

1 A bill to be entitled
2 An act relating to education; amending s. 11.45, F.S.;
3 revising the duties of the Auditor General; amending
4 s. 121.091, F.S.; revising limitations on the maximum
5 length of participation in the Deferred Retirement
6 Option Program for certain instructional personnel and
7 administrative personnel; requiring an employer to
8 notify the Division of Retirement of the Department of
9 Management Services regarding any change in
10 termination date and program participation for each
11 affected member; amending s. 1001.20, F.S.; requiring
12 the Office of Inspector General to investigate certain
13 allegations and reports made by specified individuals;
14 amending s. 1001.39, F.S.; requiring certain district
15 school board member travel outside of the school
16 district to be preapproved and meet certain criteria;
17 providing requirements for such member's request for
18 travel outside of the state; providing an opportunity
19 for the public to speak on such travel; amending s.
20 1001.395, F.S.; providing that certain requirements
21 for the salaries of district school board members
22 apply every fiscal year, rather than one specific
23 fiscal year; amending s. 1001.42, F.S.; providing that
24 the standards of ethical conduct apply to
25 administrative personnel and school officers;

26 | authorizing district school board members to request
27 | and receive specified budget information; requiring
28 | employment of internal auditors in certain school
29 | districts; revising provisions relating to the duties
30 | of such internal auditors; amending s. 1002.395, F.S.;
31 | conforming a cross-reference; amending s. 1003.4282,
32 | F.S.; revising the courses required for a standard
33 | diploma; requiring school districts to provide a
34 | financial literacy course as an elective; providing
35 | requirements for such instruction; requiring the
36 | Department of Education to identify certain
37 | assessments for specified purposes; amending s.
38 | 1007.35, F.S.; updating terminology; requiring the
39 | Department of Education to provide certain teacher and
40 | student ACT and PreACT information for the evaluation
41 | of certain services and activities; amending s.
42 | 1010.20, F.S.; requiring each school district to
43 | report certain expenditures to the Department of
44 | Education; providing department responsibilities;
45 | amending ss. 1011.01 and 1011.03, F.S.; conforming
46 | provisions to changes made by the act; amending s.
47 | 1011.035, F.S.; requiring each district school board
48 | to post on its website certain graphical
49 | representations and a link to a certain web-based tool
50 | on the department's website; providing requirements

51 for such graphical representations; amending s.
52 1011.051, F.S.; requiring a district school board to
53 limit certain expenditures by a specified amount if
54 certain financial conditions exist for a specified
55 period of time; requiring the department to contract
56 with a third party to conduct an investigation under
57 certain circumstances; providing requirements for such
58 investigation; requiring the results of such
59 investigation to include certain information and be
60 provided to certain entities; amending s. 1011.06,
61 F.S.; requiring each district school board to approve
62 certain expenditures by amending its budget and
63 provide a public explanation for such budget
64 amendments; amending s. 1011.09, F.S.; providing
65 certain expenditure limitations for a school district
66 that meets specified criteria; amending s. 1011.10,
67 F.S.; requiring certain school districts to withhold
68 certain district school board member and school
69 district superintendent salaries until certain
70 conditions are met; providing an exception; amending
71 s. 1011.60, F.S.; conforming provisions to changes
72 made by the act; repealing s. 1011.64, F.S., relating
73 to school district minimum classroom expenditure
74 requirements; providing a statement of important state
75 interest; providing a contingent appropriation;

76 providing an effective date.

77
78 Be It Enacted by the Legislature of the State of Florida:

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80 Section 1. Paragraph (k) of subsection (2) of section
81 11.45, Florida Statutes, is redesignated as paragraph (l), and a
82 new paragraph (k) is added to that subsection, to read:

83 11.45 Definitions; duties; authorities; reports; rules.—

84 (2) DUTIES.—The Auditor General shall:

85 (k) Contact each district school board, as defined in s.
86 1003.01(1), with the findings and recommendations contained
87 within the Auditor General's previous operational audit report.
88 The district school board shall provide the Auditor General with
89 evidence of the initiation of corrective action within 45 days
90 after the date it is requested by the Auditor General and
91 evidence of completion of corrective action within 180 days
92 after the date it is requested by the Auditor General. If the
93 district school board fails to comply with the Auditor General's
94 request or is unable to take corrective action within the
95 required timeframe, the Auditor General shall notify the
96 Legislative Auditing Committee.

