

**A Review of
Capital Outlay Process**

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Pinellas County Schools
Research & Accountability
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Executive Summary

State law requires that at least every five-years, each school board arranges for an Educational Plant Survey. The Educational Plant Survey proposes a building program for a period of five-years. A copy of the survey, modifications or updates, and the documentations of board approval are forwarded to the Department of Education, Educational Facilities. The improvement recommendations are presented in the Capital Outlay plan.

In 1998, Pinellas County Schools developed a comprehensive process to utilize the Educational Facilities Survey to construct a Five-Year Capital Outlay Plan and Facilities Work Program. The Capital Outlay Committee and the support staff developed the Five-Year Capital Outlay Plan in a nondiscriminatory manner as required by the legal agreement between the NAACP Legal Defense Fund and the Pinellas County Schools.

The Capital Outlay Committee also monitors the progress of the plan and annually makes recommendations for adjustments resulting from revenue projections; progress of the current projects, newly identified capital needs, changes in conditions and newly mandated and other factors for the purposes of this study, an extensive document analysis and review of the current Capital Outlay process was undertaken.

The evaluation process used for this study was a panel review; data was collected from two different groups of reviewer. One was a group of Pinellas county employees in the department of research and accountability. This group does not work with the Capital Outlay process; they are considered “out-of-field experts” in this study. The second group of reviewers was composed of Pinellas County Schools’ employees who have worked with the Capital Outlay process in different capacities; they are considered the “in-field experts.”

In summary, the out of-field-experts reviewed the flowchart and found it to be a clear representation of the process. The in-field experts were satisfied with the validity of the Capital Outlay Process as presented on the flowchart and indicated they felt that the process was just and comprehensive.

The ‘in-field experts’ review identified the following improvements to the flowchart:

- correcting a few definitions and terminologies,
- rearranging the order of a couple of steps and,
- listing the voting members of the COC in the document

Background Information

The federal government has established that it is the responsibility of each state to ensure that every child has access to a quality education. In many states, the school facility management and construction have been entirely the responsibility of the school district. At the present time many states, unlike Florida, do not have statewide system that mandate rules and regulations on how the school facilities should be constructed and maintained.

In Florida, the requirements to implement the State Uniform Building Code for Public Educational Facilities Construction (Chapter 1013, Florida Statutes) are contained in a Department of Education publication titled "State Requirements for Educational Facilities, 1999 Volume I-Process, Volume II-Building Code," and "2005 Addendum to State Requirements for Educational Facilities, Volume I" which have been incorporated by reference.

The State Requirements for Educational Facilities are applicable to all public educational facilities and plants: relocatables; lease and lease-purchase; new construction, remodeling, renovation, improvements, and site development projects. It is the responsibility of each school board to ensure that all facilities constructed from any fund source meet the standards set forth by the State Requirements where applicable. Florida Department of Education, office of Educational Facilities, maintains the Florida Inventory of School House (FISH) on the condition and characteristics of public schools. The data are updated yearly.

State law requires that at least every five-years, each school board arranges for an Educational Plant Survey. The Educational Plant Survey proposes a building program for a period of five-years. A copy of the survey, modifications or updates, and the documentations of board approval are forwarded to the Department of Education, Educational Facilities. The improvement recommendations are presented in the Capital Outlay plan.

A comprehensive Fixed Capital Outlay Plan proposes a building program for the schools for a period of Five-Years. The plan compares the existing educational and ancillary plants against the determination of future needs. This comparison guides the formation of recommendations to resolve the differences. The survey report includes a list of written recommendations for each site. All the recommendations together comprise the Comprehensive Fixed Capital Outlay Plan for the schools.

Because the survey produces the plan for fixed capital outlay, the types of recommendation it contains are limited to: site acquisition, site development, site improvement, remodeling, renovation, and new construction. By definition, fixed capital outlay means real property, specifically land, buildings, structures, their appurtenances, and fixed equipment. It includes acquisition and construction of real property; additions, remodeling, and renovations to real property, which materially extend its useful life or materially improve or change its functional use; and the furnishings and equipment necessary to furnish and operate a new or improved facility.

