

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 1468

INTRODUCER: Senator Galvano

SUBJECT: Education

DATE: March 31, 2017

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Bouck	Graf	ED	Pre-meeting
2.		AED	
3.		AP	

I. Summary:

SB 1468 codifies responsibilities for the Auditor General and the Florida Polytechnic University and adds an authority to the Commissioner of Education's powers and duties. Specifically, the bill:

- Codifies the requirement for the Auditor General to conduct financial audits of accounts and records of the Florida School for the Deaf and the Blind.
- Codifies the December 31, 2017, deadline by which the Florida Polytechnic University must meet the criteria established in law.
- Authorizes the Commissioner of Education to coordinate, in the event of an emergency, with school districts, Florida College System institutions, and the satellite offices of the Division of Vocational Rehabilitation and the Division of Blind Services to assess their needs for resources to enable such entities to reopen as soon as possible after considering the health, safety, and welfare of students and clients.

The bill takes effect on July 1, 2017.

II. Present Situation:

Auditor General

The Auditor General (AG) serves at the pleasure of the Legislature to audit records and perform related duties as prescribed by law.¹ The AG performs his or her duties independently but under

¹ Art. III, s. 2, Fla. Const. See also s. 11.42(2), F.S.

the general policies established by the Legislative Auditing Committee (LAC)².³ The AG is required to annually conduct financial audits⁴ of:

- State government;
- All state universities and state colleges;
- The accounts and records of all district school boards in counties with populations of fewer than 150,000, and the Florida School for the Deaf and the Blind⁵; and
- Once every 3 years, the accounts and records of all district school boards in counties that have populations of 150,000 or more.⁶

Each required financial audit, when practicable, must be completed within nine months following the end of each audited fiscal year of the state agency or political subdivision.⁷

The AG must notify the LAC of any local governmental entity, district school board, charter school, or charter technical career center that does not comply with reporting requirements relating to annual financial audits.⁸

Florida School for the Deaf and Blind

The Florida School for the Deaf and the Blind (School) is a state-supported residential public school for hearing-impaired and visually impaired students in preschool through 12th grade.⁹ The school is a component of the delivery of public education within Florida's K-20 education system and is funded through the Department of Education (DOE or department).¹⁰

² The Legislative Auditing Committee may take under investigation any matter within the scope of an audit, review, or examination completed or being conducted by the Auditor General or the Office of Program Policy Analysis and Government Accountability, and, in connection with such investigation, may exercise the powers of subpoena by law vested in a standing committee of the Legislature. Section 11.40(1), F.S.

³ Section 11.45(2)(k), F.S.

⁴ "Financial audit" means an examination of financial statements in order to express an opinion on the fairness with which they are presented in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Financial audits must be conducted in accordance with auditing standards generally accepted in the United States and government auditing standards as adopted by the Board of Accountancy. When applicable, the scope of financial audits shall encompass the additional activities necessary to establish compliance with the Single Audit Act Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other applicable federal law. Section 11.45(1)(c).

⁵ The Florida School for the Deaf and the Blind was added by the bill implementing the 2016-2017 General Appropriations Act. Sec. 5, ch. 2016-62, L.O.F.

⁶ 11.45(2)(b)-(e), F.S.

⁷ Section 11.45(4), F.S. Or lesser time provided in law, concurrent resolution, or the Legislative Auditing Committee; however, the AG may postpone audits or other engagements based on an assessment of resources. *Id.*

⁸ Section 11.45(7)(a), F.S. The criteria for financial audit reports are in s. 218.39, F.S.

⁹ Section 1002.36(1), F.S.

¹⁰ *Id.* The Legislature appropriates fixed capital outlay moneys to the School on an annual basis from the Public Education Capital Outlay and Debt Service Trust Fund pursuant to Article XII, Section 9(a)(2) of the State Constitution.

The School operates under the leadership and direction of its board of trustees (board).¹¹ The board adopts rules, subject to the approval of the State Board of Education (SBE), as it considers necessary to operate the School in conjunction with the rules of the SBE.¹²

Board authority includes, but is not limited to:

- Provide for the proper keeping of accounts and records and for budgeting of funds.
- Enter into contracts.
- Receive gifts, donations, and bequests of money or property, real or personal, tangible or intangible, from any person, firm, corporation, or other legal entity.
- Sell or convey by bill of sale, deed, or other legal instrument any property, real or personal, received as a gift, donation, or bequest, upon such terms and conditions as the board of trustees deems to be in the best interest of the school and its students; and invest¹³ such moneys.
- Approve and administer an annual operating budget in accordance with law.¹⁴

The School received State operating appropriations of \$45,703,627¹⁵ and Public Education Capital Outlay appropriations of \$9,074,268¹⁶ for the 2016-17 fiscal year.

Florida Polytechnic University

In 2012,¹⁷ the Legislature created the Florida Polytechnic University (FPU) as a state university.¹⁸ By December 31, 2017,¹⁹ FPU must:

- Achieve accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;
- Initiate the development of the new programs in the fields of science, technology, engineering, and mathematics;
- Seek discipline-specific accreditation for programs;

¹¹ Section 1002.36(4), F.S. The School board of trustees consists of seven members who are appointed by the Governor and confirmed by the Senate. One of its members must be a blind person, and one must 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.

