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**RECOMMENDATIONS
FOR
TRANSPARENCY FLORIDA**

**Joint Legislative Auditing Committee
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**JOINT LEGISLATIVE AUDITING COMMITTEE
2010**

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EXECUTIVE SUMMARY

As required by Ch. 2009-74, *Laws of Florida*, this report provides recommendations from the Joint Legislative Auditing Committee (committee) for adding information related to government spending to the website established pursuant to the “Transparency Florida Act” (act).

Across the country there is a recent trend to provide more information to the public about how governmental entities spend taxpayer dollars. In Florida, the website required by the act is now available to the public and includes fiscal information from all branches of state government and all state agencies. Users can view detailed expenditures, appropriations, the status of spending authority, and position and rate information. The amount of financial transparency currently provided online by local governments, universities, colleges, school districts, and other governmental entities in the state varies greatly.

The act requires the committee to develop a plan to add fiscal information for other governmental entities to the website. The initial focus has been on school districts. Specific recommendations and timeframes for adding school district fiscal information to *Transparency Florida*¹ are provided. Also, general recommendations are provided for adding fiscal information for other governmental entities including state agencies, universities, colleges, counties, municipalities, special districts, and charter schools/charter technical career centers.

School Districts

School districts currently face various challenges in completing their mission of providing free public education to the children residing in Florida. Major fiscal challenges are declining economic conditions, declining enrollment, and the implementation of the class size reduction constitutional amendment. Committee members and staff have worked closely with representatives of school districts in order to develop a plan that maximizes the use of existing financial data.

We recommend the use of three phases as school district financial information is added to *Transparency Florida*. Information that is readily available, with minimal effort and cost to provide to the public, should be included for all school districts during the first phase of implementation. Information that requires the state to build a system, the Department of Education (DOE) or school districts to transmit financial data to the state, school districts to enhance their websites, or other more involved effort should be phased-in over time.

Citizens who visit either the home page of a school district’s website or *Transparency Florida* should be able to easily access the school district’s financial information that is located on the school district’s website, DOE’s website, and *Transparency Florida*.

The following three phases are recommended:

Phase 1: Hyperlinks should be added to *Transparency Florida*. This will allow easy access to school district financial information that is currently available online. Hyperlinks to numerous useful reports currently posted on DOE’s website, all school district websites, and the annual audit of each school district should be provided. A central access point for all of this information will be a valuable tool for anyone with an interest in school district financial information. In order to provide easy access to this

¹ For the purpose of this report, *Transparency Florida* refers to www.transparencyflorida.gov, the website created pursuant to the Transparency Florida Act.

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information for users of school district websites, each school district should be required to provide a hyperlink to *Transparency Florida*, using the Transparency Florida logo, on its website's home page. This phase should be able to be accomplished with minimal effort by August 1, 2010.

Phase 2: Florida's school districts are required to provide DOE with volumes of information related to their expenditures, revenues, and other financial information. While DOE uses some of this information to prepare summary reports addressed during Phase 1, much of the detailed information provided is not currently available online. DOE should be required to post these reports on its website and *Transparency Florida* should continue to be expanded to incorporate hyperlinks to these reports. Since limited financial information is available on a school-level basis, it is important to note that included in this phase is a series of reports that provide the costs incurred by individual schools. This phase should be able to be accomplished with minimal to moderate effort by December 31, 2010.

Phase 3: The information recommended during the first two phases has been largely summary information, updated on an annual basis, and available for all school districts. During the third phase, school districts should be required to post selected documents (budget amendments, financial statements) on their websites. School districts should also be required to transmit expenditure data to the state for disclosure on *Transparency Florida*. Although most school districts currently are required to periodically transmit data to the Auditor General, these new requirements are anticipated to have a significant impact on school district staff. The Office of Legislative Information Technology Services (OLITS) should be responsible for designing and building the system to handle the data or for procuring such services. One pilot school district should be used as this information is added to *Transparency Florida*. Once issues have been worked out with the pilot school district, only one new school district should be added at a time. Although all school districts should be required to comply with these requirements, small school districts should be afforded the opportunity to request a deferral or waiver from reporting requirements. This phase should be able to be completed with moderate to substantial effort by school districts. A major financial commitment is anticipated to design and build the system required to process the expenditure information received from school districts. Once the system is operational, the information for all school districts should be available on *Transparency Florida* within 24 months.

Under current law, the committee is responsible for oversight and management of *Transparency Florida*. To handle the day-to-day decisions that will be required as school district information is planned and added to the website, a governance board, consisting of senior staff members, should be established to work with OLITS and/or a contract provider and committee staff.

Other Governmental Entities

As financial information for other governmental entities is added to *Transparency Florida*, the same overall approach should be used. Existing financial information that is user-friendly should be included early on. Transactional data for entities should gradually be included, working with one entity at a time. Citizens should be able to easily access financial information for their local governments and educational entities from *Transparency Florida* and each entity's website. Once all school districts have successfully been added to *Transparency Florida*, the remaining governmental entities should be added in the following order: Charter Schools and Charter Technical Career Centers, Universities, Colleges, Water Management Districts, Counties, Municipalities, remaining Special Districts, and any other governmental entities, including Metropolitan Planning Organizations and Regional Planning Councils. The act should be revised to include a financial threshold in lieu of a population threshold for municipalities and special districts required to comply with reporting requirements. Also, all special districts that meet this financial threshold should be required to comply, regardless of whether they receive state appropriations.

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Conclusion

Understanding that the scope of this project will likely require a major financial commitment by the state, members of the committee requested an estimate of the potential cost. Experts have indicated a reliable cost estimate is not possible without employing a design team to conduct a detailed analysis. The cost estimates provided for the system are based on general information gathered from the entities and OLITS' experience with this type of project. No site visits were made.

After discussions and since members of the committee do not have confidence in the accuracy of the estimated costs, the committee adopted a motion to recommend moving forward with Phases 1 and 2 at this time. The committee recommends the deferral of Phase 3 pending future discussion.