

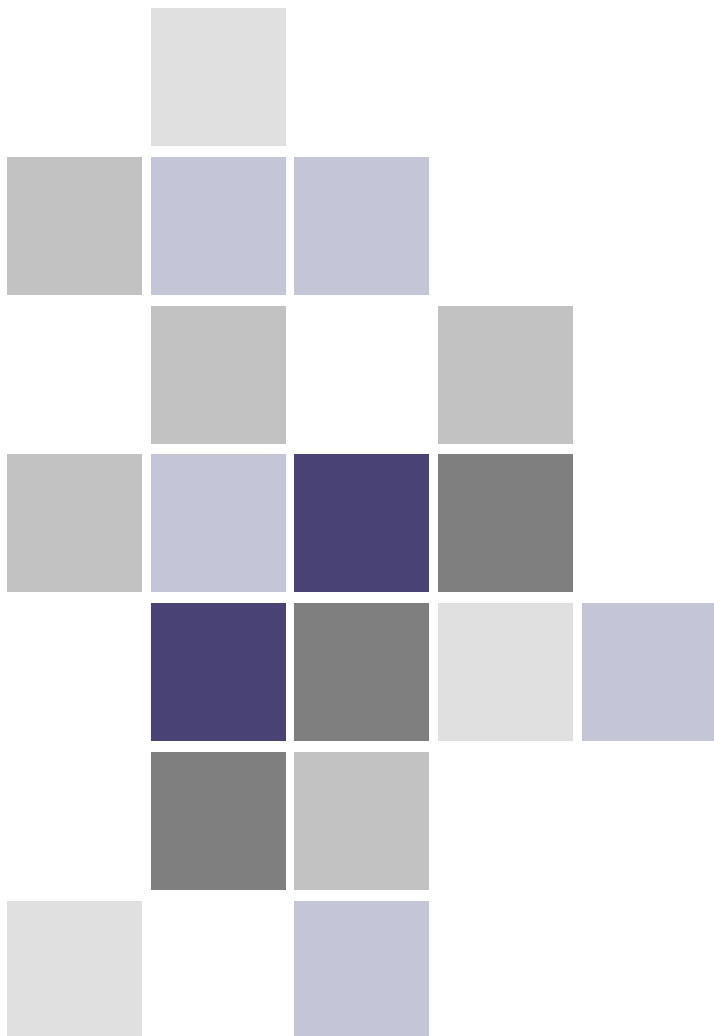


PERFORMANCE AUDIT FOR WASHINGTON COUNTY SCHOOL DISTRICT

OFFICE OF PROGRAM POLICY ANALYSIS AND
GOVERNMENT ACCOUNTABILITY

Final Report

June 25, 2018



Office of Program Policy Analysis and Government Accountability

Performance Audit for Washington County School District | Final Report

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TABLE OF CONTENTS

CHAPTER 1. INTRODUCTION	1-I
BACKGROUND	1-1
CHAPTER 2. REPORT SUMMARY	2-I
LIST OF FINDINGS	2-1
CHAPTER 3. PROGRAM AREAS AND FINDINGS.....	3-I
ECONOMY, EFFICIENCY, AND EFFECTIVENESS	3-1
STRUCTURE OR DESIGN	3-7
METHODS OF PROVIDING SERVICES AND PRODUCTS	3-12
GOALS, OBJECTIVES, AND PERFORMANCE MEASURES	3-16
ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS.....	3-18
COMPLIANCE OF THE PROGRAM WITH POLICIES, RULES, AND LAWS.....	3-20
CHAPTER 4. OBJECTIVES, SCOPE, AND METHODOLOGY	4-I
APPENDIX - WCSD MANAGEMENT RESPONSE.....	A-I

CHAPTER I. INTRODUCTION

BACKGROUND

The Washington County School District (WCSD or the District) is in rural Northwest Florida. It is a Title I district with approximately 3,247 K-12 students enrolled in two elementary, two middle, and two high schools. In addition, approximately 600 post-secondary students are served in one technical center. WCSD schools are in two cities—Chipley and Vernon—the former is located in the northern section of the county, while the latter is in the center of the county. Other smaller towns in the county served by the District's schools include Caryville, Ebro, Five Points, Greenhead, Hinson's Crossroads, New Hope, Sunny Hills, and Wausau. WCSD is the second largest employer in the county.

WCSD is part of the state system of public education under the general direction of the Florida Department of Education (FDOE). The governing body of the District is the Washington County School Board, which is composed of five elected members representing five geographic districts. Board members select a chair and a vice-chair, both of whom serve one-year terms. The Board has legal authority over the operation of all public schools in the District within the framework established by the state legislature and the Florida Department of Education. The elected Superintendent of Schools, Joseph Taylor, is the executive officer of the Board.

The stated mission of the Washington County School District is to *empower all students to become well-educated, productive citizens by providing appropriate, high quality, and rigorous educational programs in a safe learning environment.*

Pursuant to the requirements of Ch. 2018-118, Laws of Florida, the Office of Program Policy Analysis and Government Accountability (OPPAGA) contracted with MGT of America Consulting, LLC (MGT) to conduct a performance audit of the programs associated with the surtax resolution adopted by the Board on June 7, 2018. This performance audit of the District focused on program areas related to improvements and construction of school capital outlay projects, including construction additions, renovations and replacements of school facilities, and educational technology.

MGT conducted the audit from June 8 through June 25, 2018. The audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require planning and performance of the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit activities included interviews with key district personnel, review of policy and program documents, and an onsite visit to Kate M. Smith Elementary, the major capital outlay project for the past three years. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

CHAPTER 2. REPORT SUMMARY

This performance audit of the District focused on the following program areas: improvements and construction of school capital outlay projects, including construction additions, renovations and replacements of school facilities, and educational technology. The review of the performance of these areas revealed a number of key findings, which are summarized below. While no concerns emerged from the audit of construction of school capital outlay projects, additions, or replacements, several issues were identified for education technology. Following this summary, a detailed review of the various aspects of current circumstances are reviewed against relevant best practices, followed by more specific accounts of these findings and recommendations regarding potential improvements to yield more economic, efficient, or effective operations.

