

1 A bill to be entitled
2 An act relating to special district accountability;
3 creating s. 189.0695, F.S.; defining the term
4 "performance review"; requiring certain independent
5 special districts to contract with an independent
6 entity to conduct performance reviews; providing an
7 exception; specifying the frequency of such reviews;
8 requiring the Office of Program Policy Analysis and
9 Governmental Accountability to conduct performance
10 reviews of certain classifications of independent
11 special districts; providing criteria for contracting
12 for such reviews; requiring the performance reviews to
13 be reported by a time certain to specified entities;
14 amending s. 218.32, F.S.; requiring additional
15 information to be provided by special districts in
16 their annual reports; amending s. 218.39, F.S.;
17 requiring certain data be included in financial audits
18 of special districts; requiring certain community
19 redevelopment agencies to file separate audited
20 financial statements; providing an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Section 189.0695, Florida Statutes, is created
25 to read:

26 189.0695 Independent special districts; performance
27 reviews.—

28 (1) For purposes of this section, the term "performance
29 review" means an evaluation of an independent special district
30 and its programs, activities, and functions. The term includes
31 research and analysis of the following:

32 (a) The special district's purpose and goals as stated in
33 its charter.

34 (b) The special district's goals and objectives for each
35 program and activity, the problem or need that the program or
36 activity was designed to address, the expected benefits of each
37 program and activity, and the performance measures and standards
38 used by the special district to determine if the program or
39 activity achieves the district's goals and objectives.

40 (c) The delivery of services by the special district,
41 including alternative methods of providing those services that
42 would reduce costs and improve performance.

43 (d) A comparison of similar services provided by the
44 county and municipal governments located wholly or partially
45 within the boundaries of the special district, including
46 similarities and differences in services, relative costs and
47 efficiencies, and possible service consolidations.

48 (e) The revenues and costs of programs and activities of
49 the special district, using data from the current year and the
50 previous 3 fiscal years.

51 (f) The extent to which the special district's goals and
52 objectives have been achieved.

53 (g) Any performance measures and standards of the special
54 district's program and activities using data from the current
55 year and the previous 3 fiscal years.

56 (h) Factors that have contributed to any failure to meet
57 the special district's performance measures and standards or
58 achieve the district's goals and objectives.

59 (i) Recommendations for statutory or budgetary changes to
60 improve the special district's program operations, reduce costs,
61 or reduce duplication.

62 (2) (a) Each independent special district as described in
63 subparagraph (d)1. that is not located in a rural area of
64 opportunity as defined in s. 288.0656(2) and each independent
65 special district as described in subparagraph (d)2. must
66 contract with an independent entity to conduct a performance
67 review of the district. The independent entity must have at
68 least 5 years of experience conducting performance reviews of
69 organizations similar in size and function to the independent
70 special district under review, must conduct the review according
71 to applicable industry best practices, and must have no
72 affiliation with or financial involvement in the reviewed
73 district.

74 (b) The Office of Program Policy Analysis and Government
75 Accountability must conduct a performance review of each

76 independent special district as described in subparagraph (d)1.
77 that is located in a rural area of opportunity as defined in s.
78 288.0656(2) and may contract as needed to complete this
79 requirement.

80 (c) The final report of the performance review must be
81 filed with the governing board of the district, the Auditor
82 General, the President of the Senate, and the Speaker of the
83 House of Representatives no later than 9 months from the
84 beginning of the district's fiscal year according to the
85 schedule provided in paragraph (d). However, a performance audit
86 of an independent special district conducted by the Auditor
87 General during the same fiscal year in which a performance
88 review is due pursuant to paragraph (d) qualifies as that
89 district's scheduled performance review under this section.

90 (d)1. Beginning October 1, 2022, and every 5 years
91 thereafter, each independent special fire control district as
92 defined in s. 191.003, must have a performance review conducted.

93 2. Beginning October 1, 2023, and every 5 years
94 thereafter, each hospital licensed under chapter 395 which is
95 governed by the governing body of a special district as defined
96 in s. 189.012 or by the board of trustees of a public health
97 trust created under s. 154.07, must have a performance review
98 conducted.

99 (3) The Office of Program Policy Analysis and Government
100 Accountability must conduct a performance review of all

101 independent special districts within the classifications
 102 described in paragraphs (a) and (b) and may contract as needed
 103 to complete the requirements of this subsection. The Office of
 104 Program Policy Analysis and Government Accountability shall
 105 submit the final report of the performance review to the
 106 President of the Senate and the Speaker of the House of
 107 Representatives as follows:

108 (a) For all independent mosquito control districts as
 109 defined in s. 388.011, no later than September 30, 2023.

