

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. EFFECT OF PROPOSED CHANGES:

The Florida School for the Deaf and the Blind operates under the leadership and direction of its Board of Trustees, pursuant to Section 1002.36, Florida Statutes. The Board consists of seven members who are appointed by the Governor and confirmed by the Senate. One of its members is required to be a blind person and one is required to be a deaf person. Each member is required to have been a Florida resident for at least ten years and the term of office for each member is four years.

The Board adopts rules, subject to the approval of the State Board of Education, as it considers necessary to operate the school in conjunction with the rules of the State Board of Education. The rules adopted by the Board are published in the Florida School for the Deaf and the Blind Rules, Chapter 6D, Florida Administrative Code. The Board exercises control of the school through a board-appointed president, who is the chief administrative officer of the school and appoints and supervises all other school employees.

The school’s purchasing procedures are governed by Chapter 287, Florida Statutes, and rules and regulations of the Florida Department of Management Services. Personnel matters are governed by Florida School for the Deaf and the Blind Rules, Chapter 6D-6, Florida Administrative Code, and Department of Management Services Rules, Chapter 60L, Florida Administrative Code as appropriate for the position.

The school is part of the state system of public education and is funded through the Florida Department of Education. The Legislature appropriates fixed capital outlay moneys to the school on an annual basis from the Public Education Capital (PECO) and Debt Service Trust Fund pursuant to Section 9(a)(2), Article XII of the State Constitution.

The Auditor General issued Audit Report No. 03-095 School for the Deaf and the Blind on December 19, 2002 relating to the operations of the Florida School for the Deaf and the Blind. The Auditor General findings included

- The Internal audit function was underutilized and reported to School management rather than to the Board of Trustees or an Internal Audit Committee.
- Contrary to State law, for the fiscal years ended June 30, 2001 and 2002, the School deposited approximately \$1.17 million and \$1.22 million, respectively, in accounts outside the State Treasury.
- Incompatible duties were assigned to two Student Bank employees.
- Emergency and single source procurements were inadequately documented, or inappropriately applied, to eight contracts totaling approximately \$1.2 million.

- Contrary to State law, the School hired a lobbyist to represent the School in legislative matters for the fiscal years ended June 30, 2001 and 2002. Additionally, the \$80,000 annual payments made to the lobbyist were not reported on the School's semiannual lobbyist expenditure reports.
- Payments totaling approximately \$34,000 for consultants' travel were not properly documented and paid in accordance with Section 112.061, Florida Statutes.
- Acquisitions of real estate totaling approximately \$2.2 million (including those currently under contract) were not made in accordance with applicable laws and rules and good business practice.
- The School's campus planning documents were not comprehensive and up-to-date and did not agree with one another in certain details; consequently, they did not provide assurance that the School's projected six-year, \$67 million expansion and renovation efforts would be conducted in an organized and logical manner, and only as necessary to meet the legitimate needs of the School.
- The School did not adequately monitor and review the performance of its construction manager, or the payment requests submitted by that manager, for approximately \$239,000 of work related to the construction of an \$8 million vocational-technical high school on the School's campus.
- Controls and documentation related to the disposal of surplus tangible personal property were inadequate to support the disposal of approximately \$448,000 of such property during the fiscal year ended June 30, 2001.
- Contrary to Section 112.313(3), Florida Statutes, the School contracted for services with the privately held corporation of an Other Personal Services (OPS) employee. The related payments, which totaled approximately \$49,000, were used by the corporation to compensate another employee who had been placed on leave-without-pay status.
- Fourteen of the 30 position descriptions reviewed had not been updated within the last three years.
- The \$579,000 medical services program with the University of Florida was not efficiently administered and the related reporting to the Legislature was not complete.

The bill requires the Auditor General to annually conduct an audit of the Florida School for the Deaf and the Blind.

The bill places the Florida School for the Deaf and the Blind under the jurisdiction of the DOE Office of Inspector General for purposes of promoting accountability, efficiency, effectiveness, and fraud or abuse detection.

The bill authorizes the DOE Office of Inspector General, under instruction from the Commissioner of Education, to conduct, coordinate, or request investigations into substantiated allegations made by any person relating to waste, fraud, or financial mismanagement of the Florida School for the Deaf and the Blind.

The bill clarifies that the school is a component of the public education system in the state and requires the school to comply with all laws and rules generally applicable to state agencies, unless otherwise provided by law.

The bill requires the board of trustees of the Florida School for the Deaf and the Blind to act consistent with all laws and rules generally applicable to state agencies, unless otherwise provided by law.

The bill allows the board to:

- Employ retired members of the Florida Retirement System as substitute teachers, substitute residential instructors, or substitute nurses as provided in s. 121.091, F.S.
- Extend the period of time certain employees may participate in the Deferred Retirement Option Program as provided in s. 121.091, F.S.
- Procure legal services without the prior written approval of the Attorney General.

The bill requires the board to:

- Present a legislative budget request for operations and fixed capital outlay to the Department of Education for approval. The request for fixed capital outlay must be consistent with the school's campus master plan, educational plant survey, and facilities master plan.
- Approve and administer an annual operating budget in accordance with s. 1011.56, F.S. and 1011.57, F.S.
- Require all funds received other than gifts, donations, and bequests to be deposited in the state treasury and expended as authorized in the General Appropriations Act.
- Require all purchases to be in accordance with the provisions of chapter 287, F.S.
- Give preference in appointment and retention in positions of employment as provided in s. 295.07(1), F.S.
- Ensure compliance with s. 1013.30, F.S. concerning campus master plans and campus development agreements.
- Ensure compliance with s. 112.061, F.S. concerning per diem and travel expenses of public officers, employees, and authorized persons.

The bill adds the Florida School for the Deaf and the Blind to s. 1013.30 to require a campus master plan and campus development agreement.

The bill adds the Florida School for the Deaf and the Blind to the definition of "institution" in s. 1013.30(2)(d), F.S.

The bill provides for an effective date.

C. SECTION DIRECTORY:

Section 1 - s. 11.45, F.S. Duties of the Auditor General.

Section 2 – s. 1001.20, F.S. Department under direction of state board.

Section 3 – s. 1002.36, F.S. Florida School for the Deaf and the Blind.

Section 4 – s. 1013.30, F.S. Campus master plans and campus development agreements

Section 5 – s. 163.3177, F.S. Required and optional elements of comprehensive plan

Section 6 - Provides and effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not have an effect on state revenue.

2. Expenditures:

The bill may increase the expenditures of the Department of Education and the Auditor General's Office resulting from an increase in oversight activities. However, no fiscal analysis of the bill detailing potential expenditures has been provided by the DOE to address this issue as of this date.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill has no fiscal impact on local government.

2. Expenditures:

The bill has no fiscal impact on local government.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill has no fiscal impact on the private sector.

D. FISCAL COMMENTS:

The bill may increase expenditures for the school, the department, and the Auditor General through the increased activity in monitoring and the campus planning activities required by the bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a city or county to spend funds or to take any action requiring the expenditure of funds.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not appear to have an effect on rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES