percent, which sometimes disrupts student transportation services. The District's bus to mechanic ratio is significantly lower than the industry average.

**District Response**

The District will continue to seek innovative ways to attract and retain bus drivers as well as increase beginning pay as funding permits. The District has negotiated and implemented several incentive based recruitment programs and increased the starting pay for Bus Drivers for the 2020-2021 school year. In addition, the District also increased the starting pay for Bus Drivers in the 2019-2020 school year and has offered an attendance based incentive program for several years. The District has one of the oldest bus fleets in the state. As a result, the District experiences a higher than average number of repair incidents and a substantially higher than average bus maintenance and repair cost. As the District is able to refresh its fleet, it will review and re-evaluate the appropriateness of the bus mechanic ratio.

**Subtask 3.1****Transportation**

Based on the analysis performed, the Transportation Department continues to be considerate of the use of contract services for both systemic and targeted opportunities. However, there have been no recent formal efforts to evaluate the viability of contracting and privatizing transportation and fleet maintenance services.

**District Response**

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The District will explore the viability and potential cost implications of contracting and/or privatizing transportation and/or fleet maintenance services.

#### **Subtask 3.2**

##### **Transportation**

Based on the analysis performed, there are a limited number of issues and concerns related to program administrators' assessment of existing in-house transportation services and activities to determine the feasibility of contracted services. The lack of a structured and formal process of assessment is a limitation of the current approach to assessing outsourcing.

#### **District Response**

The Transportation Department will continue to evaluate outsourcing of fleet maintenance services to assess potential viable cost saving measures.

#### **Subtask 3.4**

##### **Transportation**

Based on the analysis performed, the Transportation Department remains aware of innovations and options in its peer organizations, but similar evaluations have not been conducted by the Department.

#### **District Response**

The Transportation Department will conduct a review of innovations and options in one or more comparable peer districts to consider their potential effectiveness within Okaloosa County for potential implementation and will document this analysis.

#### **Subtask 4.1**

##### **Facilities, Technology & Transportation**

Based on the analysis performed, the District lacks documented departmental goals and objectives which are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan. The program descriptions in the budget align with a strategic priority. However, the District's strategic priorities are limited and lack performance indicators and measures.

#### **District Response**

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The District will develop performance indicators and measures to ensure program outcomes can be achieved within budget and are aligned with the district's strategic plan. The Operations Department has developed overall operational goals in coordination with the District's capital program.

#### **Subtask 4.2**

##### **Facilities & Transportation**

Based on the analysis performed, the district does not use performance measures to evaluate program performance and to assess program progress toward meeting its stated goals and objectives.

##### **Technology**

Based on the analysis performed, few performance measures are reported for seat management related to customer service.

#### **District Response**

The district will formalize its current process of evaluating maintenance work order performance.

#### **Subtask 4.3**

##### **Facilities & Technology**

Although various internal controls exist to provide reasonable assurance that program goals and objectives will be met, the District lacks comprehensive departmental policies and procedures manuals that support program goals and objectives. In addition, monthly construction program meetings are conducted, yet meeting minutes are not maintained to document decisions made and items to address in future meetings.

#### **District Response**

The District will work towards developing comprehensive departmental procedure manuals which support program goals and objectives. The District will formalize notes regarding topics of discussions and potential recommendations.

#### **Subtask 5.3**

Although the District has compiled useful project cost data, program performance data is not currently prepared or accessible to the public.

#### **District Response**

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The district will prepare and publish program performance data on the District's website for public access.

#### **Subtask 5.5**

Based on the analysis performed, MJ's work revealed that while the District provided multiple examples of taking timely actions to correct erroneous and/or incomplete information that has been provided to the public no formal procedures are in place to: (1) document the process/procedure that should be followed, (2) ensure all appropriate staff are knowledgeable of the process/procedure, and (3) ensure consistency of the information that is made available to the public.

#### **District Response**

The District regularly evaluates, corrects and updates incorrect information provided to the public on the District website. Going forward, the District will develop a written procedure to formalize that process.

#### **Subtask 6.2**

Based on the analysis performed, program internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures yet requirement improvement. The District lacks a board policy for the review of all policies on a two to three-year cycle, especially those dated in 1999, and to ensure that departmental policy and procedures manuals are comprehensive and complete.

#### **District Response**

The District will develop a documented process to ensure that all School Board Policies are reviewed based on a two to three-year rotational cycle. Updates and/or revisions may occur more frequently if mandated by legislation.

#### **Subtask 6.3**

Based on the analysis performed, program administrators have not fully implemented recommendations to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. The recommendation in the 2018 State of Florida Auditor General's Report to require school personnel with direct knowledge of SRO services to document receipt of services prior to invoice payment has not been implemented.

#### **District Response**

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In response to the finding reflected in the State of Florida Auditor General Operational Audit, Report No. 2019-057, dated November 2018, the District implemented mitigating corrective action to validate the daily on site work schedule of School Resource Officers. However, the District will further enhance the above referenced corrective action to include a procedure which requires school site personnel with direct knowledge of SRO services to verify receipt of those services.