

Monitoring and Oversight of General Obligation Bonds to Improve Broward County Schools:

*SMART Program Quarterly Report
Review for the Quarter Ended
September 30, 2021*

Presented to the Broward County Bond Oversight Committee
December 13, 2021

Q1
2021-22



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Senator George S. LeMieux
Chairman of the Board of Trustees

Dominic M. Calabro
President & Chief Executive Officer

Dear fellow taxpayer,

The end of the 2020-21 school year marked the end of Year 7 of the SMART Program. This is significant in that the planned facilities construction projects at Broward public schools were to have been completed by the end of Year 7. This is not going to happen, and we now know that it is likely to be late 2025 or early 2026 before the planned renovations are completed.

The District will face additional challenges that accompany changes in leadership. The 2021-22 school year ushers in a new administration with many new faces associated with the SMART Program. The new leadership team will have to address the recurring schedule delays, the ever-increasing SMART Program costs, and the expectations of the Broward County School Board and Broward County taxpayers. It is critical to maintain oversight and transparency, as well as effective communications, to ensure public trust and support.

Higher rates of inflation, higher roofing and mechanical/electrical/fire protection costs, and items that were excluded from the original scopes of work will undoubtedly continue to increase project costs. Florida TaxWatch considers controlling project costs and mitigating the additional financial risk to be the greatest challenge facing the District at this point as SMART Program implementation moves forward.

I am pleased to present the following report, which includes the Florida TaxWatch review of the District's Bond Oversight Committee Quarterly Report for the Quarter Ended September 30, 2021. Florida TaxWatch staff will be available to present our findings and recommendations at the Committee's upcoming December 13, 2021, meeting.

Sincerely,

Dominic M. Calabro
Dominic M. Calabro
President & CEO

INTRODUCTION

On November 26, 2021, Florida TaxWatch received the *Bond Oversight Committee Quarterly Report for the Quarter Ended September 30, 2021* ("Quarterly Report"). This report provides updated information on the implementation of the District's SMART Program and the use of general obligation bond funds to purchase and install technology upgrades, purchase music and arts equipment, improve school safety, upgrade athletic facilities, and renovate educational facilities.

The Quarterly Report consists of an Introduction and the following eight sections:

- Section 1 ---Technology School Board Broward County (SBBC) Schools;
- Section 2 --- Technology Charter Schools;
- Section 3 --- Music, Art, and Theater Equipment;
- Section 4 --- Athletics;
- Section 5 --- Facilities;
- Section 6 --- Budget Activity;
- Section 7 --- Supplier Diversity Outreach Program; and
- Section 8 --- Communications.

The SBBC has provided guidance to the Bond Oversight Committee ("Committee") in Section 4 of Resolution 15-106 (as amended). In reviewing quarterly reports prepared by District staff, the Committee is charged with:

- Verifying the effective use of bond proceeds and compliance with the purposes set forth in the bond programs as approved by the SBBC;
- Ensuring that bond revenues are expended for the purpose set forth in the bond programs as approved by the SBBC;
- Ensuring that any deferred proposals or changes of plans are executed after appropriate approval of the SBBC;
- Validating that no bond funds are used for any teacher or administrative salaries or other school operating expense; and
- Reviewing efforts by District staff to maximize bond revenues by balancing best value, quality, and efficiency in meeting the bond programs as approved by the SBBC.

To encourage greater accountability, transparency, public support, and confidence in the use of the general obligation bond funds, and to hold the District accountable for spending decisions, Florida TaxWatch has reviewed the District's Quarterly Report against the most recent SMART Program schedule and budget and is pleased to present the following report and recommendations.

SCHOOL SAFETY & SECURITY

The tragic and senseless shootings at Marjory Stoneman Douglas High School in February 2018 have focused attention on school safety and security. A statewide grand jury was impaneled and tasked with examining and reviewing: (1) school safety measures in Broward County and across the state; and (2) the responses of public entities to laws designed to protect schools (such as the Marjory Stoneman Douglas High School Public Safety Act).

After the shootings, the SBBC accelerated the release of funds so all remaining Single Point-of-Entry projects could be initiated ahead of schedule. All remaining Single Point-of-Entry projects were complete and operational before students returned to school in the Fall of 2019, bringing the total number of Single Point of Entry projects to 238. Additional safety improvements include such things as fire sprinklers, fire alarms, emergency exit signage/lighting improvements, fencing, and door hardware and, in many cases, are bundled together as part of planned Primary Renovations projects.

At the September 27, 2021, meeting, the Committee requested more detail on the status of the additional safety and security projects, particularly those involving fire alarms and fire sprinklers. The Atkins Project Control Manager and Florida TaxWatch staff agreed to provide more detail on these projects in their respective Q1 2021-22 reports. The District's Quarterly Report (reference page 40) identifies the status of 189 fire alarm and fire sprinkler projects (see Table 1).

TABLE 1. SCHOOL SAFETY & SECURITY

	Design	Hire Contractor	Construction	Complete/ Closeout	Total
Fire Alarms	14	30	52	4	100
Fire Sprinklers	19	20	44	6	89

Florida TaxWatch reviewed the *School Spotlights* (reference pages 104 through 347) for each school to determine the status of Primary Renovations projects that included additional safety and security projects as part of the overall scope of work. Florida TaxWatch identified 142 such projects, of which 115 are on schedule, 21 are delayed, and 6 have been completed.

The current SMART Program budget for school safety and security improvements is \$159.4 million, an increase of \$1.9 million compared to Q4 2020-21. A summary of school safety and security budget activity through September 30, 2021, is presented in Table 2.

TABLE 2. SMART PROGRAM SAFETY & SECURITY PROJECT BUDGET ACTIVITY
(THROUGH SEPTEMBER 30, 2021)

	Original Budget	Current Budget	Prior Year Expenditures	Commitments	Current Year Expenditures	Balance
Financially Active						
GOB Funds	\$89,016,473	\$89,773,015	\$32,010,194	\$20,371,396	\$3,481,187	\$33,910,238
Non-GOB Funds	\$17,133,387	\$50,751,758	\$19,640,089	\$17,123,295	\$3,331,101	\$10,657,273
Completed/Meets Standards						
GOB Funds	\$17,750,592	\$14,841,245	\$13,883,088	\$229,386	\$48,801	\$679,970
Non-GOB Funds	\$1,653,673	\$4,050,198	\$3,496,410	\$164,466	\$19,655	\$369,667

MUSIC, ART, AND THEATER EQUIPMENT

The Music, Art, and Theater spend portion of the SMART Program is complete. Overall, more than 60,000 pieces of musical equipment have been ordered and delivered. A summary of the music equipment purchased through the SMART Program is provided in Table 3.

TABLE 3. MUSIC EQUIPMENT ORDERED AND DELIVERED
(Q1 2021-22)

	Ordered	Delivered
Elementary	47,342	47,342
Middle	3,847	3,847
High	8,303	8,303
Center	584	584
Total	60,076	60,076

At the September 27, 2021, meeting, the Committee requested an updated list of Broward schools that do not currently have a music program. Mr. Luechnauer agreed to provide the Committee with an updated list.

