



An Overview of Special District Basics and Accountability Requirements

Association of Florida Conservation Districts Annual Meeting

Jack Gaskins Jr., *Special District Accountability Program*

September 9, 2021



Agenda

Welcome!

- The Special District Accountability Program
- About Florida's Special Districts
- Accountability and Transparency
- Oversight and Enforcement
- Technical Assistance Resources

Special District Accountability Program

- Administers the Uniform Special District Accountability Act - Chapter 189, Florida Statutes (F.S.):
 - Provides related technical advisory assistance to special districts.
 - Helps state agencies, counties, and municipalities collect delinquent reports and information from special districts.
 - Helps noncomplying special districts come into compliance.
 - Enforces compliance through the circuit court when requested.
 - Declares special districts inactive.
 - Serves as a special district liaison for state agencies.
 - Maintains and publishes online:
 - *Official List of Special Districts;*
 - *Florida Special District Handbook; and*
 - *Special District Noncompliance Status Reports.*
 - Collects a required annual state fee (\$175) from each special district.



About Florida's Special Districts

Definitions

What is a special district?

- A unit of local government created for a special purpose (as opposed to a general purpose) that has jurisdiction to operate within a limited geographic boundary and is created by one of the following:
 - General law;
 - Special act;
 - Local ordinance; or
 - Rule of the Governor and Cabinet.

- Excluded entities:
 - School districts;
 - Community college districts;
 - Seminole and Miccosukee Tribe special improvement districts;
 - Municipal service taxing or benefit units; and
 - Boards that provide electrical service and are a political subdivision of a municipality or part of a municipality.

Definitions Continued

Why are soil and water conservation districts special districts?

- They have a collegial governing body exercising public powers specified in Florida law (i.e., Chapter 582, F.S.).
- They are local (i.e., operating within a limited geographic boundary).
- They are created pursuant to general law authority (i.e., Chapter 582, F.S.) for a special purpose.
- They are not excluded from the definition.

Clarification

- A soil and water conservation district is a special district, not a section 501(c)(3) organization.
- Special districts register with DEO's Special District Accountability Program, as opposed to the Florida Department of State's Sunbiz website.

Definitions Continued

Special districts are either dependent or independent. Reporting requirement differences exist between dependent and independent special districts.

- **Dependent** if a single county or single municipality is authorized to do one or more of the following:
 - Designate its governing body members to serve as the governing body members for the special district.
 - Appoint all members to the special district's governing body.
 - Remove any governing body member at will during unexpired terms.
 - Approve or veto the special district's budget.
- **Independent** if none of the above apply. Multi-county special districts are independent.

Blackwater, Glades, Hendry, Madison, and Union soil and water conservation districts are dependent. The remaining soil and water conservation districts are independent.

Statistics

Dependent and Independent

Status	July 2019	September 2021
Dependent	638	627
Independent	1,103	1,189
Total	1,741	1,816

Single and Multicounty

Single / Multicounty	July 2019	September 2021
Single County	1,664	1,740
Multicounty	77	76
Total	1,741	1,816

Differences do not account for dissolved and inactive special districts.

Chipola River Soil and Water Conservation District, operating in Calhoun and Liberty counties, is Florida's only multi-county soil and water conservation district.

Special Purposes

Top Ten Special Purposes	July 2019	September 2021
1. Community Development	689	779
2. Community Redevelopment	227	222
3. Housing Authority	91	91
4. Drainage and Water Control	83	82
5. Fire Control and Rescue	64	64
6. Soil and Water Conservation	58	56
7. Neighborhood Enhancement	47	46
8. Hospital (all types)	28	27
9. Neighborhood Improvement (all types)	28	25
10. Health Facilities	26	25

Special District Diversity

Florida's special districts are vastly diverse.

