

Bill No. CS/HB 309

Amendment No.

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Kirkpatrick moved the following amendment:

Senate Amendment (with title amendment)

On page 1, between lines 25 and 26,

insert:

Section 2. Subsection (1) of section 11.51, Florida Statutes, is amended to read:

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

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

Section 3. Section 11.515, Florida Statutes, is amended to read:

11.515 School district best financial management

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1 ~~practices~~ performance review.--

2 (1) Any best financial management practices
3 ~~performance~~ review of a school district pursuant to this
4 section shall be conducted ~~by a private firm selected~~ by the
5 Office of Program Policy Analysis and Government
6 Accountability. The director of the Office of Program Policy
7 Analysis and Government Accountability may, at his or her
8 discretion, contract with a private consultant selected
9 through a formal request for proposal process to perform part
10 or all of the review of any district.

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

15 (a) ~~School district organization and~~ Management
16 structures.

17 (b) Educational service delivery.

18 (c) Community involvement.

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

20 (e) Personnel systems and benefits management.

21 ~~(f) Asset and risk management.~~

22 ~~(g) Financial management.~~

23 ~~(h) Purchasing.~~

24 (f)(i) Student transportation.

25 (g)(j) Food service operations.

26 (h)(k) Safety and security.

27 (i) Performance accountability.

28 (j) Use of lottery proceeds.

29 (k) Cost control systems.

30 (l) Instructional and administrative technology.

31 Section 4. Section 230.23025, Florida Statutes, 1998

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1 Supplement, as amended by chapters 97-384 and 98-225, Laws of
2 Florida, is amended to read:

3 230.23025 Best financial management practices;
4 standards; reviews; designation of districts.--

5 (1) The purpose of a best financial management
6 practices review is to improve a school district's management
7 and use of resources, and to identify cost savings.The Office
8 of Program Policy Analysis and Government Accountability
9 (OPPAGA) and the Office of the Auditor General are directed to
10 develop a system for reviewing the ~~financial~~ management
11 practices of school districts. In this system, OPPAGA and the
12 Auditor General shall jointly examine district operations to
13 determine whether they meet "best financial management
14 practices." The best financial management practices adopted by
15 the Commissioner of Education may be updated periodically
16 after consultation with the Legislature, the Governor, the
17 SMART Schools Clearinghouse, OPPAGA, and the Auditor General.
18 In areas for which the commissioner has not adopted best
19 practices, OPPAGA may develop additional best practices, with
20 input from a broad range of stakeholders. OPPAGA shall present
21 any additional best practices or updates to existing best
22 practices to the commissioner for review and adoption. The
23 best financial management practices adopted by the
24 commissioner must be used in a school district review
25 conducted according to this section.The best financial
26 management practices, at a minimum, must instill public
27 confidence by addressing the following areas:

28 (a) Efficient use of resources, use of lottery
29 proceeds, student transportation and food service operations,
30 management structures, and personnel systems and benefits,
31 educational service delivery, community involvement, safety

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1 and security, facilities, and administrative and instructional
2 technology;

3 (b) Compliance with generally accepted accounting
4 principles and state and federal laws relating to financial
5 management;

6 (c) Performance accountability systems, including
7 performance measurement reports to the public, internal
8 auditing, financial auditing, and information made available
9 to support decisionmaking;

10 (d) Cost control systems, including asset, risk, and
11 financial management, purchasing, and information system
12 controls.

13 (2) It is the intent of the Legislature that each
14 school district shall be subject to a best financial
15 management practices review. OPPAGA shall develop a schedule
16 to review all school districts on a 10-year cycle unless
17 otherwise recommended by the director of OPPAGA and approved
18 by the Legislature in the General Appropriations Act. No later
19 than December 31 of each year, OPPAGA shall recommend to the
20 President of the Senate and the Speaker of the House of
21 Representatives those districts proposed to undergo review and
22 a maximum number of school districts to be reviewed during the
23 next fiscal year.~~School districts may, by a unanimous vote of~~
24 ~~the membership of the school board, apply to OPPAGA for a~~
25 ~~complete best financial management practice review or a review~~
26 ~~of components of the best financial management practices,~~
27 ~~including management, personnel, transportation, and food and~~
28 ~~nutrition services. OPPAGA shall prioritize districts for~~
29 ~~review based on their growth rates and demonstrated need for~~
30 ~~review. The director of OPPAGA may, at his or her discretion,~~
31 ~~contract with private consultants to perform part or all of~~