RECOMMENDATION 1.

Florida TaxWatch recommends that, in the event the requested list of schools without a music program has not yet been provided to Committee members, the District provide the requested information at the December 13, 2021, Committee meeting.

The District reports that all 136 kilns have been purchased and delivered to the schools. Installation of two kilns (at the same site) awaits design approval to relocate the kilns. All planned theater upgrades have been completed at all 40 schools with full or part-time theater programs.

The current SMART Program budget for music, art, and theater equipment is \$45.1 million, an increase of \$300,000 as compared to Q4 2020-21. The District's Q1 2021-22 SMART Program report (reference page 24) states that "[A]s of the end of FY21 Q4, all Music & Art Equipment projects were completed." It is unclear why, if all projects had been completed by the end of the last school year, why a \$300,000 increase in the Music, Arts & Theater budget is necessary.

RECOMMENDATION 2.

Florida TaxWatch recommends that the District explain the need to increase the Music, Arts & Theater budget by \$300,000 at the December 13, 2021, Committee meeting.

A summary of SMART Program budget activity through September 30, 2021, is provided in Table 4.

TABLE 4. SMART PROGRAM MUSIC & ARTS PROJECT BUDGET ACTIVITY
(THROUGH SEPTEMBER 30, 2021)

	Original Budget	Current Budget	Prior Year Expenditures	Commitments	Current Year Expenditures	Balance
Financially Active						
GOB Funds	\$12,833,000	\$13,127,052	\$3,844,840	\$3,120,507	\$682,493	\$5,479,212
Non-GOB Funds	\$3,055,000	\$7,232,504	\$1,724,066	\$2,646,139	\$347,040	\$2,515,259
Completed/Meets Standards						
GOB Funds	\$4,659,000	\$4,659,000	\$4,171,183	\$46,745	\$23,215	\$417,857
Non-GOB Funds	\$20,518,000	\$20,106,601	\$19,523,637	\$51,385	\$22,464	\$509,115

ATHLETICS

The Athletics spend portion of the SMART Program is complete. The 15 planned track resurfacing projects at the three middle schools and 12 high schools have been completed, as of September 30, 2018, and the 30 planned weight room upgrades have been completed as of March 31, 2021.

The current SMART Program budget for Athletics is \$7.4 million. A summary of SMART Program expenditures through June 30, 2021, is provided in Table 5.

TABLE 5. SMART PROGRAM ATHLETICS PROJECT BUDGET ACTIVITY
(THROUGH SEPTEMBER 30, 2021)

	Original Budget	Current Budget	Prior Year Expenditures	Commitments	Current Year Expenditures	Balance
Financially Active						
GOB Funds	\$40,360	\$40,360	\$17,449	\$19,053	\$863	\$2,995
Non-GOB Funds	\$5,640	\$33,303	\$10,747	\$13,310	\$3,264	\$5,982
Completed/Meets Standards						
GOB Funds	\$7,333,000	\$7,333,000	\$6,438,765	\$128,499	\$7,455	\$758,281
Non-GOB Funds	\$121,000	\$211,362	\$180,073	\$388	\$378	\$30,253

RENOVATIONS

CONSTRUCTION SCHEDULE RESET

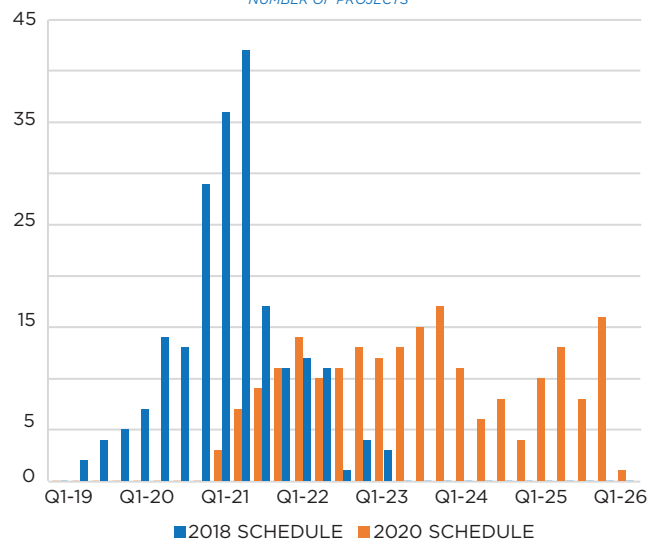
The most recent (Schedule 2020) revision to the construction schedule acknowledges that nearly all projects have been flagged and deemed at risk of schedule delays with potential budget impacts and reflects completion of most planned facility construction projects in late 2025, with remaining projects completed in Spring 2026 (a delay of an additional three years). Going forward, this is the basis upon which future facility construction progress will be measured.

Figure 1, which overlays the 2020 Schedule with the previous (2018) schedule, shows that the 2020 Schedule will flatten and extend the facilities construction schedule, extending the completion dates for more than 140 planned Primary Renovations projects by more than two years.

PRIMARY RENOVATIONS PROJECT STATUS

The District reports that 265 Primary Renovations projects are either underway or complete at Broward County schools.¹ Actual project construction has begun or has been completed at 169 schools. The status of the Primary Renovations projects over the past four quarters is shown in Figure 2.

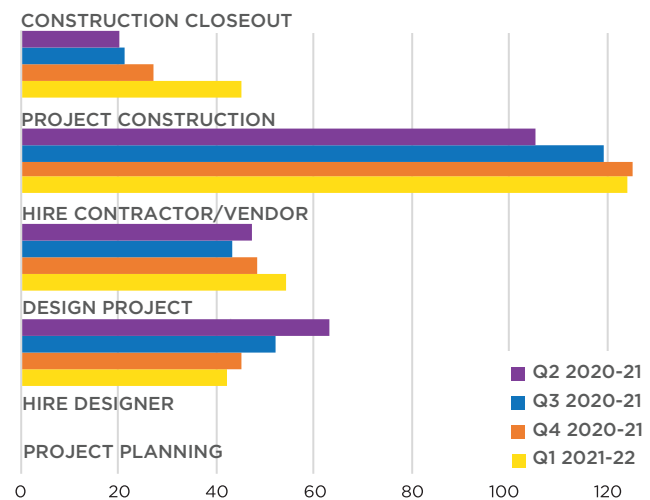
FIG. 1 - 2020 SCHEDULE WILL FLATTEN AND EXTEND THE FACILITIES CONSTRUCTION SCHEDULE
NUMBER OF PROJECTS



¹ Some schools have more than one Primary Renovations project, which may be in different phases.

When compared to Q4 2020-21, Figure 2 shows a decrease in the number of active Primary Renovations Projects in the Design Phase (45 to 42); an increase in the number of active Primary Renovations Projects in the Hire Contractor/Vendor Phase (48 to 54); and a decrease in the number of active Primary Renovations Projects in the Project Construction Phase (125 to 124). Florida TaxWatch considers this to be a good sign since project delays have occurred most frequently in the Design phase. In addition, the number of Primary Renovations projects in the Construction Closeout Phase has increased from 27 to 45.

