

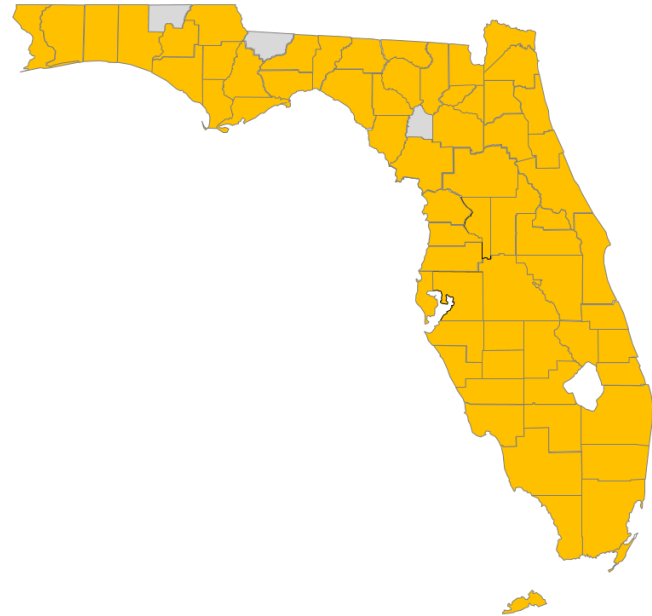
Considerations & Models for Relationships Between Local Education Foundations and School Districts

FASBO & FSFOA Conference
November 12, 2019

Consortium of Florida Education Foundations

Statewide Reach. Local Impact. For Students.

- The CFEF represents 64 local education foundations aligned with Florida's county-wide school districts.
- 2016-17 Total Member:
 - ▣ Revenues: \$64 million
 - ▣ Assets: \$146 million
 - ▣ Endowments: \$28 million
 - ▣ \$10.2 million in in-kind support
- 1,100 Board Members
(80% Business & Community
20% School and Govt leaders)



What Local Education Foundations Do....



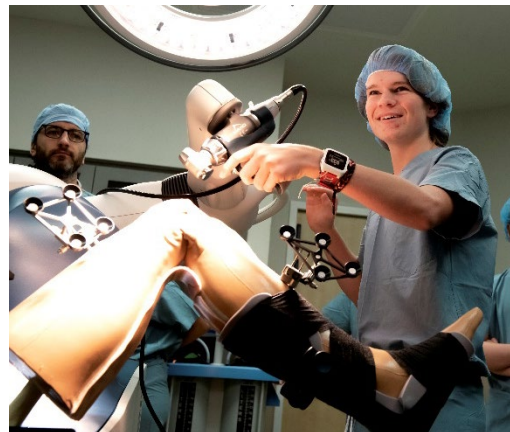
Teacher Recognition



Teacher Resource Stores



Mentoring/Tutoring



STEM/CTE



Student Scholarships



CONSORTIUM OF FLORIDA
EDUCATION FOUNDATIONS

How They Are Structured...

Most were started as Direct Support Organizations Pursuant to FSS 1001.453 (2002)

Over time many changed their governance structure – today about 50% consider themselves DSOs.

Title XLVIII

K-20 EDUCATION CODE

Chapter 1001

K-20 GOVERNANCE

1001.453 Direct-support organization; use of property; board of directors; audit.—

(1) DEFINITIONS.—For the purposes of this section, the term:

(a) “District school board direct-support organization” means an organization that:

1. Is approved by the district school board;
2. Is a Florida corporation not for profit, incorporated under the provisions of chapter 617 and approved by the Department of State; and
3. 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 community education programs in this state.

(b) “Personal services” includes full-time or part-time personnel, as well as payroll processing.

(2) USE OF PROPERTY.—A district school board:

(a) Is authorized to permit the use of property, facilities, and personal services of the district by a direct-support organization, subject to the provisions of this section.

(b) Shall prescribe by rule conditions with which a district school board direct-support organization must comply in order to use property, facilities, or personal services of the district. Adoption of such rules shall be coordinated with the Department of Education. The rules shall provide for budget and audit review and oversight by the district school board and the department.

(c) Shall not permit the use of property, facilities, or personal services of a direct-support organization if such organization does not provide equal employment opportunities to all persons, regardless of race, color, religion, sex, age, or national origin.

(3) BOARD OF DIRECTORS.—The board of directors of the district school board direct-support organization shall be approved by the district school board.

