

By Senator Kirkpatrick

5-985A-99

1 A bill to be entitled
2 An act relating to reviews of school districts;
3 amending s. 11.51, F.S.; requiring that the
4 Office of Program Policy Analysis and
5 Government Accountability conduct reviews of
6 school districts' best financial management
7 practices; amending s. 11.515, F.S.; providing
8 requirements for the review; specifying the
9 scope of the review; amending ss. 230.23025,
10 230.23026, F.S.; providing requirements for the
11 Office of Program Policy Analysis and
12 Government Accountability in conducting
13 reviews; requiring that the best financial
14 management practices adopted by the
15 Commissioner of Education be used in a review;
16 providing a review cycle for school districts;
17 requiring that the General Appropriations Act
18 designate the school districts that are subject
19 to review; requiring that the district school
20 board vote to implement any plan of action
21 contained in a report issued following a
22 review; repealing s. 230.2302, F.S., relating
23 to school performance reviews; providing an
24 effective date.

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26 Be It Enacted by the Legislature of the State of Florida:

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28 Section 1. Subsection (1) of section 11.51, Florida
29 Statutes, is amended to read:

30 11.51 Office of Program Policy Analysis and Government
31 Accountability.--

1 (1) There is ~~hereby~~ created the Office of Program
2 Policy Analysis and Government Accountability as a unit of the
3 Office of the Auditor General appointed pursuant to s. 11.42.
4 Such office shall perform program evaluation and justification
5 reviews as required by s. 11.513 and performance audits as
6 defined in s. 11.45 and shall conduct best financial
7 management practice ~~contract for performance~~ reviews of school
8 districts pursuant to ss. 11.515 and 230.23025 ~~230.2302~~.

9 Section 2. Section 11.515, Florida Statutes, is
10 amended to read:

11 11.515 School district reviews ~~performance review~~.--

12 (1) Any ~~performance~~ review of the best financial
13 management practices of a school district pursuant to this
14 section shall be conducted ~~by a private firm selected~~ by the
15 Office of Program Policy Analysis and Government
16 Accountability ~~through a formal request for proposal process~~.
17 The director of the Office of Program Policy Analysis and
18 Government Accountability may, at his or her discretion,
19 conduct the review or contract with a private consultant
20 selected through a formal request-for-proposal process to
21 perform part or all of the review of any district.

22 (2) In developing the scope of the review, the Office
23 of Program Policy Analysis and Government Accountability shall
24 seek input from the school district subject to a review. The
25 scope of the review shall include, but not be limited to:

26 (a) ~~School district organization and~~ Management
27 structures.

28 (b) Educational service delivery.

29 (c) Community involvement.

30 (d) Facilities ~~use and management~~.

31 (e) Personnel systems and benefits ~~management~~.

- 1 ~~(f) Asset and risk management.~~
2 ~~(g) Financial management.~~
3 ~~(h) Purchasing.~~
4 (f)(i) Student transportation.
5 (g)(j) Food service operations.
6 (h)(k) Safety and security.
7 (i) Performance accountability.
8 (j) Use of lottery proceeds.
9 (k) Cost-control systems.
10 (l) Instructional and administrative technology.

11 Section 3. Section 230.23025, Florida Statutes, as
12 amended by section 22 of chapter 97-384, Laws of Florida, and
13 section 4 of chapter 98-225, Laws of Florida, is amended to
14 read:

15 230.23025 Best financial management practices;
16 standards; reviews; designation of districts.--

17 (1) The purpose of a review using best financial
18 management practices is to improve a school district's
19 management and use of resources and to identify cost savings.

20 The Office of Program Policy Analysis and Government
21 Accountability (OPPAGA) and the Office of the Auditor General
22 are directed to develop a system for reviewing the ~~financial~~
23 management practices of school districts. In this system,
24 OPPAGA and the Auditor General shall jointly examine district
25 operations to determine whether they meet "best financial
26 management practices." The best financial management practices
27 adopted by the Commissioner of Education may be updated
28 periodically after consultation with the Legislature, the
29 Governor, the SMART Schools Clearinghouse, OPPAGA, and the
30 Auditor General. In areas for which the Commissioner of
31 Education has not adopted best practices, the Office of

1 Program Policy Analysis and Government Accountability may
2 develop best practices, using input from a broad range of
3 stakeholders. OPPAGA shall present any additional best
4 practices or updates to existing best practices to the
5 Commissioner of Education for his or her review and adoption.
6 The best financial management practices adopted by the
7 Commissioner of Education must be used in a school district's
8 review under this section.The best financial management
9 practices, at a minimum, must instill public confidence by
10 addressing the following areas:
11 (a) Efficient use of resources, use of lottery
12 proceeds, student transportation and food service operations,
13 management structures, ~~and~~ personnel systems and benefits,
14 educational service delivery, community involvement, safety
15 and security, facilities, and administrative and instructional
16 technology;
17 (b) Compliance with generally accepted accounting
18 principles and state and federal laws relating to financial
19 management;
20 (c) Performance accountability systems, including
21 performance measurement reports to the public, internal
22 auditing, financial auditing, and information made available
23 to support decisionmaking;
24 (d) Cost control systems, including asset, risk, and
25 financial management, purchasing, and information system
26 controls.
27 (2) Each school district is subject to a review using
28 best financial management practices every 5 years. OPPAGA
29 shall develop a schedule to review all school districts on a
30 5-year cycle, unless otherwise determined by the director of
31 OPPAGA. By December 31 of each year, OPPAGA shall recommend to

1 the President of the Senate and the Speaker of the House of
2 Representatives those school districts proposed to undergo
3 review and a maximum number of school districts to be reviewed
4 during the next fiscal year.