FIG. 2 - MORE PRIMARY RENOVATIONS PROJECTS ARE MOVING INTO THE CONSTRUCTION AND COMPLETION PHASES
NUMBER OF PROJECTS



SCHEDULE-RELATED ISSUES

Schedule issues reflect a risk of or inability to meet the planned milestone date for progressing to the next phase in the process. Schedule flags are removed once the project has regained the time and is back on its planned schedule. With the adoption of the 2020 Schedule, the list of projects flagged for schedule-related issues (i.e., delays) was effectively “wiped clean.”

Despite resetting the facilities construction schedule, the District identified 26 projects that, since the previous reporting period, are experiencing schedule “variances.” Of this number, 24 projects are experiencing delays and the schedules for two projects were advanced. Twenty (20) of the delayed projects are 95 percent or more completed. The District offers several reasons for these delays:

- 14 projects are substantially complete; however, the District has required additional work;
- 3 projects are experiencing delays due to errors and omissions;
- 5 projects are experiencing delays due to contractor delays; and
- 2 projects are experiencing delays due to “unforeseen circumstances.”

A review of the *School Spotlights* for each school by Florida TaxWatch, however, identified projects at 40 schools that were “flagged” for schedule issues. It is unclear just how many projects are experiencing schedule delays.

RECOMMENDATION 3.

Florida TaxWatch recommends the District reconcile the apparent discrepancies between the number of delayed projects identified on page 50 of the District Report and the number of projects flagged for schedule delays on the *School Spotlights*.

The *School Spotlight* forms have been revised to include an additional indicator of risk. Fashioned after a traffic signal, each *School Spotlight* includes the following assessments of risk:

- Red --- reflects a high level of risk and requires further analysis to be performed to determine whether additional redesign or other changes are required;
- Yellow --- reflects a medium level of risk and may require additional redesign or other changes; and
- Green --- reflects a low level of risk with additional actions unnecessary.

A review of the *School Spotlight* for each school identified 131 Primary Renovations projects that have been assigned a low level of risk and 63 Primary Renovations that had been assigned a medium level of risk. Forty-nine (49) projects, or roughly one in every five (20 percent) Primary Renovations projects, has been assigned a high level of risk going forward.

Concerns remain that, nine months after resetting the facilities construction schedule, projects are already being flagged for schedule delays. The March 8, 2021, Committee meeting included a lengthy discussion as to why District construction projects experience such frequent and lengthy delays. Several reasons were offered, including: (1) the average amount of time required to approve change orders; and (2) the average number of times design documents go back-and-forth to the Building Department before they are approved.

CHANGE ORDERS

It was explained to the Committee that the average time required to navigate the change order process is 192 days. Change orders undergo review by the Change Order Review Process (CORP) to make sure they are fair and reasonable and to identify the reasons for the changes. Several rounds through CORP may be necessary to gain the necessary approvals. Once CORP approves a change order, it then goes to the SBBC for approval.

It was explained to the Committee that the SBBC has a policy that permits the Superintendent to approve change orders up to \$25,000; however, the SBBC has ostensibly given “verbal direction” to the Superintendent not to approve any change orders. It should be noted that, according to District staff, approximately 85 percent of all change orders are below the \$25,000 threshold.

As projects move from the Design Phase to the Construction Phase, the District tracks change orders as they occur and reports their relative impact. The District reports 82 change orders (reference pages 41-49) were approved by the SBBC during Q1 2021-22 (see Table 6). Of these change orders, ten either involved no net increase or decrease in funds or involved a credit (e.g., tax credits, de-scoping a project, etc.). The remaining 72 change orders involved the approval of additional funds by the SBBC.

TABLE 6. CHANGE ORDERS Q1 2021-22

	Ordered	Delivered
Owner Request	23	28.0%
Consultant Omission	21	25.6%
Unforeseen Conditions	16	19.5%
Consultant Error	19	23.2%
Tax Savings	3	3.7%
Total	82	100%

For those 72 change orders requiring additional funding, the amounts ranged from \$215 to \$201,675. Of these, 52 (72 percent) were less than \$25,000, the threshold below which the SBBC could delegate authority to approve change orders, thereby speeding up the process. In previous reports, Florida TaxWatch has recommended the SBBC exercise its delegation of authority to permit the Superintendent or other senior staff member to approve change orders below the \$25,000 threshold. Both District staff and the Committee have urged the SBBC at workshops to delegate authority for change order approval as a means to speed up the review process; however, the SBBC has shown little or no appetite to delegate authority to approve change orders.

Florida TaxWatch considers the SBBC's unwillingness to delegate authority to approve change orders that are less than \$25,000 to be an inefficient use of limited staff, time, and other resources. Consider the following examples --- the Primary Renovations project at Castle Hill Elementary School has an approved budget of \$3,676,030. In July 2021, the SBBC approved a change order in the amount of \$1,296 to install hand dryers in two restrooms. The amount of this change order is less than four one-hundredths of one percent of the total project budget. In September 2021, the SBBC approved a change order in the amount of \$215 to ensure the proper separation of surge protectors and air conditioning units at Embassy Creek Elementary School. This represents one one-hundredth of one percent of a total budget of more than \$4.8 million. In fact, of the 72 change orders that required additional funds, 25 (34.7 percent) were for amounts that are less than one-tenth of one percent of the total approved project budget. All of these change orders required an average of 192 days for approval.

RECOMMENDATION 4.

Florida TaxWatch reiterates its previous recommendation that the SBBC delegate authority to approve change orders less than \$25,000 to the Superintendent or other senior official.

Most change orders are the result of unforeseen conditions; however, only 16 of these 82 change orders were due to unforeseen conditions. It is important to note that just less than one-half (40) of the change orders were due to either an omission or error by the consultant. The additional cost to the District is more than \$626,000 dollars. Over the past two reporting periods, 86 of the 175 change orders approved by the SBBC (49 percent) were the result of consultant omissions or consultant errors. At the September

27, 2021, meeting, the District reported that no actions had been taken to recover any moneys that were added to a project because of consultant errors or consultant omissions. Committee members have made clear their expectations that any misspent funds be recovered by the District.

RECOMMENDATION 5.

Florida TaxWatch recommends the District brief the Committee at its December 13, 2021, meeting on efforts to recover change order funds that are the result of consultant omissions and consultant errors.

BUILDING DEPARTMENT DELAYS

At the September 27, 2021, Committee meeting, Ms. Langan (AECOM) explained that the 2018 schedule (shown in orange in Figure 1) was based on the assumption that design documents would be reviewed twice by the Building Department before approval. The actual number of building department reviews of design documents was trending at nine or ten reviews, which would have pushed back the completion of the planned renovations back into 2027. The 2020 Schedule, which envisions the completion of the planned renovations in late 2025 or early 2026, assumes five building department reviews. Committee members reiterated their opposition to the 2020 Schedule reset and any subsequent resets because “that obscures how far behind some of these projects really are.”