- The Official List of Special Districts identifies:
 - 14 special districts that are more than 100 years old;
 - 48 special districts that are less than one year old;
 - 80 special purposes;
 - 20 revenue sources; and
 - Eight governing body types.
- Some special districts serve multiple counties, while others serve small neighborhoods using all volunteer staff.
- Some special districts report more than \$1 billion in revenue per year, while others report less than \$50,000 per year.
- All special districts must comply with the same accountability requirements.

Reasons for Creating Special Districts

- Empower citizens to govern their own neighborhood or community.
- Serve as a financing mechanism for the public and private sectors to govern, finance, construct, operate, and maintain essential public services and facilities.
- Save money for citizens by selling tax-exempt bonds, purchasing tax-free goods and services, and participating in state programs and initiatives, such as state-term contracting.
- Provide enhanced or specialized public services in response to citizen demand that a county or municipality may be unable or unwilling to offer.
- Focus costs only for those who benefit from the services and facilities.

Reasons for Creating Special Districts

- Help protect property values by ensuring that services and facilities are continuously provided and maintained.
- Provide governmental services when needs transcend the boundaries, responsibilities, and authority of individual counties and municipalities.
- Provide the ability to appoint or elect people who have the appropriate expertise, skills, and experience to govern and oversee the special district's specialized function.
- Held to the same high standards of accountability as municipalities and counties, **plus** the requirements of the Uniform Special District Accountability Act.

Accountability and Transparency



Reports, Notices, and Filings

Communication and Coordination

Accountability and Transparency – Laws

Various laws hold special districts accountable to citizens and state and local government:

- The Florida Constitution (e.g., pledging credit, bond financing and taxes)
- Laws of a general nature (e.g., public records, public meetings, financial reporting, elections and ethics)
- The special district's creation document
- The specific statutory authority for a special district's special purpose (e.g., Chapter 582, Florida Statutes)
- The Uniform Special District Accountability Act - requires special districts to comply with many of the same accountability and transparency laws that apply to counties and municipalities – plus additional requirements.

Accountability and Transparency – Website

Maintain an official website with specified content, including:

- A public purpose statement;
- A written boundary or service area description;
- A description of services provided;
- The full charter (creation document);
- General contact information for the special district;
- Official contact information for each governing body member;
- Rates, amounts, and authority of all taxes, fees, assessments, or charges;
- The regular public meeting schedule, meeting and workshop agendas, and certain meeting materials;
- The final adopted budget and certain budget amendments;
- Links to financial reports; and
- A link to generally applicable ethics provisions.

Accountability and Transparency – Meetings

Meetings must be open and governed by the Sunshine Law and the Uniform Special District Accountability Act:

- **Sunshine Law:**
 - Provide reasonable public notice of meetings.
 - Include a statement that anyone wanting to appeal an official decision made on any subject at the meeting must have a verbatim record of the meeting that includes the testimony and evidence on which the appeal is based.
 - Promptly record minutes and make available for public inspection.
 - Provide a reasonable opportunity for citizens to be heard on a proposition before the governing body.

Accountability and Transparency – Meetings

- Uniform Special District Accountability Act:
 - For Regular Meetings - Prepare quarterly, semiannually, or annually a *Regular Public Meeting Schedule* that provides the date, time, and location of each meeting.
 - Publish pursuant to Chapter 189, Florida Statutes.*
 - File with the county or municipality in which the special district has territory.
 - Post on the special district's official website.
 - For Other Meetings (independent special districts only):
 - Non-Emergency Situation: Advertise the day, time, place, and purpose in the county or counties in which the special district is located at least seven days before such meeting. Publish pursuant to Chapter 189, Florida Statutes.*
 - Emergency Situation: Hold the meeting as necessary with reasonable notice; subsequently ratify the meeting.

* Chapter 50, Florida Statutes, after January 1, 2022 (see Handbook).