97
98 The Auditor General shall perform his or her duties
99 independently but under the general policies established by the
100 Legislative Auditing Committee. This subsection does not limit

101 the Auditor General's discretionary authority to conduct other
 102 audits or engagements of governmental entities as authorized in
 103 subsection (3).

104 Section 2. Paragraph (b) of subsection (13) of section
 105 121.091, Florida Statutes, is amended to read:

106 121.091 Benefits payable under the system.—Benefits may
 107 not be paid under this section unless the member has terminated
 108 employment as provided in s. 121.021(39)(a) or begun
 109 participation in the Deferred Retirement Option Program as
 110 provided in subsection (13), and a proper application has been
 111 filed in the manner prescribed by the department. The department
 112 may cancel an application for retirement benefits when the
 113 member or beneficiary fails to timely provide the information
 114 and documents required by this chapter and the department's
 115 rules. The department shall adopt rules establishing procedures
 116 for application for retirement benefits and for the cancellation
 117 of such application when the required information or documents
 118 are not received.

119 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
 120 subject to this section, the Deferred Retirement Option Program,
 121 hereinafter referred to as DROP, is a program under which an
 122 eligible member of the Florida Retirement System may elect to
 123 participate, deferring receipt of retirement benefits while
 124 continuing employment with his or her Florida Retirement System
 125 employer. The deferred monthly benefits shall accrue in the

126 Florida Retirement System on behalf of the member, plus interest
127 compounded monthly, for the specified period of the DROP
128 participation, as provided in paragraph (c). Upon termination of
129 employment, the member shall receive the total DROP benefits and
130 begin to receive the previously determined normal retirement
131 benefits. Participation in the DROP does not guarantee
132 employment for the specified period of DROP. Participation in
133 DROP by an eligible member beyond the initial 60-month period as
134 authorized in this subsection shall be on an annual contractual
135 basis for all participants.

136 (b) Participation in DROP.—Except as provided in this
137 paragraph, an eligible member may elect to participate in DROP
138 for a period not to exceed a maximum of 60 calendar months.

139 1.a. An eligible member may elect to participate in DROP
140 for a period not to exceed a maximum of 60 calendar months.
141 However, members who are instructional personnel employed by the
142 Florida School for the Deaf and the Blind and authorized by the
143 Board of Trustees of the Florida School for the Deaf and the
144 Blind, who are instructional personnel as defined in s.
145 1012.01(2)(a)-(d) in grades K-12 and authorized by the district
146 school superintendent, or who are instructional personnel as
147 defined in s. 1012.01(2)(a) employed by a developmental research
148 school and authorized by the school's director, or if the school
149 has no director, by the school's principal, may participate in
150 DROP for up to 36 calendar months beyond the 60-month period.

151 Effective July 1, 2018, instructional personnel who are
152 authorized to extend DROP participation beyond the 60-month
153 period must have a termination date that is the last day of the
154 last calendar month of the school year within the DROP extension
155 granted by the employer. If, on July 1, 2018, the member's DROP
156 participation has already been extended for the maximum 36
157 calendar months and the extension period concludes before the
158 end of the school year, the member's DROP participation may be
159 extended through the last day of the last calendar month of that
160 school year. The employer shall notify the division of the
161 change in termination date and the additional period of DROP
162 participation for the affected instructional personnel.

163 b. Administrative personnel in grades K-12, as defined in
164 s. 1012.01(3), who have a DROP termination date on or after July
165 1, 2018, may be authorized to extend DROP participation beyond
166 the initial 60 calendar month period if the administrative
167 personnel's termination date is before the end of the school
168 year. Such administrative personnel may have DROP participation
169 extended until the last day of the last calendar month of the
170 school year in which their original DROP termination date
171 occurred if a date other than the last day of the last calendar
172 month of the school year is designated. The employer shall
173 notify the division of the change in termination date and the
174 additional period of DROP participation for the affected
175 administrative personnel.