In its third interim report, the Twentieth Statewide Grand Jury pointed out how negative and significant the impact of school district-run building departments can be on large-scale construction projects:

“Having a building inspection department which is controlled by and answerable to a local school district makes it incredibly easy for school officials to hide deficiencies, spoof timelines and control the flow of information to the public regarding the functionality and safety of our children’s taxpayer-funded schools. This kind of conduct leaves these construction projects ripe for fraud and other criminal misconduct.”²

The Statewide Grand Jury concluded that county and municipal building departments are “more than capable” of timely and properly inspecting school construction for compliance with local and state safety regulations. The Grand Jury recommended that legislation be enacted to ban district-run building, permitting, and inspection departments, and to mandate that county and municipal agencies be the only issuers of both temporary and permanent Certificates of Occupancy for schools within their geographical boundaries.³

At the September 27, 2021, meeting, Committee members requested a response to the Statewide Grand Jury’s recommendation to eliminate district building departments in favor of having the municipalities or counties in which the school is located issue Certificates of Occupancy. TaxWatch was unable to find any response to this request in the District’s Q1 2021-22 Report.

² In the Supreme Court of Florida Case No. SC19-240, “Third Interim Report of the Twentieth Statewide Grand Jury,” December 10, 2020.

³ Ibid.

RECOMMENDATION 6.

Florida TaxWatch recommends the District respond to the Grand Jury recommendation that legislation be enacted to ban district-run building, permitting, and inspection departments, and to mandate that county and municipal agencies be the only issuers of both temporary and permanent Certificates of Occupancy for schools within their geographical boundaries.

In response to a recommendation by Florida TaxWatch that the District brief the Committee on steps taken to reduce the frequency and length of construction delays, the District's Q4 2020-21 Report and Q1 2021-22 Report identify steps taken; however, it is unclear how much of an effect these actions have had on the frequency and length of construction delays. This is critical since the 2020 Schedule is based upon the assumption that there will be five Building Department reviews instead of nine to ten reviews (current trend). At its September 27, 2021, meeting, Committee members requested that they be kept apprised of the District's efforts to streamline and shorten the project review and approval process.

RECOMMENDATION 7.

Florida TaxWatch recommends the District brief the Committee at its December 13, 2021, meeting on steps taken by the SBBC/District to streamline and shorten the project process and to reduce the number of Building Department reviews from nine to ten (currently) to five or fewer.

JAMES S. RICKARDS MIDDLE SCHOOL MEDIA CENTER

In March 2021, students at James S. Rickards Middle School in Oakland Park were evacuated after a portion of the Media Center roof collapsed. The Media Center was under construction at the time and the portion of the roof that collapsed had been recently replaced. In an abundance of caution, media centers and adjacent classrooms at four schools with similar designs (Apollo Middle School, Lauderdale Lakes Middle School, Lauderhill 6-12, and Plantation Middle School) were shuttered pending the results of an investigation.

In response to a recommendation by Florida TaxWatch that the District brief the Committee on the results of its investigation into the cause of the partial roof collapse at James S. Rickards Middle School and the status of the roofs at the other four schools with similar designs, the Q1 2021-22 District Report referenced an October 5, 2021, SBBC workshop at which the District presented further information on this collapse to the SBBC; however, the District's response does not address the cause of the collapse or the status of the schools with similar designs.

RECOMMENDATION 8.

Florida TaxWatch recommends the District brief the Committee at its December 13, 2021, meeting on the results of its investigation into the cause of the partial roof collapse at James S. Rickards Middle School and the status of the roofs at the other four schools with similar designs.

BUDGET-RELATED ISSUES

Budget issues reflect a need for School Board approval of an increase in funding based on bid and/or change order results. When the School Board approves the necessary budget increase, the Budget flags are removed from the school's *School Spotlight*. The District's Q1 2021-22 Report references projects that have been flagged for budget issues; however, no projects are identified. Florida TaxWatch reviewed each *School Spotlight* and identified 34 Primary Renovations projects that have been flagged for budget-related reasons.

HOLDING VENDORS ACCOUNTABLE

Florida TaxWatch has included recommendations in previous reports to the Bond Oversight Committee that the District identify actions taken to enforce the terms and conditions of contracts with design firms, vendors, and contractors. The Q1 2021-22 Facilities Report includes a "running list" of financial penalties that have been collected from firms for delays (reference pages 51-54). The District reports that it has recovered \$661,350 in penalties from 11 architects/engineers who experienced delays in the Design Phase of projects at 30 schools.

THE "BIG 3" SCHOOLS

As previously recommended by Florida TaxWatch, the District has provided a more balanced and accurate "snapshot" of the status of facilities renovation projects at the Big 3 schools. The status of the Primary Renovations and other projects is identified, and key milestones and their target completion dates are identified:

- **Blanche Ely High School** --- the District reports that the Primary Renovations are in the Active Construction Phase, which is scheduled for substantial completion in Q2 of calendar year 2022 and final completion in Q3 2022. Completed work includes the media center; outdoor dining structure; chiller plant replacement; Building 1 chilled water piping, air handling unit replacement, and ceiling installation; Building 2 STEM Lab, restroom, roofing, HVAC and fire sprinklers; Building 4 HVAC chiller; Building 14 ADA restroom, HVAC, and ADA lift; Building 15 HVAC duct heater; and Buildings 18 and 26 STEM Labs.
- **Northeast High School** --- the District reports that Phase 1 of the Primary Renovations is in the Active Construction Phase, which is scheduled for substantial completion in Q1 of calendar year 2023 and final completion in Q3 2023. Phase 2 is in the Hire Contractor Phase. Construction is scheduled for substantial completion in Q3 of calendar year 2023 and final completion in Q1 2024. Completed Phase 1 work includes the weight room renovations; Building 1 science labs; Building 3 restroom, electrical, and ceiling tile installation; and Building 12 fire alarm and roofing.
- **Stranahan High School** --- the District reports that the Primary Renovations (Phase 1) is in the Active Construction Phase, which is scheduled for substantial completion in Q1 of calendar year 2022 and final completion in Q2 of calendar year 2022. Completed work includes Building 1 HVAC and roofing; Building 4 Media Center, HVAC, and roofing; Building 5 roofing, restrooms, and HVAC; Building 6 STEM Lab, HVAC, and roofing; Building 7 roofing, interior work, and HVAC; Building 9 restrooms, fire protection, and HVAC; Building 15 HVAC; and Building 23 STEM Lab.

In its Q4 2020-21 Report, Florida TaxWatch noted that Phase 2 (cafeteria) was identified as being in the Design Phase; however, Phase 2 was not reflected in the *School Spotlight* for Stranahan High School. The District's Q1 2021-22 Report does not include the Phase 2 renovations either. The District (reference page 58) states that Phase 2 was not included because "it does not include SMART funding (bond dollars)." Given this logic, it is unclear then why Phase 2 was ever included in the SMART Program report.

RECOMMENDATION 9.