In addition to making recommendations for existing sites, the survey can, when appropriate, make recommendations for a new educational or ancillary plant, including the site location. The Capital Outlay Plan, along with the Facilities Work Program, allows for and validates the expenditure of the capital outlay funds. Capital outlay funds are received from a variety of sources; the major portion of these funds is generated by the district school tax (F.S.1011.71).

Annually, prior to the adoption of the district budget, a review of the five-year capital work plan is conducted to develop the facilities work program for that year. The facilities work program is presented for public input, then for the school boards approval.

In 1998, Pinellas County Schools developed a comprehensive process to utilize the Educational Facilities Survey to construct a Five-Year Capital Outlay Plan and Facilities Work Program. This process was presented to School Board members on August 25th, 1998 and has been used since then. The first utilization of the process created the Five-Year Capital Plan for school year 1998/1999 to school year 2002/2003.

The most recent Educational Plant Survey was adopted by the School Board on March 9, 2004 and approved by the DOE Office of Educational Facilities on May 5, 2004. The District's Five-Year Plan was developed to meet the needs identified in this survey plus any subsequent supplemental survey. The Facilities Work Program is the State's required format of the district's Five-Year Plan. It includes additional information such as FISH Capacity, Capital Outlay, FTE, number of student stations, square footage of school facilities, and information concerning portables. This document is based on the district Five-Year Plan and completed in September 2006.

The Capital Outlay Committee and the support staff developed the Five-Year Capital Outlay Plan in a nondiscriminatory manner as required by the legal agreement between the NAACP Legal Defense Fund and the Pinellas County Schools. They used the Educational Plant Survey and subsequent supplemental surveys, the District's Capital Outlay Guidelines and Prioritization System, and broad-based input from school and district staff. The Capital Outlay Committee monitors the progress of the plan and annually makes recommendations for adjustments resulting from revenue projections; progress of the current projects, newly identified capital needs, changes in conditions and newly mandated and other factors. The Capital Outlay Committee can also make recommendations at any time, for changes on the plan based on a "special cause," which is defined as any special considerations affecting facilities and the Capital Outlay Program that are not corrected by the six criteria of the prioritization system.

The Five-Year Plan and Facilities Work Program are on-going documents and must be updated at least annually. The current approved Plan and Work Program were Board approved on September 12, 2006.

The Capital Outlay process has not been formally evaluated since its formation. However, the Capital Outlay Plan, which is a product of this process, has been reviewed by the state auditors on a regular basis; and no defect or flaw has ever been found with the plan. The process has been shared with other districts in state or local meeting as an example of a comprehensive planning process.

The current evaluation was undertaken to answer an information request from DMAC on August 25th 2005, The School Board duplicated this request at the September 13th, 2005 Board meeting.

Methodology

The State of Florida does not mandate any requirements for the Capital Outlay process, thus there is no established criterion to evaluate compliance of the Capital Outlay process in Pinellas County Schools.

For this evaluation, an extensive review of literature was undertaken in search of comparable Capital Outlay processes in other school districts. The state and other districts' website were accessed to locate publications or references about this process. Additionally, a national research

service called Educational Research Services (ERS) was used to locate documents related to the Capital Outlay process. The review of the available resources revealed no published guidelines established for the formation of the Capital Outlay Process. Whereas, the review of similar district's websites found references to the use of a Capital Outlay process, but no published process was found for any comparable districts. Thus, for the purposes of this study, an extensive document analysis and review of the current Capital Outlay process was undertaken.

Analysis

During the analysis of the Capital Outlay process, it was clear that the knowledge of the process existed in many employees' institutional knowledge and documents with no single document linking the process's steps together.

Working with the department of Finance and Business Services, documents and reports were compiled for this evaluation.

Documents explaining the various portions of the Capital Outlay Process, forms used for data collection and tracking Capital Outlay funds were used to evaluate the process. The review resulted in the creation of a Flowchart presented in Appendix A. The following questions were of primary concern.