LIST OF FINDINGS

FINDING 1:

The audit identified no issues or concerns related to the economy, efficiency, or effectiveness of the school capital outlay program.

FINDING 2:

Enhancement is needed over the periodic review of management reports or measurable data to evaluate education technology program performance.

FINDING 3:

The audit identified no issues or concerns related to the structure or design of the school capital outlay program.

FINDING 4:

Enhancement is needed over the evaluation of current staffing levels to assess if appropriate technical support exists for the education technology program, in addition to formalizing written policies to account for a technical support service level agreement.

FINDING 5:

The audit identified no issues or concerns related to the methods of providing services or products of the school capital outlay program.

FINDING 6:

Enhancement is needed over the documentation process to evaluate existing in-house services and activities, including the feasibility of using alternative methods of providing services to provide greater efficiencies for the education technology program.

FINDING 7:

The audit identified no issues or concerns related to the goals, objectives, and performance measures used by the school capital outlay program to monitor and report program accomplishments.

FINDING 8:

There is insufficient evidence of an ongoing measurable evaluation plan to determine whether the performance of education technology, overall, remains on target in terms of goals and objectives.

FINDING 9:

The audit identified no issues or concerns related to the accuracy or adequacy of public documents, reports, and requests prepared by WCSD that relate to the school capital outlay program.

FINDING 10:

There is insufficient evidence of an ongoing evaluation and assessment process that the public can access from an education technology standpoint.

FINDING 11:

The audit identified no issues or concerns related to WCSD's compliance with appropriate policies, rules, and laws pertaining to the school capital outlay program.

FINDING 12:

The audit identified some gaps in the District's current written educational technology policies and procedures with respect to coverage of program functions and evolving uses and standards.

CHAPTER 3. PROGRAM AREAS AND FINDINGS

Included in this section are a sequence of evaluations of six key considerations of the two general domains of the audit – construction of school capital outlay projects and education technology – to assess their respective levels of performance. These avenues of investigation include:

- ♦ Economy, efficiency, and effectiveness
- ♦ Structure or design
- ♦ Methods of providing services and products
- ♦ Goals, objectives, and performance measures
- ♦ Adequacy of public documents and reports
- ♦ Compliance of program with policies, rules, and laws

For each area, a summary of the current situation is provided, followed by findings and recommendations with respect to areas of district operations that could be improved upon.

ECONOMY, EFFICIENCY, AND EFFECTIVENESS

Construction of School Capital Outlay Projects – Planning & Monitoring

CURRENT SITUATION

WCSD has prepared a Five-Year Facilities Work Plan in accordance with and as scheduled by FDOE regulations. The plan identifies and prioritizes facility needs projects, schedules the projects over the five-year period, and identifies funding sources for the projects. In addition, the plan identifies the current capacity and utilization of the District's schools with projections of future utilization rates. The plan is developed with input from appropriate staff, board members, and the community.

The plan is used to monitor program progress and cost on an annual basis. The performance of the program is evaluated using the five-year plan project schedule and budgets.

During the time period for this audit, the five-year plan identified the facility needs at the Kate M. Smith Elementary as the top priority. No other major capital outlay projects, such as construction additions, renovations, or school replacements were undertaken. Building maintenance projects, which do not change the function of the building or increase the size of the building, are not considered major capital outlay projects and not a part of this review.

The District's enrollment has declined over the last several years, decreasing from approximately 3,400 students in 2012-13 to approximately 3,100 in 2016-17. Moreover, the District's and the state's enrollment projections do not indicate any growth in the student population in the near future; therefore, the District is not likely to have a need for additional classrooms or schools in the near future.

WCSD prepares enrollment projections using the following procedure:

1. Enrollments are reviewed throughout the year by grade and by program.
2. Enrollments are compared to previous year projections.
3. The staff attend full-time equivalent (FTE) training workshops presented by FDOE annually.
4. Principals are consulted as to the following year's enrollments based on promotions.
5. Enrollments are projected using end-of-year enrollments, the average number of retained students, kindergarten enrollments based on birth data, a review of McKay Scholarship student enrollments, and other pertinent factors.
6. Projections are compared to FDOE enrollment projections using an appropriate model.
7. District staff work closely with FDOE staff to ensure reasonable projections.

Exhibit 3-1 presents a comparison of the District's enrollment projections with actual enrollments. As the exhibit shows, the District has made accurate annual enrollment projections, averaging within 1.5 percent accuracy over the last five years.

EXHIBIT 3-1
WCSD ENROLLMENT PROJECTIONS COMPARED TO ACTUAL ENROLLMENTS
2012-2017

Year	Projected Full-Time Equivalent Enrollment	Actual Full-Time Equivalent Enrollment	% Difference
2012-13	3,395.53	3,409.87	0.42%
2013-14	3,379.11	3,244.57	-3.98%
2014-15	3,286.44	3,262.22	-0.74%
2015-16	3,268.51	3,211.80	-1.74%
2016-17	3,176.89	3,133.56	-1.36%
Average Difference			-1.48%

The District completed a Castaldi study to determine if the 60-year old Kate M. Smith facility should be renovated or replaced with a new facility. The study found that it would be more effective and less expensive to build a new facility for the following reasons:

- ♦ The existing facility was over 60 years old and required extensive upgrades.
- ♦ The existing facility lacked access to the required utilities to support a renovated building.
- ♦ A renovation would have taken longer to complete.
- ♦ Students would have been housed in portable buildings for several years during a renovation.

Planning for the new elementary school began with hiring an architect who was familiar with FDOE requirements for schools funded through the Special Facilities program. The planning process included staff, board members, other local agencies, and the community using scheduled public hearings.

The site selection process for the new school utilized a local site selection committee. This committee worked with the local planning commission and other entities to evaluate potential sites. The committee made presentations and recommendations to the School Board and the final selection was reviewed and approved by FDOE.

