A bill to be entitled
An act relating to school district accountability;
amending s. 11.45, F.S.; revising the duties of the
Auditor General; amending s. 112.313, F.S.;
prohibiting former appointed district school
superintendents from conducting certain lobbying
activities; amending s. 112.31455, F.S.; requiring the
governing body of a district school board be notified
if an officer or employee of the body owes a certain
fine; requiring the governing body of a district
school board to take specified actions under such
circumstances; amending s. 1001.20, F.S.; requiring
the Office of Inspector General to investigate certain
allegations and reports made by specified individuals;
amending s. 1001.39, F.S.; requiring a district school
board member's travel outside of the school district
to be preapproved and meet certain criteria; amending
s. 1001.395, F.S.; providing that certain requirements
for the salaries of district school board members
apply every fiscal year, rather than one specific
fiscal year; amending s. 1001.42, F.S.; providing that
the standards of ethical conduct apply to
administrative personnel and school officers;
requiring employment of internal auditors in certain
school districts; revising provisions relating to the
duties of such internal auditors; amending s. 1010.20, F.S.; requiring each school district to report certain expenditures to the Department of Education; providing department responsibilities; amending s. 1010.30, F.S.; requiring certain entities to provide an audit overview under certain circumstances; providing the contents of the overview; amending ss. 1011.01 and 1011.03, F.S.; conforming cross-references; amending s. 1011.035, F.S.; requiring each district school board to post on its website certain graphical representations and a link to a certain web-based tool on the department's website; providing requirements for such graphical representations; amending s. 1011.051, F.S.; requiring a district school board to limit certain expenditures by a specified amount if certain financial conditions exist for a specified period of time; requiring the department to contract with a third party to conduct a forensic audit under certain circumstances; requiring the results of such audit to be provided to certain entities; amending s. 1011.06, F.S.; requiring each district school board to approve certain expenditures by amending its budget and provide a public explanation for such budget amendments; amending s. 1011.09, F.S.; providing certain expenditure limitations for a school district.
that meets specified criteria; amending s. 1011.10, F.S.; requiring certain school districts to withhold district school board member and school district superintendent salaries until certain conditions are met; amending s. 1011.60, F.S.; conforming cross-references; repealing s. 1011.64, F.S., relating to school district minimum classroom expenditure requirements; amending s. 1012.23, F.S.; prohibiting a school district superintendent and district school board from appointing or employing certain individuals in certain positions; providing an exception; requiring the Commission on Ethics to investigate alleged violations; providing an effective date.

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

Section 1. Paragraph (j) of subsection (2) of section 11.45, Florida Statutes, is amended to read:

11.45 Definitions; duties; authorities; reports; rules.—
(2) DUTIES.—The Auditor General shall:
(j) Conduct audits of local governmental entities when determined to be necessary by the Auditor General, when directed by the Legislative Auditing Committee, or when otherwise required by law. No later than 18 months after the release of the audit report, the Auditor General shall:
1. Perform such appropriate followup procedures as he or she deems necessary to determine the audited entity's progress in addressing the findings and recommendations contained within the Auditor General's previous report.

2. Perform such appropriate followup procedures to determine a district school board's progress in addressing findings and recommendations that require corrective action contained within the Auditor General's previous report. The Commissioner of Education shall be notified of the district school board's progress.

The Auditor General shall notify each member of the audited entity's governing body and the Legislative Auditing Committee of the results of his or her determination.

The Auditor General shall perform his or her duties independently but under the general policies established by the Legislative Auditing Committee. This subsection does not limit the Auditor General's discretionary authority to conduct other audits or engagements of governmental entities as authorized in subsection (3).

Section 2. Subsection (14) of section 112.313, Florida Statutes, is amended to read:

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—
LOBBYING BY FORMER LOCAL OFFICERS; PROHIBITION.—A person who has been elected to any county, municipal, special district, or school district office or appointed superintendent of a school district 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. For purposes of this subsection:

(a) The "government body or agency" of a member of a board of county commissioners consists of the commission, the chief administrative officer or employee of the county, and their immediate support staff.

(b) The "government body or agency" of any other county elected officer is the office or department headed by that officer, including all subordinate employees.