176 2. Upon deciding to participate in DROP, the member shall
 177 submit, on forms required by the division:
 178 a. A written election to participate in DROP;
 179 b. Selection of DROP participation and termination dates
 180 that satisfy the limitations stated in paragraph (a) and
 181 subparagraph 1. The termination date must be in a binding letter
 182 of resignation to the employer establishing a deferred
 183 termination date. The member may change the termination date
 184 within the limitations of subparagraph 1., but only with the
 185 written approval of the employer;
 186 c. A properly completed DROP application for service
 187 retirement as provided in this section; and
 188 d. Any other information required by the division.
 189 3. The DROP participant is a retiree under the Florida
 190 Retirement System for all purposes, except for paragraph (5) (f)
 191 and subsection (9) and ss. 112.3173, 112.363, 121.053, and
 192 121.122. DROP participation is final and may not be canceled by
 193 the participant after the first payment is credited during the
 194 DROP participation period. However, participation in DROP does
 195 not alter the participant's employment status, and the member is
 196 not deemed retired from employment until his or her deferred
 197 resignation is effective and termination occurs as defined in s.
 198 121.021.
 199 4. Elected officers are eligible to participate in DROP
 200 subject to the following:

201 a. An elected officer who reaches normal retirement date
 202 during a term of office may defer the election to participate
 203 until the next succeeding term in that office. An elected
 204 officer who exercises this option may participate in DROP for up
 205 to 60 calendar months or no longer than the succeeding term of
 206 office, whichever is less.

207 b. An elected or a nonelected participant may run for a
 208 term of office while participating in DROP and, if elected,
 209 extend the DROP termination date accordingly; however, if such
 210 additional term of office exceeds the 60-month limitation
 211 established in subparagraph 1., and the officer does not resign
 212 from office within such 60-month limitation, the retirement and
 213 the participant's DROP is null and void as provided in sub-
 214 subparagraph (c)5.d.

215 c. An elected officer who is dually employed and elects to
 216 participate in DROP must terminate all employment relationships
 217 as provided in s. 121.021(39) for the nonelected position within
 218 the original 60-month period or maximum participation period as
 219 provided in subparagraph 1. For DROP participation ending:

220 (I) Before July 1, 2010, the officer may continue
 221 employment as an elected officer as provided in s. 121.053. The
 222 elected officer shall be enrolled as a renewed member in the
 223 Elected Officers' Class or the Regular Class, as provided in ss.
 224 121.053 and 121.122, on the first day of the month after
 225 termination of employment in the nonelected position and

226 termination of DROP. Distribution of the DROP benefits shall be
 227 made as provided in paragraph (c).

228 (II) On or after July 1, 2010, the officer may continue
 229 employment as an elected officer but must defer termination as
 230 provided in s. 121.053.

231 Section 3. Paragraph (e) of subsection (4) of section
 232 1001.20, Florida Statutes, is amended to read:

233 1001.20 Department under direction of state board.—

234 (4) The Department of Education shall establish the
 235 following offices within the Office of the Commissioner of
 236 Education which shall coordinate their activities with all other
 237 divisions and offices:

238 (e) Office of Inspector General.—Organized using existing
 239 resources and funds and responsible for promoting
 240 accountability, efficiency, and effectiveness and detecting
 241 fraud and abuse within school districts, the Florida School for
 242 the Deaf and the Blind, and Florida College System institutions
 243 in Florida. If the Commissioner of Education determines that a
 244 district school board, the Board of Trustees for the Florida
 245 School for the Deaf and the Blind, or a Florida College System
 246 institution board of trustees is unwilling or unable to address
 247 substantiated allegations made by any person relating to waste,
 248 fraud, or financial mismanagement within the school district,
 249 the Florida School for the Deaf and the Blind, or the Florida
 250 College System institution, the office shall conduct,

251 coordinate, or request investigations into such substantiated
252 allegations. The office shall investigate allegations or reports
253 of possible fraud or abuse against a district school board made
254 by any member of the Cabinet; the presiding officer of either
255 house of the Legislature; a chair of a substantive or
256 appropriations committee with jurisdiction; or a member of the
257 board for which an investigation is sought. The office shall
258 have access to all information and personnel necessary to
259 perform its duties and shall have all of its current powers,
260 duties, and responsibilities authorized in s. 20.055.