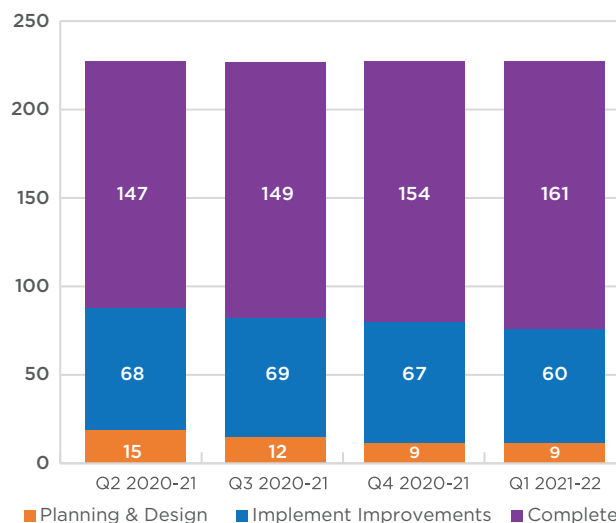
Florida TaxWatch reiterates its previous recommendation that the District update the "Big 3 Schools Update" section of the Report and the *School Spotlight* for Stranahan High School to reflect the status of Phase 2 (cafeteria) of the Primary Renovations.

SCHOOL CHOICE ENHANCEMENT PROGRAM

The District reports that School Choice Enhancement Program (SCEP) projects are underway or complete at 230 schools. SCEP projects are budgeted at \$100,000, and the scope of the capital project (e.g., electronic marquees, shade structures, playgrounds, etc.) is determined by a vote of the teachers, staff, and parents of students at the school.

As of September 30, 2021, the number of SCEP projects in the Planning Phase remained steady at nine. The second phase (Implementation) includes selection and procurement. There are currently 60 schools in the second phase, down from 67 in Q4 2020-21. The third phase (Completion) occurs when all items have been delivered and installed. There are 161 schools with completed SCEP projects, up from 154 in Q4 2020-21. As shown in Figure 3, the number of SCEP projects that are in the Planning and Design Phase has decreased over the past four quarters and the number of Completed projects has increased.

FIG. 3 - THE DISTRICT CONTINUES TO MAKE PROGRESS IMPLEMENTING SCEP PROJECTS
NUMBER OF PROJECTS



The current SMART Program budget for facility renovations is \$1.104 billion, an increase of 51.9 million compared to Q4 2020-21. A summary of SMART Program expenditures for facility renovation through June 30, 2021, is provided in Table 7.

TABLE 7. SMART PROGRAM RENOVATIONS PROJECTS BUDGET ACTIVITY
(THROUGH SEPTEMBER 30, 2021)

	Original Budget	Current Budget	Prior Year Expenditures	Commitments	Current Year Expenditures	Balance
Financially Active						
GOB Funds	\$553,506,875	\$557,321,928	\$217,936,516	\$137,425,318	\$23,972,478	\$177,987,616
Non-GOB Funds	\$67,576,969	\$350,288,739	\$127,143,586	\$109,710,815	\$20,774,666	\$92,659,672
Completed/Meets Standards						
GOB Funds	\$75,971,700	\$75,678,862	\$67,031,873	\$2,599,546	\$1,061,370	\$4,986,073
Non-GOB Funds	\$34,439,867	\$81,069,858	\$68,602,045	\$2,955,872	\$1,313,443	\$9,198,498

TECHNOLOGY

The Technology spend portion of the SMART Program has been completed. As of June 30, 2018, the planned SMART technology deployment has been fully completed for all 230 SBBC schools. The planned charter school SMART Program technology projects were completed as of March 31, 2017. The District reports that all SBBC schools now comply with the District's standard of 1 computer for every 3.5 students. With the additional computers purchased with SMART Program funds, the District-wide average ratio of students to computers is now 2:1. A summary of SMART Program Technology purchases for traditional SBBC and charter schools is provided in Table 8.

TABLE 8. SCHOOL TECHNOLOGY PURCHASES

Items	SBBC Schools	Charter Schools	Total
Student Laptops	64,455	5,086	69,541
Teacher Laptops	13,333	1,417	14,750
Desktops	5,051	1,712	6,763
Tablets	523	3,099	3,622
Computer Carts Trays	1,066	316	1,382
Wireless Access Points	13,166	0	13,166
Category 6 Cable Drops	12,738	0	12,738
Digital Classrooms	0	1,347	1,347
Accessories & Peripherals	0	3,394	3,394

With the replacement of Uninterrupted Power Supply (UPS) devices and computer batteries, the following planned TSSC infrastructure upgrades (to support upgrades for school networks and computer expansion) have been completed:

- Implement a new "Next Generation Firewall" at the District's Internet perimeter;
- Improve the speed and capacity of the systems that manage and balance the Internet traffic pattern and load distribution;
- Upgrade the application-specific load balancing system;

-
- Improve the reliability of critical network services and systems;
 - Improve the speed and capacity of the core network;
 - Replace the out-of-service tape back-up system with a virtual back-up tape solution;
 - Replace the existing automatic call distribution system with one that will be integrated into the District's current voice application system;
 - Relocate and build storage for offsite disaster recovery;
 - Replace disk storage that supports the Enterprise Resource Planning (ERP) system;
 - Implement enhanced content filters;
 - Build firewall internet capacity;
 - Update data network infrastructure;
 - Address the immediate need for additional storage space;
 - Upgrade systems that support the Student Information System and Data Warehouse;
 - Provide additional capacity to support Internet growth and security requirements;
 - Replace/upgrade back-up to an enterprise solution;
 - Provide additional hardware to support centralized management tools Local Area Network endpoints (laptops/desktops); and
 - Replace UPS devices and computer batteries at all schools and District sites as needed.

A January 2021 independent audit of the SBBC's compliance with its purchasing policies and requirements related to the purchase of technology devices concluded that, although the purchase of technology devices comports with the Technical Advisory Committee's recommendations and specifications and meets budgetary requirements, the reliability of the equipment purchased was called into question.

*"The SBBC purchase of Lenovo equipment (laptops and tablets) ultimately prove not to hold their initial quality several months after actual usage by students and teachers... The evidence of over 10,000 support tickets adds more credence to the notion of SBBC procuring more robust equipment going forward."*⁴

At its September 27, 2021, meeting, Committee members made clear their expectation that the District pursue the "recapture of any funds that were misspent by the former IT director" as detailed in media accounts.

RECOMMENDATION 10.

Florida TaxWatch recommends the District brief the Committee at its December 13, 2021, meeting of its efforts to recoup any SMART Program funds that have been misspent in the procurement of technology upgrades.

⁴ HCT Certified Public Accountants and Consultants, LLC, "The School Board of Broward County, Florida, Bid #16-059E – IT Technology Devices Agreed-Upon Procedures Report," January 22, 2021.

The current SMART Program budget allocates \$68.5 million to purchase computer devices and hardware for SBBC schools and charter schools, and to fund upgrades at the Technology and Support Service Center (TSSC) necessary to support the additional computer devices and hardware. A summary of SMART Program budget activity through September 30, 2021, is provided in Table 9.

