

**COMMITTEE ACTION  
JOINT LEGISLATIVE AUDITING COMMITTEE MEETING  
FEBRUARY 16, 2009**

**Members in attendance:**

Senator Alex Diaz de la Portilla, Chair  
Representative Marti Coley, Alternating Chair  
Representative Joseph Abruzzo  
Senator Andy Gardiner  
Representative Charles McBurney  
Representative Scott Randolph  
Senator Jeremy Ring  
Representative Ron Schultz  
Senator Stephen Wise

Senator Larcenia Bullard was excused.

**Agenda Item 1** Reappointment of Gary R. VanLandingham, Ph.D., Director, Office of Program Policy Analysis and Government Accountability [OPPAGA] pursuant to Joint Rule 4.1(7).

The Chair stated that no vote would be taken at this meeting.

Kathy DuBose, Senior Analyst presented the Committee staff review of Dr. VanLandingham as director of OPPAGA. Staff recommended that Dr. VanLandingham be reappointed.

Dr. VanLandingham gave an overview of OPPAGA's activities and accomplishments.

Chair Diaz de la Portilla questioned what OPPAGA was doing to help the Legislature identify specific programs that are no longer efficient, effective or necessary. He asked what OPPAGA has recommended to appropriations' staff as to what should be cut. The Chair also asked what savings the state would see if OPPAGA recommendations were followed and if current recommendations were any different from recommendations in prior years.

Dr. VanLandingham responded that OPPAGA's work comes from legislative leadership and he would provide the requested data to the Committee.

Senator Ring inquired as to what changes to current law would Dr. VanLandingham recommend to render OPPAGA more effective. He also asked if OPPAGA had any recourse if an agency did not provide requested information. He asked Dr. VanLandingham if it was his recommendation that the Legislature strengthen the law. Dr. VanLandingham stated that generally, OPPAGA has the ability to get any information from the agencies that they need.

Senator Gardiner asked if OPPAGA recommendations had been tracked over the last 15 years as to what recommendations have been given; what recommendations have been implemented; and what the savings to the state have been because of OPPAGA's recommendations. He asked that OPPAGA provide that information so that the Committee could actually see the cost benefit of OPPAGA. Dr. VanLandingham stated that this information could be provided to the members.

The Chair asked Dr. VanLandingham about the savings realized from OPPAGA's review of the Medicaid drug issue. Dr. VanLandingham stated the savings were in the neighborhood of \$240,000,000.

The Chair again requested OPPAGA provide information to the members so that they are better able to see where the state can save taxpayer dollars.

**Agenda Item 2 Discussion concerning local governmental entities that have not filed their annual financial reports as required by Section 218.32, F.S., and audit reports as required by Section 218.39, F.S.**

**The Chair stated that no vote would be taken at this meeting.**

Debbie White, CPA, of JLAC staff, spoke to the members regarding local governmental entities not in compliance with the statutes as they pertain to annual financial reports and audit reports.

Rep. Coley asked what the penalties would be if action is taken. Ms. White responded that the Committee can direct the Department of Revenue and the Department of Financial Services to withhold the local government's revenues. Special districts can be taken to circuit court by the Department of Community Affairs.

Rep. Coley also inquired as to whether the smaller municipalities could be having financial difficulty in obtaining an audit. Ms. White stated that some municipalities do not have the accounting knowledge to do the AFR

The Chair called on Terry Shoffstall, Staff Director, for comments. Mr. Shoffstall explained how JLAC staff has helped these local governments comply in the past.

Rep. McBurney asked when the 06-07 audits would be due by various municipalities. Ms. White responded that the 06-07 AFRs and audits were due by September 30, 2008, and 07-08 will be due by September 30, 2009.

Rep. McBurney asked whether penalties have been imposed on any of the entities listed in the packet. Ms. White replied that there have not been any penalties imposed on them.

Rep. McBurney asked if there was a maximum penalty other than revenues and does staff have any recommendations of more serious penalties to ensure compliance. Ms. White replied as to the revenue withheld would be the amount that would have been distributed and would depend on each local government.

Rep. McBurney asked if staff had any recommendation for additional penalties, if any, for chronic abusers. Ms. White responded that DFS, DCA and Auditor General and staff have discussed this for years.

Sen. Wise asked Mr. Shoffstall if Community Affairs [committee] had not been looking at a transparency issue dealing with the special districts trying to get them to come in and put it on the computer so it wouldn't be such an onerous task. Mr. Shoffstall responded that he was not certain where the issue stood in Community Affairs.

**Agenda Item 3    Presentation and discussion of OPPAGA's series of reports issued on school breakfast and lunch programs**

Wade Melton, Staff Director, OPPAGA, gave a presentation to the Committee regarding school breakfast and lunch programs.

Rep. Abruzzo asked whether a school got a better reimbursement from the federal government if they served a healthier meal. Mr. Melton said that the school would get the same reimbursement.

The Chair asked about the size of the school districts with regard to funds transferred from the general funds. Mr. Melton replied that they were across the board in size. The Chair then asked how many

had transferred, even though they have paid it back. Mr. Melton replied that he did not know how many had paid it back because OPPAGA eliminated the districts that transferred and then paid back the funds. He also stated that about a third of the districts transferred money that they did not pay back.

Sen. Wise asked what kind of indirect costs the districts are getting. Mr. Melton answered that it was determined by DOE as they go out to each school district and work with them to calculate the costs.

Sen. Wise asked how much money was left from the federal government that we did not get that we should have gotten. Mr. Melton answered that this does not affect our reimbursement; it only accounts for costs. Sen. Wise stated he didn't want any of this federal money left in Washington, D.C. He wanted to know if we were not getting all the money set aside for Florida, i.e., the summer lunch program. Mr. Melton stated OPPAGA did not look at the summer lunch program, only the breakfast and lunch programs.

Rep. Randolph asked for a breakdown on the meal price as to how much is labor cost, how much is actual food cost. Mr. Melton stated that OPPAGA looked at all 67 districts regarding that to develop the next study, and it varies all across the state and it varies as to how it is recorded in AFR data, but generally, somewhere in the range of 35% to 45% is for labor and the same amount for food, and the rest is 10%-12% in other smaller cost items.

Rep. Randolph asked if there was a survey done, or data available on what percentage of students may be eating breakfast at home, or what percentage of students overall are getting a breakfast. Mr. Melton responded that was unknown.

The Chair asked how we compared to other states in participation in the breakfast and lunch program and Mr. Melton responded that Florida's participation is high.

Sen. Wise asked many school districts are privatized and do any of them privatize with an outside vendor. Mr. Melton stated that several districts have outside vendors that either manage their program, partially manage it or manage the employees of the districts. The degree of privatization varies among the districts.

Regarding the different groups (free, reduced price and full price), Rep. Schultz asked if the barriers for participation were reduced, would the percentages of participation within the groups change.

Mr. Melton responded that three districts (Volusia, Hillsborough and Franklin) have implemented universal free breakfasts. OPPAGA looked at their participation rates and modeled the state based on their rates. Results of federal studies would have altered the outcome greatly.

Rep. Coley commented that it would be helpful to compare the few that have privatized with the districts that have not and see which is better. Mr. Melton said that he would provide the cost data for the districts that did privatize. Some districts partially privatized. The Chair asked that this information be provided at the next meeting.

**Agenda Item 4 Other Committee business.**  
None.

**Rep. McBurney moved to rise.**