261 Section 4. Subsection (1) of section 1001.39, Florida
262 Statutes, is amended to read:

263 1001.39 District school board members; travel expenses.—

264 (1) In addition to the salary provided in s. 1001.395,
265 each member of a district school board shall be allowed, from
266 the district school fund, reimbursement of travel expenses as
267 authorized in s. 112.061, ~~except as provided that in subsection~~
268 ~~(2).~~ any travel outside the district that exceeds \$500 requires
269 prior approval by the district school board to confirm that such
270 travel is for official business of the school district and
271 complies with ~~shall also be governed by the~~ rules of the State
272 Board of Education. Any request for travel outside the state
273 must include an itemized list detailing all anticipated travel
274 expenses, including, but not limited to, the anticipated costs
275 of all means of travel, lodging, and subsistence. Immediately

276 preceding a request, the public must have an opportunity to
 277 speak on the specific travel agenda item.

278 Section 5. Subsection (3) of section 1001.395, Florida
 279 Statutes, is amended to read:

280 1001.395 District school board members; compensation.—

281 (3) Notwithstanding the provisions of this section and s.
 282 145.19, ~~for the 2010–2011 fiscal year,~~ the salary of each
 283 district school board member shall be the amount calculated
 284 pursuant to subsection (1) or the district's beginning salary
 285 for teachers who hold baccalaureate degrees, whichever is less.

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

289 1001.42 Powers and duties of district school board.—The
 290 district school board, acting as a board, shall exercise all
 291 powers and perform all duties listed below:

292 (6) STANDARDS OF ETHICAL CONDUCT FOR INSTRUCTIONAL
 293 PERSONNEL, ADMINISTRATIVE PERSONNEL, AND SCHOOL OFFICERS
 294 ~~ADMINISTRATORS~~.—Adopt policies establishing standards of ethical
 295 conduct for instructional personnel, administrative personnel,
 296 and school officers administrators. The policies must require
 297 all instructional personnel, administrative personnel, and
 298 school officers administrators, as defined in s. 1012.01, to
 299 complete training on the standards; establish the duty of
 300 instructional personnel, administrative personnel, and school

301 officers ~~administrators~~ to report, and procedures for reporting,
302 alleged misconduct by other instructional or administrative
303 personnel and school officers ~~school administrators~~ which
304 affects the health, safety, or welfare of a student; and include
305 an explanation of the liability protections provided under ss.
306 39.203 and 768.095. A district school board, or any of its
307 employees, may not enter into a confidentiality agreement
308 regarding terminated or dismissed instructional or
309 administrative personnel or school officers ~~administrators~~, ~~or~~
310 ~~personnel or administrators~~ who resign in lieu of termination,
311 based in whole or in part on misconduct that affects the health,
312 safety, or welfare of a student, and may not provide
313 instructional personnel, administrative personnel, or school
314 officers ~~administrators~~ with employment references or discuss
315 the personnel's or officers' ~~administrators'~~ performance with
316 prospective employers in another educational setting, without
317 disclosing the personnel's or officers' ~~administrators'~~
318 misconduct. Any part of an agreement or contract that has the
319 purpose or effect of concealing misconduct by instructional
320 personnel, administrative personnel, or school officers
321 ~~administrators~~ which affects the health, safety, or welfare of a
322 student is void, is contrary to public policy, and may not be
323 enforced.

324 (7) DISQUALIFICATION FROM EMPLOYMENT.—Disqualify
325 instructional personnel and administrative personnel ~~school~~

326 ~~administrators~~, as defined in s. 1012.01, from employment in any
 327 position that requires direct contact with students if the
 328 personnel ~~or administrators~~ are ineligible for such employment
 329 under s. 1012.315. An elected or appointed school board official
 330 forfeits his or her salary for 1 year if:

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

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

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

348 (b) Annual budget.—

349 1. Cause to be prepared, adopt, and have submitted to the
 350 Department of Education as required by law and rules of the

351 State Board of Education, the annual school budget, such budget
352 to be so prepared and executed as to promote the improvement of
353 the district school system.

354 2. An individual school board member may request and shall
355 receive any proposed, tentative, and official budget documents,
356 including all supporting and background information.

357 (1) Internal auditor.—May or, in the case of a school
358 district receiving annual federal, state, and local funds in
359 excess of \$500 million, shall employ an internal auditor. The
360 scope of the internal auditor shall not be restricted and shall
361 include every functional and program area of the school system.

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

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

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

372 c. The efficiency of operations.

