

STATE OF FLORIDA AUDITOR GENERAL

Operational Audit

Report No. 2017-042
November 2016

PALM BEACH COUNTY DISTRICT SCHOOL BOARD

Transportation Services Department



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the period July 2015 through March 2016, Dr. Robert Avossa served as Superintendent of the Palm Beach County Schools and the following individuals served as School Board Members:

	<u>District No.</u>
Michael Murgio ^a	1
Charles E. Shaw, Chair	2
Karen M. Brill,	3
Erica Whitfield	4
Frank A. Barbieri, Jr., Esq., Vice Chair	5
Marcia Andrews	6
Dr. Debra L. Robinson	7

^a Board member resigned on April 22, 2016.

The team leader was Ida Marie Westbrook, CPA, and the audit was supervised by Diana G. Garza, CPA.

Please address inquiries regarding this report to Micah E. Rodgers, CPA, Audit Supervisor, by e-mail at micahrodgers@aud.state.fl.us or by telephone at (850) 412-2905.

This report and other reports prepared by the Auditor General are available at:

www.myflorida.com/audgen

Printed copies of our reports may be requested by contacting us at:

State of Florida Auditor General

Claude Pepper Building, Suite G74 • 111 West Madison Street • Tallahassee, FL 32399-1450 • (850) 412-2722

PALM BEACH COUNTY DISTRICT SCHOOL BOARD

Transportation Services Department

SUMMARY

This operational audit of the Palm Beach County School District (District) Transportation Services Department (Department) focused on selected Department processes and administrative activities and included a follow-up on Finding 2 in our report No. 2015-090. Our audit disclosed the following:

Procurement of Bus Routing System

Finding 1: The District purchased and fully implemented a bus routing system, which ultimately cost \$136,250, without:

- Documenting that the purchase was made at the lowest price consistent with desired quality.
- Establishing appropriate contract provisions, such as the expected number of hours to provide service deliverables, employee training dates, and the number of employees to receive training, and the processes to be used by District personnel to appropriately monitor the receipt of these services.
- Documenting appropriate authorization for contract changes and changes to specified deliverables.
- Establishing and adhering to a reasonable and useful schedule for fully implementing the system.
- Conducting tests, before full implementation, to verify that the system would function as expected and documenting the test results.
- Planning appropriate back-up processes should the system not function as expected.

Due to problems experienced with the bus routing system during the 2015-16 school year, the District decided to discontinue the system's use for the 2016-17 school year.

Department Personnel, Payroll, and Training

Finding 2: District records did not always evidence that Department employees met the commercial driver's license requirements for their positions.

Finding 3: Department overtime procedures could be enhanced to ensure proper approval and the most cost-effective management of human resources.

Finding 4: The Department did not always ensure that bus drivers received the required training.

Transportation Safety

Finding 5: The District should establish appropriate timelines for administering the bus driver disciplinary process. A similar finding was noted in our report No. 2015-090.

Finding 6: The Department did not always document timely follow-up and resolution of transportation-related complaints or concerns expressed to the Department Transportation Call Center.

Finding 7: Department procedures need improvement to ensure the timely performance and documentation of required school bus safety inspections and maintenance as well as unscheduled bus maintenance.

Administrative Management

Finding 8: The Department could enhance transportation services by developing and implementing a strategic plan and related performance measures.

BACKGROUND

The Palm Beach County School District (District) is part of the State system of public education under the general direction of the Florida Department of Education (FDOE), and is governed by State law and State Board of Education rules. Geographic boundaries of the District correspond with those of Palm Beach County. The governing body of the District is the Palm Beach County District School Board (Board), which is composed of seven elected members. The appointed Superintendent of Schools is the executive officer of the Board. During the 2015-16 fiscal year, the District operated 184 elementary, middle, high, and specialized schools; sponsored 50 charter schools; and reported 186,291 unweighted full-time equivalent (FTE) students.

This operational audit of the District focused on selected processes and administrative activities of the District Transportation Services Department (Department) and included follow-up on a related finding noted in our report No. 2015-090. The results of our audits of other District operations and activities and the District's financial statements and Federal awards for the fiscal year ended June 30, 2016, will be presented in separate reports.

The Department is responsible for transportation operations and fleet services, school bus routing and scheduling, school bus operator safety, training and compliance, customer service call center, and FTE surveys. The Department is also responsible for the maintenance and repair of other District service vehicles such as those operated by the School Police, Maintenance and Plant Operations, School Food Service, and Information Technology departments.

According to the Department mission statement, the Department is dedicated to partnering with schools, families, and communities to provide safe and efficient transportation in support of school programs and services. As of March 31, 2016, the Department had 779 bus drivers and 382 other employees (e.g., maintenance and administrative staff) and maintained six service facility locations (North, Central, South, Royal Palm, East, and West), each having a maintenance and fueling facility. Also, during the period July 2015 through March 2016, the Department was responsible for 903 buses, including 705 buses for daily use, 143 spare buses, and 55 school-based buses that were located at a District facility and used for school activities. Florida Department of Education (FDOE) correspondence¹ indicated that the District had 60,413 unweighted FTE student riders. Analytical comparisons of Department operations are located in the ***RELATED INFORMATION*** section of this report.

¹ FDOE Static FEFP Transportation Fiscal Year 2015-16 dated August 16, 2016.

FINDINGS AND RECOMMENDATIONS

PROCUREMENT OF BUS ROUTING SYSTEM

Included in the Board's stewardship and fiduciary responsibilities associated with managing public resources is the responsibility to ensure that District controls provide for the effective and efficient use of resources in accordance with applicable laws, rules, and other guidelines. To promote responsible spending and improved accountability, it is important that District records demonstrate that public funds are properly utilized in fulfilling the Board's legally established responsibilities.

Finding 1: Bus Routing System

State Board of Education (SBE) rules² provide that the District may acquire information technology (IT) systems, such as bus routing systems, through the competitive solicitation process or by direct negotiation and contract with a provider as best fits the District's needs as determined by the Board. For purchases exceeding \$50,000, SBE rules³ provide that, in lieu of requesting competitive solicitations from three or more sources, the District may make purchases at or below the specified prices from contracts awarded by another governmental entity, such as another school district, when the proposer awarded the contract by the other governmental entity permits District purchases at the same terms, conditions, and prices (or below such prices) awarded in the contract, and the purchases are to the District's economic advantage.

The Board authorized the Superintendent, or the Superintendent's designee, pursuant to SBE rules⁴ and Board policy,⁵ to enter into IT system procurement or service contracts up to \$250,000 based on a contract awarded by another school district or by direct negotiations and contract as best fits the District's needs. For direct negotiation contracts, Board policy requires the Director of Purchasing to maintain adequate documentation commensurate with the value of the contract reflecting (a) the rationale for using direct negotiation as the purchasing method and (b) the basis for determining that the resulting contract is in the best interest of the District.

Effective procurement procedures serve to increase public confidence in the procurement process and appropriately written IT system contracts establish the scope of work, deliverables, and related delivery dates. Should decisions be made to change the terms or deliverables of a contract, documentation should clearly demonstrate management's consideration and approval of the decisions. Given the extensive complexities of IT systems, it is also important that an appropriate timeline be established and adhered to for the full implementation of the IT system. The timeline should include an appropriate time frame to enter bus route data into the system and to test the system, before the system is fully implemented, to disclose unanticipated problems and to verify that the system will function as intended.

² SBE Rule 6A-1.012(14), Florida Administrative Code (FAC).

³ SBE Rule 6A-1.012(6), FAC.

⁴ SBE Rule 6A-1.012(2), FAC.

⁵ Board Policy 6.14, *Purchasing Department*.

Appropriate back-up processes should be planned to ensure the continuity of services that rely on the system should the testing disclose that the system does not function as intended.

According to Department personnel, before the 2015-16 fiscal year, the District used a bus routing system developed by District staff. However, the individual who developed the system was no longer employed by the District and other District employees did not always understand how to operate the system. In addition, the system only managed bus routes and did not include other features, such as processes to capture, store, and check geographical data or a bus tracking application to assist management in assessing the efficiency of bus routes and inform parents of bus locations.

In an effort to improve the student transportation process, the District decided to replace the District-developed bus routing system. During the 2014-15 fiscal year, Department personnel, including the District IT Solutions Manager, began researching various bus routing system options and engaged in discussions with school district personnel at both a smaller and a larger school district in Florida, as well as with personnel at both a smaller and a larger school district outside the State. Discussions with personnel at the larger out-of-State school district, which had five times more transportation employees than the Department and transported twice as many students, included the larger school district's timeline to implement a bus routing system. District personnel also reviewed the smaller Florida school district's competitive selection and contracting process used to purchase a bus routing system and obtained a copy of the contract from the smaller school district.

District personnel indicated that, based on their research and recommendation, in June 2014 the Superintendent signed an authorization to procure a bus routing system based on the contract awarded by the smaller Florida school district. To procure the bus routing system from the vendor, the District issued a purchase order (PO) for \$217,000 in August 2014. According to Department personnel, after procurement, full implementation of the system could have been accomplished within 18 to 24 months, or by August 2016. Department personnel also indicated that partial system implementation began in October 2014; however, subsequent to the procurement date, there was an increased interest in adding a bus tracking application by August 2015. At the April 22, 2015, Budget Workshop, the Board was informed of four options to add the bus tracking application: (1) modify an in-house global positioning system program, (2) purchase an external application, (3) develop an in-house application, or (4) early implement the purchased bus routing system, which had a bus tracking application feature that could be developed. While District records did not document any action taken by the Board or the Superintendent to direct District personnel as to when to fully implement the bus routing system, the system was fully implemented in August 2015, a year sooner than originally planned.

To expedite system implementation, according to District personnel, the District agreed to forgo certain deliverables and reduce the related vendor payments by \$80,750. District personnel also indicated that the deliverables forgone included fleet program customization services, a State report to document student rider counts for funding purposes, and certain days of staff training. District records indicated that the \$136,250 expended for the system included data analysis and site setup services, an information locator (i.e., a bus route map), and 4 days of staff training. However, our review of the procurement documentation and system implementation records disclosed that:

- The original cost (\$217,000) for the District's bus routing system was \$138,000 more than the amount of other school district's bus routing system contract (\$79,000) upon which the District's

procurement was based. Several provisions of the two procurement instruments were inconsistent and did not provide sufficient information to evidence that the District obtained the same or better terms and cost provisions. For example, the District's PO provided for data analysis/site setup costs of \$108,500 based on 50 percent of the PO total, whereas the other school district's contract contained no data analysis/site setup component or related cost. Additionally, the District's PO provided for on-site training for 5 days at a cost of \$32,550 based on 15 percent of the PO total, whereas the other school district's contract contained on-site training for 5 days without an associated cost identified.