District staff responsible for the planning possessed the skills necessary to be successful due to experience planning and constructing previous projects at Chipley High School and Vernon Elementary School. The staff coordinated their planning efforts with the appropriate city, county, and state agencies including the city building department, the county planning commission, the fire marshal, the water management district, and the department of transportation, among others. The staff's previous experience and coordination efforts were responsible for keeping the District's program in compliance with all applicable rules and regulations.

The construction of the new Kate M. Smith Elementary School was completed on schedule and within the budget established by the District. Overall, the school was well within the typical construction cost ranges for Florida for 2016. The cost of the 156,833 gross square foot (GSF) building was \$169.65 per GSF, which was approximately seven percent less than the average cost of elementary schools completed in 2016 in the State of Florida. The rate of change orders was 1.0 percent, which is well within best practices. More detailed information on these issues is provided in subsequent **(Structure or Design and Methods of Providing Services and Products)** sections of this report.

One conclusion of the planning process was to move the fifth grade, which was, at the time, in the middle school, to the new elementary school. This had the effect of freeing up a wing of classrooms at the existing middle school. At the same time, the District determined that it could better serve its exceptional needs students by creating a central program, which would have capacity for students being served at multiple in-district schools and in a school in another district.

The District is currently performing modest renovations of the old fifth grade wing (at the middle school, referenced above) so that it will be able to accommodate the Exceptional Student Education (ESE) program, which will be called the Washington Academy of Varying

Exceptionalities or WAVE. The renovations are being overseen by the director of facilities and being performed by in-house staff, and the program is scheduled to open in the fall of 2018.

WCSD's planning process is based on its Five-Year Facility Work Plan which identifies the goals and objectives in the form of prioritized projects for the District's capital outlay program. The budgets and project schedules in the plan provide a means to evaluate the District's performance in meeting the goals and objectives.

The District's inclusive planning process and coordination with other governmental agencies and community groups ensured that the District would be in compliance with all applicable rules and regulations. In addition, the District's utilization of experienced staff and consultants enabled it to utilize established procedures and systems to monitor progress.

WCSD's decision to reconfigure the grade configuration of the new elementary school to a K-5 facility opened capacity in an existing facility so that the District could centrally locate services for exceptional students in one location, utilizing existing facilities and avoiding significant capital expenditures. This decision also enabled the District to utilize in-house staff, as opposed to outside contractors, to perform the necessary renovations, since the existing facility was, for the most part, suitable for the new function.

FINDING 1:

The audit identified no issues or concerns related to the economy, efficiency, or effectiveness of the school capital outlay program.

Education Technology

CURRENT SITUATION

With respect to the overall economy, efficiency, and effectiveness of education technology within WCSD, the overall management of the program has been acceptable with the resources and funding that were/are available. Basic information technology (IT) infrastructure and security controls, WCSD internal resource IT needs, and end user teacher and student educational technology needs are being met. WCSD currently has a "District Digital Classroom Plan" program document that addresses a planning process, technology integration matrix, multi-tiered system of supports, and district policy. It also includes key areas of success such as:

- ♦ Needs analysis for digital classrooms
- ♦ Quality and efficient services
- ♦ Skilled workforce and economic development
- ♦ Digital tools needs analysis
- ♦ Allocation proposal
- ♦ The district's technology plan addresses both administrative and instructional technology.
- ♦ The district solicited and used broad stakeholder input in developing the plan.
- ♦ The district's technology plan addresses:
 - Individual school technology needs
 - Equitable resource allocation, anticipating growth and technology advances
 - Funding for technology
 - Cost-effective acquisition
 - Professional development for technology users
 - Technical support needs of users
 - Infrastructure and network communication, including community access issues
 - Information management and delivery
- ♦ The district's annual budget provides funds for major technology initiatives as reflected in the plan.
- ♦ The district takes advantage of opportunities to improve technology operations, increase efficiency and effectiveness, and reduce costs.
- ♦ The district has identified individual(s) responsible for implementing and updating the technology plan.
- ♦ The district has investigated grant opportunities for technology funding and stay current with state and federal funding initiatives.

- ♦ Additionally, WCSO does have a formal purchasing policy to ensure they benefit from competitive procurement, volume discounts, and special pricing agreements.

While WCSO currently has an established "District Digital Classroom Plan" that fulfills several critical aspects of education technology planning, there is minimal evidence of:

- ♦ Ongoing review of management reports or measurable data to evaluate program performance.
- ♦ Periodic evaluation of performance information and other reasonable criteria to assess performance.
- ♦ Review of findings from internal or external reports on program performance and cost.
- ♦ Audit trail regarding how/if program administrators have taken reasonable and timely actions to address any deficiencies in program performance.

Based on discussions with District management it appears current budget constraints on the education technology program are the main cause or factor contributing to this finding for program performance. However, it is important that District management document and evaluate program performance to ensure that program goals and objectives are being achieved.

FINDING 2:

Enhancement is needed over the periodic review of management reports or measurable data to evaluate education technology program performance.

RECOMMENDATION:

We recommend updating the District's "Digital Classroom Plan" to meet the standards mentioned below with a primary focus on developing a measurable and ongoing evaluation method for existing education technology programs.

- ♦ The District should annually conduct an assessment to identify district and school-level technology needs.
- ♦ The objectives in the technology plan should be measurable and reflect the desired outcomes for educational and operational programs.

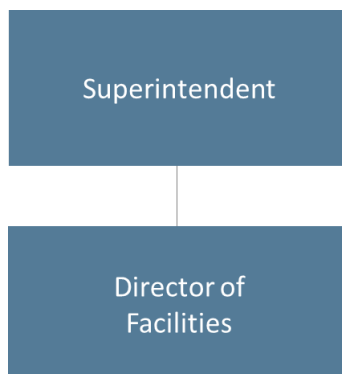
STRUCTURE OR DESIGN

Construction of School Capital Outlay Projects

CURRENT SITUATION

WCSD's organizational structure for facilities design and construction functions is illustrated in **Exhibit 3-2**, below.

