



Florida School Boards Association

The voice of education in Florida.

Summary of HB 1279 – School District Accountability

HB 1279 – School District Accountability

By Rep. Sullivan (*SB 1804 by Sen. Stargel*)

AMENDS: Sections 11.45, 112.313, 112.31455, 1001.20, 1001.39, 1001.395, 1001.42, 1010.20, 1010.30, 1011.01, 1011.03, 1011.035, 1011.051, 1011.09, 1011.10, 1011.60, 1012.23, 1002.395, F.S.

REPEALS: Section 1011.64, F.S.

EFFECTIVE: July 1, 2019, except as otherwise expressly provided

This bill has school board policy implications

The bill imposes stringent requirements intended to improve school district fiscal accountability and transparency and revises provisions relating to ethical conduct and personnel.

Fiscal Accountability & Transparency (*Bill Sections 1, 4, 5, 7, 8, 9, 12, 18*)

The bill amends s. 11.45, F.S., relating to duties of the Auditor General (AG), to:

- Require the AG to contact the district school board with the findings and recommendations contained in the AG's operational audit report.
- Require the district school board to provide the AG with evidence of the of the initiation of corrective action within 45 days after the date it is requested by the AG and evidence of completion of corrective action within 180 days
- Require the AG to notify the Legislative Auditing Committee if the district school board fails to comply with the request or is unable to take corrective action within the required timeframe.

The bill amends s. 1010.30, F.S., relating to required audits, to:

- Replace the term "finding" with "deficiency or material weakness" as it relates to required audits of school districts, Florida Collage System institutions and other institutions and agencies under the supervision of the State Board of Education and state universities under the supervision of the Board of Governors.
- Require, in the audit overview, a description of the corrective action to be taken and a timeline for completion of such described action.

The bill amends s. 1001.20, F.S., relating to the Office of Inspector General (IG) within the DOE, to require the IG to investigate allegations or reports of possible fraud or abuse against a district school board made by any member of the Cabinet, the presiding officer of either house of the Legislature, a chair of a substantive or appropriations committee with jurisdiction, or a member of the school board for which an investigation is sought.

The bill amends s. 1001.39, F.S., relating to school board member travel expenses, to:

- Provide that any travel outside the district that exceeds \$500 requires prior approval by the district school board to confirm that such travel is for official business of the school district and complies with SBE rules.
- Provide that any request for travel outside the state must include an itemized list detailing all anticipated travel expenses, including, but not limited to, the anticipated costs of all means of travel, lodging, and subsistence.
- Require that the public have an opportunity to speak about the specific travel agenda item immediately preceding the out-of-state travel request.

The bill amends s. 1001.42, F.S., relating to the powers and duties of district school board with regard to finance, to:

- Replace the term “school administrators” with the term “administrative personnel” throughout the section of law.
- Provide that an individual school board member may request and shall receive any proposed, tentative, and official budget documents, including all supporting and background information.
- Require a school district receiving annual federal, state, and local funds in excess of \$500 million to employ an internal auditor.
- Provide that the scope of the internal auditor shall not be restricted and shall include every functional and program area of the school system.
- Require the internal auditor to perform a comprehensive risk assessment of all areas of the school system every five years and perform other audits and reviews as the district school board directs.
- Require the internal auditor to prepare audit reports of his or her findings and report directly to the district school board or its designee.
- Provide that any person responsible for furnishing or producing any book, record, paper, document, data, or sufficient information necessary to conduct a proper audit or examination which the internal auditor is authorized by law to perform is subject to the provisions of s. 11.47, F.S., that specify that an individual who fails or refuses to furnish specific information is guilty of a first degree misdemeanor and an officer is subject to removal from office.

The bill amends s. 1010.20, F.S., relating to cost accounting and reporting, to:

- Require each district to report to the FDOE on a school-by-school and on an aggregate district basis total operating expenditures for:
 - Each program funded in s. 1011.62(1)(c), F.S., which includes basic programs, programs for exceptional students, secondary career education programs, and ESOL programs.
 - Total operating costs as reported pursuant to s. 1010.215, F.S., relating to personnel costs.
 - Expenditures for classroom instruction pursuant to the calculation in s. 1010.215(4)(b)1. and 2., F.S., relating to instruction and instructional support.
- Require FDOE to:
 - Categorize all public schools and districts into groups based primarily on average full-time equivalent student enrollment to determine groups of peer schools and districts.
 - Annually calculate for each public school, district, and for the entire state, the percentage of classroom expenditures to total operating expenditures.
 - Develop a web-based fiscal transparency tool that identifies public schools and districts that produce high academic achievement based on the ratio of classroom instruction expenditures to total expenditures to determine the financial efficiency of each public school and district. The results must be displayed in an easy to use format that enables the user to compare performance among public schools and districts.

The bill amends s. 1011.035, F.S., relating to school district fiscal transparency, to:

- Require the school district to post online a variety of graphical representations for each public school within a district and for the school district that provide financial efficiency data and fiscal trend information for the previous three years.
- Require a link to the web-based fiscal transparency tool required by s. 1010.20, F.S., (described above) to enable taxpayers to evaluate financial efficiency of the school district with other similarly situated school districts.

The bill repeals s. 1011.64, F.S., relating to school district minimum classroom expenditure requirements. Sections 11 and 17 of the bill amend statutes to delete references to this section to conform with this repeal.