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1 ~~the review of any district.~~

2 (3) The Legislature shall annually designate in the
3 General Appropriations Act those school districts that will
4 receive a best financial management practices review. The
5 Legislature may specifically designate that certain districts
6 receive fully funded reviews and that certain districts may
7 receive matching funds equal to 50 percent of the total cost
8 of the review as estimated by OPPAGA. Districts ~~applying for a~~
9 complete review shall contribute 50 percent of the total cost
10 of the review costs, unless funding for the entire cost of the
11 review is specifically provided by the Legislature. Districts
12 applying for a review of a component shall contribute 75
13 percent of the review cost. All moneys contributed by any
14 school district under this section toward the cost of a
15 complete or component best financial management practices
16 review of the district shall be deposited into the Florida
17 School District Review Trust Fund administered by OPPAGA.

18 (4)(3) District reviews conducted under this section
19 must be completed within 6 months after commencement. OPPAGA
20 shall issue a report to the district regarding its financial
21 management practices and cost savings recommendations within
22 60 days after completing the reviews.

23 (5) If the district is found not to conform to best
24 financial management practices, the report must contain an
25 action ~~a plan of action~~ detailing how the district could meet
26 the best practices within 2 years and be eligible for a "Seal
27 of Best Financial Management." The school board must vote,
28 within 90 days of receipt of the final report, to implement or
29 not to implement the action plan. In order to be eligible to
30 receive the seal, the school board must vote by a majority
31 plus one to implement the action plan.

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1 ~~(4)~~ No later than 1 year after receipt of the report,
2 district school boards that agree by a majority plus one vote
3 to institute the action plan must ~~shall~~ submit an initial
4 ~~annual~~ report to the Legislature, the Governor, the SMART
5 Schools Clearinghouse, OPPAGA, the Auditor General, and the
6 Commissioner of Education on progress made towards
7 implementing the plan and whether changes have occurred in
8 other areas of operation which would affect compliance with
9 the best practices. Thereafter, the report will be submitted
10 annually. Such districts shall be reviewed annually by
11 OPPAGA, in addition to the annual financial audit required
12 under s. 11.45, to determine whether they have attained
13 compliance with the best financial management practices in the
14 areas covered by the plan.

15 (6) Districts ~~that are~~ found to comply with the best
16 financial management practices shall receive a "Seal of Best
17 Financial Management" from ~~by~~ the State Board of Education
18 certifying that the district is adhering to the state's best
19 financial management practices. This designation shall be
20 effective for a 5-year period, beginning upon the
21 certification date, after which the district school board may
22 reapply for the designation to be granted after another best
23 financial management practice review. During the designation
24 period, the district school board shall annually notify, not
25 later than the anniversary date of the certification, the
26 SMART Schools Clearinghouse, OPPAGA, the Auditor General, and
27 the State Board of Education of any changes in policies or
28 operations or any other situations that would not conform to
29 the state's best financial management practices. The State
30 Board of Education may revoke the designation of a district at
31 any time if it determines that a district is no longer

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1 complying with the state's best financial management
2 practices.

3 ~~(7)(5)~~ Any audit or performance review of one or more
4 of the designated components conducted or supervised by OPPAGA
5 or the Department of Management Services, and completed within
6 2 years before the district is scheduled in the General
7 Appropriations Act ~~date of application to OPPAGA~~ for a best
8 financial management practices review, ~~may,~~ at the OPPAGA
9 director's discretion, serve as all or part of ~~the audit or~~
10 ~~review required as~~ the examination of district operations
11 necessary for a determination of whether a district meets the
12 "best financial management practices" designation. ~~The cost~~
13 ~~contribution requirements of subsection (2) do not apply to~~
14 ~~any such audit or performance review.~~

15 Section 5. Subsection (2) of section 230.23026,
16 Florida Statutes, 1998 Supplement, is amended to read:

17 230.23026 Florida School District Review Trust Fund.--

18 (2) OPPAGA shall use the funds deposited in the trust
19 fund to pay costs of conducting best financial management
20 practices reviews, ~~or reviews of components of the best~~
21 ~~practices~~, in school districts under s. 230.23025. Funds may
22 be expended to pay the expenses of reviews conducted by
23 OPPAGA, by the Auditor General, or by private consultants at
24 the discretion of the director of OPPAGA. The expenses may
25 include professional services, travel expenses of OPPAGA and
26 the Auditor General, and any other necessary expenses incurred
27 as part of a ~~complete or component~~ best financial management
28 practices review. OPPAGA may refund to a school district any
29 portion of funds contributed by the school district that
30 OPPAGA determines are not needed to conduct the ~~complete or~~
31 ~~component~~ best financial management practices review ~~requested~~