(c) The "government body or agency" of an elected municipal officer consists of the governing body of the municipality, the chief administrative officer or employee of the municipality, and their immediate support staff.

(d) The "government body or agency" of an elected special district officer is the special district.

(e) The "government body or agency" of an elected school district officer is the school district.

Section 3. Subsection (1) of section 112.31455, Florida Statutes, is amended to read:

112.31455 Collection methods for unpaid automatic fines
for failure to timely file disclosure of financial interests.—

(1) Before referring any unpaid fine accrued pursuant to s. 112.3144(5) or s. 112.3145(7) to the Department of Financial Services, the commission shall attempt to determine whether the individual owing such a fine is a current public officer or current public employee. If so, the commission may notify the Chief Financial Officer or the governing body of the appropriate county, municipality, district school board, or special district of the total amount of any fine owed to the commission by such individual.

(a) After receipt and verification of the notice from the commission, the Chief Financial Officer or the governing body of the county, municipality, district school board, or special district shall begin withholding the lesser of 10 percent or the maximum amount allowed under federal law from any salary-related payment. The withheld payments shall be remitted to the commission until the fine is satisfied.

(b) The Chief Financial Officer or the governing body of the county, municipality, district school board, or special district may retain an amount of each withheld payment, as provided in s. 77.0305, to cover the administrative costs incurred under this section.

Section 4. Paragraph (e) of subsection (4) of section 1001.20, Florida Statutes, is amended to read:

1001.20 Department under direction of state board.—
(4) The Department of Education shall establish the following offices within the Office of the Commissioner of Education which shall coordinate their activities with all other divisions and offices:

   (e) Office of Inspector General.—Organized using existing resources and funds and responsible for promoting accountability, efficiency, and effectiveness and detecting fraud and abuse within school districts, the Florida School for the Deaf and the Blind, and Florida College System institutions in Florida. If the Commissioner of Education determines that a district school board, the Board of Trustees for the Florida School for the Deaf and the Blind, or a Florida College System institution board of trustees is unwilling or unable to address substantiated allegations made by any person relating to waste, fraud, or financial mismanagement within the school district, the Florida School for the Deaf and the Blind, or the Florida College System institution, the office shall conduct, coordinate, or request investigations into such substantiated allegations. The office shall 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 board for which an investigation is sought. The office shall have access to all information and personnel necessary to
perform its duties and shall have all of its current powers, duties, and responsibilities authorized in s. 20.055.

Section 5. Subsection (1) of section 1001.39, Florida Statutes, is amended to read:

1001.39 District school board members; travel expenses.—
(1) In addition to the salary provided in s. 1001.395, each member of a district school board shall be allowed, from the district school fund, reimbursement of travel expenses as authorized in s. 112.061, except as provided that in subsection (2). Any travel outside the district requires prior approval by the district school board to confirm that such travel is for official business of the school district and complies with shall also be governed by the rules of the State Board of Education.

Section 6. Subsection (3) of section 1001.395, Florida Statutes, is amended to read:

1001.395 District school board members; compensation.—
(3) Notwithstanding the provisions of this section and s. 145.19, for the 2010-2011 fiscal year, the salary of each district school board member shall be the amount calculated pursuant to subsection (1) or the district's beginning salary for teachers who hold baccalaureate degrees, whichever is less.

Section 7. Subsections (6) and (7), paragraph (1) of subsection (12), and paragraph (b) of subsection (17) of section 1001.42, Florida Statutes, are amended to read:

1001.42 Powers and duties of district school board.—The

CODING: Words stricken are deletions; words underlined are additions.
district school board, acting as a board, shall exercise all powers and perform all duties listed below:

