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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/04/2017	.	
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The Committee on Community Affairs (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete lines 82 - 277

and insert:

the President of the Senate or his or her designee, the Speaker of the House of Representatives or his or her designee, and the Legislative Auditing Committee, shall contact the local governmental entity or the Commissioner of Education or his or her designee ~~shall contact the district school board to~~ determine what actions have been taken by the local governmental



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11 entity or the district school board to resolve or prevent the
12 condition. The information requested must be provided within 45
13 days after the date of the request. If the local governmental
14 entity or the district school board does not comply with the
15 request, the Governor or his or her designee or the Commissioner
16 of Education or his or her designee shall notify the members of
17 the Legislative Auditing Committee who may take action pursuant
18 to s. 11.40. The Governor or the Commissioner of Education, as
19 appropriate, shall determine whether the local governmental
20 entity or the district school board needs state assistance to
21 resolve or prevent the condition into the future. If state
22 assistance is needed, the local governmental entity or district
23 school board is considered to be in a state of financial
24 emergency. The Governor or the Commissioner of Education, as
25 appropriate, may ~~has the authority to~~ implement measures as set
26 forth in ss. 218.50-218.504 to assist the local governmental
27 entity or district school board in resolving the financial
28 emergency. Such measures may include, but are not limited to:

29 (a) Requiring approval of the local governmental entity's
30 budget by the Governor or approval of the district school
31 board's budget by the Commissioner of Education.

32 (b) Authorizing a state loan to a local governmental entity
33 and providing for repayment of same.

34 (c) Prohibiting a local governmental entity or district
35 school board from issuing bonds, notes, certificates of
36 indebtedness, or any other form of debt until such time as it is
37 no longer subject to this section.

38 (d) Making such inspections and reviews of records,
39 information, reports, and assets of the local governmental



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40 entity or district school board as are needed. The appropriate
41 local officials shall cooperate in such inspections and reviews.

42 (e) Consulting with officials and auditors of the local
43 governmental entity or the district school board and the
44 appropriate state officials regarding any steps necessary to
45 bring the books of account, accounting systems, financial
46 procedures, and reports into compliance with state requirements.

47 (f) Providing technical assistance to the local
48 governmental entity or the district school board.

49 (g) ~~1. Establishing and empowering a financial emergency~~
50 ~~board to oversee the activities of the local governmental entity~~
51 ~~or the district school board as set forth in subsection (4). ~~If~~~~
52 ~~a financial emergency board is established for a local~~
53 ~~governmental entity, the Governor shall appoint board members~~
54 ~~and select a chair. If a financial emergency board is~~
55 ~~established for a district school board, the State Board of~~
56 ~~Education shall appoint board members and select a chair. The~~
57 ~~financial emergency board shall adopt such rules as are~~
58 ~~necessary for conducting board business. The board may:~~

59 ~~a. Make such reviews of records, reports, and assets of the~~
60 ~~local governmental entity or the district school board as are~~
61 ~~needed.~~

62 ~~b. Consult with officials and auditors of the local~~
63 ~~governmental entity or the district school board and the~~
64 ~~appropriate state officials regarding any steps necessary to~~
65 ~~bring the books of account, accounting systems, financial~~
66 ~~procedures, and reports of the local governmental entity or the~~
67 ~~district school board into compliance with state requirements.~~

68 ~~e. Review the operations, management, efficiency,~~



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69 ~~productivity, and financing of functions and operations of the~~
70 ~~local governmental entity or the district school board.~~

71 ~~d. Consult with other governmental entities for the~~
72 ~~consolidation of all administrative direction and support~~
73 ~~services, including, but not limited to, services for asset~~
74 ~~sales, economic and community development, building inspections,~~
75 ~~parks and recreation, facilities management, engineering and~~
76 ~~construction, insurance coverage, risk management, planning and~~
77 ~~zoning, information systems, fleet management, and purchasing.~~

78 ~~2. The recommendations and reports made by the financial~~
79 ~~emergency board must be submitted to the Governor for local~~
80 ~~governmental entities or to the Commissioner of Education and~~
81 ~~the State Board of Education for district school boards for~~
82 ~~appropriate action.~~

83 (h) Requiring and approving a plan, to be prepared by
84 officials of the local governmental entity or the district
85 school board in consultation with the appropriate state
86 officials, prescribing actions that will cause the local
87 governmental entity or district school board to no longer be
88 subject to this section. The plan must include, but need not be
89 limited to:

90 1. Provision for payment in full of obligations outlined in
91 subsection (1), designated as priority items, which are
92 currently due or will come due.

93 2. Establishment of priority budgeting or zero-based
94 budgeting in order to eliminate items that are not affordable.

95 3. The prohibition of a level of operations which can be
96 sustained only with nonrecurring revenues.

97 4. Provisions implementing the consolidation, sourcing, or



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98 discontinuance of all administrative direction and support
99 services, including, but not limited to, services for asset
100 sales, economic and community development, building inspections,
101 parks and recreation, facilities management, engineering and
102 construction, insurance coverage, risk management, planning and
103 zoning, information systems, fleet management, and purchasing.

104 (4) (a) Any financial board established must consist of an
105 odd number of members comprised of at least 7 but not more than
106 13 members.