373 d. The reliability of financial records and reports.

374 e. The safeguarding of assets.

375 f. Financial solvency.

376 g. Projected revenues and expenditures.
 377 h. The rate of change in the general fund balance.
 378 2. The internal auditor shall prepare audit reports of his
 379 or her findings and report directly to the district school board
 380 or its designee.
 381 3. Any person responsible for furnishing or producing any
 382 book, record, paper, document, data, or sufficient information
 383 necessary to conduct a proper audit or examination which the
 384 internal auditor is by law authorized to perform is subject to
 385 the provisions of s. 11.47(3) and (4).
 386 (17) PUBLIC INFORMATION AND PARENTAL INVOLVEMENT PROGRAM.—
 387 (b) Adopt rules to strengthen family involvement and
 388 empowerment pursuant to s. 1002.23. The rules shall be developed
 389 in collaboration with administrative personnel ~~school~~
 390 ~~administrators~~, parents, teachers, and community partners.
 391 Section 7. Paragraph (d) of subsection (9) of section
 392 1002.395, Florida Statutes, is amended to read:
 393 1002.395 Florida Tax Credit Scholarship Program.—
 394 (9) DEPARTMENT OF EDUCATION OBLIGATIONS.—The Department of
 395 Education shall:
 396 (d) Annually verify the eligibility of expenditures as
 397 provided in paragraph (6) (d) using the audit required by
 398 paragraph (6) (m) and s. 11.45(2) (l) ~~s. 11.45(2) (k)~~.
 399 Section 8. Paragraphs (d) and (g) of subsection (3) of
 400 section 1003.4282, Florida Statutes, are amended to read:

401 1003.4282 Requirements for a standard high school
 402 diploma.—

403 (3) STANDARD HIGH SCHOOL DIPLOMA; COURSE AND ASSESSMENT
 404 REQUIREMENTS.—

405 (d) Three credits in social studies.—A student must earn
 406 one credit in United States History,† one credit in World
 407 History,† one-half credit in economics, ~~which must include~~
 408 ~~financial literacy,~~ and one-half credit in United States
 409 Government. The United States History EOC assessment constitutes
 410 30 percent of the student's final course grade.

411 (g) Eight credits in electives.—

412 1. School districts must develop and offer coordinated
 413 electives so that a student may develop knowledge and skills in
 414 his or her area of interest, such as electives with a STEM or
 415 liberal arts focus. Such electives must include opportunities
 416 for students to earn college credit, including industry-
 417 certified career education programs or series of career-themed
 418 courses that result in industry certification or articulate into
 419 the award of college credit, or career education courses for
 420 which there is a statewide or local articulation agreement and
 421 which lead to college credit.

422 2. Students must be provided the opportunity to learn
 423 personal financial literacy through a one-half credit financial
 424 literacy course. Instruction for personal financial literacy
 425 must include the following:

- 426 a. Types of bank accounts offered, opening and managing a
427 bank account, and assessing the quality of a depository
428 institution's services.
- 429 b. Balancing a checkbook.
- 430 c. Basic principles of money management, such as spending,
431 credit, credit scores, and managing debt, including retail and
432 credit card debt.
- 433 d. Completing a loan application.
- 434 e. Receiving an inheritance and related implications.
- 435 f. Basic principles of personal insurance policies.
- 436 g. Computing federal income taxes.
- 437 h. Local tax assessments.
- 438 i. Computing interest rates by various mechanisms.
- 439 j. Simple contracts.
- 440 k. Contesting an incorrect billing statement.
- 441 l. Types of savings and investments.
- 442 m. State and federal laws concerning finance.

443

444 The department shall identify freely available assessments or
445 certificates that enable students to demonstrate proficiency in
446 personal financial literacy without taking the course.

447 Section 9. Subsection (5), paragraph (j) of subsection
448 (6), and subsection (8) of section 1007.35, Florida Statutes,
449 are amended to read:

450 1007.35 Florida Partnership for Minority and
451 Underrepresented Student Achievement.—

452 (5) Each public high school, including, but not limited
453 to, schools and alternative sites and centers of the Department
454 of Juvenile Justice, shall provide for the administration of the
455 Preliminary SAT/National Merit Scholarship Qualifying Test
456 (PSAT/NMSQT), or the PreACT ~~preliminary ACT~~ to all enrolled 10th
457 grade students. However, a written notice shall be provided to
458 each parent which must include the opportunity to exempt his or
459 her child from taking the PSAT/NMSQT or the PreACT ~~preliminary~~
460 ~~ACT~~.

