

By the Committee on Education Innovation and
Representative Melvin

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

1 repealing s. 230.2302, F.S., relating to
2 performance reviews; providing an effective
3 date.

4
5 Be It Enacted by the Legislature of the State of Florida:

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

9 11.51 Office of Program Policy Analysis and Government
10 Accountability.--

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

19 Section 2. Section 11.515, Florida Statutes, is
20 amended to read:

21 11.515 School district best financial management
22 practices ~~performance~~ review.--

23 (1) Any best financial management practices
24 ~~performance~~ review of a school district pursuant to this
25 section shall be conducted ~~by a private firm selected~~ by the
26 Office of Program Policy Analysis and Government
27 Accountability. The director of the Office of Program Policy
28 Analysis and Government Accountability may, at his or her
29 discretion, contract with a private consultant selected
30 through a formal request for proposal process to perform part
31 or all of the review of any district.

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

5 (a) ~~School district organization and Management~~
6 structures.

7 (b) Educational service delivery.

8 (c) Community involvement.

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

10 (e) Personnel systems and benefits management.

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

12 ~~(g) Financial management.~~

13 ~~(h) Purchasing.~~

14 ~~(f)(i)~~ Student transportation.

15 ~~(g)(j)~~ Food service operations.

16 ~~(h)(k)~~ Safety and security.

17 ~~(i)~~ Performance accountability.

18 ~~(j)~~ Use of lottery proceeds.

19 ~~(k)~~ Cost control systems.

20 ~~(l)~~ Instructional and administrative technology.

21 Section 3. Section 230.23025, Florida Statutes, as
22 amended by chapters 97-384 and 98-225, Laws of Florida, is
23 amended to read:

24 230.23025 Best financial management practices;
25 standards; reviews; designation of districts.--

26 (1) The purpose of a best financial management
27 practices review is to improve a school district's management
28 and use of resources, and to identify cost savings.The Office
29 of Program Policy Analysis and Government Accountability
30 (OPPAGA) and the Office of the Auditor General are directed to
31 develop a system for reviewing the financial management

1 practices of school districts. In this system, OPPAGA and the
2 Auditor General shall jointly examine district operations to
3 determine whether they meet "best financial management
4 practices." ~~The best financial management practices adopted by~~
5 ~~the Commissioner of Education may be updated periodically~~
6 After consultation with the Legislature, the Governor, the
7 SMART Schools Clearinghouse, ~~OPPAGA~~, and the Auditor General,
8 OPPAGA may submit proposed revisions to the best financial
9 management practices to the Commissioner of Education for
10 review and adoption. In areas for which the commissioner has
11 not adopted best practices, OPPAGA may develop additional best
12 practices, with input from a broad range of stakeholders.
13 OPPAGA shall present any additional best practices to the
14 commissioner for review and adoption. The best financial
15 management practices adopted by the commissioner must be used
16 in a school district review conducted according to this
17 section.The best financial management practices, at a
18 minimum, must instill public confidence by addressing the
19 following areas:
20 (a) Efficient use of resources, use of lottery
21 proceeds, student transportation and food service operations,
22 management structures, and personnel systems and benefits,
23 educational service delivery, community involvement, safety
24 and security, facilities, and administrative and instructional
25 technology;
26 (b) Compliance with generally accepted accounting
27 principles and state and federal laws relating to financial
28 management;
29 (c) Performance accountability systems, including
30 performance measurement reports to the public, internal
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1 auditing, financial auditing, and information made available
2 to support decisionmaking;

3 (d) Cost control systems, including asset, risk, and
4 financial management, purchasing, and information system
5 controls.

6 (2) It is the intent of the Legislature that each
7 school district shall be subject to a best financial
8 management practices review. OPPAGA shall recommend a schedule
9 to review all school districts on a 10-year cycle which shall
10 be subject to approval by the Legislature in the General
11 Appropriations Act. No later than December 31 of each year,
12 OPPAGA shall recommend to the President of the Senate and the
13 Speaker of the House of Representatives districts proposed to
14 undergo review during the next fiscal year. The Legislature
15 shall annually designate in the General Appropriations Act
16 those school districts that will receive a fully funded best
17 financial management practices review.~~School districts may,~~
18 ~~by a unanimous vote of the membership of the school board,~~
19 ~~apply to OPPAGA for a complete best financial management~~
20 ~~practice review or a review of components of the best~~
21 ~~financial management practices, including management,~~
22 ~~personnel, transportation, and food and nutrition services.~~
23 ~~OPPAGA shall prioritize districts for review based on their~~
24 ~~growth rates and demonstrated need for review. The director of~~
25 ~~OPPAGA may, at his or her discretion, contract with private~~
26 ~~consultants to perform part or all of the review of any~~
27 ~~district. Districts applying for a complete review shall~~
28 ~~contribute 50 percent of review costs, unless funding for the~~
29 ~~entire cost of the review is specifically provided by the~~
30 ~~Legislature. Districts applying for a review of a component~~
31 ~~shall contribute 75 percent of the review cost. All moneys~~

1 ~~contributed by any school district under this section toward~~
2 ~~the cost of a complete or component best financial management~~
3 ~~practices review of the district shall be deposited into the~~
4 ~~Florida School District Review Trust Fund administered by~~
5 ~~OPPAGA.~~

6 (3) District reviews conducted under this section must
7 be completed within 6 months after commencement. OPPAGA shall
8 issue a report to the district regarding its financial
9 management practices and cost savings recommendations within
10 60 days after completing the reviews.

