



An Overview of Special District Basics and Accountability Requirements

Association of Florida Conservation Districts

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Introduction

Welcome!

This presentation summarizes the following topics:

- Special District Basics
- Transparency and Accountability
- Oversight and Enforcement
- Resources and Contact Information

Special District Basics



The Nuts and Bolts of Special Districts

Special Districts in Florida

Special District Basics

What is a special district?

- A special district is 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:
 - general law,
 - special act,
 - local ordinance, or
 - rule of the Governor and Cabinet.

- However, the following entities are excluded from the definition:
 - 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 a part of a municipality.

Special District Basics

Why are Soil and Water Conservation Districts (S&WCD) special districts?

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

Special District Basics

Special districts are either dependent or independent and have different reporting requirements.

- A special district is **dependent** if a single county or single municipality has one or more of the following powers:
 - Authority to designate all of its own governing body members to serve as the governing body for the special district.
 - Authority to appoint all members to the special district's governing body.
 - Authority to remove any governing body member at will during unexpired terms.
 - Authority to approve or veto the special district's budget.
- A special district is **independent** if none of the above apply.

Special District Basics

Totals

Status	July 2016	July 2017
Independent	1,025	1,049
Dependent	630	633
Total	1,655	1,682

- Blackwater, Glades, Hendry and Madison S&WCDs are dependent. The remaining are independent.

Single / Multi-County	July 2016	July 2017
Single County	1,581	1,608
Multi-County	74	74
Total	1,655	1,682

- Chipola River S&WCD, operating in Calhoun and Liberty counties, is the only multi-county S&WCD.

Special District Basics

Special-Purposes

Top 10 Special-Purposes (out of 80)	July 2016	July 2017
1. Community Development	611	632
2. Community Redevelopment	217	224
3. Housing Authority	91	91
4. Drainage and Water Control	83	83
5. Fire Control and Rescue	63	64
6. Soil and Water Conservation	58	58
7. Neighborhood Enhancement	49	47
8. Health Facilities	29	28
9. Hospital (all types)	28	28
10. Neighborhood Improvement (all types)	27	27

Special District Basics

Florida's special districts are very diverse.

- Every parcel in Florida is covered by at least one special district.
- Some special districts are large and operate in multiple counties.
- Other special districts serve small neighborhoods using all volunteer staff.
- Not all special districts have taxing authority.

Special District Basics

Reasons for creating special districts:

- Special districts can empower citizens to govern their own neighborhood or community.
- Special districts serve as a financing mechanism for the public and private sectors to govern, finance, construct, operate and maintain essential public services and facilities.
- Special districts can provide enhanced or specialized public services in response to citizen demand that a county or municipality may be unable or unwilling to offer.
- Special districts focus costs only for those who benefit from the services and facilities.
- Special districts can help protect property values by ensuring that services and facilities are continuously provided and maintained.

Special District Basics

- Special districts can save money for citizens by selling tax-exempt bonds, purchasing goods and services tax free and participating in state programs and initiatives, such as state-term contracting.
- Regional and multi-county special districts can provide governmental services when needs transcend the boundaries, responsibilities and authority of individual counties and municipalities.
- Special districts 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.
- Special districts are held to higher accountability standards than municipalities and counties.

Accountability and Transparency



Reports, Notices and Filings

Communication and Coordination

Accountability and Transparency

Local Government Financial Reporting System:

- A network of state agencies working together to monitor and continuously collect information from counties, municipalities and special districts for use by the Legislature and other officials. Examples:
 - Florida Department of Financial Services (revenues/expenses/debt)
 - Florida Auditor General (financial audit results, repeat audit findings)
 - Florida Department of Management Services (defined benefit pension plans)
 - State Board of Administration (bond issuance information)
 - Florida Department of Economic Opportunity, Special District Accountability Program (special district information)
- Counties, municipalities, special districts and state agencies have roles and responsibilities in this system.

Accountability and Transparency

Special District Accountability Program responsibilities:

- Continuously maintain the *Official List of Special Districts Online*.
- Provide technical advisory assistance to special districts regarding Chapter 189, Florida Statutes.
- Coordinate with 15 state agencies to produce *The Florida Special District Handbook Online*.
- Help noncomplying special districts comply with reporting requirements.
- File petitions for enforcement in the circuit court to enforce reporting compliance.
- Declare special districts inactive for dissolution when required.
- Annually collect a statutorily required fee (\$175) from each special district to administer Chapter 189, Florida Statutes.

Accountability and Transparency

Laws require special districts to be accountable and transparent:

- The special district's charter (creation document).
- The specific statutory authority for a special district's special purpose (e.g., Chapter 582, Florida Statutes).
- 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).
- Chapter 189, Florida Statutes (e.g., specific standards of operation, conduct, accountability, transparency, reporting and coordination with counties and municipalities).
 - Requires special districts to comply with the same accountability laws that counties and municipalities must follow in addition to laws specifically for special districts.