Accountability and Transparency – Meetings

- Meeting and workshop agendas:
 - Post on the special district’s official website at least seven days before the event and keep them there for at least one year.
- Location to hold meetings:
 - A public building, when available, within the district;
 - The local county courthouse; or
 - A building in the county that is accessible to the public.
- **Administrative Procedures Act:**
 - Consult with your legal counsel for information about possible additional meeting requirements (e.g., giving notice of public meetings, hearings and workshops by publication in the Florida Administrative Register).

Accountability and Transparency – Budget

Adopt a budget by resolution each fiscal year at a regular public meeting.

- Use the required fiscal year that starts October 1 and ends September 30, unless authorized in law to use an alternative fiscal year.
- The budget must:
 - Follow generally accepted accounting principles;
 - Show budgeted revenues and expenditures by organizational unit for each fund; and
 - Show budget details with at least the same level of detail required for the Annual Financial Report.
- Post the tentative budget on the special district’s official website at least two days before the budget hearing held pursuant to section 200.065, F.S. (method of fixing millage), or some other law and keep it posted for at least 45 days.
- Post the final budget on the special district’s official website within 30 days after adoption and keep it posted for at least two years.

Accountability and Transparency – Budget

Complete budget amendments within the fiscal year or within 60 days following the end of the fiscal year.

- Appropriations for expenditures within a fund may be decreased or increased, by motion recorded in the minutes, if the total appropriations of the fund do not increase.
- The special district’s governing body may establish procedures by which the designated budget officer may authorize certain amendments if the total appropriations of the fund do not increase.
- If a budget amendment is required for any other purpose:
 - Adopt the amendment by resolution;
 - Post the amendment on the special district’s official website within five days after adoption; and
 - Keep the amendment posted on the website for at least two years.
- Beginning October 1, 2021, upload a budget variance report when submitting the Annual Financial Report if the final adopted budget was amended. See the [Florida Special District Handbook](#) for more information.

Accountability and Transparency – Filings

File the following with the Special District Accountability Program:

- Creation document, boundary map, and amendments (file amendments within 30 days after adoption).
- Registered agent and registered office (name, address, telephone, fax and email); file changes upon making the changes.
- The Annual Fee Invoice and Update Form (file when paying the annual \$175 state fee).
- Official web address.

Filings may be emailed to Jack.Gaskins@DEO.MyFlorida.com.

Accountability and Transparency – Filings

File the following with the county or municipality in which the special district has territory*:

- Registered agent and registered office (name, address, telephone, fax and email); file changes upon making the changes.
- Regular public meeting schedule.
- Budget, tax levy, and/or financial information:
 - Independent special districts must file if requested.
 - Dependent special districts must file when requested; the county or municipality must include the special district's budget within its own budget unless they agree to a separate budget.

*If county, file with the clerk of the board of county commissioners; if municipality, file at the place designated by the municipality.

Accountability and Transparency – Filings

File a Financial Audit Report with the Florida Auditor General and the Florida Department of Financial Services when annual revenues or combined expenditures and expenses:

- Exceed \$100,000; or,
- Fall between \$50,000 and \$100,000, and the special district did not have an audit the previous two fiscal years.

Due date:

- Within 45 days after the certified public accountant delivers the completed report to the governing body, but no later than June 30 (nine months after the fiscal year end date).

A dependent special district may be included in the financial audit of the county.

Accountability and Transparency – Filings

File an Annual Financial Report with the Florida Department of Financial Services:

- To report annual revenues, expenditures, and long-term liabilities.
- See the [Florida Special District Handbook – The Annual Financial Report](#), regarding additional information that must be reported for the fiscal year beginning October 1, 2021 (e.g., employee / contractor compensation, budget variance report, certain information about assessments, and information about certain construction projects).

Due date:

- No later than June 30 (nine months after the fiscal year end).

A dependent special district may report through the county but must be listed separately.

The report must be completed online at apps.fldfs.com/LocalGov.

Oversight and Enforcement



How are special districts overseen?