461 (a) Test results will provide each high school with a
462 database of student assessment data which certified school
463 counselors will use to identify students who are prepared or who
464 need additional work to be prepared to enroll and be successful
465 in AP courses, or other advanced high school courses.

466 (b) Funding for the PSAT/NMSQT or the PreACT ~~preliminary~~
467 ~~ACT~~ for all 10th grade students shall be contingent upon annual
468 funding in the General Appropriations Act.

469 (c) Public school districts must choose either the
470 PSAT/NMSQT or the PreACT ~~preliminary ACT~~ for districtwide
471 administration.

472 (6) The partnership shall:

473 (j) Provide information to students, parents, teachers,
474 counselors, administrators, districts, Florida College System

475 institutions, and state universities regarding PSAT/NMSQT or the
476 PreACT ~~preliminary ACT~~ administration, including, but not
477 limited to:

- 478 1. Test administration dates and times.
- 479 2. That participation in the PSAT/NMSQT or the PreACT
480 ~~preliminary ACT~~ is open to all 10th grade students.
- 481 3. The value of such tests in providing diagnostic
482 feedback on student skills.
- 483 4. The value of student scores in predicting the
484 probability of success on AP or other advanced course
485 examinations.

486 (8) (a) By September 30 of each year, the partnership shall
487 submit to the department a report that contains an evaluation of
488 the effectiveness of the delivered services and activities.
489 Activities and services must be evaluated on their effectiveness
490 at raising student achievement and increasing the number of AP
491 or other advanced course examinations in low-performing middle
492 and high schools. Other indicators that must be addressed in the
493 evaluation report include the number of middle and high school
494 teachers trained; the effectiveness of the training; measures of
495 postsecondary readiness of the students affected by the program;
496 levels of participation in 10th grade PSAT/NMSQT or the PreACT
497 ~~preliminary ACT~~ testing; and measures of student, parent, and
498 teacher awareness of and satisfaction with the services of the
499 partnership.

500 (b) The department shall contribute to the evaluation
 501 process by providing access, consistent with s. 119.071(5)(a),
 502 to student and teacher information necessary to match against
 503 databases containing teacher professional development data and
 504 databases containing assessment data for the PSAT/NMSQT, SAT,
 505 ACT, PreACT, AP, and other appropriate measures. The department
 506 shall also provide student-level data on student progress from
 507 middle school through high school and into college and the
 508 workforce, if available, in order to support longitudinal
 509 studies. The partnership shall analyze and report student
 510 performance data in a manner that protects the rights of
 511 students and parents as required in 20 U.S.C. s. 1232g and s.
 512 1002.22.

513 Section 10. Subsection (2) of section 1010.20, Florida
 514 Statutes, is amended to read:

515 1010.20 Cost accounting and reporting for school
 516 districts.—

517 (2) COST REPORTING.—

518 (a) Each district shall report on a district-aggregate
 519 basis expenditures for inservice training pursuant to s.
 520 1011.62(3) and for categorical programs as provided in s.
 521 1011.62(6).

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

- 525 1. Each program funded in s. 1011.62 (1) (c) .
- 526 2. Total operating costs as reported pursuant to s.
527 1010.215.
- 528 3. Expenditures for classroom instruction pursuant to the
529 calculation in s. 1010.215(4) (b)1. and 2.
- 530 (c) The department shall:
- 531 1. Categorize all public schools and districts into
532 appropriate groups based primarily on average full-time
533 equivalent student enrollment as reported on the most recent
534 student membership survey under s. 1011.62 and in state board
535 rule to determine groups of peer schools and districts.
- 536 2. Annually calculate for each public school, district,
537 and for the entire state, the percentage of classroom
538 expenditures to total operating expenditures reported in
539 subparagraphs (b)2. and 3. The results shall be categorized
540 pursuant to this paragraph.
- 541 3. Annually calculate for all public schools, districts,
542 and the state, the average percentage of classroom expenditures
543 to total operating expenditures reported in subparagraphs (b)2.
544 and 3. The results shall be categorized pursuant to this
545 paragraph.
- 546 4. Develop a web-based fiscal transparency tool that
547 identifies public schools and districts that produce high
548 academic achievement based on the ratio of classroom instruction
549 expenditures to total expenditures. The fiscal transparency tool

550 shall combine the data calculated pursuant to this paragraph
551 with the student performance measurements calculated pursuant to
552 s. 1012.34(7) to determine the financial efficiency of each
553 public school and district. The results shall be displayed in an
554 easy to use format that enables the user to compare performance
555 among public schools and districts.

