

By Representatives Murman, Lacasa, Byrd, Mack, Melvin,  
Diaz-Balart, Cantens, Bense, Argenziano and Lynn

1                                   A bill to be entitled  
2           An act relating to school district best  
3           financial management practices reviews;  
4           amending s. 230.23025, F.S.; providing  
5           legislative intent; providing OPPAGA with  
6           primary responsibility for the completion of  
7           best financial practices reviews; revising  
8           areas in which best financial management  
9           practices are to be developed and adopted;  
10          revising and clarifying the best financial  
11          management practices adoption and revision  
12          process; clarifying that OPPAGA may either  
13          complete, or contract with a private firm to  
14          complete, all or part of any review;  
15          authorizing the inclusion of review items in  
16          addition to the adopted best financial  
17          management practices, after consultation with  
18          the school district; establishing a continuing  
19          5-year review cycle; authorizing the Joint  
20          Legislative Auditing Committee to adjust the  
21          schedule under certain circumstances;  
22          authorizing the review of additional school  
23          districts under certain circumstances;  
24          specifying that reviews shall be conducted to  
25          the extent funded by the Legislature;  
26          specifying the use of such funds; requiring  
27          copies of the final report issued by OPPAGA to  
28          be provided to additional entities; revising  
29          provisions relating to eligibility for the  
30          "Seal of Best Financial Management";  
31          establishing requirements relating to status

1 reports; requiring OPPAGA to review a  
2 district's status reports, assess  
3 implementation of the action plan, and assess  
4 progress toward implementing the best financial  
5 management practices and to issue a report;  
6 clarifying provisions relating to the award of  
7 the "Seal of Best Financial Management";  
8 requiring school districts that are reviewed to  
9 maintain certain records; repealing s. 11.515,  
10 F.S., relating to school district performance  
11 reviews; repealing s. 230.2302, F.S., relating  
12 to performance reviews; repealing s. 230.23026,  
13 F.S., relating to the Florida School District  
14 Review Trust Fund; amending s. 11.51, F.S.,  
15 relating to school district performance reviews  
16 by the Office of Program Policy Analysis and  
17 Government Accountability, s. 230.23027, F.S.,  
18 relating to the Small School District  
19 Stabilization Program, s. 233.43, F.S.,  
20 relating to duties of superintendent relating  
21 to instructional materials, and s. 235.2197,  
22 F.S., relating to the Florida Frugal Schools  
23 Program; correcting cross references to  
24 conform; providing an effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

27  
28 Section 1. Section 230.23025, Florida Statutes, as  
29 amended by chapters 97-384, 98-225, 2000-235, and 2000-291,  
30 Laws of Florida, is amended to read:

31

1           230.23025 Best financial management practices;  
2 standards; reviews; designation of districts.--

3           (1) The purpose of best financial management practices  
4 reviews is to improve Florida school district management and  
5 use of resources and to identify cost savings.The Office of  
6 Program Policy Analysis and Government Accountability (OPPAGA)  
7 and the Office of the Auditor General are directed to develop  
8 a system for reviewing the financial management practices of  
9 school districts. In this system, ~~OPPAGA and~~ the Auditor  
10 General shall assist OPPAGA in examining ~~jointly examine~~  
11 district operations to determine whether they meet "best  
12 financial management practices."

13           (2) ~~The best financial management practices adopted by~~  
14 ~~the Commissioner of Education may be updated periodically~~  
15 After consultation with the Legislature, the Governor, the  
16 SMART Schools Clearinghouse, ~~OPPAGA,~~ and the Auditor General,  
17 OPPAGA may submit to the Commissioner of Education for review  
18 and adoption proposed revisions to the best financial  
19 management practices adopted by the commissioner. The best  
20 financial management practices, at a minimum, must instill  
21 public confidence by addressing the school district's use of  
22 state and district resources; identifying ways that the  
23 district could save funds; and improving districts'  
24 performance accountability systems, including public  
25 accountability. To achieve these objectives, best practices  
26 shall be developed for, but need not be limited to,the  
27 following areas:

28           (a) Management structures.