Oversight and Enforcement – Overview

- Special district, county, and municipality oversight and enforcement is very similar.
- A special district's governing body is responsible for ensuring the special district complies with applicable laws while governing the special district according to its charter and enabling laws.
- Specific laws provide oversight and enforcement as it relates to illegal activity and ethics, open meeting, and public record violations.
- Florida's Open Government and Public Records laws enable citizens to monitor special districts.
- Depending on the issue, state and local agencies and citizens can take action when a special district fails to comply with a requirement.

www.FloridaJobs.org/SpecialDistrictCommonIssues

Oversight and Enforcement

The Uniform Special District Accountability Act provides additional oversight and enforcement specific to special districts:

- Counties and municipalities must act when a dependent special district does not comply with certain requirements:
 - Remove and replace special district governing body members at will;
 - Deny approval of the special district's budget;
 - Veto the special district's budget;
 - Amend the special district's charter;
 - Merge the special district; and/or
 - Dissolve the special district.

Oversight and Enforcement

- Most special districts are subject to a general oversight review process to determine if changes should be made, including the continued existence of the special district.
 - Soil and water conservation districts may be reviewed as directed by the President of the Senate and the Speaker of the House of Representatives.
- The Office of Program Policy Analysis and Government Accountability (OPPAGA) will be conducting, or contracting for, Performance Reviews of each of the 51 independent soil and water conservation districts by September 30, 2024.
 - A performance review is an evaluation of an independent special district and its programs, activities, and functions.
 - The process is likely to include an entrance conference, information requests, fieldwork (interviews, surveys, and data analysis), and an opportunity for the special district to review preliminary and tentative drafts of the reports for accuracy and provide formal comment.

Oversight and Enforcement

- Upon completion of the review, OPPAGA will submit a final written report of the performance review to the President of the Senate and Speaker of the House of Representatives.
- See the Florida Special District Handbook for more information.
- State agencies monitor special district reporting. As an example, when special districts do not file the Annual Financial Report and/or the Financial Audit Report by the June 30 deadline:
 - The respective state agency files a noncompliance status report with the Joint Legislative Auditing Committee, which may hold a public hearing.
 - The respective state agency files a noncompliance status report with the Special District Accountability Program, which must:
 - Post the noncompliance report on the following website:
www.FloridaJobs.org/Noncompliance
 - Mail a certified technical assistance and warning letter to the special district's registered agent requiring compliance.

Oversight and Enforcement

- The certified technical assistance and warning letter:
 - Describes the reporting requirement, filing deadlines, filing procedures, and how to get more help;
 - Requires the special district to file the report within 60 days; or
 - Requires the special district to provide a written response to the following within 60 days, if the special district is unable to file the report within 60 days:
 1. The reason(s) it is unable to meet the deadline;
 2. The steps it is taking to prevent future delinquent filings; and
 3. The estimated date it will file the report.
 - Explains the penalties for not complying within 60 days.

Oversight and Enforcement

- Most special districts file the report within 60 days. For those that do not, the committee meets to determine whether to initiate enforcement.
 - The committee will consider any written response concerning why the special district couldn't meet the 60-day deadline and may delay action to allow the special district more time to file the report.
 - The committee may determine that enforcement is justified. If so, the committee will direct the program to declare the special district inactive for dissolution or file a petition for enforcement in the Leon County circuit court.
- To help avoid enforcement:
 - Let the program know if your special district will miss the filing deadline, the reasons why, and an estimated filing date.
 - Continue to keep the program updated, especially if the estimated filing date changes.

Technical Assistance Resources



DEO Special District Accountability Program:

www.FloridaJobs.org/SpecialDistricts

Jack Gaskins Jr.

- Direct Phone: 850-717-8430
- Email: Jack.Gaskins@DEO.MyFlorida.com

Official List of Special Districts Online:

www.FloridaJobs.org/OfficialList

Florida Special District Handbook Online:

www.FloridaJobs.org/SpecialDistrictHandbook

Specialty Area Contacts:

www.FloridaJobs.org/SpecialDistrictHelp