110 (b) For all soil and water conservation districts as
 111 defined in s. 582.01, no later than September 30, 2024.

112 Section 2. Paragraph (e) of subsection (1) of section
 113 218.32, Florida Statutes, is amended to read:

114 218.32 Annual financial reports; local governmental
 115 entities.—

116 (1)(e)1. Each local governmental entity that is not
 117 required to provide for an audit under s. 218.39 must submit the
 118 annual financial report to the department no later than 9 months
 119 after the end of the fiscal year. The department shall consult
 120 with the Auditor General in the development of the format of
 121 annual financial reports submitted pursuant to this paragraph.
 122 The format must include balance sheet information used by the
 123 Auditor General pursuant to s. 11.45(7)(f). The department must
 124 forward the financial information contained within the annual
 125 financial reports to the Auditor General in electronic form.

126 This paragraph does not apply to housing authorities created
127 under chapter 421.

128 2. The annual financial report filed by a dependent
129 special district or an independent special district shall
130 specify separately:

131 a. The total number of district employees compensated in
132 the last pay period of the district's fiscal year being
133 reported.

134 b. The total number of independent contractors to whom
135 nonemployee compensation was paid in the last month of the
136 district's fiscal year being reported.

137 c. All compensation earned by or awarded to employees,
138 whether paid or accrued, regardless of contingency.

139 d. All compensation earned by or awarded to nonemployee
140 independent contractors, whether paid or accrued, regardless of
141 contingency.

142 e. Each construction project with a total cost of at least
143 \$65,000 approved by the district that is scheduled to begin on
144 or after October 1 of the fiscal year being reported, together
145 with the total expenditures for such project.

146 3. The annual financial report of a dependent special
147 district or an independent special district amending a final
148 adopted budget under s. 189.016(6) must include a budget
149 variance report based on the budget adopted under s. 189.016(4)
150 before the beginning of the fiscal year being reported.

151 4. The annual financial report of an independent special
152 district that imposes ad valorem taxes shall include the millage
153 rate or rates imposed by the district, the total amount of ad
154 valorem taxes collected by or on behalf of the district, and the
155 total amount of outstanding bonds issued by the district and the
156 terms of such bonds.

157 5. The annual financial report of an independent special
158 district that imposes non-ad valorem special assessments shall
159 include the rate or rates of such assessments imposed by the
160 district, the total amount of special assessments collected by
161 or on behalf of the district, and the total amount of
162 outstanding bonds issued by the district and the terms of such
163 bonds.

164 Section 3. Paragraph (h) of subsection (1) of section
165 218.39, Florida Statutes, is redesignated as paragraph (i),
166 subsection (3) of that section is amended, and a new paragraph
167 (h) is added to subsection (1), to read:

168 218.39 Annual financial audit reports.—

169 (1) If, by the first day in any fiscal year, a local
170 governmental entity, district school board, charter school, or
171 charter technical career center has not been notified that a
172 financial audit for that fiscal year will be performed by the
173 Auditor General, each of the following entities shall have an
174 annual financial audit of its accounts and records completed
175 within 9 months after the end of its fiscal year by an

176 independent certified public accountant retained by it and paid
 177 from its public funds:

178 (h) As required by s. 163.387(8)(a), each community
 179 redevelopment agency with revenues or a total of expenditures
 180 and expenses in excess of \$100,000, as reported on the trust
 181 fund financial statements.

182 (3)(a) A dependent special district, excluding a community
 183 redevelopment agency with revenues or a total of expenditures
 184 and expenses in excess of \$100,000, as reported on the trust
 185 fund financial statements, may provide for an annual financial
 186 audit by being included in the audit of the local governmental
 187 entity upon which it is dependent. An independent special
 188 district may not make provision for an annual financial audit by
 189 being included in the audit of another local governmental
 190 entity.

191 (b) A special district that is a component unit, as
 192 defined by generally accepted accounting principles, of a local
 193 governmental entity shall provide the local governmental entity,
 194 within a reasonable time period as established by the local
 195 governmental entity, with financial information necessary to
 196 comply with this section. The failure of a component unit to
 197 provide this financial information must be noted in the annual
 198 financial audit report of the local governmental entity.

199 (c) The financial audit of a dependent special district or
 200 of an independent special district, or the financial audit of a

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201 local governmental entity that includes the information of a
202 dependent special district as provided in paragraph (a) of this
203 subsection, shall separately include and specify the information
204 required in s. 218.32(1)(e)2.-5.

205 Section 4. This act shall take effect October 1, 2021.