When basing a procurement on another governmental entity's competitive negotiation and contract awarding process, it is important, prior to executing an agreement, to obtain and review applicable documentation and perform analyses necessary to confirm that the procurement will be based on similar or better conditions and terms than included in the other entity's contract. In response to our inquiries, District personnel indicated that they used the other school district's contract as a starting point for direct negotiations with the vendor and, in August 2016, provided us a cost comparison showing that, on a per student basis, the District's cost was comparable to the other district's contract cost. However, District records did not evidence that this comparison was part of the District's negotiation process, that a per student basis is a customary measure or a reasonable basis to use to project bus routing system costs, or that the resulting procurement was in the best interest of the District. Also, cost estimates developed for each desired system component and functionality would have provided more complete evidence upon which to negotiate for this procurement. Without such documentation and analyses, the District cannot demonstrate that using another governmental entity's contract was to the economic advantage of the District.

- The District's PO did not establish the number of hours required for program customization or the scope of work necessary, but instead based the customization costs on a percent of the total PO amount. The District's PO also did not establish an employee training timeline, specify the number of employees to receive training, or identify the processes to be used by District personnel to appropriately monitor the receipt of these services. When all the necessary provisions are not incorporated in District procurement instruments, there is an increased risk of misunderstandings between the parties, overpayments, and services inconsistent with Board expectations.
- Although we requested, Department records could not be provided to demonstrate that, after the PO was issued, the Superintendent or his designee approved the decision to forgo certain deliverables and related vendor payments totaling \$80,750. District personnel indicated that they approved these decisions; however, Board policy only delegates such authority to the Superintendent or the Superintendent's designee and District records did not demonstrate that the decision was authorized by one of these individuals.
- District personnel provided to us a system implementation schedule, dated February 2015, that identified certain deliverables and related implementation dates through July 2016. For example, the schedule listed "Phase III – Testing..." with a duration of "270 days?" to start April 27, 2015, and finish May 6, 2016. According to District personnel, the timeline to fully implement the system was included in the negotiation process; however, since the District expedited system implementation, the system was fully implemented before many of the finish dates listed in the schedule. As the schedule was not updated to reflect the expedited implementation, the reasonableness of the schedule and its usefulness as a monitoring tool was not readily apparent.
- The District did not conduct tests, before fully implementing the system, to verify that the system would function as expected. In response to our inquiries, Department management indicated that, due to the compressed time frame for system implementation, they could not train applicable staff, test the bus routes, or conduct a pilot program to ensure that the system would function as expected.

- Although we requested, Department records could not be provided to demonstrate that the Department planned appropriate back-up processes should the system not function as expected. In response to our inquiries, Department management indicated that the Department did not plan for a back-up process and the Department removed the routes from the District-developed bus routing system when data was converted to the purchased system.

According to Department personnel, the Department experienced several bus routing problems during the 2015-16 school year, including crowded buses, unrealistic bus trip schedules, and unfamiliar bus routes, which caused bus route delays and student attendance and related education service disruptions. Department management indicated that, as of June 2016, the District no longer used the purchased bus routing system and the District-developed bus routing system used prior to the 2015-16 school year was being updated with improved routes. In addition, Department management indicated that the updated District-developed bus routing system will be linked to an existing global positioning system to track District buses, including arrival times at each school, for the 2016-17 school year. Department management also indicated that the District tested the system-generated online arrival report, used to track bus arrival times, during the summer of 2016 to ensure that the system will appropriately identify arrival times for the 2016-17 school year.

Recommendation: For future IT system purchases, the District should enhance procedures by:

- Documenting that the purchase is made at the lowest price consistent with desired quality.
- Establishing appropriate contract provisions, such as the expected number of hours to provide service deliverables, employee training dates, and the number of employees to receive training, and the processes to be used by District personnel to appropriately monitor the receipt of services.
- Documenting appropriate authorization, such as Superintendent or the Superintendent's designee approval, for contract changes, including changes related to specified deliverables.
- Establishing and adhering to a reasonable and useful schedule for fully implementing the system.
- Conducting tests, before full implementation, to verify that the system will function as expected and documenting the test results.
- Planning appropriate back-up processes should the system not function as expected.

We also recommend that, until a new bus routing system is developed or purchased, the District continue to provide the resources necessary to properly update and maintain the existing bus routing system.

DEPARTMENT PERSONNEL, PAYROLL, AND TRAINING

Effective personnel and payroll policies and procedures serve to regulate Department employee actions and communicate management expectations to new and established employees. Such policies and procedures also ensure, among other things, appropriate verification of employee licensure requirements, overtime monitoring, and bus driver training.

Finding 2: Employment Practices and Personnel Records

The District's online employment application process automatically routes all applications to the Human Resources Department, which distributes the applications to applicable department directors for review. Board policy⁶ requires the Transportation Department, Division of Compliance and Training, to verify, before an employee is transferred to a position in the Department or a new hire is selected to fill a vacancy in the Department, that the individual meet the position's licensure requirements through verification of the individual's license class and status with the Florida Department of Highway Safety and Motor Vehicles (FDHSMV) Web site.

According to District job descriptions, the Department general manager position requires a bachelor's degree in business, transportation, or a related field and 5 years of management experience, while the mechanic and helper positions require a high school diploma. Additionally, Department mechanics must have, or obtain within 180 days after appointment, a commercial driver's license (CDL) Class A license⁷ and helpers must have, or obtain within 90 days after appointment, a CDL Class B license.⁸

During the period July 2015 through March 2016, the District hired seven Department employees, including a general manager, two mechanics, and four helpers. We examined the personnel files for the general manager and the other newly hired Department employees and noted that the files documented that the individual serving as general manager met the minimum requirements for the position and the other employees met the high school diploma requirement for their positions. However, our examination of the personnel files also disclosed that Department records did not evidence that the Department always verified the class and status of Department employees' licenses. Specifically, for the two mechanics and four helpers, we found that:

- One mechanic and two helpers only had Class E licenses⁹ when they were hired. Seven months after appointment, one of the helpers obtained a temporary CDL Class A license but did not obtain the required CDL Class B license. As of June 2016, although more than 90 and 180 days had elapsed, respectively, since their dates of hire, the other helper had not obtained the required CDL Class B license and the mechanic had not obtained the required CDL Class A license.
- While the applications for these six employees listed the applicants' driver license numbers, District records did not document whether District personnel verified the class and status of the licenses listed. We extended our procedures to trace the driver license numbers listed on the six applications to the FDHSMV Web site; however, our procedures cannot substitute for management's responsibility to verify this information.

In response to our inquiry, District personnel indicated that the District recently replaced the general manager over the Division of Compliance and Training, who reviews the documentation for all new hires. Documented verifications of individuals' licensure requirements would provide critical information for

⁶ Board Policy 3.21, *Safe Operation of District School Buses*.

⁷ CDL Class A licenses are required to operate trucks or truck combinations weighing 26,001 pounds or more and to tow a vehicle/unit over 10,000 pounds.

⁸ CDL Class B licenses are required to operate straight (i.e., all axles attached to a single frame) trucks and buses weighing 26,001 pounds or more.

⁹ Class E licenses are required to operate a non-commercial motor vehicle with a gross vehicle weight rating less than 26,001 pounds, including passenger cars, 15-passenger vans including the driver, and trucks or recreational vehicles.

making personnel decisions as well as assurances that employees transferred to new positions or individuals selected for hire meet position requirements.

Recommendation: Department management should enhance procedures to document verification that individuals selected to fill vacant Department positions meet, or subsequently meet within required timelines, the licensure requirements for the positions.

Finding 3: Payroll Processing – Overtime Payments

Board policy¹⁰ and the Service Employees International Union/Florida Public Services Union (SEIU/FPSU) Agreement,¹¹ which includes bus drivers and attendants, helpers, and mechanics, require employees to obtain written approval from an appropriate administrator or supervisor prior to earning overtime or compensatory time. Board policy also states that employees will be subject to disciplinary action if prior written approval is not obtained. Board policy also requires employees be paid overtime pay at a rate of one and one-half times the regular rate of pay for hours worked over 40 hours per week.

According to District personnel, overtime payments are frequently necessary because of an activity (e.g., an athletic, band, or chorus activity), class field trips, and extra bus routes to compensate for bus breakdowns. Department overtime payments represent significant Department expenditures as the payments were 16 percent of Department compensation for the 2014-15 fiscal year and 19 percent for the 2015-16 fiscal year. Table 1 shows for the 2014-15 and 2015-16 fiscal years a comparison of Department budgeted and actual overtime payments and related variances, percentages of the respective budget overexpenditures, and the percentage of District overtime payments related to the Department.

Table 1
Department Overtime
Budget and Actual Expenditures
2014-15 and 2015-16 Fiscal Years

Overtime	Fiscal Year	
	2014-15	2015-16
Department:		
Budget	\$ 1,969,411	\$ 1,984,655
Actual	3,747,157	4,867,090
Department Budget Overexpended	\$ 1,777,746	\$ 2,882,435
Percent Overexpended	90%	145%
District:		
Actual	\$ 9,459,843	\$11,232,912
Department Actual Percent of District Actual	40%	43%

Source: District Records.

¹⁰ Board Policy 6.12, *Overtime/Compensatory Time Off Under Certain Circumstances*.

¹¹ Article 11, Section 2 of the SEIU/FPSU Agreement.

In response to our inquiry, District personnel indicated that the budgeted overtime for the 2015-16 fiscal year was overexpended because anticipated cost reductions did not materialize from use of the purchased bus routing system and senior staff were used as substitute drivers when regular drivers were unavailable. Notwithstanding the reasonableness of these explanations, periodic review of budget-to-actual expenditure comparisons is necessary for monitoring the financial status of the Department, determining whether funds are available prior to overtime authorizations, and timely identifying and taking action to remedy critical Department budget shortfalls.