Fiscal Conditions (Bill Sections 13, 14, 15, 16)

The bill amends s. 1011.051, F.S., relating to guidelines for general funds, to require the superintendent to reduce the district's administrative expenditures in proportion to the reduction in the general fund's ending balance or the reduction in student enrollment – whichever is greater – if the ending fund balance falls below 3 percent.

In addition, this section is amended to require, when a financial condition identified in s. 218.503(1), F.S., existed in the 2015-16 school year, or thereafter, that the department contract with an independent third party to conduct an investigation of all accounts and records to determine the cause of deficit, the efforts made to avoid the deficit and whether any conditions identified in s. 1011.10, F.S., have occurred. The results from the investigation must include recommendations for corrective action and controls to avoid a reoccurrence of future budget shortfall. The contracted independent third party must provide a final report to the district school board, FDOE, the Legislative Auditing Committee, and the district's financial emergency board. **[NOTE: Section 21 of the bill provides \$100,000 to DOE to implement this provision. This investigation and this appropriation are the only provisions of this bill that are effective July 1, 2018. All other provisions are effective July 1, 2019.]**

The bill amends s. 1011.06, F.S., relating to expenditures, to require the school board to be in compliance with the requirements limiting expenditures for travel outside the district and cell phone service in order to exceed an amount budgeted by function and object. In addition, the expenditure must be approved by amending the budget at the next scheduled public meeting. The school board must provide a full explanation of any amendments at the next public meeting.

The bill amends s. 1011.09, F.S., relating to expenditure of funds by district school board, to provide that, if financial conditions in s. 1011.051 exist (ending fund balance projected to fall below 3 or 2 percent), the school board may not make expenditures for out of district travel or cell phone service while the financial conditions exist. Current law was limited to the 2009-2010 fiscal year and for out of state travel.

The bill amends s. 1011.10, F.S., relating to penalty, to provide that if any of the conditions identified in the determination of a financial emergency [per s. 218.503(1), F.S.] exist, the salary of each board member and superintendent must be withheld until the conditions are corrected. This penalty does not apply to a school board member or superintendent elected or appointed within 1 year after the identification of the conditions if he or she did not participate in the approval or preparation of the final budget adopted before the identification of such conditions.

Ethical Conduct (Bill Sections 2, 3, 7)

The bill amends s. 112.313, F.S., relating to standards of conduct, to:

- Add "appointed superintendents of a school district" to the list of persons who may not personally represent another person or entity for compensation before the government body or agency of which the person was an officer for a period of 2 years after vacating that office.

The bill amends s. 112.31455, F.S., relating to collection of fines for failure to timely file disclosure of financial interests, to:

- Add "district school board" to the list of current public officers and current public employees who are subject to fines for failure to file the disclosure of financial interests.
- Require the district school board to begin withholding the lesser of 10% or the maximum allowed under federal law from any salary related payment in an effort to collect unpaid fines for failure to timely file the disclosure of financial interest.
- Permit the district school board to retain up to \$5 for the first withholding of salary and up to \$2 for each withholding thereafter [per s. 77.0305, F.S.] to cover the administrative costs.

The bill amends s. 1001.42, F.S., relating to the powers and duties of district school board with regard to ethical conduct, to:

- Require that, in addition to instructional personnel, adopted policies for ethical conduct apply to administrative personnel and school officers.
- Require the administrative personnel and school officers to complete training on ethics standards, and establish their duty and procedures to report alleged misconduct of other administrative personnel and school officers that affect the health, safety or welfare of a student.
- Prohibit a district school board from entering into a confidentiality agreement about terminated or dismissed administrative personnel and school officers in lieu of termination based in whole or part on misconduct that affects the health, safety, or welfare of a student.
- Prohibit a district school board from providing employment references or discussing the school officers' performance with prospective employers' in an educational setting without disclosing the officers' misconduct.
- Provide that a contract or agreements with administrative personnel or school officers for the purpose or concealing misconduct that affects the health, safety or welfare of a student to be void and unenforceable.
- Disqualify administrative personnel from employment in any position that requires direct contact with students, if the administrative personnel are ineligible for employment according to s. 1012.315, F.S., relating to disqualification from employment.
- Require an elected or appointed school board official to forfeit his or her salary for one year, if the board official knowingly signs and transmits any state official a report of alleged misconduct by administrative personnel that affects the health, safety, or welfare of a student and the school board knows the report to be false or incorrect.
- Disqualify the school board official from employment who knowingly fails to adopt policies requiring the administrative personnel to report alleged misconduct by other administrative personnel, or require an investigation of all reports of alleged misconduct by administrative personnel if the misconduct affects the health, safety or welfare of a student.

Personnel Issues (Bill Sections 6, 19)

The bill amends s. 1001.395, F.S., relating to school board member compensation, to delete an expired provision and, thus, reinstate the requirement that the salary of each district school board member shall be the amount calculated pursuant to established statutory formula or the district's beginning salary for teachers who hold baccalaureate degrees, whichever is less.

The bill amends s. 1012.23, F.S., relating to school district personnel policies, to:

- Prohibit the district school superintendent from appointing or employing a relative, as defined by s. 112.3135, F.S., to work under the direct supervision of that district school board member or district school superintendent.
- Provide that this provision does not apply to employees appointed and employed before the election or appointment of a school board member or district school superintendent.
- Require the Commission on Ethics to accept and investigate any alleged violations of this provision.