EXHIBIT 3-2
WCSD ORGANIZATIONAL STRUCTURE FOR FACILITIES DESIGN AND CONSTRUCTION
2014-2018



As shown in the exhibit, the director of facilities reports directly to the superintendent, and there are no other staff under the director of facilities.

WCSD's organizational structure and staffing levels are appropriate for a school district of this size and number of capital projects. The lines of communication are clear with the director of facilities reporting to the superintendent and the superintendent to the school board.

The District has completed one major capital outlay project in the past three years. **Exhibit 3-3** lists the capital projects during this period. Given this level of activity, the director of facilities is fully capable of overseeing the design and construction activities for this project. In addition, the director of finance has sufficient staff to administer the activities associated with the project funding and expenditures.

EXHIBIT 3-3
WCSD CAPITAL OUTLAY PROJECTS
2015-2018

Project	Final Contract Amount	Gross Square Feet	Cost per GSF
Kate M. Smith Elementary School	\$ 26,606,107	156,833	\$169.65

FINDING 3:

The audit identified no issues or concerns related to the structure or design of the school capital outlay program.

Education Technology**CURRENT SITUATION**

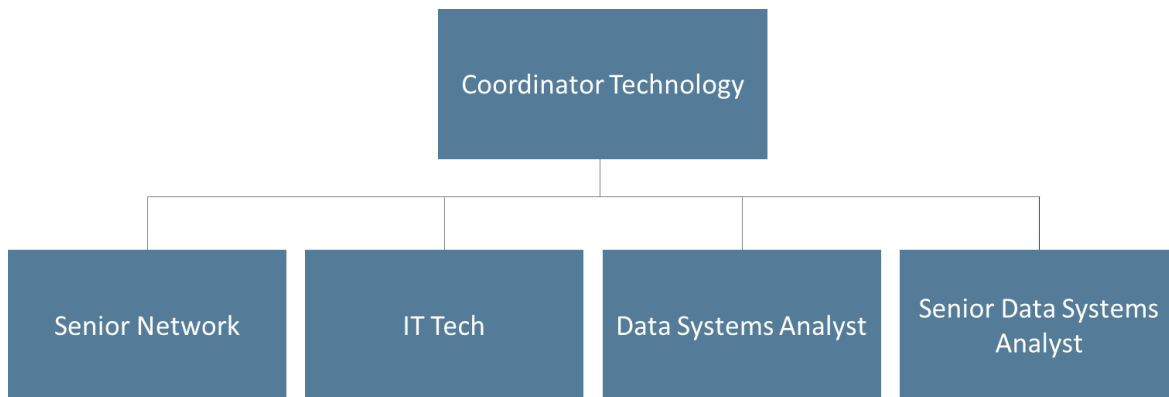
From a structure and design standpoint, WCSD's education technology program has defined goals and objectives in the following key areas through their District Digital Classroom Plan, as provided in the previous section:

- ♦ Needs analysis for digital classrooms
- ♦ Quality and efficient services
- ♦ Skilled workforce and economic development
- ♦ Digital tools needs analysis
- ♦ Allocation proposal

This has resulted in minimizing overlapping functions or excessive administrative layers and optimized administrative costs through efficient lines of authority within IT operations.

As a result of the investments in education technology, IT's area of responsibility has increased in relation to their resources. Below, **Exhibit 3-4** illustrates the IT department organizational structure.

EXHIBIT 3-4
WCSD IT Organizational Chart



High level areas of management within this program include:

- ♦ Management of IT services for eight schools
 - Two new locations being added with no additional resources (i.e., Florida Panhandle Technical School and one other beginning July 2018)
- ♦ Management of additional sites (e.g., district office, data center, and bus shop)
- ♦ 3,520 personal computers, approximately one-third of which are off-warranty and managed by internal IT staff
- ♦ Firewall management
- ♦ 92 network switches
- ♦ 323 WiFi access points
- ♦ 12 servers
- ♦ Interactive boards for classrooms
- ♦ Phone system
- ♦ Paging/bell system
- ♦ Help desk support
- ♦ All Management Information System (MIS) functions around student data
- ♦ Single sign on (SSO)
- ♦ School messenger
- ♦ Miscellaneous operational tasks

Currently, there is evidence that WCSD is performing the following activities:

- ♦ Budgeting for all costs associated with the installation and support of its technology.
- ♦ Effectively coordinating the delivery of support services, analyzing the technical support provided, and sharing the resolution of support issues among technical support staff.

Due to the enhancements in and expansions of education technology, there are increased technical support needs across the school district, but only five full-time resources within IT. Current staffing levels have not been evaluated to assess if appropriate technical support exists. As a quick example, WCSD internal IT staff are unable to feasibly service over 500 personal computers per year, along with their existing workload.

Based on discussions with District management, it appears current budget constraints on the education technology program are again the main cause or factor contributing to this finding for program performance. However, it is important that District management document and evaluate current staffing levels to ensure that appropriate technical support exists to support program performance goals and objectives.

FINDING 4:

Enhancement is needed over the evaluation of current staffing levels to assess if appropriate technical support exists for the education technology program, in addition to formalizing written policies to account for a technical support service level agreement.

RECOMMENDATION:

We recommend a comprehensive assessment of IT staffing needs as they relate to the overall technical support of education technology across WCSD to perform all critical tasks required in this space. Additionally, we recommend a formal policy to address optimal technical support service levels. The best practices below (which align with standards recommended by the International Society for Technology in Education as well as many other bodies not specific to education) provide guidance regarding key performance indicators for a technical support:

- ♦ The District should assess technical support needs of the schools and district offices.
- ♦ The District should evaluate the quality and timeliness of the technical support provided.
- ♦ The District should have procedures for a regular, systematic, and equitable prioritization of technical support services.
- ♦ The District should have an equipment replacement policy that specifies a time frame for technologies to be recycled or replaced to minimize the cost of supporting out-of-warranty computers.
- ♦ The District should create a policy to define provide timely technical support in accordance with its service priorities.