29           (b) Performance accountability.

30           (c) Efficient delivery of educational services,  
31 including instructional materials.

- 1        (d) Administrative and instructional technology.  
2        (e) Personnel systems and benefits management.  
3        (f) Facilities construction.  
4        (g) Facilities maintenance.  
5        (h) Student transportation.  
6        (i) Food service operations.  
7        (j) Cost control systems, including asset management,  
8 risk management, financial management, purchasing, internal  
9 auditing, and financial auditing.  
10  
11 In areas for which the commissioner has not adopted best  
12 practices, OPPAGA may develop additional best financial  
13 management practices, with input from a broad range of  
14 stakeholders. OPPAGA shall present any additional best  
15 practices to the commissioner for review and adoption. Revised  
16 best financial management practices adopted by the  
17 commissioner must be used in future school district reviews  
18 conducted according to this section.  
19        ~~(a) Efficient use of resources, use of lottery~~  
20 ~~proceeds, student transportation and food service operations,~~  
21 ~~management structures, and personnel systems and benefits,~~  
22 ~~instructional materials, and administrative and instructional~~  
23 ~~technology.~~  
24        ~~(b) Compliance with generally accepted accounting~~  
25 ~~principles and state and federal laws relating to financial~~  
26 ~~management.~~  
27        ~~(c) Performance accountability systems, including~~  
28 ~~performance measurement reports to the public, internal~~  
29 ~~auditing, financial auditing, and information made available~~  
30 ~~to support decisionmaking.~~  
31

1       ~~(d) Cost control systems, including asset, risk, and~~  
2 ~~financial management, purchasing, and information system~~  
3 ~~controls.~~

4       ~~(e) Safety and security practices at the district and~~  
5 ~~school levels.~~

6       ~~(2) School districts may, by a unanimous vote of the~~  
7 ~~membership of the school board, apply to OPPAGA for a complete~~  
8 ~~best financial management practice review or a review of~~  
9 ~~components of the best financial management practices,~~  
10 ~~including management, personnel, transportation, and food and~~  
11 ~~nutrition services. OPPAGA shall prioritize districts for~~  
12 ~~review based on their growth rates and demonstrated need for~~  
13 ~~review. The director of OPPAGA may, at his or her discretion,~~  
14 ~~contract with private consultants to perform part or all of~~  
15 ~~the review of any district. Districts applying for a complete~~  
16 ~~review shall contribute 50 percent of review costs, unless~~  
17 ~~funding for the entire cost of the review is specifically~~  
18 ~~provided by the Legislature. Districts applying for a review~~  
19 ~~of a component shall contribute 75 percent of the review cost.~~  
20 ~~All moneys contributed by any school district under this~~  
21 ~~section toward the cost of a complete or component best~~  
22 ~~financial management practices review of the district shall be~~  
23 ~~deposited into the Florida School District Review Trust Fund~~  
24 ~~administered by OPPAGA.~~

25       (3) OPPAGA may conduct best financial management  
26 practices reviews pursuant to this section, or the director of  
27 OPPAGA may, at his or her discretion, contract with a private  
28 firm selected through a formal request for proposal process to  
29 perform part or all of any review. The scope of the review  
30 shall focus on the best practices adopted by the Commissioner  
31 of Education, pursuant to subsection (2). OPPAGA may include