During the period July 1, 2015, through March 18, 2016, the District paid \$3.5 million in overtime to 1,226 Department employees. Our examination of District records supporting bus driver overtime payments for that period disclosed that 768 bus drivers received overtime payments totaling \$1,954,303 and that 9 of the bus drivers were each compensated more than \$10,000 for overtime. These 9 bus drivers received overtime payments totaling \$119,760 and ranging from \$10,051 to \$19,306, or 58 to 103 percent of their regular wages. We requested payroll records supporting overtime earned by the 9 bus drivers during September 2015 and a portion of March 2016 and noted that a total of 1,111 overtime hours was earned and overtime payments totaling \$28,827 were made for these time periods. Our discussions with District personnel and review of bus driver overtime payment records disclosed that:

- Department records documented prior supervisory approval for 103 overtime hours with associated overtime payments totaling \$2,806; however, although we requested, records could not be provided to demonstrate prior supervisory approval for 1,008 overtime hours with associated overtime payments totaling \$26,021 made to the 9 bus drivers. In response to our inquiries, District personnel indicated that it is not always practical for bus drivers to obtain prior written approval, as the overtime may be for an extra route related to a bus breakdown; however, Board policy did not provide any exemptions from the prior written approval requirement for overtime. District payroll records documented, for all 9 bus drivers, supervisor approval for the payment of overtime after the overtime hours were worked,
- The District had not conducted a cost-benefit analysis of Department overtime pay. Since the overtime rate of pay is one and one-half times the regular pay rate, and given the District's limited resources, extensive and continued use of overtime may negatively impact District operations in that overtime increases overall salary costs without a corresponding increase in the number of hours spent on operations. While we recognize the need for overtime for certain positions during peak periods, it is important that the District analyze the cost effectiveness of overtime worked throughout the year considering the fiscal impact of overtime payments as well as staffing and employee workload issues.

In response to our inquiry in June 2016, Department management indicated that they are currently developing procedures related to overtime approval. Written supervisory approval obtained prior to overtime hours being worked provides assurance that employees' services are consistent with Board expectations and also reduces the risk that overtime payments will exceed those anticipated in the budget.

Recommendation: Department management should periodically review budget-to-actual overtime expenditure comparisons when monitoring the financial status of the Department. Additionally, Department management should enhance procedures to ensure that approval for overtime is properly documented before the overtime is worked or seek revisions to the Board policy to provide exemptions from the prior written overtime approval requirement for circumstances such as bus breakdowns. Also, given the amount of overtime expenditures

incurred, we recommend that the District enhance management controls to require Department overtime and staffing analyses to ensure the most cost-effective management of human resources.

Finding 4: Bus Driver Training

State Board of Education (SBE) rules¹² and Department procedures¹³ require that the District, at least annually, ensure that each bus driver successfully completes a minimum of 8 hours of in-service training for transporting students. Department personnel indicated that the District typically provided 4 hours of bus driver in-service training at the beginning of the year and 4 hours later in the year, and maintained records of the training hours provided. However, our examination of Department records indicated that the Department did not always ensure that bus drivers received the full 8 in-service training hours during a 12-month period.

From the population of 664 individuals who remained employed as bus drivers during the period April 2015 through March 2016,¹⁴ we requested District records supporting the in-service training hours for 40 selected bus drivers. Based on the records provided, we found that 1 bus driver had received no in-service training and 8 bus drivers lacked 3.5 to 4 hours of required training. For the 2016-17 fiscal year, the Department plans to provide the full 8 hours of training at the beginning of the year. Absent the required training, District records do not demonstrate compliance with SBE rules and the risk is increased that drivers may lack the knowledge and skills necessary to safely perform their assigned duties.

Recommendation: Department management should enhance procedures to ensure that each bus driver annually receives the required 8 hours of in-service training.

TRANSPORTATION SAFETY

Comprehensive and effective transportation safety policies and procedures reduce the risk of unsafe driving behavior and transportation-related accidents and injuries by addressing appropriate bus driver disciplinary processes and including procedures for the follow-up and resolution of transportation-related complaints or concerns regarding unsafe or faulty driving practices. Comprehensive and effective transportation safety policies and procedures also ensure that required school bus safety inspections and maintenance, including unscheduled bus maintenance, are timely performed by certified technicians and documented.

Finding 5: School Bus Driver Disciplinary Process

The District Safe Driver Plan provides, among other things, a point system for driving infractions and preventable accidents that requires, based on the points accumulated, administrative actions against school bus drivers ranging from verbal warnings to employment termination. The District also established a Vehicle Accident Review Committee (VARC) that meets monthly to review accident reports and other records to determine whether an accident was preventable or non-preventable and to assist in

¹² SBE Rule 6A-3.0141(8), FAC.

¹³ Chapter 1, *Operations, School Bus Drivers and Bus Attendants Handbook*.

¹⁴ Records for bus drivers who separated from District employment during the period April 2015 through March 2016 were excluded from the population for this audit test.

determining the point assessment and disciplinary action required relating to the accident. The SEIU/FPSU Agreement and District procedures¹⁵ guide applicable departments and the VARC in administering employee disciplinary processes; however, we noted there was no established timeline for conducting the school bus driver disciplinary process in the District Safe Driver Plan, SEIU/FPSU Agreement, District procedures, or other written guidance.

From the population of 779 bus drivers employed during the 2015-16 fiscal year, we examined District records for 60 selected bus drivers and identified eight disciplinary actions for 7 of the 60 bus drivers. For the eight disciplinary actions, which included three preventable accidents with damage greater than \$500 and five other policy and motor vehicle violations, we noted that:

- For the three preventable accidents, 57, 78, and 72 days elapsed, respectively, from the accident date to the date of the VARC decision on points assessed and disciplinary action and 51, 27, and 30 days elapsed, respectively, from the date of the VARC decision to the actual dates of the disciplinary actions. In total, 108, 105, and 102 days elapsed, respectively, from the accident date to the disciplinary action date.
- For the five other policy and motor vehicle violations, the number of days that elapsed from the dates of the violations to the disciplinary action dates ranged from 89 to 216 days.

While, due to extenuating circumstances associated with driving infractions and preventable accidents, certain incidents could take longer to evaluate than others, establishing reasonable timelines to complete the school bus driver disciplinary process may expedite the process and reduce the risk of recurring incidents that jeopardize the safety of students, employees, and others. A similar finding was noted in our report No. 2015-090.

Recommendation: The District should establish and implement appropriate timelines for administering the school bus driver disciplinary process to reduce the risk of recurring incidents that jeopardize the safety of students, employees, and others.

Finding 6: Transportation Call Center

The Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) best practices for Florida school district transportation¹⁶ provide that district staff should respond promptly to complaints or suggestions received from school site staff, parents, or the general public about a driver's performance on an official assignment. Additionally, records should show what action was taken in response to each complaint or suggestion. Effective controls also require management review and approval of the follow-up and resolution procedures for transportation-related complaints and concerns received.

The Department maintains a Transportation Call Center (TCC) that receives, logs, and monitors the resolution of telephone calls reporting such matters as crowded buses, bus driver reckless driving, bus accidents, buses arriving late to schools, and other transportation concerns. The information logged includes the type of concern, description of the matter (e.g., bus number, speed, and location of incident), bus route, and date and time of the telephone call. According to Department personnel, for calls concerning buses exceeding the speed limit, the TCC representative reviews the global positioning

¹⁵ *The Discipline Process, A Guide for Principals and Department Heads.*

¹⁶ OPPAGA, *The Best Financial Management Practices, Transportation.*

system for the location and speed of the bus to verify the validity of the concern. Additionally, in September 2015, the TCC began separately recording reckless driving concerns, which were previously recorded on the logs in the “other concern” category. Department personnel also indicated that the Department central office either follows up and resolves the transportation-related concerns or refers the concern to one of the Department’s six service facility locations for follow-up and resolution. However, the Department had not established procedures for management to review and approve the follow-up and resolution of concerns referred to service facility locations.

During the period July 2015 through March 2016, the TCC recorded 201 crowded bus concerns. According to Department records, 46 concerns were resolved by the central office and 155 were referred to a service facility location for follow-up and resolution. Of the 201 crowded bus concerns, 185 concerns (92 percent) related to bus routes for middle and high school students, and 138 concerns (69 percent) occurred in August and September 2015 (after the August 2015 implementation of the purchased bus routing system discussed in Finding 1). As part our procedures, we reviewed documentation for 30 of the 155 recorded crowded bus concerns referred to a service facility to determine whether the Department documented timely and appropriate follow-up. We found that documentation for 9 of the 30 concern resolutions only indicated “This issue has been resolved” with no evidence of management review and approval of the resolutions and no additional details to explain the circumstances of the crowded bus concerns or how the concerns were resolved. Appropriate details could include whether students were on the wrong bus or the bus contained ineligible riders and how the crowded bus problems were remedied. We also found that the resolution time for 20 of the concerns ranged from 32 to 114 days after the call was received. Such delays could increase the safety risks of students or necessitate that students find another means of transportation.

During the period September 2015 through March 2016, the TCC recorded 352 reckless driving concerns. According to Department records, 63 of the concerns were resolved by the central office and 289 were referred to a service facility location for follow-up and resolution. We reviewed documentation for 30 of the 289 concerns referred to a service facility location to evaluate whether the Department timely and appropriately followed up with drivers and whether disciplinary action, if necessary, was taken. We noted that the Department did not follow up and resolve 10 of the 30 concerns because, according to Department personnel, there was a logging system glitch. In addition, we noted that the Department could not demonstrate that the follow-up and resolution procedures were timely for another 8 concerns as the dates were not recorded for these procedures. We also noted 4 concerns for speeding and improper lane changes in which the bus drivers were untimely notified 19, 20, 27, and 136 days, respectively, after the concerns were recorded.