- ♦ WCSD should implement a system such as the bi-annual Technology Readiness Inventory (TRI) to measure progress for implementation of the components of their Digital Classrooms Plans.

METHODS OF PROVIDING SERVICES AND PRODUCTS

Construction of School Capital Outlay Projects – Design, Construction, & Monitoring

CURRENT SITUATION

WCSD utilizes a traditional facilities design and construction process, typically known as “Design, Bid, Build.” The District modified this process to suit its needs by having the general contractor act as a construction manager (CM) and utilizing a contract amendment for a guaranteed maximum price (GMP).

For the new Kate M. Smith Elementary School, the District conducted an architect selection process and chose an architectural firm that was familiar with FDOE requirements for schools funded under the Special Facilities program. The architect used FDOE State Requirements for Educational Facilities (SREF) as the educational specifications to guide the design of the school. The District did not have a community design committee but did hold public hearings at appropriate intervals during the design process to ensure transparency and community engagement.

The architect prepared construction documents that were used to request competitive bids with a guaranteed maximum price. The architect oversaw the general contractor who acted as the construction manager. Bi-weekly construction meetings were held throughout the construction process.

Upon completion of the building the construction manager provided a building orientation program to train the District’s maintenance personnel in how to operate the building. As-built drawings were provided by the CM.

The building was completed on schedule and within the budget.

At the one-year anniversary of the building, the District conducted a performance review of the building with the architect and the construction manager.

The District gained several insights from the design and construction of the Kate M. Smith Elementary School that will apply to future projects:

- ♦ Costs should be evaluated on a long-term basis in addition to up-front outlays.
- ♦ Energy efficiency measures should have a return on investment (ROI) of a maximum of seven years, as changes in building technology can nullify ROI’s with longer payback periods.

- ♦ A school building should have an “apron” (a concrete barrier at the base of the exterior wall that protects the perimeter of the building) to facilitate maintenance and grounds maintenance.
- ♦ Sufficient exterior lighting is essential for security.

Costs per square foot and the rate of change orders can be measures of how well a construction project was designed and managed. Poorly designed or managed projects will often have excessive square footage costs and high change order rates. Change orders can be owner-initiated and are sometimes desirable and/or necessary. However, owner-initiated change orders should be minimized because changes to a design typically cost more during the construction phase of a project. The Council of Educational Facility Planners International (CEFPI) recommends that a reasonable change order budget is three to four percent of the construction budget. Renovation projects will typically have somewhat higher rates due to the unknown conditions in existing construction.

Exhibit 3-5 compares the cost of the new school with all other elementary schools completed in Florida in 2016. As the exhibit shows, Kate M. Smith Elementary School was the largest elementary school constructed in 2016 in both GSF and number of student stations. It cost less than the average school built that year on a cost per GSF basis, but cost more than the average on a student station basis. Overall, it was well within the typical construction cost ranges for Florida for 2016.

Exhibit 3-5
Kate M. Smith Construction Costs vs. State of Florida Average, High, and Low
2016

District	GSF	Student Stations	Total Facility Cost	Cost per GSF	Cost per Student Station
Kate M. Smith	156,833	993	\$26,606,107	\$169.65	\$26,794
<i>as % of Statewide Average</i>	<i>304.5%</i>	<i>232.6%</i>	<i>294.9%</i>	<i>93.0%</i>	<i>115.6%</i>
Statewide - Average	51,509	427	\$9,023,038	\$182.34	\$23,188
Statewide - High	156,833	993	\$26,606,107	\$237.92	\$50,552
Statewide - Low	7,301	56	\$1,393,360	\$89.86	\$13,215

Exhibit 3-6 lists the change orders approved for the Kate M. Smith Elementary School construction project. The rate of change orders was one percent (1.0%), which is well within best practices.

EXHIBIT 3-6
CHANGE ORDERS FOR KATE M. SMITH ELEMENTARY SCHOOL
2016

Project	Final Contract Amount	# of Change Orders	\$ Amount of Change Orders	Change Orders as % of Final Contract Amount
Kate M. Smith Elementary School	\$26,606,107	1	\$274,652	1.0%

FINDING 5:

The audit identified no issues or concerns related to the methods of providing services or products of the school capital outlay program.

Educational Technology

CURRENT SITUATION

WCSD currently employs a mix of internal technology resources for operations and maintenance and rely on a third-party vendor, ITS, for network operations support, as well as the Panhandle Area Education Consortium (PAEC) for additional support. On the training side, they employ outside vendors such as PCS for ongoing training efforts to meet technology demands.

Overall, WCSD uses a mix of internal resources, as well as outside capabilities, to meet all of the District's technology operations and maintenance demands.

As mentioned earlier in this report, WCSD does have a formal purchasing policy to ensure they benefit from competitive procurement, volume discounts, and special pricing agreements. However, it does not currently have a documented process to evaluate existing in-house services and activities and the feasibility of using alternative methods of providing services to provide greater efficiencies.

Based on discussions with District management, it appears current budget constraints on the education technology program are the main cause or factor contributing to this finding for program performance. However, it is important that District management documents and evaluates alternative methods of delivery and services to minimize risk of overspending for program services on an ongoing basis.

FINDING 6:

Enhancement is needed over the documentation process to evaluate existing in-house services and activities, including the feasibility of using alternative methods of providing services to provide greater efficiencies for the education technology program.

RECOMMENDATION:

Develop an evaluation plan following best practices to evaluate whether an internal or third-party based approach is most efficient for WCSD. Key items to define include:

- ♦ Individual school technology needs
- ♦ Equitable resource allocation, anticipating growth and technology advances
- ♦ Funding for technology
- ♦ Cost-effective acquisition
- ♦ Professional development for technology users
- ♦ Technical support needs of users
- ♦ Infrastructure and network communication, including community access issues
- ♦ Information management and delivery

Through these benchmarks, WCSD should analyze whether these associated education technology services are better served internally, or through a third party. Factors to consider may include existing IT staff skill sets, available FTEs, and budgetary constraints.

