

By Senator Stargel

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1 A bill to be entitled
 2 An act relating to school board fiscal transparency;
 3 amending s. 1002.33, F.S.; expanding provisions with
 4 which charter schools are required to comply; amending
 5 s. 1010.20, F.S.; revising requirements for school
 6 districts' reports to the Department of Education on
 7 certain costs; amending s. 1011.035, F.S.; revising
 8 the requirements for data and information that
 9 district school boards must post on their respective
 10 websites; amending s. 1011.051, F.S.; deleting a
 11 requirement that superintendents reduce certain
 12 expenditures under specified circumstances; deleting a
 13 requirement that the department contract with certain
 14 parties to conduct investigations under specified
 15 circumstances; providing an effective date.

16
 17 Be It Enacted by the Legislature of the State of Florida:

18
 19 Section 1. Subsection (16) of section 1002.33, Florida
 20 Statutes, is amended to read:

21 1002.33 Charter schools.—

22 (16) EXEMPTION FROM STATUTES.—

23 (a) A charter school shall operate in accordance with its
 24 charter and shall be exempt from all statutes in chapters 1000-
 25 1013. However, a charter school shall be in compliance with the
 26 following statutes in chapters 1000-1013:

27 1. Those statutes specifically applying to charter schools,
 28 including this section.

29 2. Those statutes pertaining to the student assessment

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30 program and school grading system.

31 3. Those statutes pertaining to the provision of services
32 to students with disabilities.

33 4. Those statutes pertaining to civil rights, including s.
34 1000.05, relating to discrimination.

35 5. Those statutes pertaining to student health, safety, and
36 welfare.

37 (b) Additionally, a charter school shall be in compliance
38 with the following statutes:

39 1. Section 286.011, relating to public meetings and
40 records, public inspection, and criminal and civil penalties.

41 2. Chapter 119, relating to public records.

42 3. Section 1003.03, relating to the maximum class size,
43 except that the calculation for compliance pursuant to s.
44 1003.03 shall be the average at the school level.

45 4. Section 1012.22(1)(c), relating to compensation and
46 salary schedules.

47 5. Section 1012.33(5), relating to workforce reductions.

48 6. Section 1012.335, relating to contracts with
49 instructional personnel hired on or after July 1, 2011.

50 7. Section 1012.34, relating to the substantive
51 requirements for performance evaluations for instructional
52 personnel and school administrators.

53 8. Section 1010.20, relating to cost accounting and
54 reporting for school districts.

55 9. Section 1011.035, relating to school district budget
56 transparency.

57 (c) For purposes of subparagraphs (b)4.-7.:

58 1. The duties assigned to a district school superintendent

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59 apply to charter school administrative personnel, as defined in
60 s. 1012.01(3)(a) and (b), and the charter school governing board
61 shall designate at least one administrative person to be
62 responsible for such duties.

63 2. The duties assigned to a district school board apply to
64 a charter school governing board.

65 3. A charter school may hire instructional personnel and
66 other employees on an at-will basis.

67 4. Notwithstanding any provision to the contrary,
68 instructional personnel and other employees on contract may be
69 suspended or dismissed any time during the term of the contract
70 without cause.

71 Section 2. Effective July 1, 2019, and upon the expiration
72 and reversion of the amendment to section 1010.20, Florida
73 Statutes, pursuant to section 8 of chapter 2018-5, Laws of
74 Florida, subsection (2) of section 1010.20, Florida Statutes, is
75 amended to read:

76 1010.20 Cost accounting and reporting for school
77 districts.—

78 (2) COST REPORTING.—

79 (a) Each district shall report on a district-aggregate
80 basis expenditures for inservice training pursuant to s.
81 1011.62(3) and for categorical programs as provided in s.
82 1011.62(6).

83 (b) Each district shall report to the department on a
84 school-by-school and on a district-aggregate ~~an aggregate~~
85 ~~district~~ basis all of the following expenditures for:

86 1. Expenditures for each program funded in s.
87 1011.62(1)(c).