1. Does the process present a beginning and does it have a well-defined ending?
2. Does the process present a complete set of activities that lead to the outcome?
3. Does the process have steps which are clearly defined and related to each other?
4. Does the flowchart define the participants and stakeholders of the process?

As seen on the flowchart, the process was defined in twelve steps. To make a step more complete, a synopsis of the related information was used and is presented on the chart. Documents used in Capital Outlay Process and reviewed for this evaluation, are presented in Appendix B, status report of the process is presented in Appendix C, and the tentative facilities work program is presented in appendix D.

Reviewing the flowchart demonstrates that the process has a set of activities which are guided to a single outcome, in this case, the Facilities Work Program. The process is clearly directed by a need to respond to the state's requirement to conduct a plant survey and to produce a facilities list

and a facilities work program. The relationship between the steps and activities are visibly evident. The process has a clear definition of sub-committees' members, participants, and stakeholders of the process.

The evaluation process used for this study was a panel review; data was collected from two different groups of reviewer. One is a group of Pinellas county employees in the department of research and accountability. This group does not work with the Capital Outlay process; they are considered "out-of-field experts" in this study. They reviewed the flowchart and made comments on the logical flow and reasonability of the intended process to achieve both the ease and understanding of the flowchart. The second group of reviewers was composed of Pinellas County Schools' employees who have worked with the Capital Outlay process in different capacities; they are considered the "in-field experts."

The second group asked to review the flowchart and the process, and to respond to the following questions:

1. Does the flowchart present the Capital Outlay Process as you know it?
2. Do you feel it is a just process? "Just" meaning; reasonable, impartial, rationale.
3. Do you think this is a comprehensive (adequate) process?
4. Would you recommend any change to the process?

Results

The results of the 'out-of-field experts' review revealed some needed alteration to the flowchart to facilitate a clearer presentation of the process. Review and analysis of the questionable steps identified by this group, led to inclusion of more detailed steps in order to emphasize the relationship between the steps and the process outcome.

In total, the 'out of field experts' found the process reasonable and the flowchart to be a clear representation of the process. The in-field experts were certain about the process being just and comprehensive and they were satisfied with the validity of the Capital Outlay Process as presented on the flowchart.

The 'in-field experts' review identified the following improvements to the flowchart:

- correcting a few definitions and terminologies,
- rearranging the order of a couple of steps and,
- listing the voting members of the COC in the document.

Limitation/Discussion

The process employed to develop the Five-Year Capital Outlay Plan in Pinellas County had to be evaluated in a single case study design; the Florida Department of Education does not have any established rules regarding the Capital Outlay Process. Thus, the process in PCS could not be evaluated per its compliance with a set of rules, regulations, or a set of criterion. No comparison with other districts was possible, as there was no published procure outlining the Capital Outlay process for another district.

The panel reviewer was composed of Pinellas County Schools' employees; this gives the advantage of having people who have institutional knowledge about the development and modifications of the process and its use. On the other hand, this can have disadvantages as biases can develop due to institutional knowledge and culture.

During the evaluation process, it became evident that many documents existed explaining the process and its different steps. Some documents exist in more than one version to accommodate the receiving audience. Investigating the merit of this process and finding the appropriate document for different procedures or steps and defining the relationship among these documents, lead to the creation of the flowchart explaining the process comprehensively in one document. This flowchart, being the unintentional outcome of this evaluation, is providing a valuable resource for the Capital Outlay Process.

Recommendations

Recommendations made by the in-field experts:

- Review the point system every five-years prior to the new Capital Outlay Plan
- Adjust the priority point system for the ESE's legal requirements to avoid skewing the prioritization.
- Create a comprehensive document by compiling all the associated documents and the flowchart into one document presenting the Capital Outlay Process for Pinellas County Schools.

Appendices A through D are not available on our website.

Copies are available and may be obtained from
Research and Accountability Office, Pinellas County Schools

Office Ph.727.588.6253

Fax 727.588.5182

Appendix A: Flowchart
Capital Outlay Process

Appendix B: Capital Outlay Documents

Appendix C: July 13, 2006
Status Report

Appendix D: Tentative Facilities Work Program