Accountability and Transparency

To improve communication and coordination between state agencies with respect to required special district reporting and state monitoring, maintain the following with the Special District Accountability Program:

- Creation document and boundary map (file amendments within 30 days after adoption).
- Registered agent and registered office (file upon making any change to the name, address, telephone, fax or email).
- The Annual Update Form (file when paying the annual \$175 fee).
- Official website URL.

This information appears in the *Official List of Special Districts Online*.

Accountability and Transparency

To improve accountability and transparency to the public, maintain an official website with specified content, including:

- A public purpose statement;
- A 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/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

Comply with Florida's Sunshine Law and public records law:

- Two or more governing body members of the same board must not engage in private discussions with each other about board business that will foreseeably come before that board for action, either in person or by telephone, email, text or any other type of electronic communication (i.e., Facebook, blogs, etc.).
- Chapter 286, Florida Statutes (Public Business):
 - 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 them available for public inspection.

Accountability and Transparency

Comply with additional open meeting requirements:

- Chapter 120, Florida Statutes (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).

- Chapter 189, Florida Statutes (Uniform Special District Accountability Act):
 - Prepare quarterly, semiannually or annually a “Regular Public Meeting Schedule” that provides the date, time and location of each meeting.
 - Publish it in a specified newspaper.
 - File it with the county or municipality in which the special district has territory.
 - Post it on the special district’s official website.

Accountability and Transparency

- At least seven days before a regular meeting or workshop, post the following on the special district's official website and keep it there for at least one year:
 - Meeting and workshop agendas.
 - Meeting materials, when available in an electronic format, excluding confidential and exempt information.

- Hold meetings in one of the following types of buildings:
 - A public building when available within the district.
 - The local county courthouse.
 - A building in the county that is accessible to the public.

Accountability and Transparency

- Independent special districts that need to hold a meeting other than a regular meeting or any recessed and reconvened meeting must:
 - Advertise the day, time, place and purpose at least seven days before such meeting in a newspaper of general paid circulation in the county or counties in which the special district is located.
 - In the event of an emergency situation, hold the meeting as necessary with reasonable notice; the governing body must subsequently ratify the meeting.

Accountability and Transparency

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

- The budget must:
 - Follow generally accepted accounting principles.
 - Show budgeted revenues and expenditures by organizational unit for each fund.
 - Show budget details with at least the same level of detail required for the Annual Financial Report.
- The tentative budget must be posted on the special district's official website at least two days before the budget hearing, held pursuant to section 200.065, Florida Statutes (method of fixing millage), or other law, to consider such budget and must remain on the website for at least 45 days.
- Post the final budget on the special district's official website within 30 days after adoption and keep it there for at least two years.

Accountability and Transparency

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 on the website for at least two years.

Accountability and Transparency

To improve communication and coordination between special districts and the county in which the special district has territory, file the following with the clerk of the board of county commissioners:

- Registered agent and registered office (file upon making any change to the name, address, telephone, fax or email).
- Regular public meeting schedule.
- Budget, tax levy and/or financial information:
 - Independent special districts – upon request.
 - Dependent special districts – when requested because the county must include the special district’s budget within its own budget unless the county decides that the special district may have its own separate budget.

Accountability and Transparency

If applicable, provide for an annual financial audit and file an Annual Financial Audit Report with the Auditor General and Department of Financial Services.

The audit report discloses whether financial statements are fairly presented in accordance with generally accepted accounting principles and whether operations are properly conducted in accordance with legal and regulatory requirements.

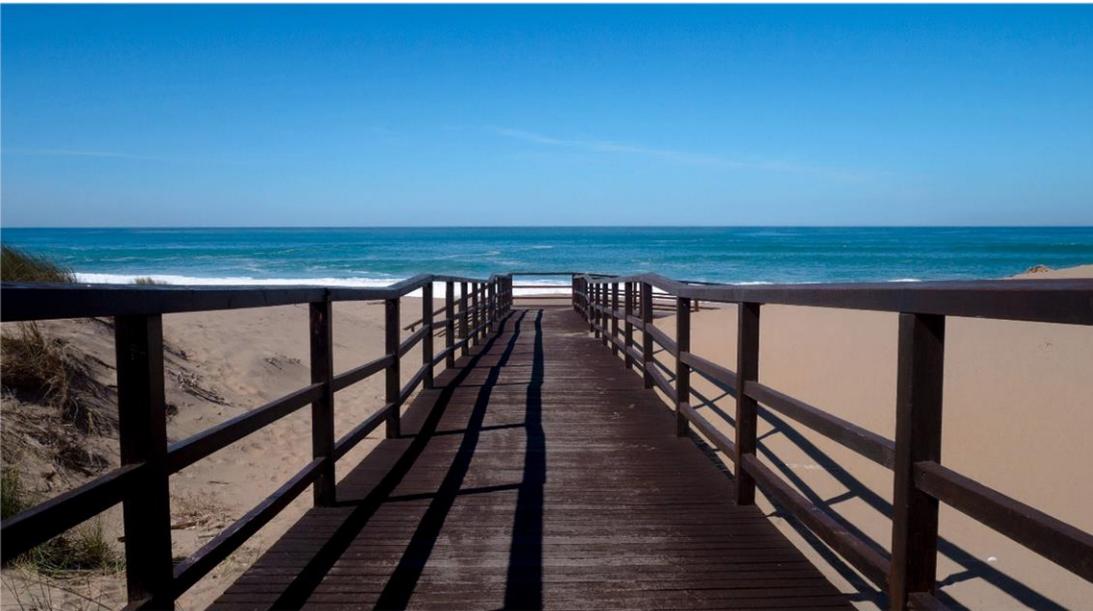
- Applicable when annual revenues or combined expenditures and expenses exceed \$100,000, or fall between \$50,000 and \$100,000 and the special district did not have an audit the previous two fiscal years.
- A dependent special district may be included in the financial audit of its local governing authority (county or municipality).
- Due 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).