11 (4) If the district is found not to conform to best
12 financial management practices, the report must contain an
13 action a plan of action detailing how the district could meet
14 the best practices within 2 years and be eligible for a "Seal
15 of Best Financial Management." The school board must vote,
16 within 90 days after receipt of the final report, to implement
17 or not to implement the action plan. In order to be eligible
18 to receive the seal, the school board must vote by a majority
19 plus one to implement the action plan.

20 (5)~~(4)~~ No later than 1 year after receipt of the
21 report, district school boards that agree by a majority plus
22 one vote to institute the action plan must shall submit an
23 initial annual report to the Legislature, the Governor, the
24 SMART Schools Clearinghouse, OPPAGA, the Auditor General, and
25 the Commissioner of Education on progress made towards
26 implementing the plan and whether changes have occurred in
27 other areas of operation which would affect compliance with
28 the best practices. A second report must be submitted no later
29 than one year after the initial report. These reports shall be
30 ~~Such districts shall be reviewed annually by OPPAGA, in~~
31 addition to the annual financial audit required under s.

1 ~~11.45, to determine whether they have attained compliance with~~
2 ~~the best financial management practices in the areas covered~~
3 ~~by the plan.~~

4 (6) Each year during the 2 years after a school board
5 has voted to implement an action plan, OPPAGA shall review the
6 district to assess implementation of the action plan and
7 progress toward utilizing the best financial management
8 practices in areas covered by the plan.

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

28 (8)~~(5)~~ Any audit or performance review of one or more
29 of the designated components conducted or supervised by OPPAGA
30 or the Department of Management Services, and completed within
31 2 years before the district is scheduled in the General

1 ~~Appropriations Act date of application to OPPAGA~~ for a best
2 financial management practices review, may, at the OPPAGA
3 director's discretion, serve as all or part of ~~the audit or~~
4 ~~review required as~~ the examination of district operations
5 necessary for a determination of whether a district meets the
6 "best financial management practices" designation. ~~The cost~~
7 ~~contribution requirements of subsection (2) do not apply to~~
8 ~~any such audit or performance review.~~

9 Section 4. Subsection (2) of section 230.23026,
10 Florida Statutes, is amended to read:

11 230.23026 Florida School District Review Trust Fund.--

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

26 Section 5. Paragraph (a) of subsection (2) of section
27 235.2197, Florida Statutes, is amended to read:

28 235.2197 Florida Frugal Schools Program.--

29 (2) The "Florida Frugal Schools Program" is created to
30 recognize publicly each district school board that agrees to
31 build frugal yet functional educational facilities and that

1 implements "best financial management practices" when
2 planning, constructing, and operating educational facilities.
3 The State Board of Education shall recognize a district school
4 board as having a Florida Frugal Schools Program if the
5 district requests recognition and satisfies two or more of the
6 following criteria:

7 (a) The district receives a "Seal of Best Financial
8 Management" as provided in s. 230.23025 or implements best
9 financial management practices in the area of educational
10 facilities as evidenced by a ~~partial~~ review under s. 230.23025
11 ~~s. 230.2302~~.

12 Section 6. Section 230.2302, Florida Statutes, is
13 repealed.

14 Section 7. This act shall take effect July 1, 2000.
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17 HOUSE SUMMARY

18 Requires the Office of Program Policy Analysis and
19 Government Accountability to conduct or contract for best
20 financial management practices reviews of school
21 districts. Revises terminology regarding performance
22 reviews. Clarifies and conforms the authorization for
23 contracting for reviews. Revises the scope of such
24 reviews. Provides the purpose of a best financial
25 management practices review. Clarifies the procedure for
26 revising best financial management practices adopted by
27 the commissioner. Authorizes OPPAGA to develop certain
28 additional best practices for review and adoption by the
29 Commissioner of Education. Revises areas addressed by the
30 review. Establishes a timeframe for school district
31 review. Requires districts to be reviewed to be specified
in the General Appropriations Act. Provides funding
requirements. Revises reporting requirements. Revises
provisions relating to the "Seal of Best Financial
Management." Repeals provisions relating to performance
reviews.