¹² Section 1002.36(4)(c), F.S.

¹³ In securities enumerated under s. 215.47(1), (2)(c), (3), (4), and (10), and in The Common Fund, an Investment Management Fund exclusively for nonprofit educational institutions.

¹⁴ See sections 1011.56 and 1011.57, F.S.

¹⁵ Specific Appropriation 26, General Appropriations Act, ch. 2016-66, L.O.F.

¹⁶ *Id.*

¹⁷ Sec. 1, ch. 2012-129, L.O.F.

¹⁸ Section 1000.21(6), F.S. Florida Polytechnic University is one of the 12 state universities in Florida. The other state universities are the University of Florida, Florida State University, Florida Agricultural and Mechanical University, the University of South Florida, Florida Atlantic University, the University of West Florida, the University of Central Florida, The University of North Florida, Florida International University, Florida Gulf Coast University, and New College of Florida.

¹⁹ The date by which Florida Polytechnic University must fulfill those criteria was modified from December 31, 2016 to December 31, 2017, by section 30 the implementing bill to the 2016-2017 General Appropriations Act.

- Attain a minimum FTE of 1,244, with a minimum 50 percent of that FTE in the fields of science, technology, engineering, and mathematics and 20 percent in programs related to those fields;
- Complete facilities and infrastructure, including the Science and Technology Building, Phase I of the Wellness Center, and a residence hall or halls containing no fewer than 190 beds; and
- Have the ability to provide, either directly or where feasible through a shared services model, administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.

Commissioner of Education

The Commissioner of Education (Commissioner) is appointed by the State Board of Education (SBE)²⁰ and serves as the Executive Director of the DOE.²¹ The Commissioner is the chief educational officer of the state, and is responsible for giving full assistance to the SBE in enforcing compliance with the mission and goals of the K-20 education system except for the State University System.²² The commissioner's office operates all statewide functions necessary to support the State Board of Education, including strategic planning and budget development, general administration, assessment, and accountability.²³

The DOE is responsible to coordinate, when necessary, the use of educational facilities during emergency activations among federal and state agencies, local school districts, colleges and universities.²⁴ The DOE also serves as the primary liaisons in coordinating all phases of emergency response from pre-disaster planning through post disaster recovery of educational facilities.²⁵

The DOE has a process in place to gather information from superintendents, Florida College System institution presidents, VR directors, and Blind Services directors when an emergency situation has occurred and a process to report the needs.²⁶ DOE staff members are assigned to serve as contacts (called "Emergency Buddies") to all school districts and colleges.²⁷ In an emergency situation, the Commissioner activates the Emergency Buddies for the affected areas of the state. The Emergency Buddies contact their assigned districts and colleges and collect specific information.²⁸ The headquarters offices for the Divisions of Blind Services and Vocational Rehabilitation perform the same function for their offices²⁹. The information from

²⁰ Art. IX, Sec. 2, Fla. Const.

²¹ Section 20.15(2), F.S.

²² Section 1001.10(1), F.S.

²³ Section 1001.10(2), F.S.

²⁴ Florida Division of Emergency Management, *The State of Florida 2016 Comprehensive Emergency Management Plan, 2016 Draft Revision*, [http://www.floridadisaster.org/documents/CEMP/2016/2016%20State%20CEMP%20\(COMPLETE%20FINAL%20DRAFT\).pdf](http://www.floridadisaster.org/documents/CEMP/2016/2016%20State%20CEMP%20(COMPLETE%20FINAL%20DRAFT).pdf), at ESF 6 Appendix, p. 10.

²⁵ *Id.*

²⁶ Email, Florida Department of Education (March 17, 2017).

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

each specified education sector is provided to the department's emergency management staff to be compiled into a summary report for the Commissioner.³⁰

III. Effect of Proposed Changes:

SB 1468 codifies responsibilities for the Auditor General and the Florida Polytechnic University and adds an authority to the Commissioner of Education's powers and duties.

Auditor General

The bill codifies the requirement for the Auditor General to conduct financial audits of accounts and records of the Florida School for the Deaf and the Blind.

Florida Polytechnic University

The bill codifies the December 31, 2017, deadline by which the Florida Polytechnic University must meet the criteria established in law.³¹

Commissioner of Education

The bill clarifies the Commissioner of Education's (Commissioner) authority and responsibility for supporting all sectors during an emergency and will be helpful in securing necessary information in a timely manner before, during, and after any emergency situation.³² Further, the bill emphasizes that all sectors should work with the Commissioner to assess needs and direct resources needed to return the facilities to operation as quickly as possible.³³

The bill takes effect on July 1, 2017.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

³⁰ Email, Florida Department of Education (March 17, 2017).

³¹ Section 1004.345, F.S.

³² Email, Florida Department of Education (March 17, 2017).

³³ *Id.*

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 11.45, 1001.10, and 1004.345.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