(4) ANNUAL AUDIT.—Each direct-support organization with more than \$100,000 in expenditures or

The Reality of the Relationship

Embedded DSO LEF

- Directly controlled by the district (per governing documents)
- Managed by school system employee wearing "many hats"
- Generally limited activities



Semi-autonomous LEF

- Organizational documents allow for independent governance
- Retains close ties to district
- May receive financial support for operations, often receives in-kind support

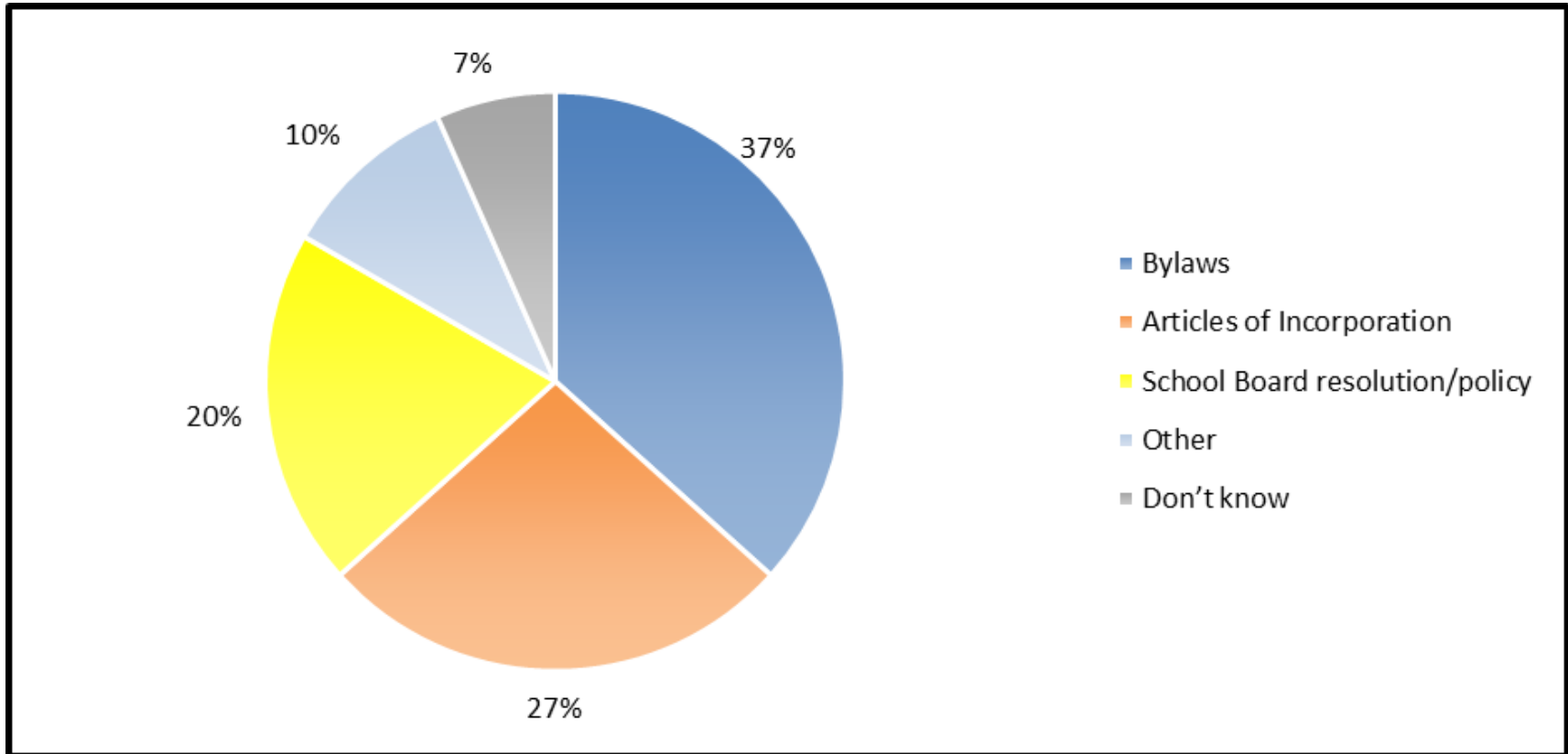


Independent LEF

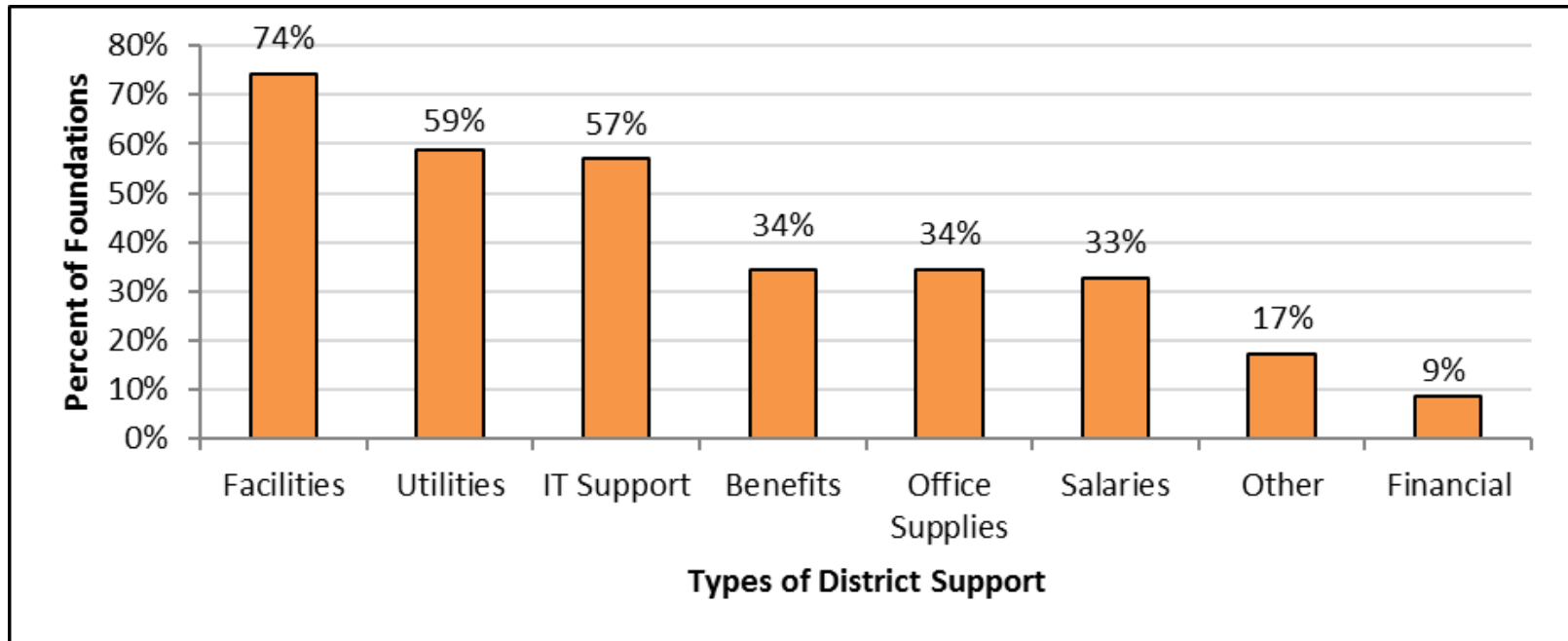
- Organizational documents clarify LEF board control
- Vision is driven by the greater community
- May see role as "agent of positive change"



How Was DSO Designation Status Determined?



Regardless of DSO or Non-DSO Governance...



81% Receive In-Support From School District

School District Findings Around Their Education Foundations

○ For DSOs

- District paying for Education Foundation's Audit
- District paying for services rendered by Education Foundation

○ For DSOs who Change Status to Non-DSOs

- If the change in relationship is not reflected in School Board Minutes is not officially considered to have changed.
- Concerns also raised regarding financial support of Education Foundation by their District.

Our Response & Advice To Date

- For DSOs, while FSS allows for certain interactions it does not exclude others – including the ones the Auditor General has indicated were problematic.
- School Boards have the authority to enter into agreements with any entity as it supports their mission. Whether DSO or Non-DSO, we believe this may include entering into contracts for services rendered. (See *Martin County School District Finding – December 2014*)
- We understand that if an education foundation changes governance structure to Non-DSO, it must be reflected in School Board official records.

Our Response & Advice To Date

- We advise that any funding from school district must be accompanied by a written agreement with clear deliverables.
- Local school board policies for vendor relationships must be followed.
- To help clarify overall relationship terms, we have provided a template MOU.

Questions? Suggestions?

Our mission is to work with our members and partners to connect individuals, organizations and financial resources, building the capacity and effectiveness of local education foundations.

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