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

565 Section 11. Paragraph (a) of subsection (3) of section
566 1011.01, Florida Statutes, is amended to read:

567 1011.01 Budget system established.—

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

575 ~~ss. 200.065 and 1011.64.~~

576 Section 12. Subsection (2) of section 1011.03, Florida
577 Statutes, is amended to read:

578 1011.03 Public hearings; budget to be submitted to
579 Department of Education.—

580 ~~(2) The advertisement of a district that has been required~~
581 ~~by the Legislature to increase classroom expenditures pursuant~~
582 ~~to s. 1011.64 must include the following statement:~~

583 ~~"This proposed budget reflects an increase in classroom~~
584 ~~expenditures as a percent of total current operating~~
585 ~~expenditures of XX percent over the (previous fiscal year)~~
586 ~~fiscal year. This increase in classroom expenditures is required~~
587 ~~by the Legislature because the district has performed below the~~
588 ~~required performance standard on XX of XX student performance~~
589 ~~standards for the (previous school year) school year. In order~~
590 ~~to achieve the legislatively required level of classroom~~
591 ~~expenditures as a percentage of total operating expenditures,~~
592 ~~the proposed budget includes an increase in overall classroom~~
593 ~~expenditures of \$XX,XXX,XXX above the amount spent for this same~~
594 ~~purpose during the (previous fiscal year) fiscal year. In order~~
595 ~~to achieve improved student academic performance, this proposed~~
596 ~~increase is being budgeted for the following activities:~~
597 ~~...(list activities and amount budgeted)...."~~

598 Section 13. Subsection (2) of section 1011.035, Florida
599 Statutes, is amended to read:

600 1011.035 School district fiscal ~~budget~~ transparency.—

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

605 (a) Graphical representations, for each public school
606 within the district and for the school district, of the
607 following:

608 1. Summary financial efficiency data.

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

610 a. The ratio of full-time equivalent students to full-time
611 equivalent instructional personnel.

612 b. The ratio of full-time equivalent students to full-time
613 equivalent administrative personnel.

614 c. The total operating expenditures per full-time
615 equivalent student.

616 d. The total instructional expenditures per full-time
617 equivalent student.

618 e. The general administrative expenditures as a percentage
619 of total budget.

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

622 (b) A link to the web-based fiscal transparency tool
623 developed by the department pursuant to s. 1010.20 to enable
624 taxpayers to evaluate the financial efficiency of the school

625 district and compare the financial efficiency of the school
626 district with other similarly situated school districts.

627

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

631 Section 14. Subsections (1) and (2) of section 1011.051,
632 Florida Statutes, are amended to read:

633 1011.051 Guidelines for general funds.—The district school
634 board shall maintain a general fund ending fund balance that is
635 sufficient to address normal contingencies.

636 (1) If at any time the portion of the general fund's
637 ending fund balance not classified as restricted, committed, or
638 nonspendable in the district's approved operating budget is
639 projected to fall below 3 percent of projected general fund
640 revenues during the current fiscal year, the superintendent
641 shall provide written notification to the district school board
642 and the Commissioner of Education. If such financial condition
643 exists for 2 consecutive fiscal years, the superintendent shall
644 reduce the district's administrative expenditures reported
645 pursuant to s. 1010.215(4)(a) in proportion to the reduction in
646 the general fund's ending balance or the reduction in student
647 enrollment, whichever is greater.

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

650 nonspendable in the district's approved operating budget is
651 projected to fall below 2 percent of projected general fund
652 revenues during the current fiscal year, the superintendent
653 shall provide written notification to the district school board
654 and the Commissioner of Education. Within 14 days after
655 receiving such notification, if the commissioner determines that
656 the district does not have a plan that is reasonably anticipated
657 to avoid a financial emergency as determined pursuant to s.
658 218.503, the commissioner shall appoint a financial emergency
659 board that shall operate under the requirements, powers, and
660 duties specified in s. 218.503(3)(g).

