

Dr. Steve Gallon III, Vice Chair

Co-Sponsors: Ms. Perla Tabares Hantman, Chair
Ms. Lucia Baez-Geller
Dr. Dorothy Bendross-Mindingall
Ms. Maria Teresa Rojas

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SUBJECT: ADOPTION OF RECOMMENDATIONS OF INSPECTOR GENERAL

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 and in its role as a fiduciary. It also values its role in promoting, maintaining, and cultivating partnerships with community based and direct service organizations.

The School Board also 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, School Board Policy 9215 affirms that “Direct-Support Organizations (DSOs) provide invaluable assistance to the students of this District and its programs,” and M-DCPS lends significant resources and support to DSOs in the achievement of shared goals, missions, and objectives.

Over the past year, the School Board has taken action to both clarify its role and relationship with DSOs in the review of its procedures and amendment of School Board policies. In fact, at the School Board Meeting of October 21, 2020, the School Board approved Revised Good Cause Agenda Item H-25 to review, address, and/or amend applicable School Board policies governing DSOs, Business Ethics, and Procurement.

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Previously, on September 16, 2020, the Miami-Dade County Public Schools (M-DCPS) Office of the Inspector General (OIG) initiated a review of the transfer of \$1.57 million from K12 Florida, LLC (K12), a virtual instruction provider, to the Foundation for New Education Initiatives, Inc. (FNEI), the District’s direct support organization. The OIG examined how the donation came about and whether the solicitation of the donation from a vendor pending execution of a contract created violations or prohibited conflicts of interest pursuant to the State’s Conflict of Interest and Code of Ethics Statutes and School Board Policies.

**Revised
H-10**

In its Report released on June 29, 2021, the OIG found no actual violations of the prohibitions as defined by the State's Code of Ethics and the corresponding School Board policies. Their review, however, found that a solicitation of a donation from a vendor with a contract pending final execution, and an existing contract with a term of years remaining, created, in their opinion, the "appearance of impropriety." Their Report also issued 5 recommendations, of which only 1 applied to actions to be taken by the School Board---actions that were noted as having already been initiated via School Board action to amend certain policies governing this matter.

Despite the prior action taken by the School Board, the Report revealed additional opportunities for the School Board and District to further improve, clarify, and delineate its role and relationship between DSO's---specifically, the access to and use of District resources such as district personnel and purchasing card (p-card) which was revealed to be available for use by FNEI. These and related matters made known through the Report compel the School Board to conduct a further review and direct the Superintendent, in consultation with the School Board Attorney and Interim Chief Auditor, to remedy or make recommendations to remedy any areas, access, and resources provided that may give rise to concern regarding the role and responsibility to FNEI as a DSO, as opposed to the same that may not be provided to other DSO's and/or relevant organizations serving as viable, longstanding district community partners. As FNEI has its own separate Board of Directors, district staff should not bear the burden, responsibility, and/or liability for serving as a signer on the FNEI bank accounts, and any use of district personnel for the solicitation of donations, and access to and use of the district's financial infrastructure, such as its purchasing card (p-card), for purchases for FNEI related expenses should be discontinued.

Lastly, the School Board recognizes the OIG's recommendation that the FNEI Board should return the donation to K12 and that the Superintendent should recuse himself from any discussion, vote, or decision by the FNEI Board regarding the \$1.57 million donated by K12 for \$100 M-DCPS teacher gift cards. In doing so, however, the School Board recognizes that this recommendation and decision is not being made to nor in the purview of authority of the School Board. Other recommendations made to FNEI that do not involve an employee of the School Board or District are outside of its scope of responsibility and/or authority. Yet, it expects that all employees that may have been referenced in this matter will remain committed to any and all actions that only reflect positively on the School Board, including any future actions involving this matter.

This item seeks to accept recommendation #2 of the OIG Report IG-20-0008-SI and direct the School Board Attorney to draft a response on behalf of the School Board to be approved and executed by the School Board Chair affirming same; direct the Superintendent, to conduct a further review of findings of fact in OIG Report IG-20-0008-SI and in consultation with the School Board Attorney and Interim Chief Auditor, to remedy or make recommendations and/or applicable School Board policy amendments to remedy any areas, access, and resources including but not limited to the discontinuation of the use of District (non-school site) personnel for solicitation of donations to FNEI from current and prospective vendors, the use of the district's purchasing card for FNEI related expenses, and the allowance of district personnel that are not an officer of FNEI to serve as a signer on FNEI bank accounts, and other provisions to FNEI that may pose a conflict provided to FNEI that may create an appearance of impropriety regarding the role and responsibility to FNEI as a DSO, in contrast to other DSO's and/or relevant organizations serving as viable, longstanding district community partners;

and direct the Superintendent to provide an update on any said remedies taken and recommendations to be made to the School Board no later than August 13, 2021.

This item has been reviewed by the School Board Attorney as to form and legal sufficiency.

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

That The School Board of Miami-Dade County,
Florida:

1. accept recommendation #2 of the OIG Report IG-20-0008-SI and direct the School Board Attorney to draft a response on behalf of the School Board to be approved and executed by the School Board Chair affirming same;
2. direct the Superintendent to conduct a further review of findings of fact in OIG Report IG-20-0008-SI and in consultation with the School Board Attorney and Interim Chief Auditor, remedy and/or or make recommendations for applicable School Board policy amendments to remedy any areas, access, and/or resources including but not limited to discontinuation of the use of District (non-school site) personnel for the solicitation of donations to FNEI from current and prospective vendors, the use of the district's purchasing card for FNEI related expenses, and the allowance of district personnel that do not hold an officer position in FNEI to serve as a signer on FNEI bank accounts, and other provisions to FNEI that may pose a conflict provided to FNEI that may create an appearance of impropriety regarding the role and responsibility to FNEI as a DSO, in contrast to other DSO's and/or relevant organizations serving as viable, longstanding district community partners; and
3. direct the Superintendent to provide an update on any said remedies taken and/or applicable School Board policy amendment recommendations to be made to the School Board no later than August 13, 2021.