In response to our inquiry, Department personnel indicated that the TCC relies on the service facility locations to timely and appropriately follow up and resolve concerns. Department personnel also indicated that, due to the bus routing problems during the first few weeks of the 2015-16 school year, Department employees focused on resolving concerns rather than documenting the details of the resolution and that the Department is taking action to resolve the logging system glitch to ensure concerns are properly routed to the respective service facilities. Further, Department management stated that other corrective actions included adjusting bus routes, adding bus stops or buses, and identifying ineligible riders and developing a process for removing them from the buses and that, in June 2016,

Department management was in the process of drafting TCC guidance in the *Support Operations Call Center Handbook and Resource Manual* for the 2016-17 fiscal year.

Absent effective procedures to document timely and appropriate follow-up of transportation-related complaints or concerns expressed to the TCC, including procedures for management to review and approve the follow-up and resolution of concerns referred to service facility locations, there is an increased risk that bus drivers with unsafe or faulty driving habits will not be timely confronted, delaying disciplinary action and increasing the bus-related safety risks of students, employees, and others.

Recommendation: Department management should continue efforts to finalize and implement the *Support Operations Call Center Handbook and Resource Manual*. Such efforts should ensure that the *Manual*:

- Establishes a timeline for the prompt follow-up and resolution of transportation-related complaints and concerns expressed to the TCC. The timeline should provide for prompt communication with bus drivers and others involved to ensure information regarding the concern is accurately documented and timely resolved.
- Requires that records document the details explaining the circumstances of how transportation-related concerns are resolved.
- Requires that Department management review and approve the follow-up and resolution of transportation-related concerns referred to service locations.

So that reported reckless driving concerns can be appropriately referred for follow-up by the service facilities, we also recommend that Department management continue actions to timely resolve the logging system glitch.

Finding 7: School Bus Inspections

SBE rules¹⁷ set forth the responsibilities of school districts for student transportation, including the responsibilities to comply with the school bus safety inspection requirements listed in the *Florida School Bus Safety Inspection Manual, 2008 Edition (State Manual)*. The *State Manual* requires, for example:

- Inspections every 30 school days unless a bus is removed from service, which requires an inspection prior to return to service.
- Inspections be conducted by technicians certified as school bus inspectors.
- Engine control, seatbelt, and emergency door inspections.
- Deficiencies identified during the inspections be recorded on the required inspection form and repaired before the bus is returned to service.

To document the required 30-school-day inspection and maintenance procedures, Department personnel prepare safety inspection forms prior to returning the bus to service, and the inspection date restarts the 30-school-day count. Additionally, the Department uses safety inspection work orders to document unscheduled maintenance by certified technicians for school bus breakdowns or specific mechanical concerns, such as air conditioner or battery defects, that occur prior to the required 30-school-day scheduled inspections and maintenance.

¹⁷ SBE Rule 6A-3.0171, FAC.

To determine whether the District complied with the school bus safety inspection requirements in the *State Manual* and whether inspection work orders demonstrated that school bus maintenance was appropriately performed by certified technicians and documented, we requested for our examination the 319 safety inspection forms and 31 inspection work orders prepared for 62 selected buses in operation during the period July 2015 through March 2016. Our audit tests found that:

- Several inspection forms did not demonstrate compliance with the *State Manual*. For example:
 - 19 inspection forms were not initialed by a technician or a foreperson for one or more inspection items with a status code “O” (out of service from a safety nature) to demonstrate that the safety-related items were repaired by technicians or addressed by forepersons before the bus was returned to service.
 - According to the inspection forms, 17 inspections were not timely performed. Specifically, these 17 inspections were performed 2 to 10 days after the required 30-school-day time frame expired.
 - 11 inspection forms indicated that the inspections were performed by an employee, classified as a transportation helper, whose school bus inspector certification had expired on June 30, 2014. In response to our inquiry, Department personnel indicated that, because the employee was misclassified as a helper, instead of a technician, the employee was not notified to recertify his certificate and it expired. Subsequent to our inquiry in May 2016, Department personnel required the employee to stop conducting inspections.
- Although we were able to review 14 of the 31 safety inspection work order forms and the inspection dates recorded in the system used to track school bus inspections and maintenance for the remaining 17 forms, the District could not provide the remaining 17 forms for our examination.

Department personnel indicated that some records were not always available or maintained properly and certain inspections were untimely because of higher priority concerns. Department personnel also indicated that the Department had not established written procedures addressing the follow-up on deficiencies cited in the school bus safety inspections to ensure that the deficiencies were timely repaired and documented on the inspection form prior to the bus being returned to service.

Without effective controls established to ensure that school bus inspections and maintenance are performed in accordance with *State Manual* requirements and that unscheduled maintenance procedures are timely performed and documented, there are increased safety risks associated with use of the buses. Subsequent to our inquiry, the Department Area Manager indicated that, effective May 30, 2016, the Department implemented a new school bus maintenance schedule and procedures to improve compliance with the safety inspection requirements.

Recommendation: Department management should continue efforts to ensure that required safety inspections and maintenance are performed in compliance with *State Manual* requirements and that unscheduled school bus maintenance procedures are appropriately performed and documented.

Given the District's responsibility, pursuant to State law,¹⁸ for the safety and health of students being transported and the significant commitment of public funds for student transportation, it is important that the District establish appropriate administrative management procedures to evaluate the effectiveness and efficiency of Department operations at least annually using performance data and established benchmarks.

Finding 8: Strategic Plan

A strategic plan is used to communicate an organization's goals and objectives and the actions needed to achieve those goals. An effective strategic plan identifies measurable short- and long-term objectives and provides a basis, such as benchmarks or performance measures, for evaluating performance data before the commitment of significant resources so that the most cost-effective and efficient processes can be identified. Such plans could also establish a basis to ensure continuity of these goals or objectives in the event that administrative changes occur.

On March 2, 2016, the Board approved the *School District Strategic Plan* which defines the District's guiding principles, such as accountability to improve student achievement and the capacity to strengthen people skills, and goals that focus on student performance. Additionally, Department procedures provide guidance for administering certain transportation services and include: *School Bus Drivers and Bus Attendants Handbook*, *Standard Operating Procedures for Payroll Clerks IV*, *Repair Parts Ordering Process*, and *Support Operations Call Center Handbook and Resource Manual* (draft). However, as noted in a District-requested external review of Department processes and procedures in the winter of 2015, the Department had not developed a strategic plan or related performance measures to determine the effectiveness and efficiency of Department operations.

Our audit procedures disclosed that, as of June 2016, Department management still had not developed a strategic plan or related performance measures. In response to our inquiries, Department management indicated that, as of June 2016, the Department was in the process of developing a comprehensive, written plan that will include an organizational chart, an overview of administrative office operations, a description of the new employee orientation process, job expectations by job title, and other Department strategies. Department management also indicated that benchmark information was being collected to enable the Department to prepare performance evaluations, such as cost comparison analyses, and to set goals and objectives related to improved safety and efficiency.

Recommendation: To enhance the efficiency and effectiveness of Department operations, management should continue efforts to develop, implement, and maintain a strategic plan and related performance measures for Department operations.

¹⁸ Sections 1006.21 and 1006.22, Florida Statutes.

RELATED INFORMATION

State law¹⁹ sets forth Board and Superintendent responsibilities for student transportation. As part of our audit we performed various analyses including comparisons of Department operations data over time and with the data of selected peer school districts (i.e., Broward, Duval,²⁰ Hillsborough, Miami-Dade, Orange, and Pinellas).²¹ The results of some of our analytical comparisons are included in this section for informational purposes.

The main source for our analytical comparisons was the Florida Department of Education (FDOE) *Quality Link – Florida School District Transportation Profiles (Q-Link)*, which provides information about each of Florida’s 67 school districts. The FDOE collected the *Q-Link* unaudited information directly from school districts and cautions that “the data reflects the complexity and variety of factors that result in differing costs for student transportation among districts. Care should be taken when making comparisons among (school) districts and conclusions drawn only after careful consideration of variables.”

General comparative information about the District and peer districts’ size, population, and other transportation-related data is shown in Table 2.

Table 2
District and Peer Districts
General Comparative Information
2014-15 Fiscal Year

School District	District Size in Square Miles	Population Density	Student Enrollment	Percent of Enrollment Transported	Bus-Served School Centers	Buses in Daily Service	Number of Bus Stops
Palm Beach	1,974	669	186,598	28.43%	174	701	11,503
Broward	1,208	1,447	266,407	29.20%	238	1,108	16,850
Duval	774	1,117	128,070	34.39%	153	877	5,062
Hillsborough	1,051	1,170	207,453	36.36%	257	949	19,672
Miami-Dade	1,945	1,284	356,902	16.60%	308	1,092	18,655
Orange	908	1,262	191,599	35.42%	184	924	22,000
Pinellas	280	3,273	103,768	27.51%	126	463	8,280
Peer District Average	1,028	1,592	209,033	28.14%	211	902	15,087

Source: *Q-Link* 2014-15 fiscal year report, except for Hillsborough bus-served school center data. Hillsborough bus-served school center data was obtained from other FDOE correspondence that we considered more accurate.

Ridership. For operational efficiency, the District staggers the class start and dismissal times at its respective schools, which enables buses to make several trips transporting eligible students to their

¹⁹ Section 1006.21, Florida Statutes.

²⁰ The charts and tables in this section include Duval County School District in most analytical comparisons; however, that school district was excluded from Tables 13, 14, and 15, because it engaged independent contractors for bus and bus driver services. In Tables 13, 14, and 15, Martin County School District, a school district adjacent to Palm Beach County, was included for comparative purposes.

²¹ The six selected school districts, referred to as peer districts, were judgmentally selected based on size or proximity to the District.

applicable destinations. Students eligible for transportation include those who live 2 or more miles from their school; elementary school students who live within 2 miles of their school but would have to walk through hazardous conditions²² to their school; special needs students; participants in teenage parent programs; and special education, vocational, and dual-enrollment students transported from one school to another. Table 3 provides a comparison of District students transported with student enrollment for the last 5 years and shows that, while the number and percentage of eligible students transported decreased over time, the number and percentage of non-eligible students transported increased.

Table 3
District Students Transported
2010-11 Through 2014-15 Fiscal Years

Fiscal Year	Total Number of Students Transported	Number of Eligible Students Transported	Eligible Percent of Total Transported	Number of Non-Eligible Students Transported	Non-Eligible Percent of Total Transported
2014-15	59,097	53,046	89.8%	6,051	10.2%
2013-14	60,858	55,529	91.2%	5,329	8.8%
2012-13	59,437	55,460	93.3%	3,977	6.7%
2011-12	59,640	56,028	93.9%	3,612	6.1%
2010-11	60,513	58,833	97.2%	1,680	2.8%

Source: *Q-Link* report for each respective fiscal year.