TABLE 9. SMART PROGRAM TECHNOLOGY PROJECTS BUDGET ACTIVITY
(THROUGH SEPTEMBER 30, 2021)

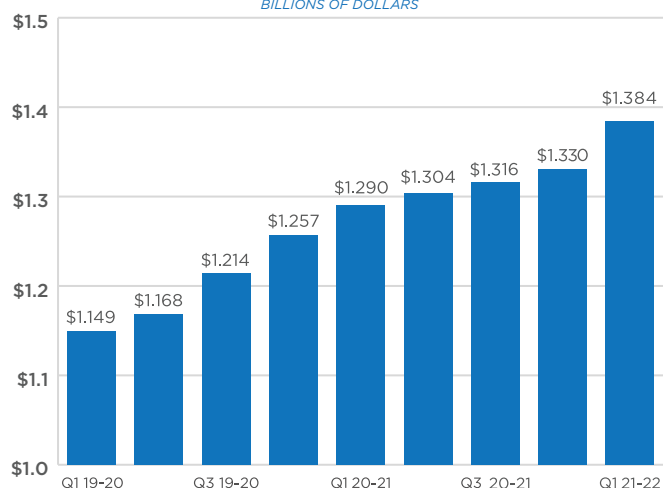
	Original Budget	Current Budget	Prior Year Expenditures	Commitments	Current Year Expenditures	Balance
Financially Active						
GOB Funds	\$11,000,000	\$11,000,000	\$10,933,757	\$36,828	\$5,880	\$23,535
Non-GOB Funds	\$0	\$0	\$0	\$0	\$0	\$0
Completed/Meets Standards						
GOB Funds	\$27,489,000	\$25,825,538	\$25,825,538	\$0	\$0	\$0
Non-GOB Funds	\$42,343,000	\$37,900,084	\$37,898,472	\$0	\$0	\$1,612

BUDGET ACTIVITY

BUDGET

The Quarterly Report provides expenditure information for financially active projects as well as projects that have been completed. As previously recommended by Florida TaxWatch, the District has included SMART Program budget allocations for years 6 (FY 2019-20) through 8 (FY 2021-22). The 2020 Schedule includes SMART Program activity through the end of calendar year 2025 and possibly into 2026, which necessitates a longer financial outlook. In both its Q3 2020-21 Report and Q4 2020-21 Report, Florida TaxWatch recommended the District include SMART Program budget allocations for years 9 (FY 2022-23) through 12 (FY 2025-26).

FIG. 4 - SMART PROGRAM BUDGET
CONTINUES TO INCREASE
BILLIONS OF DOLLARS



RECOMMENDATION 11.

Florida TaxWatch reiterates its previous recommendations that the District include SMART Program budget allocations for years 9 (FY 2022-23) through 12 (FY 2025-26). If no allocations are available, the District should lay out its plan (and timetable) for developing the allocations for years 9 through 12 of the SMART Program at the December 13, 2021, Committee meeting.

The SMART Program total budget has increased from \$1.330 billion in Q4 2020-21 to \$1.384 billion in Q1 2021-22, a net increase of about \$54.1 million (see Figure 4). This includes the \$800 million in general obligation bond (GOB) funding and \$504.0 million in non-GOB capital project funding (capital millage and impact fees). This represents an increase of about \$397 million over the original budget of \$987.4 million (\$800 million GOB funds plus \$187.4 million in existing capital resources).

EXPENDITURES

SMART Program expenditures increased from \$660,312,247 in Q4 2020-21 to \$715,408,081 in Q1 2021-22, an increase of about \$55.1 million. The District reports a SMART Program balance (current budget minus commitments and expenditures) of \$372,005,637 at the end of Q1 2021-22.

Over the past six quarters the District has spent \$324.3 million, which equates to approximately \$54.05 million per quarter or \$18.02 million per month. With an unspent balance (current budget minus expenditures) of \$668.65 million, if the District continues to spend at the current rate of \$18.02 million per month, the District will exhaust the remaining unspent SMART Program funds in about 37 months, or in the early stages of Q4 of calendar year 2024.

This is of concern because the 2020 Schedule does not envision the completion of most of the Primary Renovations projects until the end of calendar year 2025. The possibility exists that, at the current spend/burn rate, the District may exhaust the remaining unspent SMART Program funds well before the planned facilities construction projects have been completed. If the spend rate increases, the District may exhaust the remaining unspent SMART Program funds sooner.

In its Q2 2020-21 report, Florida TaxWatch raised this issue and recommended that the District calculate the lifespan of remaining unexpended SMART Program funds and evaluate the possibility that the District may exhaust the remaining unspent SMART Program funds before the planned facilities construction projects have been completed. If it appears that the District may in fact exhaust the remaining unspent SMART Program funds before the planned facilities construction projects have been completed, then TaxWatch recommended the District outline its plan to make up the shortfall. District staff has acknowledged that the SMART Program will need more money; however, TaxWatch could not find any response in the District's Q1 2021-22 Report to address this recommendation.

RECOMMENDATION 12.

Florida TaxWatch reiterates its previous recommendation that the District calculate the lifespan of remaining unexpended SMART Program funds and evaluate the possibility that the District may exhaust the remaining unspent SMART Program funds before the planned facilities construction projects have been completed.

RECOMMENDATION 13.

Florida TaxWatch reiterates its previous recommendation that, if it appears that the District may exhaust the remaining unspent SMART Program funds before the planned facilities construction projects have been completed, District staff should be prepared to present to the Committee at its December 13, 2021, meeting the plan to make up the shortfall.

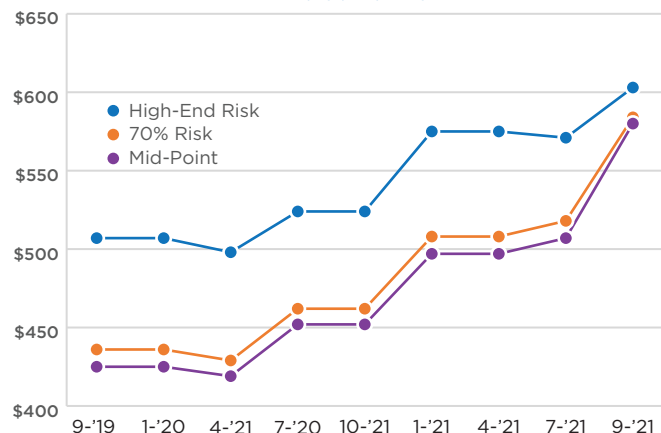
During Q1 2021-22, the SBBC approved 17 SMART Program budget amendments totaling \$47.3 million. Since inception of the SMART Program, the SBBC has approved net increases/decreases of \$396.7 million.

ASSESSMENT OF FINANCIAL RISK

It has been previously understood that higher rates of inflation, higher roofing and mechanical/electrical/fire protection costs, and items that were excluded from the original scopes of work would increase the costs of SMART Program construction projects. The most recent (September 2021) assessment of financial risk prepared by Atkins reflects the continued escalation of financial risk.

As shown in Figure 5, the potential risk outcomes range from a low (mid-point risk) of \$580 million to a high (high end risk) of \$603 million, with a most likely estimate (70 percent risk) near \$584 million. Atkins attributes this increase to actual program to-date results, the current future estimates that are near the high end of the previous risk results, and inclusion of the \$29 million Markham Elementary School addition.