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88 2. Total operating costs provided in "School District
 89 Program Cost Reports," by category as reported pursuant to s.
 90 1010.215(4) (a) and (b), including subtotals for direct and
 91 indirect costs, total school costs, and total program costs ~~s.~~
 92 ~~1010.215.~~

93 3. Total costs ~~Expenditures~~ for classroom instruction as
 94 defined pursuant to the calculation in s. 1010.215(4) (b)1. and
 95 2. and as provided in "School District Program Cost Reports."

96 (c) The department shall:

97 1. Categorize all public schools and districts into
 98 ~~appropriate~~ groups based primarily on average full-time
 99 equivalent student enrollment as reported on the most recent
 100 student membership survey under s. 1011.62 and may categorize
 101 schools by school type, age of facility, and any other category
 102 that equalizes cost comparability and in-state board rule to
 103 determine groups of peer schools and districts.

104 2. Annually calculate for each public school, district, and
 105 for the entire state, the percentage of total costs for
 106 classroom instruction ~~expenditures~~ to total operating costs as
 107 provided ~~expenditures reported~~ in subparagraphs (b)2. and 3. For
 108 schools, this means school direct classroom instruction costs
 109 plus instructional support costs divided by total school costs.
 110 For school districts, this means total direct costs plus total
 111 school and district instructional support costs divided by total
 112 program costs. The results must ~~shall~~ be categorized pursuant to
 113 this paragraph.

114 3. ~~Annually calculate for all public schools, districts,~~
 115 ~~and the state, the average percentage of total direct school~~
 116 ~~costs classroom expenditures to total school costs operating~~

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117 ~~expenditures reported in subparagraphs (b)2. and 3. The results~~
118 ~~shall be categorized pursuant to this paragraph.~~

119 3.4. Develop a web-based fiscal transparency tool that
120 combines and compares academic achievement and the percentage of
121 funds spent on classroom instruction for all ~~identifies~~ public
122 schools and districts ~~that produce high academic achievement~~
123 based on ~~the calculations~~ the ratio of classroom instruction
124 expenditures to total expenditures. The fiscal transparency tool
125 shall ~~combine the data calculated~~ pursuant to this paragraph and
126 with the student performance measurements calculated pursuant to
127 s. 1012.34(7) to determine the financial efficiency of each
128 public school and district. The results shall be displayed in an
129 easy to use format that enables the user to compare performance
130 among public schools and districts.

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

141 Section 3. Effective July 1, 2019, and upon the expiration
142 and reversion of the amendment to section 1011.035, Florida
143 Statutes, pursuant to section 12 of chapter 2018-5, Laws of
144 Florida, subsection (2) of section 1011.035, Florida Statutes,
145 is amended to read:

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146 1011.035 School district budget transparency.-

147 (2) Each district school board shall post on its website a
 148 plain language version of each proposed, tentative, and official
 149 budget which describes each budget item in terms that are easily
 150 understandable to the public and, in addition, includes:

151 (a) ~~Graphical representations,~~ For each public school
 152 within the district and for the school district, as appropriate,
 153 ~~of~~ the following:

154 1. ~~Summary~~ Financial efficiency information calculated
 155 pursuant to s. 1010.20 with a link to the web-based fiscal
 156 transparency tool developed by the department ~~data~~.

157 2. Fiscal trend information for the previous 3 years on:

158 a. The ratio of full-time equivalent students to full-time
 159 equivalent instructional personnel, as defined in s. 1010.215.

160 b. The ratio of full-time equivalent students to full-time
 161 equivalent administrative personnel, as defined in s. 1010.215.

162 c. The total operating expenditures, as calculated pursuant
 163 to s. 1010.20(2), per full-time equivalent student.