661 (b) If any of the conditions identified in s. 218.503(1)
662 existed in the 2015-2016 school year or thereafter, the
663 department shall contract with an independent third party to
664 conduct an investigation of all accounts and records to
665 determine the cause of the deficit, what efforts, if any, were
666 made to avoid the deficit, and whether any of the conditions
667 identified in s. 1011.10 have occurred. The investigation must
668 include a detailed review and analysis of documents and records,
669 including, but not limited to, budget reports, journal entries,
670 budget methodologies, staff emails, hard copy records, monthly
671 financial statements, quarterly revenue and expenditure reports,
672 finance staff job descriptions, and minutes from meetings. The
673 results of the investigation must include recommendations for
674 corrective action and controls to avoid a reoccurrence of a

675 future budget shortfall. A final report shall be provided to the
676 district school board, the department, the Legislative Auditing
677 Committee, and the district's financial emergency board, if
678 applicable.

679 Section 15. Subsection (2) of section 1011.06, Florida
680 Statutes, is amended to read:

681 1011.06 Expenditures.—

682 (2) EXPENDITURES FROM DISTRICT AND OTHER FUNDS.—

683 Expenditures from district and all other funds available for the
684 public school program of any district shall be authorized by law
685 and must be in accordance with procedures prescribed by the
686 district school board. A district school board may establish
687 policies that allow expenditures to exceed the amount budgeted
688 by function and object, provided that the district school board
689 complies with s. 1011.09(4) and approves the expenditure by
690 amending and amends the budget at the next scheduled public
691 meeting. The district school board must provide a full
692 explanation of any amendments at the public meeting within
693 timelines established by school board policies.

694 Section 16. Subsection (4) of section 1011.09, Florida
695 Statutes, is amended to read:

696 1011.09 Expenditure of funds by district school board.—All
697 state funds apportioned to the credit of any district constitute
698 a part of the district school fund of that district and must be
699 budgeted and expended under authority of the district school

700 board subject to the provisions of law and rules of the State
701 Board of Education.

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

715 Section 17. Subsection (3) is added to section 1011.10,
716 Florida Statutes, to read:

717 1011.10 Penalty.—

718 (3) If any of the conditions identified in s. 218.503(1)
719 exist within a school district, the salary of each district
720 school board member and district superintendent, calculated
721 pursuant to ss. 1001.395 and 1001.47, shall be withheld until
722 the conditions are corrected. This subsection does not apply to
723 a district school board member or district superintendent
724 elected or appointed within 1 year after the identification of

725 the conditions in s. 218.503(1) if he or she did not participate
726 in the approval or preparation of the final school district
727 budget adopted before the identification of such conditions.

728 Section 18. Subsection (8) of section 1011.60, Florida
729 Statutes, is amended to read:

730 1011.60 Minimum requirements of the Florida Education
731 Finance Program.—Each district which participates in the state
732 appropriations for the Florida Education Finance Program shall
733 provide evidence of its effort to maintain an adequate school
734 program throughout the district and shall meet at least the
735 following requirements:

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

739 Section 19. Section 1011.64, Florida Statutes, is
740 repealed.

741 Section 20. The Legislature finds that a proper and
742 legitimate state purpose is served when employees and retirees
743 of the state and its political subdivisions, and the dependents,
744 survivors, and beneficiaries of such employees and retirees, are
745 extended the basic protections afforded by governmental
746 retirement systems. These persons must be provided benefits that
747 are fair and adequate and that are managed, administered, and
748 funded in an actuarially sound manner, as required by s. 14,
749 Article X of the State Constitution and part VII of chapter 112,

750 Florida Statutes. Therefore, the Legislature determines and
751 declares that this act fulfills an important state interest.

752 Section 21. Contingent upon CS/HB 7055 or similar
753 legislation in the 2018 Regular Session of the Legislature or an
754 extension thereof failing to become law, for the 2018-2019
755 fiscal year, the sum of \$850,000 in nonrecurring funds is
756 appropriated from the General Revenue Fund to the Department of
757 Education to implement the provisions of this act.

758 Section 22. This act shall take effect July 1, 2018.