107 1. If a financial emergency board is established for a
108 local governmental entity, the President of the Senate and the
109 Speaker of the House of Representatives shall each nominate five
110 individuals as candidates for appointment to the board. The
111 Governor shall choose two candidates from each list and appoint
112 them as four of the members of the board. The Governor shall
113 appoint the remainder of the board members and shall designate
114 the chair of the board.

115 2. If a financial emergency board is established for a
116 district school board, the President of the Senate, the Speaker
117 of the House of Representatives, and the State Board of
118 Education shall each nominate five individuals as candidates for
119 appointment to the board. The Governor shall choose two
120 candidates from each list and appoint them as six of the members
121 to the board. The State Board of Education shall appoint the
122 remainder of the board members and shall designate the chair of
123 the board.

124 (b) Appointees to a financial emergency board should
125 collectively possess the knowledge, skills, and competencies
126 needed to perform their individual responsibilities and



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127 accomplish the mission of the financial emergency board,
128 including, but not limited to, internal quality control,
129 finance, business administration, and public works. The chair of
130 the financial emergency board must have experience in at least
131 one of the following positions or areas:

- 132 1. Inspector general.
- 133 2. Supervisory experience in an office of inspector general
134 or an investigative public agency similar to an office of
135 inspector general.
- 136 3. Local, state, or federal law enforcement officer.
- 137 4. Local, state, or federal court judge.
- 138 5. Senior-level auditor or comptroller.
- 139 6. The administration and management of complex audits and
140 investigations.
- 141 7. Managing programs for prevention, examination,
142 detection, elimination of fraud, waste, abuse, mismanagement,
143 malfeasance, or misconduct in government or other organizations.
- 144 8. Certified fraud examiner.

145 (c) The financial emergency board shall have access to
146 records, data, and other information of the local governmental
147 entity or the district school board that the board deems
148 necessary to carry out its duties and shall be given the
149 technical and financial resources necessary to complete those
150 duties. The financial emergency board shall adopt such rules as
151 are necessary for conducting board business. The board may:

- 152 1. Hire or retain legal counsel.
- 153 2. Obtain external advice and assistance if the financial
154 emergency board or the staff of the entity under review lacks
155 the knowledge, skills, or other competencies needed to perform



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156 all or part of the duties necessary to resolve the financial
157 emergency conditions.

158 3. Request and obtain assistance from any federal agency,
159 state agency, or local entity.

160 4. Issue and serve subpoenas or subpoenas duces tecum to
161 compel the attendance of witnesses and the production of
162 documents, reports, answers, records, accounts, and data in any
163 format. In the event of noncompliance with a subpoena issued
164 pursuant to this subparagraph, the chair of the financial
165 emergency board may petition the circuit court of the county for
166 an order requiring the subpoenaed person to appear and testify
167 and to produce documents.

168 5. Require a person to file a statement in writing, under
169 oath, as to all the facts and circumstances concerning the
170 matter to be audited, examined, or investigated.

171 6. Make such reviews of records, reports, and assets of the
172 local governmental entity or the district school board as are
173 needed.

174 7. Consult with officials and auditors of the local
175 governmental entity or the district school board and the
176 appropriate state officials regarding any steps necessary to
177 bring the books of account, accounting systems, financial
178 procedures, and reports of the local governmental entity or the
179 district school board into compliance with state requirements.

180 8. Review the operations, management, efficiency,
181 productivity, and financing of functions and operations of the
182 local governmental entity or the district school board.

183 9. Consult with other governmental entities for the
184 consolidation of all administrative direction and support



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185 services, including, but not limited to, services for asset
186 sales, economic and community development, building inspections,
187 parks and recreation, facilities management, engineering and
188 construction, insurance coverage, risk management, planning and
189 zoning, information systems, fleet management, and purchasing.

190 (d)1. Each recommendation and report made by the financial
191 emergency board addressing a local entity must be submitted to
192 the Governor, the President of the Senate, the Speaker of the
193 House of Representatives, the Legislative Auditing Committee,
194 and the local governmental entity under review.

195 2. Each recommendation and report made by the financial
196 emergency board addressing a district school board must be
197 submitted to the Governor, the President of the Senate, the
198 Speaker of the House of Representatives, the Legislative
199 Auditing Committee, the district school board under review, the
200 Commissioner of Education, and the State Board of Education for
201 appropriate action.

202 (e) If a local governmental entity or the district school
203 board, as appropriate, fails to remedy or take action on
204 recommendations made in any report submitted under paragraph (d)
205 within 60 days after receiving the recommendations, a member of
206 the governing body of the local governmental entity or the
207 district school board, as appropriate, who failed to vote
208 affirmatively to remedy or take action on the recommendations is
209 subject to suspension from office by the Governor for
210 malfeasance and misfeasance in office.

211
212 ===== T I T L E A M E N D M E N T =====

213 And the title is amended as follows:



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214 Delete lines 8 - 19
215 and insert:
216 on a financial emergency board; specifying the manner
217 of appointing members to the board; providing
218 qualifications of members and the chair of the board;
219 revising the information to which the board has
220 access; requiring the adoption of rules to conduct
221 board business; authorizing the board to hire or
222 retain legal counsel; requiring recommendations and
223 reports to be submitted to specified entities;
224 providing that certain board members of a local
225 governmental entity or district school board who fail
226 to vote affirmatively to take certain actions in
227 certain circumstances are subject to suspension by the
228 Governor; amending s. 218.504, F.S.; conforming