1 additional items in the scope of the review after seeking  
2 input from the school district.  
3 (4) It is the intent of the Legislature that each  
4 school district shall be subject to a best financial  
5 management practices review. The Legislature also intends that  
6 all school districts shall be reviewed on a continuing 5-year  
7 cycle, as follows, unless specified otherwise in the General  
8 Appropriations Act, or as provided by this subsection and  
9 subsection (5):  
10 (a) Year 1: Hillsborough, Volusia, Sarasota, Collier,  
11 Okaloosa, Alachua, St. Lucie, Santa Rosa, Hernando, Indian  
12 River, Monroe, and Bradford.  
13 (b) Year 2: Miami-Dade, Duval, Osceola, Bay, Columbia,  
14 Suwannee, Wakulla, Baker, Union, Hamilton, Jefferson, Gadsden,  
15 and Franklin.  
16 (c) Year 3: Palm Beach, Orange, Seminole, Lee,  
17 Escambia, Leon, Levy, Taylor, Madison, Gilchrist, Gulf, Dixie,  
18 Liberty, and Lafayette.  
19 (d) Year 4: Pinellas, Pasco, Marion, Manatee, Clay,  
20 Charlotte, Citrus, Highlands, Nassau, Hendry, Okeechobee,  
21 Hardee, DeSoto, and Glades.  
22 (e) Year 5: Broward, Polk, Brevard, Lake, St. Johns,  
23 Martin, Putnam, Jackson, Flagler, Walton, Sumter, Holmes,  
24 Washington, and Calhoun.  
25  
26 The Joint Legislative Auditing Committee may adjust the  
27 schedule of districts to be reviewed when unforeseen  
28 circumstances prevent initiation of reviews scheduled in a  
29 given year. Once the 5-year cycle has been completed, reviews  
30 shall continue, beginning again with those districts included  
31 in year one of the cycle.

1       (5) At the direction of the Joint Legislative Auditing  
2 Committee or the President of the Senate and the Speaker of  
3 the House of Representatives, and subject to funding by the  
4 Legislature, OPPAGA may conduct up to two additional best  
5 financial management practices reviews in districts not  
6 scheduled for review during that year if such review is  
7 necessary to address adverse financial conditions.

8       (6) Reviews shall be conducted to the extent  
9 specifically funded by the Legislature in the General  
10 Appropriations Act for this purpose. Such funds may be used  
11 for the cost of reviews conducted by OPPAGA, by the Auditor  
12 General, or by private consultants contracted by the director  
13 of OPPAGA. Expenses may include professional services, travel  
14 expenses of staff of OPPAGA and the Auditor General, and any  
15 other necessary expenses incurred as part of a best financial  
16 management practices review.

17       (7)(3) District reviews conducted under this section  
18 must be completed within 6 months after commencement. OPPAGA  
19 shall issue a final report to the President of the Senate, the  
20 Speaker of the House of Representatives, and the district  
21 regarding the district's use of best ~~its~~ financial management  
22 practices and cost savings recommendations within 60 days  
23 after completing the reviews. Copies of the final report shall  
24 be provided to the Governor and the Commissioner of Education.

25       (8)(a) If the district is found not to conform to best  
26 financial management practices, the report must contain an ~~a~~  
27 ~~plan of action~~ plan detailing how the district could meet the  
28 best practices within 2 years. The school board must decide,  
29 by a majority plus one vote within 90 days after receipt of  
30 the final report, whether or not to implement the action plan  
31 and pursue a "Seal of Best Financial Management" awarded by

1 the State Board of Education to qualified school districts. If  
2 a district fails to vote on the action plan within 90 days,  
3 school board members may be required to appear and present  
4 testimony before a legislative committee, pursuant to s.  
5 11.143.

6 (b) The school board may vote to reverse a decision  
7 not to implement an action plan, provided that the action plan  
8 is implemented and there is still sufficient time, as  
9 determined by the district school board, to meet the best  
10 practices within 2 years after issuance of the final report.

