

**STORAGE NAME:** h4491z.gg  
**DATE:** August 19, 1998

**\*\*FINAL ACTION\*\***  
**\*\*SEE FINAL ACTION STATUS SECTION\*\***

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
GENERAL GOVERNMENT APPROPRIATIONS  
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 4491  
**RELATING TO:** Trust Funds  
**SPONSOR(S):** Representative Wise  
**COMPANION BILL(S):** SB 2352

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) GENERAL GOVERNMENT APPROPRIATIONS YEAS 10 NAYS 0
- (2)
- (3)
- (4)
- (5)

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I. FINAL ACTION STATUS:

HB 4491 passed the House on April 28, 1998. In the Senate the bill was substituted for CS/CS/SB 2352 and passed on May 1, 1998. The bill became law without Governor's signature on May 24, 1998. Chapter Law 98-225.

II. SUMMARY:

This bill creates the Florida School District Trust Fund, which is to be administered by the Office of Program Policy Analysis and Government Accountability (OPPAGA). The fund will consist of all money paid by school districts, pursuant to s. 230.23025, F.S., for examination of their operations by OPPAGA and the Auditor General to determine if those operations meet "best financial management practices."

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

**Best Financial Management Practice Review**

The 1997 Legislature created the Best Financial Management Practices Review to help school districts that are experiencing rapid growth to meet the challenge of educating their students in a cost efficient manner. (S.230.23025, F.S.) The purpose of such a review is to determine whether the financial management practices of a particular district meet the "best financial management practices" adopted by the Commissioner of Education.

Best financial management practices have been developed by OPPAGA and the Auditor General and adopted by the Commissioner of Education for the following ten critical areas of school district operations:

- management structures;
- performance accountability systems;
- personnel systems and benefits;
- use of lottery proceeds;
- use of state and district construction funds;
- facilities construction;
- facilities maintenance;
- student transportation;
- food service operations; and
- cost control areas.

A school district by unanimous vote of its board members may apply to OPPAGA for a complete best financial management practices review. OPPAGA prioritizes review requests based on each district's growth rate and demonstrated need. The review itself, at the discretion of the OPPAGA director, may be conducted entirely or in part by a private consultant. Otherwise, the review is to be conducted by OPPAGA and the Auditor General.

B. EFFECT OF PROPOSED CHANGES:

This bill creates the Florida School District Trust Fund in OPPAGA to account separately for the money received from school districts under s. 230.23025, F.S. It allows any money paid in excess of the costs of the review to be returned to the district.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

- a. Does the bill create, increase or reduce, either directly or indirectly:

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(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Yes.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

S. 230.23025, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Creates the Florida School District Trust Fund, administered by OPPAGA. Money will be paid into the trust fund by school districts, pursuant to s. 230.23025, F.S., when their operations are examined by OPPAGA and the Auditor General to determine if those operations meet "financial management practices." Money may also be appropriated to the fund by the Legislature for that purpose.

Section 2. Requires OPPAGA to use the money in the trust fund to conduct best financial management practices reviews under s. 230.23025, F.S. Money may be expended for the direct expenses to OPPAGA, for expenses by the Auditor General, or for private consultants hired by OPPAGA. Allows OPPAGA to refund any money received from a school district in excess of those needed to complete the review.

Section 3. Provides for the termination of the trust fund on July 1, 2002, pursuant to s. 19(f)(2), Art. III of the State Constitution. Requires OPPAGA to recommend, prior to that

date, whether the fund should be terminated or re-created. Sets procedures if the fund is terminated. Allows moneys in the trust fund, that are unspent at the end of any fiscal year, to be retained in the fund.

Section 4. Amends s. 230.23025, F.S., to require that all money paid by a school district toward the costs of a best financial management practices review be deposited into the Florida School District Trust Fund.

Section 5. Provides an effective date of "upon becoming a law."

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Funds paid by school districts, in excess of actual costs of reviews, may be refunded.

3. Long Run Effects Other Than Normal Growth:

None.

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C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

V. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any action requiring the expenditures of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities as an aggregate on February 1, 1989.

VI. COMMENTS:

N/A

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on General Government Appropriations adopted one amendment and reported the bill favorably at its meeting on April 14, 1998. The amendment changes the effective date of the bill from upon becoming a law to July 1, 1998.

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VIII. SIGNATURES:

COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS:

Prepared by:

Legislative Research Director:

Cynthia P. Kelly

Cynthia P. Kelly

**FINAL RESEARCH PREPARED BY COMMITTEE ON GENERAL GOVERNMENT  
APPROPRIATIONS:**

Prepared by:

Legislative Research Director:

Cynthia P. Kelly

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