Accountability and Transparency

Disclose annual revenues, expenditures and long-term liabilities by electronically filing an Annual Financial Report with the Department of Financial Services (<https://apps.fldfs.com/LocalGov/>):

- A dependent special district may report through its local governing authority, but must be listed separately.
- Due within nine months of fiscal year end. Most special districts operate October 1 through September 30 requiring a June 30 deadline.

Oversight and Enforcement



How are special districts overseen?

What can happen when special districts do not comply with laws?

Oversight and Enforcement

The oversight and enforcement of special districts is very similar to the oversight and enforcement of counties and municipalities.

- The special district's governing body members are responsible for ensuring the special district complies with applicable laws while governing the special district according to its charter and enabling laws.
- Florida's open meeting and records laws enable citizens and the media to oversee and monitor special districts by reviewing public records and attending governing body meetings to observe discussions, deliberations and formal actions.
 - Public participation – must provide a reasonable opportunity for citizens to be heard on a proposition before the governing body.
- Citizens can contact their local state attorney's office for information concerning public record law violations and other violations.
- Citizens can file ethics related complaints with the Commission on Ethics, which may investigate the complaints and issue fines if warranted.

Oversight and Enforcement

- Licensed independent certified public accountants conducting required financial audits of special districts must report suspected illegal activity to the special district's governing body or the Florida Department of Law Enforcement.
- The Florida Auditor General's office:
 - Performs desk audits on Annual Financial Audit Reports to make sure the audits comply with auditing standards and rules.
 - Tracks findings repeated for more than two years and reports them to the Joint Legislative Auditing Committee for possible further state action.
- The Joint Legislative Auditing Committee:
 - May investigate audit matters, use its powers of subpoena and order a state audit by the Florida Auditor General.
 - May request the Florida Department of Economic Opportunity to file a petition for enforcement with the circuit court or declare a special district inactive for dissolution when special districts fail to comply with certain financial reporting requirements.

Oversight and Enforcement

- The Governor's office monitors special districts and provides technical assistance when a special district meets one or more financial emergency conditions.
- The Governor may suspend or remove special district governing body members under certain circumstances.
- Counties and municipalities may initiate at least one of the following actions if one of its dependent special districts does not comply with 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

- Depending on how the special district was created or whether it is dependent or independent, an appropriate oversight entity may:
 - Convene a public hearing when a special district fails to comply with certain financial reporting requirements.
 - Convene a general oversight review process of a special district to contribute to informed decision making about the special district, including whether it should continue to exist. Examples of criteria to be considered during the review include:
 - The degree to which the special district's services are essential.
 - The extent of continuing need for the services.
 - Whether a less costly alternative method of delivering the services exists.
 - Whether the special district is meeting and discharging its responsibilities as required by its charter.
 - Whether the special district has complied with open public records and meeting requirements.

Oversight and Enforcement

- State agencies monitor special district reporting and file noncompliance status reports with the Special District Accountability Program and the Joint Legislative Auditing Committee when special districts fail to comply with agency requirements.

- Example: Failure to file the Annual Financial Report and/or the Annual Financial Audit Report by the June 30 deadline:
 - The program posts the noncompliance report on its website (www.FloridaJobs.org/Noncompliance).

 - The committee or county may at any time hold a public hearing on the noncompliance issue.

Oversight and Enforcement

- Next, the program mails a certified letter to the special district that:
 - Describes the reporting requirement, filing deadlines, filing procedures and how to get further assistance;
 - Requires the special district to either file the report or provide a written response within 60 days to the following:
 1. The reason(s) it is unable to meet the deadline.
 2. The steps it is taking to prevent future delinquent filings.
 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 within 60 days.

- To help avoid enforcement, please:
 - Let the program know if your special district will miss the deadline to file the Annual Financial Report and/or the Annual Financial Audit Report, the reasons why, an estimated filing date and any changes to that date.

Resources and Contact Information



DEO Special District Accountability Program:

www.FloridaJobs.org/SpecialDistricts

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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