5 (3) The Legislature shall designate in the General
6 Appropriations Act those school districts that will undergo a
7 review using best financial management practices. The
8 Legislature may specifically designate certain school
9 districts to receive fully funded reviews and certain school
10 districts to receive matching funds equal to 50 percent of the
11 total cost of the review as estimated by OPPAGA.~~School~~
12 ~~districts may, by a unanimous vote of the membership of the~~
13 ~~school board, apply to OPPAGA for a complete best financial~~
14 ~~management practice review or a review of components of the~~
15 ~~best financial management practices, including management,~~
16 ~~personnel, transportation, and food and nutrition services.~~
17 ~~OPPAGA shall prioritize districts for review based on their~~
18 ~~growth rates and demonstrated need for review. The director of~~
19 ~~OPPAGA may, at his or her discretion, contract with private~~
20 ~~consultants to perform part or all of the review of any~~
21 ~~district. Districts applying for a complete review shall~~
22 ~~contribute 50 percent of the total cost of the review costs,~~
23 ~~unless funding for the entire cost of the review is~~
24 ~~specifically provided by the Legislature. Districts applying~~
25 ~~for a review of a component shall contribute 75 percent of the~~
26 ~~review cost. All moneys contributed by any school district~~
27 ~~under this section toward the cost of a complete or component~~
28 ~~best financial management practice ~~practices~~ review of the~~
29 ~~district shall be deposited into the Florida School District~~
30 ~~Review Trust Fund administered by OPPAGA.~~

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1 ~~(4)~~~~(3)~~ District reviews conducted under this section
2 must be completed within 6 months after commencement. OPPAGA
3 shall issue a report to the district regarding its financial
4 management practices and cost savings recommendations within
5 60 days after completing the reviews.

6 (5) If the district is found not to conform to best
7 financial management practices, the report must contain a plan
8 of action detailing how the district could meet the best
9 practices within 2 years and be eligible for the best
10 financial management seal. In order to be eligible to receive
11 the seal, within 90 days after receipt of the final report of
12 findings and recommendations, the district school board must
13 vote by a majority plus one to implement the plan of action.

14 ~~(4)~~ District school boards that agree by a majority
15 plus one vote to institute the action plan shall submit an
16 annual report, beginning 1 year after receipt of the plan, to
17 the Legislature, the Governor, the SMART Schools
18 Clearinghouse, OPPAGA, the Auditor General, and the
19 Commissioner of Education on progress made towards
20 implementing the plan and whether changes have occurred in
21 other areas of operation which would affect compliance with
22 the best practices. Such districts shall be reviewed annually
23 by OPPAGA, in addition to the annual financial audit required
24 under s. 11.45, to determine whether they have attained
25 compliance with the best financial management practices in the
26 areas covered by the plan.

27 (6) Districts that are found to comply with the best
28 financial management practices shall receive a "Seal of Best
29 Financial Management" from ~~by~~ the State Board of Education
30 certifying that the district is adhering to the state's best
31 financial management practices. This designation shall be

1 effective for a 5-year period following the date of
2 certification, after which the district school board may
3 reapply for the designation to be granted after another
4 financial management practice review. During the designation
5 period, the district school board shall annually notify the
6 SMART Schools Clearinghouse, OPPAGA, the Auditor General, and
7 the State Board of Education by the anniversary date of its
8 certification of any changes in policies or operations or any
9 other situations that would not conform to the state's best
10 financial management practices. The State Board of Education
11 may revoke the designation of a district at any time if it
12 determines that a district is no longer complying with the
13 state's best financial management practices.

14 ~~(7)(5)~~ Any audit or performance review of one or more
15 of the designated components conducted or supervised by OPPAGA
16 or the Department of Management Services, and completed within
17 2 years before the date the district is scheduled for review
18 in the General Appropriations Act of application to OPPAGA for
19 ~~a best financial practices review~~, may serve as all or part of
20 the audit or review required as the examination of district
21 operations necessary for a determination of whether a district
22 meets the "best financial management practices" designation.
23 ~~The cost contribution requirements of subsection (2) do not~~
24 ~~apply to any such audit or performance review.~~

25 Section 4. Subsection (2) of section 230.23026,
26 Florida Statutes, 1998 Supplement, is amended to read:
27 230.23026 Florida School District Review Trust Fund.--
28 (2) OPPAGA shall use the funds deposited in the trust
29 fund to pay costs of conducting best financial management
30 practice practices reviews, or reviews of components of the
31 best practices, in school districts under s. 230.23025. Funds

1 may be expended to pay the expenses of reviews conducted by
2 OPPAGA, by the Auditor General, or by private consultants at
3 the discretion of the director of OPPAGA. The expenses may
4 include professional services, travel expenses of OPPAGA and
5 the Auditor General, and any other necessary expenses incurred
6 as part of a complete or component best practice ~~practices~~
7 review. OPPAGA may refund to a school district any portion of
8 funds contributed by the school district that OPPAGA
9 determines are not needed to conduct the ~~complete or component~~
10 best practice ~~practices~~ review of ~~requested by~~ the district.

11 Section 5. Section 230.2302, Florida Statutes, is
12 repealed.

13 Section 6. This act shall take effect July 1, 1999.

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15 SENATE SUMMARY

16 Provides for each school district to undergo a review of
17 the district's best financial management practices rather
18 than undergo a performance review. Provides for the
19 reviews to be conducted by the Office of Program Policy
20 Analysis and Government Accountability every 5 years.
21 Requires that the General Appropriations Act designate
22 the school districts that are subject to review. (See
23 bill for details.)
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