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1 ~~by the district.~~

2 Section 6. Paragraphs (a) and (c) of subsection (2) of
3 section 235.2197, Florida Statutes, 1998 Supplement, are
4 amended to read:

5 235.2197 Florida Frugal Schools Program.--

6 (2) The "Florida Frugal Schools Program" is created to
7 recognize publicly each district school board that agrees to
8 build frugal yet functional educational facilities and that
9 implements "best financial management practices" when
10 planning, constructing, and operating educational facilities.
11 The State Board of Education shall recognize a district school
12 board as having a Florida Frugal Schools Program if the
13 district requests recognition and satisfies two or more of the
14 following criteria:

15 (a) The district receives a "Seal of Best Financial
16 Management" as provided in s. 230.23025 ~~s. 230.2302~~ or
17 implements best financial management practices in the area of
18 educational facilities as evidenced by a ~~partial~~ review under
19 s. 230.23025 ~~s. 230.2302~~.

20 (c) The district school board submits a plan to the
21 Commissioner of Education certifying how the revenues
22 generated by the levy of the capital outlay sales surtax
23 authorized by s. 212.055(7) will be spent. The plan must
24 include at least the following assurances about the use of the
25 proceeds of the surtax and any accrued interest:

26 1. The district school board will use the surtax and
27 accrued interest only for the fixed capital outlay purposes
28 identified by s. 212.055(7)(d) which will reduce school
29 overcrowding that has been validated by the Department of
30 Education, or for the repayment of bonded indebtedness related
31 to such capital outlay purposes.

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1 2. The district school board will not spend the surtax
2 or accrued interest to pay for operational expenses or for the
3 construction, renovation, or remodeling of any administrative
4 building or any other ancillary facility that is not directly
5 related to the instruction, feeding, or transportation of
6 students enrolled in the public schools.

7 3. The district school board's use of the surtax and
8 accrued interest will be consistent with the best financial
9 management practices identified and approved under s.
10 230.23025 ~~s. 230.2302~~.

11 4. The district school board will apply the
12 educational facilities contracting and construction techniques
13 authorized by s. 235.211 or other construction management
14 techniques to reduce the cost of educational facilities.

15 5. The district school board will discontinue the
16 surtax levy when the district has provided the
17 survey-recommended educational facilities that were determined
18 to be necessary to relieve school overcrowding; when the
19 district has satisfied any bonded indebtedness incurred for
20 such educational facilities; or when the district's other
21 sources of capital outlay funds are sufficient to provide such
22 educational facilities, whichever occurs first.

23 6. The district school board will use any excess
24 surtax collections or accrued interest to reduce the
25 discretionary outlay millage levied under s. 236.25(2).

26 Section 7. Section 230.2302, Florida Statutes, is
27 repealed.

28
29 (Redesignate subsequent sections.)
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1 ===== T I T L E A M E N D M E N T =====

2 And the title is amended as follows:

3 On page 1, line 6, after the semicolon

4

5 insert:

6 amending s. 11.51, F.S.; requiring the Office
7 of Program Policy Analysis and Government
8 Accountability to conduct or contract for best
9 financial management practices reviews of
10 school districts; correcting a cross reference;
11 amending s. 11.515, F.S.; revising references
12 to "performance reviews" to "best financial
13 management practices reviews"; clarifying and
14 conforming the authorization for contracting
15 for reviews; revising the scope of such
16 reviews; amending s. 230.23025, F.S.; providing
17 the purpose of a best financial management
18 practices review; authorizing OPPAGA to develop
19 best practices for review and adoption by the
20 Commissioner of Education; revising areas
21 addressed by the review; establishing a
22 timeframe for school district review; requiring
23 districts to be reviewed to be specified in the
24 General Appropriations Act; providing funding
25 requirements; revising reporting requirements;
26 revising provisions relating to the "Seal of
27 Best Financial Management"; amending s.
28 230.23026, F.S.; conforming terminology;
29 amending s. 235.2197, F.S.; correcting cross
30 references; repealing s. 230.2302, F.S.,
31 relating to performance reviews;