(6) STANDARDS OF ETHICAL CONDUCT FOR INSTRUCTIONAL PERSONNEL, ADMINISTRATIVE PERSONNEL, AND SCHOOL OFFICERS ADMINISTRATORS. — Adopt policies establishing standards of ethical conduct for instructional personnel, administrative personnel, and school officers administrators. The policies must require all instructional personnel, administrative personnel, and school officers administrators, as defined in s. 1012.01, to complete training on the standards; establish the duty of instructional personnel, administrative personnel, and school officers administrators to report, and procedures for reporting, alleged misconduct by other instructional or administrative personnel and school officers school administrators which affects the health, safety, or welfare of a student; and include an explanation of the liability protections provided under ss. 39.203 and 768.095. A district school board, or any of its employees, may not enter into a confidentiality agreement regarding terminated or dismissed instructional or administrative personnel or school officers administrators, or personnel or administrators who resign in lieu of termination, based in whole or in part on misconduct that affects the health, safety, or welfare of a student, and may not provide instructional personnel, administrative personnel, or school officers administrators with employment references or discuss
the personnel's or officers' administrators' performance with
prospective employers in another educational setting, without
disclosing the personnel's or officers' administrators'
misconduct. Any part of an agreement or contract that has the
purpose or effect of concealing misconduct by instructional
personnel, administrative personnel, or school officers
administrators which affects the health, safety, or welfare of a
student is void, is contrary to public policy, and may not be
enforced.

(7) DISQUALIFICATION FROM EMPLOYMENT.—Disqualify
instructional personnel and administrative personnel school
administrators, as defined in s. 1012.01, from employment in any
position that requires direct contact with students if the
personnel or administrators are ineligible for such employment
under s. 1012.315. An elected or appointed school board official
forfeits his or her salary for 1 year if:

(a) The school board official knowingly signs and
transmits to any state official a report of alleged misconduct
by instructional personnel or administrative personnel school
administrators which affects the health, safety, or welfare of a
student and the school board official knows the report to be
false or incorrect; or

(b) The school board official knowingly fails to adopt
policies that require instructional personnel and administrative
personnel school administrators to report alleged misconduct by
other instructional personnel and administrative personnel
school administrators, or that require the investigation of all
reports of alleged misconduct by instructional personnel and
administrative personnel school administrators, if the
misconduct affects the health, safety, or welfare of a student.

(12) FINANCE.—Take steps to assure students adequate
educational facilities through the financial procedure
authorized in chapters 1010 and 1011 and as prescribed below:

(1) Internal auditor.—May or, in the case of a school
district receiving annual federal, state, and local funds in
excess of $500 million, shall employ an internal auditor. The
duties of the internal auditor shall include oversight of every
functional and program area of the school system.

1. The internal auditor shall to perform ongoing financial
verification of the financial records of the school district, a
comprehensive risk assessment of all areas of the school system
every 5 years, and other audits and reviews as the district
school board directs for determining:

   a. The adequacy of internal controls designed to prevent
      and detect fraud, waste, and abuse.

   b. Compliance with applicable laws, rules, contracts,
      grant agreements, district school board-approved policies, and
      best practices.

   c. The efficiency of operations.

   d. The reliability of financial records and reports.
e. The safeguarding of assets.


g. Projected revenues and expenditures.

h. The rate of change in the general fund balance.

2. The internal auditor shall prepare audit reports of his or her findings and report directly to the district school board or its designee.

3. 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 by law authorized to perform is subject to the provisions of s. 11.47(3) and (4).

(17) PUBLIC INFORMATION AND PARENTAL INVOLVEMENT PROGRAM.—

(b) Adopt rules to strengthen family involvement and empowerment pursuant to s. 1002.23. The rules shall be developed in collaboration with administrative personnel school administrators, parents, teachers, and community partners.

Section 8. Subsection (2) of section 1010.20, Florida Statutes, is amended to read:

1010.20 Cost accounting and reporting for school districts.—

(2) COST REPORTING.—

(a) Each district shall report on a district-aggregate basis expenditures for inservice training pursuant to s. 1011.62(3) and for categorical programs as provided in s.
1011.62(6).

(b) Each district shall report to the department on a school-by-school and on an aggregate district basis expenditures for:

1. Each program funded in s. 1011.62(1)(c).
2. Total operating costs as reported pursuant to s. 1010.215.

3. Expenditures for classroom instruction pursuant to the calculation in s. 1010.215(4)(b)1. and 2.

(c) The department shall:

1. Categorize all public schools and districts into appropriate groups based primarily on average full-time equivalent student enrollment as reported on the most recent student membership survey under s. 1011.62 and in state board rule to determine groups of peer schools and districts.

2. Annually calculate for each public school, district, and for the entire state, the percentage of classroom expenditures to total operating expenditures reported in subparagraphs (b)2. and 3. The results shall be categorized pursuant to this paragraph.