As shown in Table 4, for the 2014-15 fiscal year, the percentage of eligible students transported in the District was lower than that of the peer district and Statewide averages, and the percentage of ineligible students transported in the District was higher than both the peer district and Statewide averages. According to Department personnel, the District buses students living less than 2 miles from some middle and high schools that have boundaries close to major highways such as Interstate 95 rather than having the students walk through hazardous conditions. Department personnel also indicated that the number of the District's ineligible students transported is elevated, in part, because the District allows ineligible students to ride if there is room on a bus and certain students live less than 2 miles from the school, but closer to a bus stop than the school, so they walk to the bus stop and use a bus.

²² Hazardous walking conditions are defined in Section 1006.23, Florida Statutes.

Table 4
District and Peer District Students Transported
2014-15 Fiscal Year

School District	Total Number of Students Transported	Number of Eligible Students Transported	Eligible Percent of Total Transported	Number of Non-Eligible Students Transported	Non-Eligible Percent of Total Transported
Palm Beach	59,097	53,046	89.8%	6,051	10.2%
Broward	82,738	77,792	94.0%	4,946	6.0%
Duval	49,251	44,037	89.4%	5,214	10.6%
Hillsborough	88,006	75,424	85.7%	12,582	14.3%
Miami-Dade	63,213	59,251	93.7%	3,962	6.3%
Orange	68,929	67,873	98.5%	1,056	1.5%
Pinellas	30,358	28,544	94.0%	1,814	6.0%
Peer District Average	63,749	58,820	92.3%	4,929	7.7%
Statewide	1,087,453	998,175	91.8%	89,278	8.2%

Source: Q-Link 2014-15 fiscal year report.

While students with special needs are included in the student information presented in Tables 3 and 4, Table 5 provides information specifically related to special needs students. As shown by the comparison in Table 5, the percentage of buses primarily used for special needs students increased from 29 percent in the 2010-11 through 2012-13 fiscal years to 32 percent in both the 2013-14 and 2014-15 fiscal years. The buses used to transport special needs students typically have wheelchair lifts and seating capacities ranging from 25 to 52 depending on the bus type; however, some non-lift buses are also used for special needs routes. The average number of special needs students per bus shown in Table 5 appears to indicate that the buses were not overcrowded as none of the fiscal year averages exceeded the smallest capacity of 25. However, this calculation is based on the average number, rather than the actual number, of special needs students transported. The District assigned buses for special needs students to five service facility locations to ensure bus availability to serve the surrounding area.

Table 5
District Special Needs Students Transported
2010-11 Through 2014-15 Fiscal Years

Fiscal Year	Total Number of Students Transported	Special Needs Students Transported	Special Needs Students Percent of Total Transported	Percent of Fleet Used Primarily for Special Needs Students	Number of Buses With Lifts	Average Number of Special Needs Students Per Bus
2014-15	59,097	3,272	5.5%	32%	223	15
2013-14	60,858	3,034	5.0%	32%	220	14
2012-13	59,437	3,931	6.6%	29%	229	17
2011-12	59,640	3,060	5.1%	29%	232	13
2010-11	60,513	1,930	3.2%	29%	209	9

Source: Q-Link report for each respective fiscal year.

Table 6 compares the District and peer districts' average bus occupancy and transportation cost per rider for the 2014-15 fiscal year. The average bus occupancy was calculated using the average of the Florida Education Finance Program (FEFP) FTE enrollment counts for October 2014 and February 2015 and dividing that average by the average of the FEFP daily bus counts for those same months. While this calculation does not take into account all ridership factors, such as bus capacity, which varies by bus type, the comparison shows that the District had a higher average bus occupancy and a lower transportation cost per rider than the peer district average. According to District personnel, these differences occurred partly because the District had fewer daily buses than the peer district average and many District buses service two to three schools daily.

Table 6
District and Peer District Average Bus Occupancy and
Transportation Cost Per Rider
2014-15 Fiscal Year

School District	Daily Buses	Average Bus Occupancy	Transportation Cost Per Rider
Palm Beach	701	74	\$1,143
Broward	1,108	69	1,057
Duval	877	50	1,239
Hillsborough	949	79	1,121
Miami-Dade	1,092	52	1,282
Orange	924	72	1,066
Pinellas	463	61	1,171
Peer District Average	902	64	\$1,156

Source: Q-Link 2014-2015 fiscal year report.

Bus Fleet. Board policy²³ for the acquisition and replacement of vehicles provides bus specification requirements for newly purchased buses, the budgetary process for replacing or purchasing buses, and the criteria to require bus replacement. The Department maintains bus fleet records that contain the bus age, primary use, equipment, and other information about specific buses that is used to identify buses for replacement. Bus replacement is required if at least one of the following criteria has been met:

- The bus has extensive physical or mechanical damages and is rendered non-repairable.
- A single repair of the bus exceeds 80 percent of the bus cash value.
- Bus repair parts are no longer available.
- The bus is 10 years old and does not meet the safety specifications of SBE Rule 6A-3.0291, FAC, and Section 1006.25, Florida Statutes; and the bus mileage exceeds 200,000 and has a cash value of \$4,000 or less.

Table 7 shows that 622 (69 percent) of the District's buses are 6 or more years old. The 281 newer buses (1 to 5 years old) include 239 buses acquired by the District in the 2014 and 2015 calendar years. According to District personnel, the District limited the number of bus purchases during the 2011 through 2013 calendar years due, in part, to poor economic conditions and limited funding.

²³ Board Policy 2.291, *Acquisition and Replacement of Vehicles*.

Table 7
District Bus Types and Related Bus Ages
As of December 2015

Bus Type	Number of Buses				Bus Type Percent of Total Buses
	10 or More Years Old	6 to 10 Years Old	1 to 5 Years Old	Total	
Daily Use	105	324	276	705	78%
Spare	85	53	5	143	16%
School-Based	51	4	-	55	6%
Total	<u>241</u>	<u>381</u>	<u>281</u>	<u>903</u>	<u>100%</u>
Percentage of Buses by Age	27%	42%	31%	<u>100%</u>	

Source: Department fleet records.

As shown in Table 8, 250 of the District's 903 buses (28 percent) have wheelchair lifts for students with special needs. In February 2016, the Board approved the purchase of 60 school buses for the 2016-17 school year, 20 of which are to be equipped with wheelchair lifts.

Table 8
District Special Needs Accessible Buses and Related Bus Ages
As of December 2015

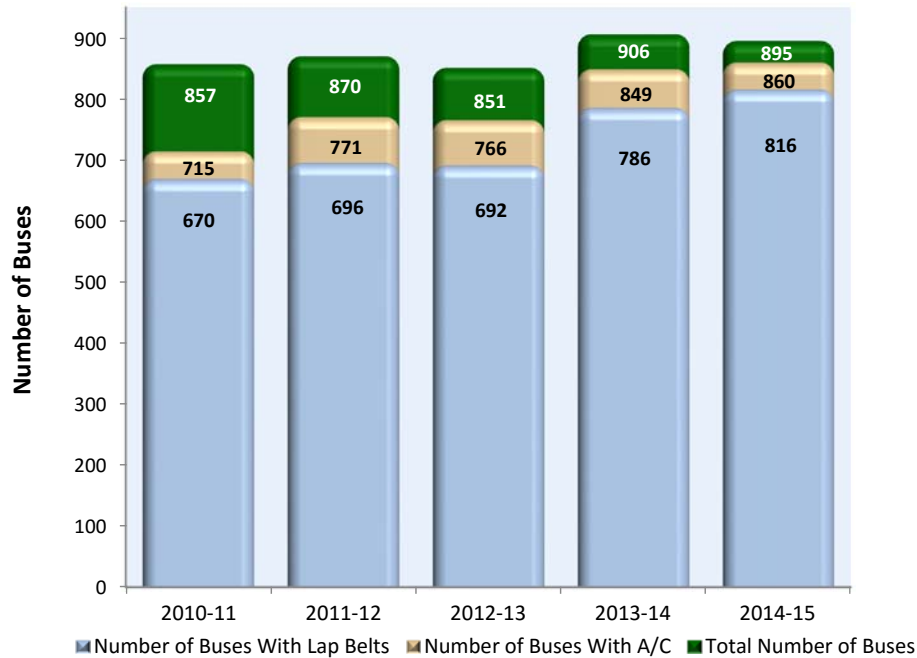
Bus Type	Number of Buses				Bus Type Percent of Total Buses
	10 or More Years Old	6 to 10 Years Old	1 to 5 Years Old	Total	
Daily Use	37	73	89	199	80%
Spare	4	4	-	8	3%
School-Based	22	20	1	43	17%
Total	<u>63</u>	<u>97</u>	<u>90</u>	<u>250</u>	<u>100%</u>
Percentage of Buses by Age	25%	39%	36%	<u>100%</u>	

Source: Department fleet records.

State law²⁴ requires school bus lap belts or another safety restraint system for new bus purchases after December 31, 2000. As shown in Chart 1, over the 5-year period ended June 30, 2015, the percentage of District buses equipped with lap belts increased from 670 to 816 because of statutorily compliant new bus purchases. Chart 1 also shows that the number of buses with air conditioning (A/C) increased from 715 in the 2010-11 to 860 in the 2014-15 fiscal year.

²⁴ Section 316.6145(1)(a), Florida Statutes.

Chart 1
District Buses
Number of District Buses With A/C and Lap Belts
2010-11 Through 2014-15 Fiscal Years



Source: Department fleet records.