FIG. 5 - SMART PROGRAM FINANCIAL RISK EXCEEDS \$600 MILLION
MILLIONS OF DOLLARS



RESERVE FUNDING

Florida TaxWatch considers the issue of financial risk to be the greatest concern and controlling project costs and mitigating the additional financial risk to be the greatest challenge facing the District as SMART project implementation moves forward. The District originally set aside \$225 million (reserve) to mitigate potential funding risks in the SMART Program. In March 2020, the District authorized the issuance of \$250 million in Certificates of Participation to provide supplemental funding for SMART Program risk, \$211 million of which was placed into the SMART Program reserve. In July 2020, the SBBC approved a new SMART Program PMOR contract which had a budget impact of \$47.2 million. This amount was added to the District's reserve, increasing the total SMART Program reserve to \$483.2 million.

The SBBC placed in reserve an additional \$29 million to replace Building 1 at Markham Elementary School and \$46 million to cover expected SMART Program increases, bringing the total amount of funds

in reserve to \$558 million, which should meet only the low-end risk scenario (\$580 million) for potential SMART Program risk. The District reports a current balance of reserve funds in the amount of \$161.3 million.

HARD COSTS VERSUS SOFT COSTS

Bond Oversight Committee members have, on more than one occasion, requested a breakdown of “hard costs” versus “soft costs” of SMART projects. “Hard costs” include tangible expenses that are directly related to the physical construction or implementation of the project’s scope, and include such costs as materials, equipment, labor and supervision, etc., and typically make up about 65-75 percent of total budget. “Soft costs” include expenses that are indirectly related to the physical construction or implementation of the project’s scope, and include such costs as architect and engineering fees, program management fees, furniture and fixtures, general and administrative costs, etc., and typically make up 30-35 percent of total budget.

As previously recommended by Florida TaxWatch, the District’s Q1 2021-22 Facilities Report includes a breakdown of hard and soft costs for 19 schools at which construction activities had reached substantial/final completion. Although hard costs typically make up 65-70 percent of a project’s total budget, the hard costs for the 19 schools identified (reference page 90) range from 69 percent to 86 percent. Although soft costs typically make up 30-35 percent of a project’s total budget, the soft costs for the 19 schools identified range from 14 percent to 31 percent.

In previous reports, Florida TaxWatch has questioned why the hard and soft costs for the schools at which construction activities had reached substantial/final completion are outside the identified cost percentage ranges. The District reports that while the project budgets were developed with approximately 30 percent of the costs being soft costs, funds that remain unspent at the project’s completion are then swept back to the SMART Program Reserve, which lowers the soft cost percentage.

SUPPLIER DIVERSITY & OUTREACH

The Supplier Diversity Outreach Program Report includes data specific to the participation of, and committed funding to, Minority/Women Business Enterprises (M/WBE), ethnic-owned business enterprises (EBEs) and small business enterprises (SBEs). This permits the reporting of historically underutilized businesses, in addition to M/WBEs, as previously recommended by Florida TaxWatch.

The District reports an E/S/M/WBE commitment of \$10.2 million during Q1 2021-22. This represents about 38.4 percent of the total \$26.6 million in contracts awarded during the quarter. Through September 30, 2021, the District has issued purchase orders to E/S/M/WBEs totaling \$323.0 million. This represents a cumulative E/S/M/WBE commitment of 31 percent of the \$1.036 billion total cumulative spend. Of this \$323.0 million E/S/M/WBE commitment:

- \$9.67 million has been awarded to E/S/M/WBE firms for Safety projects;
- \$0 has been awarded to E/S/M/WBE firms for Music and Arts projects;

- \$12,699 has been awarded to E/S/M/WBE firms for Athletics projects;
- \$313.34 million has been awarded to E/S/M/WBE firms for Renovation projects; and
- \$0 has been awarded to E/S/M/WBE firms for Technology projects.

The District reports that, as of the end of Q1 2021-22, there were 523 active E/S/M/WBE certified companies that provide commodities (supplies), construction, professional services, and business services to District schools. The 523 E/S/M/WBE certified companies are evenly divided by gender, with 253 (48 percent) female-owned companies and 270 (52 percent) male-owned companies.

Table 10 compares the cumulative SMART Program spend with E/S/M/WBE certified companies to the 2015 Disparity Study and the aspirational Target Goals outlined in the District's Policy 3330.5 Table 10 shows close alignment between the District's cumulative spend and the Disparity Study; however, the District is far short of meeting the aspirational Target Goals outlined in the District's Policy 3330 for African-American owned businesses.

TABLE 10. SUPPLIER DIVERSITY CUMULATIVE SPEND ANALYSIS

Ethnicity & Gender	Disparity Study	Target Goals	Cumulative Spend
African-American	7.54%	19.00%	8.05%
Hispanic-American	59.89%	54.00%	36.81%
Native-American	0.00%	0.00%	0.00%
Asian-Pacific American	2.40%	5.00%	3.65%
Women Business Enterprise	30.17%	17.00%	41.20%
Small Business Enterprise	0.00%	5.00%	2.30%

Table 11 shows the total cumulative spend by ethnicity and gender. African-American-owned companies make up 32.5 percent of the E/S/M/WBE certified companies and have been awarded only 8.1 percent of the contracts. Hispanic-American-owned companies make up 35.6 percent of the E/S/M/WBE certified companies and have been awarded 78.0 percent of the contracts. Women-owned companies make up 14.9 percent of the E/S/M/WBE certified companies and have been awarded 8.0 percent of the contracts.

TABLE 11. E/S/M/WBE COMMITMENT BY ETHNICITY AND GENDER

Ethnicity & Gender	% of E/S/W/MBEs	% of Work Awarded*
African-American	32.5%	8.1%
Hispanic-American	35.6%	78.0%
Native-American	0.0%	0.0%
Asian-Pacific American	4.8%	3.5%
Women Business Enterprise	14.9%	8.0%
* White female-owned businesses are not included		

5 Policy 3330 was adopted to remedy the ongoing effects of identified marketplace discrimination that continues to adversely affect the participation of Emerging/Small/Minority and/or Women Business Enterprises (E/S/M/WBE) in all solicitations and awards of contracts for the purchase of services, goods, or supplies.

In its Q4 2020-21 Report, Florida TaxWatch recommended the District brief the Committee on its plan to address the over-representation of Hispanic-American businesses and under-representation of African-American owned businesses. At the September 27, 2021, Committee meeting, Mr. Ballou acknowledged that, although the District is ahead of its goal to award 30 percent or more of SMART Program contracts to E/S/M/WBE certified companies, the District needs to increase awards to African-American owned businesses.

Mr. Ballou acknowledged that the District was “not a compelling place to do business” and, as a result, many African-American owned business owners do not attend pre-bid conferences. This is significant in that “if you don’t go to a pre-bid conference, you can’t bid.” During Q1 2021-22, the District conducted seven pre-bid meetings. The District reports that, of the 21 unique M/WBE certified firms that attended these pre-bid meetings, African-American and Women-owned firms each had six attendees (29%), respectively.