3. Annually calculate for all public schools, districts, and the state, the average percentage of classroom expenditures to total operating expenditures reported in subparagraphs (b)2. and 3. The results shall be categorized pursuant to this paragraph.
4. 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. The fiscal transparency tool shall combine the data calculated pursuant to this paragraph with the student performance measurements calculated pursuant to s. 1012.34(7) to determine the financial efficiency of each public school and district. The results shall be displayed in an easy to use format that enables the user to compare performance among public schools and districts.

(d)(e) The Commissioner of Education shall present to the Legislature, prior to the opening of the regular session each year, a district-by-district report of the expenditures reported pursuant to paragraphs (a) and (b). The report shall include total expenditures, a detailed analysis showing expenditures for each program, and such other data as may be useful for management of the education system. The Commissioner of Education shall also compute cost factors relative to the base student allocation for each funded program in s. 1011.62(1)(c).

Section 9. Subsection (2) of section 1010.30, Florida Statutes, is amended to read:

1010.30 Audits required.—
(2) If an audit contains a significant deficiency or material weakness finding, the district school board, the Florida College System institution board of trustees, or the
university board of trustees shall conduct an audit overview during a public meeting. The audit overview shall describe the corrective action to be taken and a timeline for completion of such action.

Section 10. Paragraph (a) of subsection (3) of section 1011.01, Florida Statutes, is amended to read:

1011.01 Budget system established.—

(3)(a) Each district school board and each Florida College System institution board of trustees shall prepare, adopt, and submit to the Commissioner of Education an annual operating budget. Operating budgets shall be prepared and submitted in accordance with the provisions of law, rules of the State Board of Education, the General Appropriations Act, and for district school boards in accordance with the provisions of s. 200.065 ss. 200.065 and 1011.64.

Section 11. Subsection (2) of section 1011.03, Florida Statutes, is amended to read:

1011.03 Public hearings; budget to be submitted to Department of Education.—

(2) The advertisement of a district that has been required by the Legislature to increase classroom expenditures pursuant to s. 1011.64 must include the following statement: "This proposed budget reflects an increase in classroom expenditures as a percent of total current operating expenditures of XX percent over the (previous fiscal year)
fiscal year. This increase in classroom expenditures is required by the Legislature because the district has performed below the required performance standard on XX of XX student performance standards for the (previous school year) school year. In order to achieve the legislatively required level of classroom expenditures as a percentage of total operating expenditures, the proposed budget includes an increase in overall classroom expenditures of $XX,XXX,XXX above the amount spent for this same purpose during the (previous fiscal year) fiscal year. In order to achieve improved student academic performance, this proposed increase is being budgeted for the following activities: ...(list activities and amount budgeted)...." Section 12. Subsection (2) of section 1011.035, Florida Statutes, is amended, and paragraph (d) is added to subsection (4) of that section, to read:

1011.035 School district fiscal budget transparency.—

(2) Each district school board shall post on its website a plain language version of each proposed, tentative, and official budget which describes each budget item in terms that are easily understandable to the public and includes graphical representations, for each public school within district and for the school district, of the following:

(a) Summary financial efficiency data.

(b) Fiscal trend information for the previous 3 years on:

1. The ratio of full-time equivalent students to full-time
equivalent instructional personnel.

2. The ratio of full-time equivalent students to full-time equivalent administrative personnel.

3. The total operating expenditures per full-time equivalent student.

4. The total instructional expenditures per full-time equivalent student.

5. The general administrative expenditures as a percentage of total budget.

6. The rate of change in the general fund's ending fund balance not classified as restricted.

This information must be prominently posted on the school district's website in a manner that is readily accessible to the public.

(4) The website should contain links to:

(d) The web-based fiscal transparency tool developed by the department pursuant to s. 1010.20 to enable taxpayers to evaluate the financial efficiency of the school district and compare the financial efficiency of the school district with other similarly situated school districts.
sufficient to address normal contingencies.