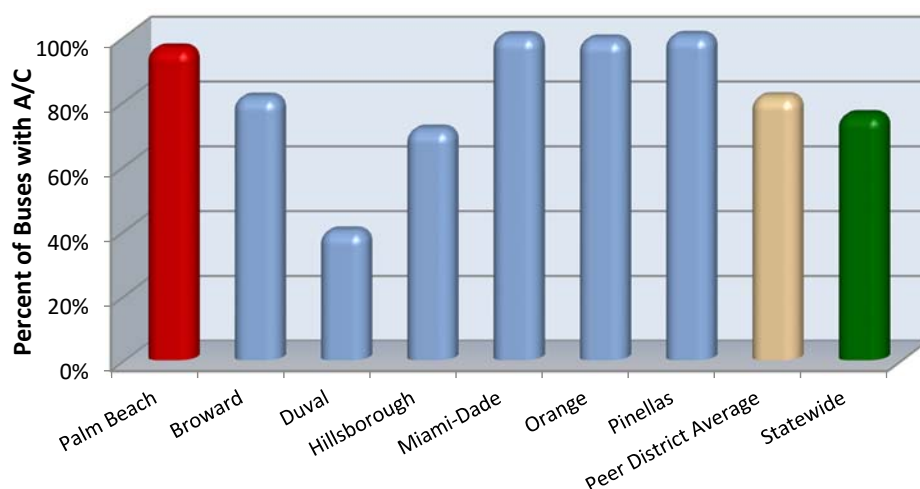
Table 9 and Charts 2 and 3 show that the District's percentage of buses with A/C (96.1 percent) and percentage of buses with lap belts (91.2 percent) exceed both the peer district and Statewide averages. Department records show that the District purchased each of the 79 buses without lap belts prior to January 2001.

Table 9
District and Peer District
Buses With A/C and Lap Belts Percent
As of January 2016

School District	Total Number of Buses	Number of Buses With A/C	Buses With A/C Percent of Total Buses	Number of Buses With Lap Belts	Buses With Lap Belts Percent of Total Buses
Palm Beach	895	860	96.1%	816	91.2%
Broward	1,301	1,053	80.9%	964	74.1%
Duval	986	391	39.7%	986	100.0%
Hillsborough	1,365	970	71.1%	938	68.7%
Miami-Dade	1,275	1,274	99.9%	1,274	99.9%
Orange	1,090	1,078	98.9%	1,083	99.4%
Pinellas	607	607	100.0%	577	95.1%
Peer District Average	1,104	896	81.1%	970	87.9%
Statewide	18,141	13,705	75.5%	15,753	86.8%

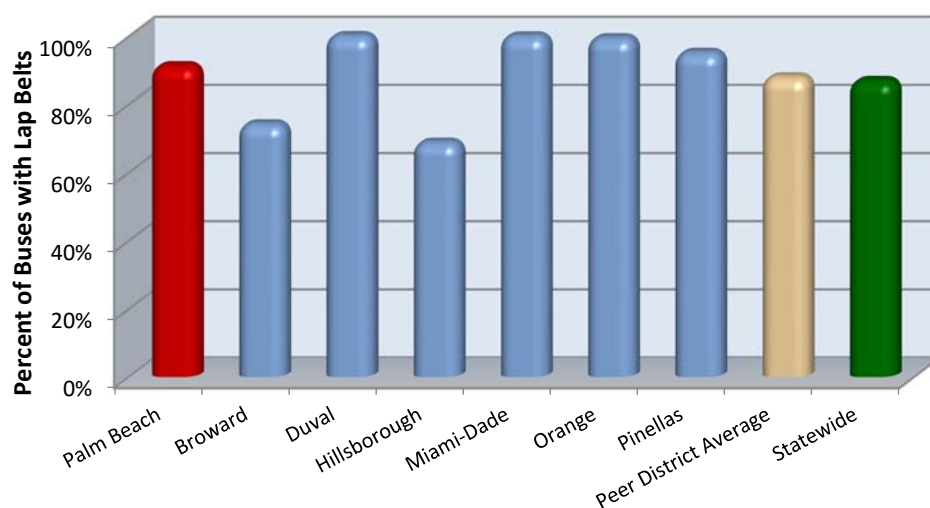
Source: Q-Link data.

Chart 2
District and Peer District
Percentage of Buses With A/C
As of January 2016



Source: Q-Link data.

Chart 3
District and Peer District
Percentage of Buses With Lap Belts
2014-15 Fiscal Year



Source: Q-Link 2014-15 fiscal year report.

Transportation Funding and Related Expenditures. The State funds student transportation using a formula based on each school district's pro rata share of students transported, and provides additional funding to transport students with special needs. The State adjusts the student transportation formula depending on each district's cost of living, percentage of population outside urban centers, and average number of eligible students transported daily. School districts use other resources to pay for

transportation costs that exceed State funding amounts and for extracurricular trips. Table 10 shows that, over the past 5 fiscal years, State funding has supported about 50 percent of District transportation operating expenditures.²⁵

Table 10
District Transportation Operating Expenditures
and State Transportation Funding
2010-11 Through 2014-15 Fiscal Years

Fiscal Year	Total Transportation Operating Expenditures	State Transportation Funding Allocation	State Transportation Funding Summer School Allocation	Total State Transportation Funding	Percent of Transportation Operating Expenditures Funded by State
2014-15	\$47,270,680	\$23,845,964	\$ 56,251	\$23,902,215	50.6%
2013-14	46,975,855	24,341,114	221,970	24,563,084	52.3%
2012-13	47,809,614	23,875,032	220,580	24,095,612	50.4%
2011-12	48,437,621	24,018,179	214,500	24,232,679	50.0%
2010-11	43,940,066	25,880,785	225,556	26,106,341	59.4%

Source: Q-Link report for each respective fiscal year.

Table 11 shows the District and peer districts' percentage of transportation operating expenditures to total school district expenditures for the 2010-11 through 2014-15 fiscal years. Of the seven school districts included in the comparison, the District's average is the 2nd lowest for each of the 5 fiscal years.

Table 11
Transportation Operating Expenditures
Percent of Total District Expenditures
2010-11 Through 2014-15 Fiscal Years

School District	Fiscal Year				
	2010-11	2011-12	2012-13	2013-14	2014-15
Palm Beach	2.83%	3.20%	3.04%	2.81%	2.79%
Broward	3.92%	4.17%	4.06%	3.74%	3.54%
Duval	4.86%	4.73%	4.24%	5.02%	5.05%
Hillsborough	4.06%	4.08%	4.01%	3.91%	3.88%
Miami-Dade	2.67%	2.70%	2.65%	2.48%	2.42%
Orange	4.28%	4.40%	4.42%	4.31%	4.05%
Pinellas	3.55%	3.81%	3.59%	3.59%	3.54%
Peer District Average	3.89%	3.98%	3.83%	3.84%	3.75%
Statewide	4.07%	4.23%	3.54%	4.06%	3.94%

Source: Q-Link reports for the 2010-11 through 2014-15 fiscal years.

A comparison of Department budget and actual expenditure data for the 2012-13, 2013-14, and 2014-15 fiscal years and for the 9 months of July 2015 through March 2016, is shown in Table 12. For those periods, Department operating expenditures, in total, did not exceed budgeted expenditures.

²⁵ District transportation operating expenditures do not include bus and equipment capital purchases.

Capital expenditure variances during those periods occurred primarily due to differences in planned and actual bus purchases. The actual expenditure data listed in Table 12 are transportation costs separately identified in the District's annual financial reports and include items, such as bus parts purchases and salary and benefit amounts reported for maintenance employees who worked exclusively on buses.

Table 12
District Transportation
Budget and Actual Expenditures
2012-13 Through 2015-16 Fiscal Years

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Operating Expenditures:				
Budget	\$47,233,163	\$47,476,965	\$47,635,167	\$49,793,977
Actual	45,907,543	46,600,112	46,877,718	49,101,315
Variance	\$ 1,325,620	\$ 876,853	\$ 757,449	\$692,662
Capital Expenditures:				
Budget	\$5,339,717	\$22,052,966	\$22,590,002	\$30,515,667
Actual	6,061,461	6,775,834	21,027,474	21,599,925
Variance	\$ (721,744)	\$15,277,132	\$ 1,562,528	\$8,915,742
Total Expenditures:				
Budget	\$52,572,880	\$69,529,931	\$70,225,169	\$80,309,644
Actual	51,969,004	53,375,946	67,905,192	70,701,240
Variance	\$ 603,876	\$16,153,985	\$ 2,319,997	\$9,608,404

Source: District Records.

Employee Compensation. Employee compensation shown in Tables 13, 14, and 15 includes both salaries and benefits. We excluded Duval County School District data from the comparisons shown in these three tables because Duval County School District used independent contractors for bus and bus driver services, reducing the relevance of the data for cost comparison purposes. We included Martin County School District data in the comparisons shown in these three tables, as Martin County borders the north portion of the District and the Martin County School District could potentially hire employees residing in Palm Beach County; however, Martin County School District data is excluded from the peer district averages due to that district's much smaller student enrollment.

Table 13 shows that the Districts' Department employee compensation for the 2010-11 through 2014-15 fiscal years as a percentage of total Department expenditures was below the peer district average for the 2010-11 through 2012-13 fiscal years, but exceeded the peer district average for the 2013-14 and 2014-15 fiscal years.

Table 13
Department Employee Compensation
As a Percent of Total Department Expenditures
2010-11 Through 2014-15 Fiscal Years

School District	Fiscal Year				
	2010-11	2011-12	2012-13	2013-14	2014-15
Palm Beach	69.28%	68.52%	74.46%	75.72%	81.82%
Broward	81.82%	79.20%	79.60%	78.45%	80.66%
Hillsborough	71.16%	68.40%	65.44%	67.19%	71.12%
Miami-Dade	73.76%	70.24%	70.02%	70.58%	70.56%
Orange	84.39%	78.61%	76.84%	78.28%	82.52%
Pinellas	80.11%	71.11%	75.25%	74.76%	78.96%
Peer District Average	78.25%	73.51%	73.43%	73.85%	76.76%
Martin	71.29%	67.75%	68.11%	69.18%	72.06%

Source: Q-Link report for each respective fiscal year.

As shown in Table 14, the District's new hire hourly rate of pay for bus drivers and bus attendants was below the peer district average during the 2014-15 fiscal year. The District's hourly pay rates were also below the hourly pay rates for Martin County School District, but equaled the rates for the Broward County School District, which borders the south portion of the District. Due to bus driver shortages, effective January 1, 2016, the District raised its new hire rate of pay to \$14 an hour. While the District has conducted bus driver job fairs since the rate increase, Department management indicated that the special licensing requirements eliminates many candidates.