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Construction of School Capital Outlay Projects

CURRENT SITUATION

As described in detail earlier in this report, WCSD has prepared a Five-Year Facilities Work Plan in accordance with and as scheduled by FDOE regulations. The plan identifies and prioritizes facility needs projects, schedules the projects over the five-year period, and identifies funding sources for the projects. In addition, the plan identifies the current capacity and utilization of the District's schools with projections of future utilization rates. The plan is developed with input from appropriate staff, board members, and the community.

The plan is used to monitor program progress and cost on an annual basis. The performance of the program is evaluated using the five-year plan project schedule and budgets.

FINDING 7:

The audit identified no issues or concerns related to the goals, objectives, and performance measures used by the school capital outlay program to monitor and report program accomplishments.

Educational Technology

CURRENT SITUATION

WCSD adequately identified current infrastructure needs including bandwidth, hardware, software, networking, and security through the annual Digital Classrooms Plan, which is described in detail earlier in this report. The District has determined infrastructure needs based on requirements of the level of digital learning implementation and the growth expected so that implementation is successful and meets the needs of stakeholders.

FINDING 8:

While the Digital Classroom Plan for WCSD follows the best practices set forth by FDOE, there is insufficient evidence of an ongoing measurable evaluation plan to determine whether the performance of education technology, overall, remains on target in terms of goals and objectives.

RECOMMENDATION:

An ongoing evaluation and assessment process should be developed to measure:

- ♦ Key performance indicators (KPIs) of all initiatives stipulated in their digital classroom plan.
 - Provide follow up on all items planned within the Digital Classroom Plan.
- ♦ Evaluation of key internal controls to provide assurance that goals and objectives are being met.
- ♦ An annual assessment of:
 - School district IT infrastructure
 - Hardware and software technology solutions (i.e., objectives versus actual results)
 - Digital learning solutions (i.e., objectives versus actual results)

ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS

Construction of School Capital Outlay Projects

CURRENT SITUATION

The District provides accurate and adequate public documents, reports and requests related to the capital outlay projects to the public in a timely manner. Regarding the construction of the Kate M. Smith Elementary School Capital outlay project, financial and non-financial program information, such as presentations by construction management companies and architects, special facilities construction funding, site selection committees, and bi-weekly performance and cost construction meetings are described in the Board minutes that are made available to the public. The Board meetings occur frequently on a regularly scheduled monthly basis, as well as additional Special Board Meetings. In addition, the District provides program information to the public through public hearings and Board workshops. The public can request additional program documentation if desired by contacting the District office. Evaluations of the accuracy and adequacy of public documents, reports, and requests are performed internally by the District management. Any errors, incomplete, or amended program information is addressed by posting notice to the website and disclosed in the minutes to the Board meetings.

FINDING 9:

The audit identified no issues or concerns related to the accuracy or adequacy of public documents, reports, and requests prepared by WCSD that relate the school capital outlay program.

Educational Technology

CURRENT SITUATION

As it relates to educational technology and the adequacy of public documents and reports, WCSD has their Digital Classroom Plan available for review publicly.

FINDING 10:

While the Digital Classroom Plan contains adequate information for the technology plan, there is insufficient evidence of an ongoing evaluation and assessment process that the public can access from an education technology standpoint.

RECOMMENDATION:

As part of their Digital Classroom Plan, define a policy for ongoing assessment and evaluation for public reporting and documentation that ensures Key Performance Indicators already found in

the Digital Classroom Plan are being measured, assessed, and lastly, being updated on all public documents on a recurring basis (i.e., at a minimum, annually).

COMPLIANCE OF THE PROGRAM WITH POLICIES, RULES, AND LAWS

Construction of School Capital Outlay Projects

CURRENT SITUATION

Chapter 1013 of the K-20 Education Code 2018 and Florida Statute 1001.42 (F.S. 1001.42) delineate all policies related to educational facilities, specifically in the areas of (1) functions of the department of education as related to school facilities; (2) use and management of educational facilities; (3) planning and construction of educational facilities; and, (4) funding for educational facilities.

In addition, Section 11 of F.S. 1001.42 specifies the requirements for school board policies on school plants, authorizing policies on the approval of plans for locating, planning, constructing, sanitizing, insuring, maintaining, protecting, and condemning school property. Subsections of this statute identify five areas of board policy regulation:

- ♦ School building program
- ♦ Sites, buildings, and equipment
- ♦ Maintenance and upkeep of school plant
- ♦ Insurance of school property
- ♦ Condemnation of buildings

Currently, the school board, superintendent, and director of facilities are all involved in monitoring projects to ensure compliance with applicable laws, rules, regulations, and policies. During the design phase of construction projects, the school board, superintendent, and director of facilities work with the contracted architect and engineers to ensure that the design complies with school goals, and that permitting requirements are met. Before plans are approved, District staff review the plans to ensure that the architect and all engineering disciplines have coordinated with the necessary entities for permitting and code compliance. The District superintendent is on the local planning commission and is familiar with local building requirements for projects in the area. Building projects are designed to comply with the state requirements for educational facilities and the Florida Building Code, in addition to all environmental, department of transportation, cultural, and energy efficiency requirements. During the construction process, weekly meetings are held with the construction contractor to ensure that the construction proceeds according to the plans and that any changes to plans comply with applicable rules and regulations.

Washington County School District has developed a policy handbook that reflects the structure and content of the rules and policies outlined in Florida statutes, and can be accessed from the school board section of the District's website. The District's policies regarding the capital outlay programs are contained primarily in two chapters of the policy handbook: Chapter 7 – Business

Services and Chapter 8 – Auxiliary Services. The following table lists the District's capital outlay/facilities-related policies.