(1) If at any time the portion of the general fund's ending fund balance not classified as restricted, committed, or nonspendable in the district's approved operating budget is projected to fall below 3 percent of projected general fund revenues during the current fiscal year, the superintendent shall provide written notification to the district school board and the Commissioner of Education. If such financial condition exists for 2 consecutive fiscal years, the superintendent shall reduce the district's administration expenditures reported pursuant to s. 1010.215(4)(a).

(2)(a) If at any time the portion of the general fund's ending fund balance not classified as restricted, committed, or nonspendable in the district's approved operating budget is projected to fall below 2 percent of projected general fund revenues during the current fiscal year, the superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification, if the commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to s. 218.503, the commissioner shall appoint a financial emergency board that shall operate under the requirements, powers, and duties specified in s. 218.503(3)(g).

(b) If any of the conditions identified in s. 218.503(1)
existed in the 2015-2016 school year or thereafter, the
department shall contract with an independent third party to
conduct a forensic audit of all accounts and records which shall
include a financial solvency analysis that encompasses
techniques to prevent and detect fraud, waste, and abuse. The
forensic audit must also collect evidence to determine if any of
the conditions identified in s. 1011.10 have occurred. The
results of the forensic audit shall be provided to the district
school board, the department, the Legislative Auditing
Committee, and the district's financial emergency board, if
applicable.

Section 14. Subsection (2) of section 1011.06, Florida
Statutes, is amended to read:

1011.06  Expenditures.—

(2) EXPENDITURES FROM DISTRICT AND OTHER FUNDS.—
Expenditures from district and all other funds available for the
public school program of any district shall be authorized by law
and must be in accordance with procedures prescribed by the
district school board. A district school board may establish
policies that allow expenditures to exceed the amount budgeted
by function and object, provided that the district school board
complies with s. 1011.09(4) and approves the expenditure by
amending and amends the budget at the next scheduled public
meeting. The district school board must provide a full
explanation of any amendments at the public meeting within
timelines established by school board policies.

Section 15. Subsection (4) of section 1011.09, Florida
Statutes, is amended to read:

1011.09 Expenditure of funds by district school board.—All
state funds apportioned to the credit of any district constitute
a part of the district school fund of that district and must be
budgeted and expended under authority of the district school
board subject to the provisions of law and rules of the State
Board of Education.

(4) If the financial conditions in s. 1011.051 exist, a
district school board During the 2009-2010 fiscal year, unless
otherwise specifically approved by the district school board,
public funds may not make expenditures be expended for out-of-
state travel outside of the district or cellular phones,
cellular phone service, personal digital assistants, or any
other mobile wireless communication device or service, including
text messaging, whether through purchasing, leasing,
contracting, or any other method, while subject to the
requirements of s. 1011.051. The expenditure of public funds for
art programs, music programs, sports programs, and
extracurricular programs for students is a higher priority than
expending funds for employee travel and cellular phones.

Section 16. Subsection (3) is added to section 1011.10,
Florida Statutes, to read:

1011.10 Penalty.—
(3) If any of the conditions identified in s. 218.503(1) exist within a school district, the salary of each district school board member and district superintendent, calculated pursuant to ss. 1001.395 and 1001.47, shall be withheld until the conditions are corrected.

Section 17. Subsection (8) of section 1011.60, Florida Statutes, is amended to read:

1011.60 Minimum requirements of the Florida Education Finance Program.—Each district which participates in the state appropriations for the Florida Education Finance Program shall provide evidence of its effort to maintain an adequate school program throughout the district and shall meet at least the following requirements:

(8) MINIMUM CLASSROOM EXPENDITURE REQUIREMENTS. Comply with the minimum classroom expenditure requirements and associated reporting pursuant to s. 1011.64.

Section 18. Section 1011.64, Florida Statutes, is repealed.

Section 19. Section 1012.23, Florida Statutes, is amended to read:

1012.23 School district personnel policies.—

(2) Neither the district school superintendent nor a district school board member may appoint or employ or appoint a relative, as defined in s. 112.3135, to work under the direct supervision of that district school board member or
district school superintendent. The limitations of this subsection do not apply to employees appointed or employed before the election or appointment of a school board member or district school superintendent. The Commission on Ethics shall accept and investigate any alleged violations of this section pursuant to the procedures contained in ss. 112.322-112.3241.

Section 20. This act shall take effect July 1, 2018.