Table 14
Bus Driver and Bus Attendant Compensation
New Hire Hourly Rate of Pay
2014-15 Fiscal year

School District	Hourly Rate of Pay	
	Bus Driver	Bus Attendant
Palm Beach	\$12.37	\$ 9.55
Broward	12.37	10.89
Hillsborough	12.77	9.12
Miami-Dade	12.18	10.00
Orange	12.00	9.69
Pinellas	14.82	NA
Peer District Average	12.83	9.93
Martin	14.19	10.42

NA - Pinellas does not employ bus attendants.

Source: School district salary schedules.

Table 15 shows that, although the average compensation for District bus drivers is below the peer district average and that of the Martin County School District, the compensation slightly exceeds the Statewide average for school district bus drivers. Also, the number of District bus drivers increased at a higher rate

than the peer districts and Statewide, but at a lower rate than the neighboring Martin County School District.

Table 15
District Bus Driver Numbers and Compensation
2014-15 and 2015-16 Fiscal Years

School District	Number of Bus Drivers			Bus Driver Average Compensation		
	As of June 11, 2015	As of April 18, 2016	Percent Change	As of June 11, 2015	As of April 18, 2016	Percent Change
Palm Beach	638	665	4.1%	\$18,545	\$18,756	1.1%
Broward	1,119	1,117	-0.2%	21,017	21,170	0.7%
Hillsborough	982	966	-1.7%	19,792	20,592	3.9%
Miami-Dade	1,104	1,047	-5.4%	18,713	19,244	2.8%
Orange	949	930	-2.0%	16,280	16,192	-0.5%
Pinellas	487	490	0.6%	21,736	22,285	2.5%
Peer District Average	928	910	-2.0%	19,508	19,897	2.0%
Statewide Average	182	178	-2.2%	18,232	18,256	0.1%
Martin	61	57	-7.0%	20,178	20,585	2.0%

Source: FDOE Survey 3 Data.

Table 16 shows that 48 percent of the District's bus drivers have less than 5 years of experience, including 35 percent with 1 year or less experience. According to Department management, this is due to many factors, including Department management turnover during the last 2 years, compensation, and competition for bus drivers from neighboring school districts, the county transit system, and local companies. To reduce the time and costs associated with hiring and training new bus drivers, the Department is focused on bus driver retention.

Table 16
District Bus Drivers Years of Experience
As of May 31, 2016

Years of Experience	Number of Bus Drivers	Percent of Total
1 Year or Less	237	35%
2 to 4 Years	89	13%
5 to 9 Years	122	18%
10 or More Years	227	34%
Total Drivers	<u>675</u>	<u>100%</u>

Source: District Records.

Specific information related to bus driver turnover and authorized (budgeted) positions is included in Table 17. Over recent years, both employment separations and new hires have increased; however, Department management indicated some of the separations and new hires reflected in the data are related to the same employees. This is typical when a bus driver is prohibited from driving due, for

example, to an expired medical certificate or lack of insurance, but is then able to return to driving once the matter is resolved.

Table 17
Bus Driver Turnover
Retirement, Separation, and New Hire Rates
For the 2011-12 Through 2015-16 Fiscal Years

Bus Drivers	2011-12	2012-13	2013-14	2014-15	2015-16
Budgeted Positions	605	619	626	652	702
Retirements	24	19	14	19	16
Separations	55	51	104	147	123
New Hires	64	99	127	165	225
Total Bus Drivers	<u>613</u>	<u>627</u>	<u>600</u>	<u>633</u>	<u>692</u>
Retirement Rate	3.9%	3.0%	2.3%	3.0%	2.3%
Separation Rate	9.0%	8.1%	17.3%	23.2%	17.8%
New Hire Rate	10.4%	15.8%	21.2%	26.1%	32.5%

Note: Separations and new hires include drivers who separated from District employment but were subsequently rehired.

Source: District Records.

PRIOR AUDIT FOLLOW-UP

As noted in Finding 5, the District had not taken corrective action for finding No. 2 noted in our report No. 2015-090.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from April 2016 through August 2016 in accordance with generally accepted government auditing standards. 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 our audit objectives.

This operational audit of the Palm Beach District School Board (District) focused on the administration of the Transportation Services Department (Department) activities. The overall objectives of the audit were:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.

- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and safeguarding of assets, and identify weaknesses in those controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had taken, or was in the process of taking, deficiencies noted in Finding No. 2 of our report No. 2015-090.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, weaknesses in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included transactions, as well as events and conditions, occurring during the audit period of July 2015 through March 2016, and selected District actions taken prior and subsequent thereto. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit we:

- Examined Board meeting minutes for the audit period to determine the propriety and sufficiency of actions taken related to the Department.
- Reviewed Department-related internal and external reports performed for the audit period to determine whether District actions timely addressed areas identified in the reports and if any matters were significant to our audit scope for planning purposes.

- Examined District records to determine whether the District had established a strategic plan and related procedures to evaluate the effectiveness and efficiency of Department operations at least annually using performance data and established benchmarks.
- Evaluated the location of bus storage sites and related bus routes to determine whether the sites and routes were in close proximity to minimize bus and related fuel use. Specifically, from the population of six facilities, we selected 20 bus routes that served 51 school sites and compared the facility, route, and school site locations to determine the reasonableness of the bus storage sites and related bus routes.
- Evaluated the Department's bus replacement policy based on bus purchases and disposals during the audit period.
- Examined District records to determine whether the Department had established adequate policies and procedures to document timely and appropriate follow-up of transportation-related complaints or concerns expressed to the Transportation Call Center. Specifically, we examined follow-up documentation for 30 of the 289 reckless driving recorded concerns and 30 of the 155 crowded bus recorded concerns received during the audit period and referred to a service facility for resolution to determine whether the concerns were timely and appropriately resolved and documented.
- Evaluated the adequacy and sufficiency of Department bus maintenance inspection policies and procedures. We selected records for 62 buses, from the population of 903 school buses during the audit period, and examined the 319 safety inspection reports and the 31 safety inspection work orders for those 62 buses to determine whether the inspections were timely, performed by certified personnel, and appropriately documented.
- Examined bus accident reports for the past 3 fiscal years to determine whether District insurance sufficiently covered the buses and other related accident costs.
- Evaluated the security of the buses located on District premises.
- Evaluated Department procedures to monitor the pick-up and drop-off times between bus stop and school locations for transported students and whether post-trip bus inspections were performed and documented.
- Evaluated Department controls over the transportation parts inventory.
- Examined District records related to the purchase of a bus routing system to evaluate the District's purchasing process and system implementation and to determine the propriety of the related payments.
- Reviewed and analyzed budget allocations and revenue funding for the Department. We also examined District records for the audit period to determine whether District procedures for preparing the budget were sufficient to limit expenditures to amounts budgeted.
- Reviewed the Department's organizational chart for the 2015-16 fiscal year to evaluate whether functional responsibilities were adequately separated to provide for an appropriate internal control environment.
- Analyzed the reasonableness of Department personnel data (e.g., number of positions and related compensation) for current and recent years and compared to similar sized districts.
- Evaluated the propriety of District policies and procedures for hiring and retaining qualified Department employees, and analyzed Department personnel turnover rates.
- Identified from District records the employees who filled vacant bus driver positions during August and September 2015 and determined the accuracy of the related bus driver compensation. We also examined District records to determine whether these bus drivers had appropriate and valid

licenses to operate school buses and reviewed the propriety and reasonableness of overtime earned by these employees.

- Determined whether bonuses to Department employees were paid in accordance with Section 215.425(3), Florida Statutes, and the Board-approved policy, resolution, plan, or salary schedule. Specifically, from the population of 951 bus drivers and 3 mechanics who received bonus payments totaling \$609,198 and \$3,600, respectively, during the 2015-16 fiscal year, we examined District records supporting bonus payments totaling \$8,641 made to 17 bus drivers and the bonus payments to the 3 mechanics.
- Evaluated Department overtime policies and procedures to determine whether overtime payments were appropriately supported and approved. Specifically, from the population of 768 bus drivers who received overtime payments totaling \$1,954,303 during the period July 1, 2015 through March 18, 2016, we examined District records for 30 selected bus drivers who received overtime payments totaling \$150,931 to verify time records supported the payments. We also reviewed overtime approval documentation for the 9 bus drivers who each received over \$10,000 in overtime totaling \$119,760.
- Examined District records supporting the qualifications of 40 of the District's 671 bus drivers to determine whether the District documented verifications of appropriate commercial licensure, background screening, driver history records, in-service training, and medical examiners certificates, as applicable.
- Examined Department of Highway Safety and Motor Vehicle and District records to assess whether District procedures were adequate to ensure that all 961 employees with commercial vehicle driving licenses, including all bus drivers, were properly licensed and monitored during the audit period.
- Reviewed District procedures during the 2015-16 fiscal year for evaluating Department Fleet Service staffing needs. We also determined whether such procedures included consideration of appropriate factors and performance measures that were supported by factual information.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading **MANAGEMENT'S RESPONSE**.

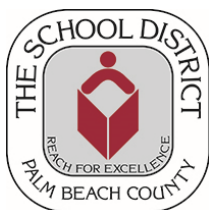
AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit of the Palm Beach County District School Board Transportation Services Department.



Sherrill F. Norman, CPA
Auditor General

MANAGEMENT'S RESPONSE



**THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FL**

CHIEF OPERATING OFFICE
3300 FOREST HILL BOULEVARD, B-302
WEST PALM BEACH, FL 33406

PHONE: 561-357-7573 / FAX: 561-357-7569
WWW.PALMBEACHSCHOOLS.ORG/COO

DONALD E. FENNOY, II, Ed.D.
CHIEF OPERATING OFFICER

ROBERT M. AVOSSA, Ed.D.
SUPERINTENDENT

October 21, 2016

Sherrill F. Norman, CPA
Auditor General
111 W. Madison Street
Tallahassee, FL 32399-1450

Ms. Norman,

Enclosed is our response to the preliminary and tentative audit findings and recommendations on your operational audit of the Palm Beach County School Board Transportation Services Department dated September 23, 2016. As requested, our written statement of explanation is submitted electronically in source format with my digitized signature.