11 (9)(4) If a district votes to implement the action  
12 plan:

13 (a) No later than 1 year after receipt of the final  
14 report, the school district must ~~District school boards that~~  
15 ~~agree by a majority plus one vote to institute the action plan~~  
16 ~~shall~~ submit an initial status ~~annual~~ report to the President  
17 of the Senate, the Speaker of the House of Representatives  
18 ~~Legislature, the Governor, the SMART Schools Clearinghouse,~~  
19 OPPAGA, the Auditor General, the State Board of Education, and  
20 the Commissioner of Education on progress made towards  
21 implementing the action plan and whether changes have occurred  
22 in other areas of operation that ~~which~~ would affect compliance  
23 with the best practices.

24 (b) A second status report must be submitted by the  
25 school district to the President of the Senate, the Speaker of  
26 the House of Representatives, the Governor, OPPAGA, the  
27 Auditor General, the Commissioner of Education, and the State  
28 Board of Education no later than 1 year after submission of  
29 the initial report.



1 Status reports are not required once OPPAGA concludes that the  
2 district is using best practices. Such districts shall be  
3 reviewed annually by OPPAGA, in addition to the annual  
4 financial audit required under s. 11.45, to determine whether  
5 they have attained compliance with the best financial  
6 management practices in the areas covered by the plan.

7 (10) After receipt of each of a district's two status  
8 reports required by subsection (9), OPPAGA shall assess the  
9 district's implementation of the action plan and progress  
10 toward implementing the best financial management practices in  
11 areas covered by the plan. Following each assessment, OPPAGA  
12 shall issue a report to the President of the Senate, the  
13 Speaker of the House of Representatives, and the district  
14 indicating whether the district has successfully implemented  
15 the best financial management practices. Copies of the report  
16 must be provided to the Governor, the Auditor General, the  
17 Commissioner of Education, and the State Board of Education.  
18 If a district has failed to implement an action plan adopted  
19 pursuant to subsection (8), school board members may be  
20 required to appear before a legislative committee, pursuant to  
21 s. 11.143, to present testimony regarding the district's  
22 failure to implement such action plan.

23 (11) School districts that successfully implement the  
24 best financial management practices within 2 years are  
25 eligible to receive a "Seal of Best Financial Management."  
26 Upon notification by OPPAGA that a district has been ~~districts~~  
27 ~~that are~~ found to be using ~~comply with~~ the best financial  
28 management practices, the State Board of Education shall award  
29 that district shall receive a "Seal of Best Financial  
30 Management" by the State Board of Education certifying that  
31 the district is adhering to the state's best financial

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

17 (12) School districts that receive a best financial  
18 management practices review must maintain records that will  
19 enable independent verification of the implementation of the  
20 action plan and any related fiscal impacts.

21 ~~(5) Any audit or performance review of one or more of~~  
22 ~~the designated components conducted or supervised by OPPAGA or~~  
23 ~~the Department of Management Services, and completed within 2~~  
24 ~~years before the date of application to OPPAGA for a best~~  
25 ~~financial practices review, may serve as all or part of the~~  
26 ~~audit or review required as the examination of district~~  
27 ~~operations necessary for a determination of whether a district~~  
28 ~~meets the "best financial management practices" designation.~~  
29 ~~The cost contribution requirements of subsection (2) do not~~  
30 ~~apply to any such audit or performance review.~~

31

1           Section 2. Section 11.515, Florida Statutes, is  
2 repealed.

3           Section 3. Section 230.2302, Florida Statutes, is  
4 repealed.

5           Section 4. Section 230.23026, Florida Statutes, is  
6 repealed.

7           Section 5. 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 contract for performance reviews  
17 of school districts pursuant to s. 230.23025(3)~~ss. 11.515 and~~  
18 ~~230.2302.~~

19           Section 6. Subsection (4) of section 230.23027,  
20 Florida Statutes, is amended to read:

21           230.23027 Small School District Stabilization  
22 Program.--

23           (4) Effective July 1, 2000, and thereafter, when the  
24 Office of Tourism, Trade, and Economic Development authorizes  
25 a school district to participate in the program, the  
26 Legislature may give priority to that district for a best  
27 financial management practices review in the school district,  
28 subject to approval pursuant to s. 230.23025(5)~~as authorized~~  
29 ~~in s. 11.515,~~ to the extent that funding is provided annually  
30 for such purpose in the General Appropriations Act. The scope  
31 of the review shall be as set forth in s. 230.23025 ~~s. 11.515.~~