COMMUNICATIONS

The District’s Q1 2021-21 Report highlights continued efforts to promote the SMART Program. In response to previous concerns by Florida TaxWatch and Committee members that the District was not doing enough to communicate to the taxpayers the construction delays and the reasons for the delays, the District has ramped up its efforts to notify the public of the new schedule and projected completion dates for SMART Program construction projects in their communities. Information on the 2020 schedule is available on each individual *School Spotlight* and on dedicated project pages on the SMART Program website.

Launched in September 2021, the District’s “What SMART Means to Me” campaign is designed to educate taxpayers on the impacts of the SMART Program on Broward County residents, businesses, community organizations, municipalities, students, teachers, and parents. So far, the District reports:

- 1,185 social media engagements;
- 2,939 views of the introductory video across all social media platforms;
- 6,098 new users visited the SMART Program website after launch; and
- 219 views of the introductory blog.

The District continues to use virtual meetings and presentations to keep taxpayers informed and held community outreach events at:

- Parkway Middle School and Broward Estates Elementary School (to discuss merging the two schools into a K-8 campus);
- City of Oakland Park Commission (to discuss the status of SMART Program projects at schools within the city);
- SBBC (to discuss scope alternatives for SMART Program renovations at C. Robert Markham Elementary School);
- An open house at Collins Elementary School;

-
- A ribbon-cutting ceremony at Northeast High School to celebrate the opening of the weight room;
 - A celebration of the completion of the Stranahan Media Lab; and
 - A ribbon-cutting ceremony at Blanche Ely High School to celebrate the completion of the new outdoor dining structure and finishes.

At the end of each Committee meeting, the business portion of the meeting is temporarily suspended to conduct a public hearing. At the September 27, 2021, Committee meeting, members heard from the Chair and Vice Chair of the Facilities Task Force who expressed concerns that:

- The Committee was meeting too often at the District’s administration building, and not “around the District;”
- The *School Spotlight* for Oakridge Elementary School is not transparent and fails to accurately convey the status of the Primary Renovations project;
- New Committee members could benefit from being brought to speed on how Maximo and e-Builder can better support the District’s capital program;
- The tracks that were resurfaced were six lanes instead of eight, which are required by the State Requirement for Educational Facilities to conduct regional track meets;
- The projected shortfall in reserve funds; and
- Some project scopes are questionable.

Committee members requested to be provided copies of the District’s response to public comments made at Committee meetings and requested assurance that the District’s response was made available to those who commented.

RECOMMENDATION 14.

Florida TaxWatch recommends that, in the event copies of the District’s response to public comments made at the September 27, 2021, Committee meeting have not been distributed to Committee members, the District should provide the requested information at the December 13, 2021, Committee meeting.

LOOKING AHEAD

The District continues to make progress in implementing the SMART Program. The Technology, Music and Arts, and Athletics spend portions of the SMART Program have been completed. More than 90,000 computing devices have been purchased, bringing the ratio of students-to-computers to 2:1, well below the adopted standard of 3.5 students per computer. Numerous “back office” upgrades to the Technology Support Services Center have been implemented to support these new devices. The District has upped its investment in the Arts, with the purchase of more than 60,000 pieces of musical equipment, more than 130 kilns, and theater program upgrades at 39 schools. Athletic tracks have been resurfaced at 15 schools and 30 high schools have received new weight rooms.

Despite this progress, the District will have to face several challenges going forward. Florida TaxWatch considers controlling project costs and mitigating the additional financial risk to be the greatest challenge facing the District as SMART Program implementation moves forward. When we talk about “financial risk” we are talking about the potential for increases to the SMART Program budget and projected costs.

The SMART Program budget has increased from \$987.4 million to \$1.384 billion, an increase of about \$396 million over the original budget. Every dollar above the \$987.4 million originally allocated to the SMART Program represents a dollar of additional risk, and comes from capital millage, impact fees, state funds (e.g., Public Education Capital Outlay), and other sources, which have specific restrictions and spending limitations, or which were intended to be spent on other projects.

After a period of relative stability, the potential financial risk has continued to increase, with outcomes ranging from a low (mid-point risk) of \$580 million to a high (high end risk) of \$603 million, with a most likely estimate (70 percent risk) near \$584 million. The District has set aside \$558 million in reserve to mitigate the SMART Program’s financial risk, which should meet only the low end risk scenario (\$580 million) for potential SMART Program risk. Should the financial risk continue to escalate, the District will be required to increase the amount of money placed into reserve.

The 2020 Schedule reset reflects the completion of the planned facilities construction projects late in calendar year 2025 or early in calendar year 2026, approximately three years after the planned completion milestones in the 2018 schedule. The fact that, roughly nine months after adoption of the 2020 schedule, 24 Primary Renovations projects are experiencing schedule delays should give Broward taxpayers continued cause for concern. The District has identified 49 additional Primary Renovations projects as being at a “high level of risk” and requiring further analysis to be performed to determine whether additional redesign or other changes are required.

The reasons for these continued delays are well-documented. Florida TaxWatch thinks it is unrealistic to think the planned facilities construction projects will remain on schedule absent immediate actions by the SBBC to reduce the amount of time between contract award and authorization to proceed; reduce the multiple trips to the building department required before approval is received; and reduce the amount of time required to approve change orders.

There is also the question of whether the unexpended balance of the SMART Program funds is sufficient to permit the completion of the planned construction projects. If the District continues to spend at the current rate of about \$18.02 million per month, the District will exhaust the remaining unspent SMART Program funds about one year before the completion of most of the Primary Renovations projects.

The District continues its efforts to ensure participation by Minority/Women Business Enterprises (M/WBE), ethnic-owned business enterprises (EBEs) and small business enterprises (SBEs) that provide commodities (supplies), construction, professional services, and business services to District schools.

Hispanic-American owned businesses and Women-owned businesses are over-represented and African-American owned businesses are under-represented. Although effort has been made to increase attendance at and participation in pre-bid meetings by African-American owned firms, more effort will be required to address these inequities.

The 2021-22 school year has ushered in a new administration and with it the challenges and uncertainty that will accompany the appointment of an Interim Superintendent. It is critical to maintain oversight and transparency, as well as effective communications, to ensure public trust and support.

The final challenge is resetting the expectations of Broward County taxpayers, who are learning that, with the adoption of the 2020 Schedule, the completion dates for many of the Primary Renovations projects at schools where they work or where their children attend school will be pushed back several years. The District has acknowledged the need to communicate the 2020 Schedule to the public and to help them understand what has happened and to reset their expectations going forward.

In this report, Florida TaxWatch has offered recommendations to help guide the Bond Oversight Committee in its oversight of the implementation of the SMART Program, and to ensure that public's right-to-know how the taxpayer-approved General Obligation Bond funds are being spent is well-served. Florida TaxWatch looks forward to presenting the results of its review to the Committee and the public, and to providing continued support and guidance as the Bond Oversight Committee continues its effective oversight of SMART Program implementation.

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As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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The findings in this Report are based on the data and sources referenced. Florida TaxWatch research is conducted with every reasonable attempt to verify the accuracy and reliability of the data, and the calculations and assumptions made herein. Please feel free to contact us if you feel that this paper is factually inaccurate.

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