Sincerely,

X 

Robert M. Avossa, Ed.D.
Superintendent

DEF/SMK/CHW

Enclosures

Cc: Lung Chiu, Inspector General
Donald E. Fennoy, II, Ed.D., Chief Operating Officer
Michael J. Burke, Chief Financial Officer
Pete DiDonato, Transportation Director
Darci Garbacz, Purchasing Director
Heather Knust, Budget Director

The School District of Palm Beach County, Florida
A Top-Rated District by the Florida Department of Education Since 2005
An Equal Education Opportunity Provider and Employer

PROCUREMENT OF BUS ROUTING SYSTEM

Finding 1: BUS ROUTING SYSTEM

The District purchased and fully implemented a bus routing system, which ultimately cost \$136,250, without:

1. Documenting that the purchase was made at the lowest price consistent with desired quality.
2. Establishing appropriate contract provisions, such as the expected number of hours to provide service deliverables, employee training dates, and the number of employees to receive training, and the processes to be used by District personnel to appropriately monitor the receipt of these services.
3. Documenting appropriate authorization for contract changes and changes to specified deliverables.
4. Establishing and adhering to a reasonable and useful schedule for fully implementing the system.
5. Conducting tests, before full implementation, to verify that the system would function as expected and documenting the test results.
6. Planning appropriate back-up processes should the system not function as expected.

Due to problems experienced with the bus routing system during the 2015-16 school year, the District decided to discontinue the system's use for the 2016-17 school year.

Recommendation:

For future IT system purchases, the District should enhance procedures by:

1. Documenting that the purchase is made at the lowest price consistent with desired quality.
2. Establishing appropriate contract provisions, such as the expected number of hours to provide service deliverables, employee training dates, and the number of employees to receive training, and the processes to be used by District personnel to appropriately monitor the receipt of services.
3. Documenting appropriate authorization, such as Superintendent or the Superintendent's designee approval, for contract changes, including changes related to specified deliverables.
4. Establishing and adhering to a reasonable and useful schedule for fully implementing the system.
5. Conducting tests, before full implementation, to verify that the system will function as expected and documenting the test results.
6. Planning appropriate back-up processes should the system not function as expected.

We also recommend that, until a new bus routing system is developed or purchased, the District continue to provide the resources necessary to properly update and maintain the existing bus routing system.

Recommendation 1:

Documenting that the purchase was made at the lowest price consistent with desired quality.

Response:

The goal of the purchasing department is to ensure that all purchases are made at the lowest price consistent with desired quality. Although the assessment of the price was not maintained, SDPBC is confident the lowest price was negotiated.

A team consisting of SDPBC representatives from Transportation Department, IT Department and Routing System Project Manager, visited multiple school districts. The team shared their findings with the Transportation Technical Committee and District leadership which included the Purchasing Department.

Based on the findings, the Compass Routing System was selected. SDPBC negotiated a price of \$217,000. SDPBC transported 55,797 students in school year 2013-2014 while the other district transported 19,473 students and paid \$79,000.

- Palm Beach County: Average price per student charged for routing software license: \$3.89
- Lake County: Average price per student charged for routing software license: \$4.05

Controls have been strengthened to ensure all necessary documentation related to price negotiation are retained.

Recommendation 2:

Establishing appropriate contract provisions, such as the expected number of hours to provide service deliverables, employee training dates, and the number of employees to receive training, and the processes to be used by District personnel to appropriately monitor the receipt of these services.

Response:

Management concurs. Attached to all Purchase Orders dispatched to US Computing, Inc. was the quote and implementation timeline submitted by US Computing, Inc., including policies of SDPBC regarding travel, and additional SDPBC terms and conditions. The Purchase Order including all attachments and any Invitation to Bid/Request for Proposals/Invitation to Negotiate competitive packages constitute the entire agreement between the School District of Palm Beach County, Florida and the Vendor. Employee training dates and the number of employees to be trained were determined by the implementation team and the Transportation Department but did not account for the expedited timelines.

Recommendation 3:

Documenting appropriate authorization for contract (Purchase Orders) changes and changes to specified deliverables.

Response:

Change orders normally result in an increase to the contract price, but may result when there is a price reduction to the contract price. Controls have been strengthened to ensure reductions in the contract rate follow the same approval process as a price increase.

Recommendation 4:

Establishing and adhering to a reasonable and useful schedule for fully implementing the system.

Response:

Management concurs. After the contract review with the Purchasing Department, the project was placed in the hands of the Implementation Team, per Purchasing Department procedures. The issues experienced in part due to the expedited implementation schedule are well documented.

Recommendation 5:

Conducting tests, before full implementation, to verify that the system will function as expected and documenting the test results.

Response:

Management concurs. While there was sufficient product research and demonstration to justify the purchase, it is apparent the District would have benefited from additional testing prior to implementation.

Recommendation 6:

Planning appropriate back-up processes should the system not function as expected.

Response:

Management concurs. If the Transportation Department and/or the Implementation Team deemed the product to not function as expected and notified the Purchasing Department, the process for pursuing the cancellation of the contract would have been executed. The terms of the contract allow for termination of the contract. The problems experienced are not attributable to the procurement process.

DEPARTMENT PERSONNEL, PAYROLL, AND TRAINING

Finding 2: EMPLOYMENT PRACTICES AND PERSONNEL RECORDS

District records did not always evidence that Department employees met the commercial driver's license requirements for their positions.

Recommendation:

Department management should enhance procedures to document verification that individuals selected to fill vacant Department positions meet, or subsequently meet within required timelines, the licensure requirements for the positions.

Response:

Management concurs. New procedures are being put in place to ensure required licensure documentation is obtained and retained by Transportation.

Finding 3: PAYROLL PROCESSING – OVERTIME PAYMENTS

Department overtime procedures could be enhanced to ensure proper approval and the most cost-effective management of human resources.

Recommendation:

Department management should periodically review budget-to-actual overtime expenditure comparisons when monitoring the financial status of the Department. Additionally, Department management should enhance procedures to ensure that approval for overtime is properly documented before the overtime is worked or seek revisions to the Board policy to provide exemptions from the prior written overtime approval requirement for circumstances such as bus breakdowns. Also, given the amount of overtime expenditures incurred, we recommend that the District enhance management controls to require Department overtime and staffing analyses to ensure the most cost-effective management of human resources.

Response:

Management concurs. To reduce the need for driver overtime, Transportation hired a full roster of drivers this year. Personnel in non-bus driver positions are not allowed to work overtime except when approved by a General Manager or Director. In addition, the HR Analyst in Transportation has been tasked with monitoring the deviation reports and addressing any instances of unauthorized overtime. Area Managers and Senior Coordinators are also tasked to monitor all drivers to ensure all overtime worked have an approved overtime ticket. Lastly, the HR Analyst conducts monthly audits to ensure compliance.

Finding 4: BUS DRIVER TRAINING

The Department did not always ensure that bus drivers received the required training.

Recommendation:

Department management should enhance procedures to ensure that each bus driver annually receives the required 8 hours of in-service training.

Response:

Management concurs. A schedule is now in place that will ensure all drivers receive eight hours of in-service training annually and appropriate documentation of training is retained. All current drivers must complete the annual in-service training by the end of December.

TRANSPORTATION SAFETY

Finding 5: SCHOOL BUS DRIVER DISCIPLINARY PROCESS

The District should establish appropriate timelines for administering the bus driver disciplinary process. A similar finding was noted in our report No. 2015-090.

Recommendation:

The District should establish and implement appropriate timelines for administering the school bus driver disciplinary process to reduce the risk of recurring incidents that jeopardize the safety of students, employees, and others.

Response:

Disciplinary processes in Transportation are currently being reviewed. Appropriate timelines for review of bus driver infractions and accidents will be established and implemented.

Finding 6: TRANSPORTATION CALL CENTER

The Department did not always document timely follow-up and resolution of transportation-related complaints or concerns expressed to the Department Transportation Call Center.

Recommendation:

Department management should continue efforts to finalize and implement the Support Operations Call Center Handbook and Resource Manual. Such efforts should ensure that the Manual:

- Establishes a timeline for the prompt follow-up and resolution of transportation-related complaints and concerns expressed to the TCC. The timeline should provide for prompt communication with bus drivers and others involved to ensure information regarding the concern is accurately documented and timely resolved.
- Requires that records document the details explaining the circumstances of how transportation-related concerns are resolved.
- Requires that Department management review and approve the follow-up and resolution of transportation-related concerns referred to service locations.

So that reported reckless driving concerns can be appropriately referred for follow-up by the service facilities, we also recommend that Department management continue actions to timely resolve the logging system glitch.

Response:

Management concurs. In anticipation of the start of the school year, the call center increased to handle the initial high volume of calls. Concerns that cannot be handled by the call center are routed to the appropriate department and monitored for resolution by the office of the Chief Operating Officer.

Finding 7: SCHOOL BUS INSPECTIONS

Department procedures need improvement to ensure the timely performance and documentation of required school bus safety inspections and maintenance as well as unscheduled bus maintenance.

Recommendation:

Department management should continue efforts to ensure that required safety inspections and maintenance are performed in compliance with State Manual requirements and that unscheduled school bus maintenance procedures are appropriately performed and documented.

Response:

Management concurs. Department continues to improve maintenance and repair of buses and documentation.

ADMINISTRATIVE MANAGEMENT

Finding 8: STRATEGIC PLAN

The Department could enhance transportation services by developing and implementing a strategic plan and related performance measures.

October 21, 2016

Recommendation:

To enhance the efficiency and effectiveness of Department operations, management should continue efforts to develop, implement, and maintain a strategic plan and related performance measures for Department operations.

Response:

Management concurs and has begun utilizing metrics to improve performance. In preparation for the opening of school in August 2016, Transportation focused on leading indicators which would positively affect successful transport of students to and from school. Metrics included percent of routes completed and tested, percentage of bus driver and attendant positions filled, number of persons completing driver training and subsequently hired, percent of buses fully operational and readiness of the call center to handle start-of-school call volume. With the start of school, on time delivery and pick-up was measured and adjustments were made to improve performance. The focus on metrics, as both leading and lagging indicators of performance, will be further developed as Transportation continues to improve all aspects of operations.