1           Section 7. Subsection (1) of section 233.43, Florida  
2 Statutes, is amended to read:

3           233.43 Duties of superintendent relating to  
4 instructional materials.--

5           (1) The duties and responsibilities of each  
6 superintendent of schools for the requisition, purchase,  
7 receipt, storage, distribution, use, conservation, records,  
8 and reports of, and management practices and property  
9 accountability concerning, instructional materials shall be  
10 prescribed by policies of the district school board. Such  
11 policies shall also provide for an evaluation of any  
12 instructional materials to be requisitioned that have not been  
13 used previously in the schools of the district. The duties and  
14 responsibilities include keeping adequate records and accounts  
15 for all financial transactions for funds collected pursuant to  
16 s. 233.46(4). Such records and accounts shall be a component  
17 of the educational service delivery scope in a school district  
18 best financial management practices review under s.ss. 11.515  
19 ~~and~~ 230.23025.

20           Section 8. Paragraph (a) of subsection (2) of section  
21 235.2197, Florida Statutes, is amended to read:

22           235.2197 Florida Frugal Schools Program.--

23           (2) The "Florida Frugal Schools Program" is created to  
24 recognize publicly each district school board that agrees to  
25 build frugal yet functional educational facilities and that  
26 implements "best financial management practices" when  
27 planning, constructing, and operating educational facilities.  
28 The State Board of Education shall recognize a district school  
29 board as having a Florida Frugal Schools Program if the  
30 district requests recognition and satisfies two or more of the  
31 following criteria:

1 (a) The district receives a "Seal of Best Financial  
2 Management" as provided in s. 230.23025 or implements best  
3 financial management practices applicable to ~~in the area of~~  
4 educational facilities as evidenced by a ~~partial~~ review under  
5 s. 230.23025 ~~s. 230.2302~~.

6 Section 9. This act shall take effect July 1, 2001.

7  
8 \*\*\*\*\*

9 HOUSE SUMMARY

10 Provides legislative intent relating to school district  
11 best financial management practices reviews. Provides  
12 OPPAGA with primary responsibility for the completion of  
13 best financial practices reviews. Revises areas in which  
14 best financial management practices are to be developed  
15 and adopted. Revises and clarifies the best financial  
16 management practices adoption and revision process.  
17 Clarifies that OPPAGA may either complete, or contract  
18 with a private firm to complete, all or part of any  
19 review. Authorizes the inclusion of review items in  
20 addition to the adopted best financial management  
21 practices, after consultation with the school district.  
22 Establishes a continuing 5-year review cycle. Authorizes  
23 the Joint Legislative Auditing Committee to adjust the  
24 schedule under certain circumstances. Authorizes the  
25 review of additional school districts under certain  
26 circumstances. Specifies that reviews shall be conducted  
27 to the extent funded by the Legislature and specifies the  
28 use of such funds. Requires copies of the final report  
29 issued by OPPAGA to be provided to additional entities.  
30 Revises provisions relating to eligibility for the "Seal  
31 of Best Financial Management." Establishes requirements  
relating to status reports, assess implementation of the  
action plan, and assess progress toward implementing the  
best financial management practices and to issue a  
report. Clarifies provisions relating to the award of the  
"Seal of Best Financial Management." Requires school  
districts that are reviewed to maintain certain records.  
Repeals s. 11.515, F.S., relating to school district  
performance reviews; s. 230.2302, F.S., relating to  
performance reviews; and s. 230.23026, F.S., relating to  
the Florida School District Review Trust Fund. Corrects  
cross references to conform.