164 d. The total instructional expenditures, as calculated
 165 pursuant to s. 1010.20(3), per full-time equivalent student.

166 e. The general administrative expenditures as a percentage
 167 of total budget, which is the inverse of total costs for
 168 classroom instruction as a percentage of total operating costs
 169 calculated in s. 1010.20.

170 f. The ~~rate of change in the~~ general fund's ending fund
 171 balance not classified as restricted, expressed as the financial
 172 condition ratio, which is the fund balance as a percentage of
 173 total general fund revenues.

174 ~~(b) A link to the web-based fiscal transparency tool~~

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175 ~~developed by the department pursuant to s. 1010.20 to enable~~
176 ~~taxpayers to evaluate the financial efficiency of the school~~
177 ~~district and compare the financial efficiency of the school~~
178 ~~district with other similarly situated school districts.~~

179
180 This information must be prominently posted on the school
181 district's website in a manner that is readily accessible to the
182 public.

183 Section 4. Effective July 1, 2019, and upon the expiration
184 and reversion of the amendment to section 1011.051, Florida
185 Statutes, pursuant to section 13 of chapter 2018-5, Laws of
186 Florida, section 1011.051, Florida Statutes, is amended to read:

187 1011.051 Guidelines for general funds.—The district school
188 board shall maintain a general fund ending fund balance that is
189 sufficient to address normal contingencies.

190 (1) If at any time the portion of the general fund's ending
191 fund balance not classified as restricted, committed, or
192 nonspendable in the district's approved operating budget is
193 projected to fall below 3 percent of projected general fund
194 revenues during the current fiscal year, the superintendent
195 shall provide written notification to the district school board
196 and the Commissioner of Education. ~~If such financial condition~~
197 ~~exists for 2 consecutive fiscal years, the superintendent shall~~
198 ~~reduce the district's administration expenditures reported~~
199 ~~pursuant to s. 1010.215(4) (a) in proportion to the reduction in~~
200 ~~the general fund's ending balance or the reduction in student~~
201 ~~enrollment, whichever is greater.~~

202 (2) ~~(a)~~ If at any time the portion of the general fund's
203 ending fund balance not classified as restricted, committed, or

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204 nonspendable in the district's approved operating budget is
205 projected to fall below 2 percent of projected general fund
206 revenues during the current fiscal year, the superintendent
207 shall provide written notification to the district school board
208 and the Commissioner of Education. Within 14 days after
209 receiving such notification, if the commissioner determines that
210 the district does not have a plan that is reasonably anticipated
211 to avoid a financial emergency as determined pursuant to s.
212 218.503, the commissioner shall appoint a financial emergency
213 board that shall operate under the requirements, powers, and
214 duties specified in s. 218.503(3)(g).

215 ~~(b) If any of the conditions identified in s. 218.503(1)~~
216 ~~existed in the 2015-2016 school year or thereafter, the~~
217 ~~department shall contract with an independent third party to~~
218 ~~conduct an investigation of all accounts and records to~~
219 ~~determine the cause of the deficit; what efforts, if any, were~~
220 ~~made to avoid the deficit; and whether any of the conditions~~
221 ~~identified in s. 1011.10 have occurred. The investigation must~~
222 ~~include a detailed review and analysis of documents and records,~~
223 ~~including, but not limited to, budget reports, journal entries,~~
224 ~~budget methodologies, staff emails, hard copy records, monthly~~
225 ~~financial statements, quarterly revenue and expenditure reports,~~
226 ~~finance staff job descriptions, and minutes from meetings. The~~
227 ~~results of the investigation must include recommendations for~~
228 ~~corrective action and controls to avoid a reoccurrence of a~~
229 ~~future budget shortfall. A final report shall be provided to the~~
230 ~~district school board, the department, the Legislative Auditing~~
231 ~~Committee, and the district's financial emergency board, if~~
232 ~~applicable.~~

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Section 5. This act shall take effect July 1, 2019.