Ch. 7 – Business Services	Ch. 8 – Auxiliary Services
<ul style="list-style-type: none"> • 7.70 Purchasing and Bidding • 7.701 Bid Protest Resolution • 7.71 Selecting Professional Services • 7.73 Acquisition of Real Property • 7.74 Lease/Lease-Purchase of Land, Facilities and Equipment 	<ul style="list-style-type: none"> • 8.50 School Construction Bids • 8.51 Renovations/Remodeling of Facilities • 8.52 Change Orders • 8.53 Improvements to School Plants and Grounds

In addition to these policies, Chapter 9 – School-Community Relations and Interlocal Agreements features a policy on school concurrency, an essential element for effective long-range facilities planning. Concurrency provides coordination of the planning for new school facilities in cooperation with county and city municipalities and facilitates cost containment.

Language in these policies and the accompanying procedures specify the rules for ensuring competitive procurement and other measures to ensure effective and efficient facilities planning and management.

The National Trust for Historic Preservation has developed a 'best practices' guide for assessing school board policies related to facilities.

- ♦ Educational Facilities Master Plan Policy
- ♦ Facility Planning Coordination Policy
- ♦ Comprehensive Maintenance Plan Policy
- ♦ Capital Improvement Plans Policy
- ♦ Co-Location Policy
- ♦ Public Process Policy
- ♦ Technical Assistance Policy

The review of WCSD policy handbook demonstrated policies that aligned with each of these best practices.

There have not been any instances of non-compliance with federal, state, or local entities on any recent projects. If such an instance were to occur, District staff would discuss the best way to remedy the non-compliance problem with the given entity and work with them to ensure that the problem is brought to a state of compliance. The director of facilities and superintendent would be responsible for ensuring that the non-compliance is corrected.

A review of program documentation within the scope of the performance audit demonstrated that the superintendent and director of facilities worked closely with local governing bodies and the Department of Education – Office of Educational Facilities to ensure compliance with laws, rules, and regulations with federal, state, and local laws, rules, and regulations; contracts, grant agreements; and other local policies and procedures including county Inspections. Furthermore, a review of Special Board Meetings by the District demonstrated planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

FINDING 11:

The audit identified no issues or concerns related to WCSD’s compliance with appropriate policies, rules, and laws pertaining to the school capital outlay program.

Educational Technology

CURRENT SITUATION

The WCSD Policy Handbook has a limited number of policies directly related to educational technology. There is one policy in Chapter 8 – Auxiliary Service (Telecommunication Plan and Electronic Communication, Ch. 8.60) and the others are just published technology department policies: the Employee Acceptable Use Policy Agreement and Staff Email.

A review of other school districts in the region found several with written policy and procedural manuals for educational and administrative technology that included, but were not limited to the following:

- | | |
|--|---|
| <ul style="list-style-type: none"> • District Technology Goals • Identification of Appropriate Technology • Support for Online Assessments • Internet and Network Access | <ul style="list-style-type: none"> • User Support Plan • District Training Plan • E-Rate Program Planning • Technology for Students • Technology for Staff |
|--|---|

Having similar policies and accompanying procedures in WCSD would provide clear guidance for all District employees, as well as students, parents, and the community on technology usage in the district.

WCSD is aware of these types of policies and procedures and has practices that support some of them; however, there is no formal written document that contains these types of policies and procedures. Without this type of written formalization, the District’s ability to have equitable, clearly understood, and implementable educational technology practices is limited.

Our review of the Special Board Meetings by the District demonstrated planned uses of the surtax in the area of educational technology are in compliance with applicable state laws, rules, and regulations.

FINDING 12:

The audit identified some gaps in the District’s current written educational technology policies and procedures with respect to coverage of program functions and evolving uses and standards.

RECOMMENDATION:

Develop a technology handbook that aligns with standards found in documents by the International Society for Technology in Education (ISTE) and National Educational Technology Standards (NETS), and with FDOE-specified standards for a District Digital Classroom Plan. Once completed, post a link to the document on the WCSD Instructional Technology Department homepage for ready access to both district personnel, students, parents, and the community. This document should follow a regular (i.e., annual) schedule of updates to ensure it remains current relative to the deployed technical infrastructure and tools.

CHAPTER 4. OBJECTIVES, SCOPE, AND METHODOLOGY

The scope of this performance audit focused on the program areas related to improvements and construction of school capital outlay projects, including construction additions, renovations and replacements of school facilities, and educational technology. The scope period covered the operations of the capital project area from the period July 2015 through May 2018.

The audit objectives were:

- ♦ To assess the economy, efficiency, or effectiveness of the program, including the reliability, validity, and relevance of performance and cost measures used to monitor program performance and cost.
- ♦ To determine whether the organizational structure promotes the achievement of the program's goals and objectives.
- ♦ To determine whether alternative methods of providing services and products are evaluated by program administrators and identify opportunities for alternative service delivery methods.
- ♦ To determine whether the program goals and objectives are clearly stated, measurable, achievable within budget, and consistent with the District's strategic plan.
- ♦ To assess the accuracy and adequacy of public documents, reports, and requests prepared by the District.
- ♦ To determine whether the program operations comply with applicable laws, rules and regulations, and policies and whether program administrators have taken reasonable and timely actions to assess if planned uses of the surtax comply with applicable state laws, rules, and regulations.

In conducting the audit, we:

- ♦ Obtained and documented an understanding of the capital outlay and educational technology programs through interviews with the superintendent and district directors.
- ♦ Evaluated internal controls, including policies and procedures, to determine if they provide reasonable assurance that program goals and objectives will be met; held fraud discussions with district management.
- ♦ Reviewed findings, recommendations, and audit results provided by external reports – financial and operational audit reports issued in the last three years by the State of Florida Auditor General and followed up on any findings related to performance audit program areas.

