

Dr. Steve Gallon III, Vice Chair

**SUBJECT: AMENDMENT TO SCHOOL BOARD POLICIES GOVERNING DIRECT SUPPORT ORGANIZATIONS, BUSINESS ETHICS, AND SOLICITATION/ACCEPTANCE OF DONATIONS**

**COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

**LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

The School Board of Miami-Dade County remains committed to promoting and maintaining a high level of accountability, integrity, and transparency in the operation of the school district, as well as in its partnerships with community and direct support organizations. This commitment also extends to relationships with community groups, vendors, and those conducting and/or who seek to conduct business with the District.

The School Board further recognizes that the critical work of the District cannot be borne alone and that the provision of a rigorous and relevant educational experience, and the achievement of both learning and lifelong goals for students require the active engagement and financial support of the broader community.

To this end, the School Board recognizes and appreciates the value of Direct Support Organizations (DSOs) in the achievement of its vision and mission for all students, as well as its employees and relevant stakeholders. In fact, Board Policy 9215 affirms *“that Direct-Support Organizations (DSOs) provide invaluable assistance to the students of this District and its programs.”* In fact, it lends significant resources and support to DSOs in the achievement of shared goals, mission, and objectives. Under Section 1001.453, F.S., and Board Policy 9215, a DSO is an organization that meets the following criteria:

- A. it is approved by the School Board;
- B. it is a Florida corporation not for profit, incorporated under the provisions of Chapter 617, F.S., and approved by the Department of State; and
- C. it is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of public kindergarten through 12th grade education and adult career and technical and community education programs in this District.

Under Section 1001.453, F.S. and Board Policy, the School Board *“must approve agreements with DSOs that meet the criteria listed above since they are authorized to use District resources to support their business mission, including “property, facilities and personal services” and District “full-time or part-time personnel.”*

**Revised Good Cause  
H-25**

This requirement and access and ability to utilize district resources distinguish DSO's from other community-based groups and organizations and holds them to an even higher degree of accountability, integrity, and transparency in its operations as well as its relationship with the District. Thus, Florida law also *requires* the Board to prescribe by rule, the conditions with which a DSO must comply in order to use and have access to School Board "property, facilities, or personal services."

Board Policy 9215 provides that a potential DSO must submit its application directly to the Superintendent. If the Superintendent determines that the proposed DSO meets the required criteria listed above, the application *shall* be submitted to the Board for approval. DSOs with expenditures greater than \$100,000, are required to conduct an annual financial audit of their accounts and records by an independent certified public accountant and provide a report to each member of the board of directors of the DSO, as well as to each member of the School Board and the Superintendent. The Commissioner of Education, the Auditor General, and the Office of Program Policy Analysis and Government Accountability have the authority to require and receive any DSO records relative to the operation of the organization. Most DSO records and information are public records under Chapter 119, F.S.

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DSOs often receive support from the business community, some of whom may be vendors with the District. Although such support from vendors may be reasonable and provided with honorable intentions, it is prudent that the School Board review such matters and related policies from time to time.

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As this issue is critically important to members of the School Board, as well as members of the public, it is incumbent upon the School Board to begin addressing this and related issues from its position as policy-makers.

This item seeks to direct the Superintendent to initiate rulemaking to amend, in consultation with the School Board Attorney and Chief Auditor, applicable School Board policies governing DSOs, Business Ethics, and Procurement, to: 1) prohibit any District employee who is an officer or registered agent of a DSO from soliciting or accepting a donation on behalf of the DSO from a vendor for whom there is a pending contract award, and/or payment for goods or services and in which the employee has direct authority to coordinate, direct, and/or recommend the award of a contract and/or payment for District goods or services; 2) require a quarterly written report to the School Board at a School Board meeting of any and all donations made to all DSOs by vendors that exceed \$5,000.00 and for whom there is a pending or current contract award, purchase order and/or payment for District goods or services; and 3) require a quarterly written report to the School Board at a School Board meeting of any and all district resources used during the reporting quarterly period in support of the DSO and its operations.

In addition, the Superintendent shall immediately review the governance structure and composition of all District DSOs and identify if any District employee is a DSO member and also has direct authority to coordinate, direct, and/or recommend the award of a contract, purchase order and/or payment for District goods or services and report back to the Board at its meeting of November 18, 2020.

This item does not appear in the published Agenda. There is good cause to vary from the published agenda as this matter is of concern to the public and requires deliberate, timely consideration and appropriate action.

This item has been reviewed by the School Board Attorney for legal sufficiency.

**ACTION PROPOSED BY  
DR. STEVE GALLON III:**

That The School Board of Miami-Dade County, Florida, direct the Superintendent to:

1. initiate rulemaking in accordance with the Administrative Procedure Act to:
  - a. prohibit any District employee from soliciting or accepting a donation on behalf of the DSO from a vendor for whom there is a pending contract award, and in which the employee has procurement authority for District goods or services;
  - b. require a quarterly written report to the School Board at a School Board meeting of any and all donations made to all DSOs by vendors and other contracted entities that exceed \$5,000.00 annually, and for whom there is a pending bid solicitation and/or contract award, for District goods or services; and
  - c. require a quarterly written report to the School Board at a School Board meeting of any and all district resources used during the reporting quarterly period in support of the DSO and its operations; and
2. conduct an immediate review of the governance structure and composition of all District DSOs and identify any District employee who is a DSO member and also has direct authority to coordinate, direct, and/or recommend the award of a contract, purchase order and/or payment for District goods or services and report to the Board at its January 2021 regular meeting.

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