- ♦ Verified the District uses state and local educational facilities construction funds to meet its construction and renovation priorities in a cost-effective manner.
- ♦ Reviewed the applicable sections of the K-20 Educational Code in Florida Statutes (Educational Facilities), ch. 1013; s. 1001.42 (Duties of School Boards) and reviewed the sections under “School Plant.”
- ♦ Identified the sections of the state policies that aligned with the audit charge and compared the state policies with those in the WCSD policy manual.
- ♦ Reviewed the policy documents for the five identified peer districts – Calhoun, Holmes, Jackson, Liberty, and Franklin county school districts – and compared the policies for content and specifications; review included checking for gaps or missing policies in the WCSD policy manual.
- ♦ Interviewed the district superintendent to determine if any capital outlay activities were conducted that were not aligned with district policy and to determine if any policies presented challenges to completing capital outlay projects.
- ♦ Reviewed state facilities guidelines including Public Education Capital Outlay (PECO) and State Requirements for Educational Facilities (SREF).
- ♦ Identified best practices in school facilities policies as identified by the National Trust for Historic Preservation.
- ♦ Reviewed board resolutions and approval from the Special Facilities Construction Committee regarding the construction of the Kate M. Smith Elementary School.
- ♦ Performed site visit for the Kate M. Smith Elementary school capital project.
- ♦ Reviewed Washington School County District administrator organization chart to ensure human capital is staffed appropriately and to compare to peer districts.
- ♦ Reviewed 2016-2017 Washington County School District salary schedule to ensure positions are classified and documentation is open to the public, available, and followed as policy.
- ♦ Interviewed director of human resources, and director of finance, to determine staff pay falls in line with 2016-2017 Washington County School District salary schedule.
- ♦ Reviewed contract for capital project to ensure processes, procedures, and payments were accurately recorded relating to capital outlay project.
- ♦ Interviewed human resources to determine that all contractors had appropriate background checks. Specifically, for this capital outlay project, workers both (1) received level two background screenings pursuant to Florida Statutes for contractors; and (2) did not perform work when students were present because of the nature of the project (i.e., creating a new elementary school).

- ♦ Examined documentation for the construction project contract, Kate M. Smith Elementary School Capital Project, guaranteed maximum price of \$23,388,310. Examined all contractor's application for payments (population of 20) to verify proper approvals for payment.
- ♦ Reviewed five out of population of 50 progress bi-weekly meeting reports to see if program performance was monitored on a regular basis for the new construction of the Kate M. Smith Elementary School.
- ♦ Verified if the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.
- ♦ Determined if 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, and audits.
- ♦ Evaluated program performance and cost based on reasonable measures, including best practices.
- ♦ Verified that projects were completed within budget, on time, and at a reasonable cost.
- ♦ Determined if management established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.
- ♦ Verified that the organizational structure has clearly defined units, minimizes overlapping functions and excessive administrative layers, and also has lines of authority that minimize administrative costs.
- ♦ Confirmed the reasonableness of current staffing levels assessed given the nature of the services provided and program workload.
- ♦ Determined if 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, privatization, and the reasonableness of their conclusions.
- ♦ Reviewed program goals and objectives and determined they are clearly stated, measurable, can be achieved within budget, and are consistent with the school district's strategic plan.
- ♦ Assessed the measures the school district uses to evaluate program performance and determined if they were sufficient to assess program progress toward meeting its stated goals and objectives.
- ♦ Assessed whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.
- ♦ Reviewed the adequacy of public documents, reports, and requests prepared by the District related to the program.

- ♦ Determined whether the public has access to program performance and cost information that is easy to locate.
- ♦ Reviewed processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.
- ♦ Determined 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 District and that these procedures provide for adequate public notice of such corrections.
- ♦ Determined whether the program has a process to assess its compliance with applicable federal, state, and local laws and regulations; contracts; grant agreements; and local policies.
- ♦ Reviewed program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws and regulation; contracts; grant agreements; and local policies and procedures.
- ♦ Determined 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 or audits.
- ♦ Determined 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.
- ♦ Interviewed head of IT services for WCSD on existing, documented processes to evaluate the efficiency of their education technology program on a regular basis.
- ♦ Reviewed District Digital Classroom Plan against FDOE standards.
- ♦ Reviewed Digital Classroom spending from an education technology perspective and verified increased spending to support technology needs from \$299,082.45 in FY 2015-16, to \$574,241.71 in FY 2016-17.
- ♦ Reviewed educational technology policies and procedures of other Florida districts to determine commonly published documentation on these subjects.

APPENDIX - WCSD MANAGEMENT RESPONSE



Joseph Taylor

Superintendent of Schools

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**Washington County
District School Board**
"An Equal Opportunity Agency"
652 Third Street
Chipley, Florida 32428

June 25, 2018

District 1
Vann Brock
1160 Whittington Road, Chipley
District 2
Dr. Lou Cleveland
315 Hwy 273, Chipley
District 3
Milton L. Brown
3399 Mallory Road, Vernon
District 4
Terry Ellis
1306 Pinebluff Court, Chipley
District 5
Susan G. Roberts
1456 State Park Road, Chipley

MGT Consulting Group
516 North Adams Street
Tallahassee, FL 32301

Dear Sirs:

Please accept this response to the findings for the performance audit for the Washington County School District dated June 23, 2018. The District acknowledges the audit found the District conformed satisfactory to relevant standards pertaining to the school capital outlay program as determined in Findings 1, 3, 5, 7, 9 and 11.

Finding #2:

The District currently uses Performance Matters to measure student gains. The District will periodically review the performance reports to evaluate the effectiveness of education technology in the classroom. User groups will be polled to evaluate the technology needs of the District.

Finding #4:

The District recognizes the need for additional technical staff and is requesting a Network/Technician position be added at the June 28, 2018 board meeting. The District IT department will formalize written policies to account for technical support services.

Finding #6:

The District will enhance the documentation to evaluate existing in-house services to determine whether alternative methods of providing education technology program services is more efficient.

Finding #8:

The District will develop a measurable evaluation plan to determine the performance of education technology. The plan will periodically be reviewed to ensure the District's performance of education technology remains on target in terms of the stated goals and objectives.

Finding #10:

The District will make its education technology evaluations and assessments available to the public via the District board meetings and website.

Finding #12:

The District will enhance its written policies and procedures with respect to education technology programs and functions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'H. Taylor', written over a horizontal line.

Herbert J. Taylor
Superintendent