

Report No. 2019-062
November 2018

STATE OF FLORIDA AUDITOR GENERAL

Attestation Examination

**FLAGLER COUNTY
DISTRICT SCHOOL BOARD**

Florida Education Finance Program
Full-Time Equivalent Student Enrollment
and
Student Transportation

For the Fiscal Year Ended
June 30, 2017



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2016-17 fiscal year, James Tager served as Superintendent of Schools from 6-1-17, Jacob Oliva served as Superintendent before that date, and the following individuals served as Board members:

	<u>District No.</u>
Andy Dance	1
Janet O. McDonald, Vice Chair from 11-22-16	2
Colleen Conklin, Chair through 11-21-16	3
Trevor Tucker, Chair from 11-22-16, Vice Chair through 11-21-16	4
Dr. Maria P. Barbosa from 11-22-16	5
Sue Dickinson through 11-21-16	5

The team leader was Alex Riggins, CPA, and the examination was supervised by Aileen B. Peterson, CPA, CPM.

Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 412-2971.

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FLAGLER COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

CMW	Class Minutes, Weekly
DEUSS	Date Entered United States School
DIT	Days in Term
DOE	Department of Education
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FTE	Full-Time Equivalent
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten
SBE	State Board of Education

SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Flagler County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2017. Specifically, we noted exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

The table below shows the total number of students included in each of our tests, as well as the number and percentage of students who attended charter schools who were included in our tests. The table also shows the number of students with exceptions in each of our tests, as well as the number and percentage of students with exceptions who attended charter schools.

Program Tested	Number of Students			Number of Students		
	Included in Test	Who Attended Charter Schools	Percentage	With Exceptions	Who Attended Charter Schools	Percentage
ESOL	48	1	2%	8	1	13%
ESE Support Levels 4 and 5	42	-	NA	14	-	NA
Career Education 9-12	54	-	NA	27	-	NA
Totals	<u>144</u>	<u>1</u>		<u>49</u>	<u>1</u>	

Noncompliance related to the reported FTE student enrollment resulted in 27 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled negative 6.9347 (all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of negative 25.2221 (25.1828 applicable to District schools other than charter schools and .0393 applicable to charter schools). Noncompliance related to student transportation resulted in five findings and a proposed net adjustment of negative 13 students.

The weighted adjustments to the FTE student enrollment are presented in our report for illustrative purposes only. The weighted adjustments to the FTE student enrollment do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our proposed adjustments to the FTE may be estimated by multiplying the proposed net weighted adjustments to the FTE student enrollment by the base student allocation amount. The base student allocation for the fiscal year ended June 30, 2017, was \$4,160.71 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$104,942 (negative 25.2221 times \$4,160.71), of

which \$104,778 is applicable to District schools other than charter schools and \$164 is applicable to charter schools.

We have not presented an estimate of the potential dollar effect of our proposed adjustments to student transportation because there is no equivalent method for making such an estimate.

The ultimate resolution of our proposed adjustments to the FTE student enrollment and student transportation and the computation of their financial impact is the responsibility of the DOE.

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Flagler County, Florida. Those services are provided primarily to PK through 12th-grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the SBE. The geographic boundaries of the District are those of Flagler County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had nine schools other than charter schools, two charter schools, and two virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2017, State funding totaling \$31.2 million was provided through the FEFP to the District for the District-reported 12,845.32 unweighted FTE as recalibrated, which included 964.75 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

FEFP

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve PK through 12th-grade students (adult education is not funded by the FEFP). The FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system, including charter schools, the availability of programs and services appropriate to the student's educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per-student costs for equivalent educational programs due to sparsity and dispersion of student population.

The funding provided by the FEFP is based on the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE student enrollment. For brick and mortar school students, one student would be reported as 1.0 FTE if the student was enrolled in six courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equates to 1.0 FTE). For virtual education students, one student

would be reported as 1.0 FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE combines all FTE student enrollment reported for the student by all school districts, including the Florida Virtual School. The DOE then recalibrates all reported FTE student enrollment for each student to 1.0 FTE, if the total reported FTE for the student exceeds 1.0 FTE. The FTE student enrollment reported by the Department of Juvenile Justice for FTE student enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year. However, if a student only has FTE student enrollment reported in one survey of the 180-day school year (Survey 2 or Survey 3), the FTE student enrollment reported will be capped at .5000 FTE, even if FTE student enrollment is reported in Survey 1 or Survey 4, with the exception of FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year.

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be classified as a student with a disability under the IDEA, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23 Florida Statutes. Additionally, Section 1002.33(20)(c), Florida Statutes, provides that the governing board of the charter school may provide transportation through an agreement or contract with the district school board, a private provider, or parents. The charter school and the sponsor shall cooperate in making arrangements that ensure that transportation is not a barrier to equal access for all students residing within a reasonable distance of the charter school as determined in its charter. The District received \$2.6 million for student transportation as part of the State funding through the FEFP.

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on Full-Time Equivalent Student Enrollment

We have examined the Flagler County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions 2016-17* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with State requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of the full-time equivalent student enrollment reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

Our examination disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of full-time equivalent student enrollment as reported under the Florida Education Finance Program for students in our English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements described in the preceding paragraph involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12, the Flagler County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses¹ in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the District's compliance with State requirements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions.

We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements; accordingly, we express no such opinion. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might

¹ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

be significant deficiencies or material weaknesses. However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported full-time equivalent student enrollment is presented in *SCHEDULES A, B, C, and D*.

The District's written response to this examination has not been subjected to our examination procedures and, accordingly, we express no opinion on it.

Purpose of this Report

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
November 27, 2018

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Reported FTE Student Enrollment

The funding provided by the FEFP is based on the numbers of individual students participating in particular educational programs. The FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. The unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See *SCHEDULE B* and NOTE A3., A4., and A5.) For the fiscal year ended June 30, 2017, the Flagler County District School Board (District) reported to the DOE 12,845.32 unweighted FTE as recalibrated, which included 964.75 unweighted FTE as recalibrated for charter schools, at nine District schools other than charter schools, two charter schools, and two virtual education cost centers.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the DOE for schools and students for the fiscal year ended June 30, 2017. (See NOTE B.) The population of schools (13) consisted of the total number of brick and mortar schools including charter schools, as well as the virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (8,477) consisted of the total number of students in each program at the schools in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT.

We noted the following material noncompliance: exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 8 of the 48 students in our ESOL test,² 14 of the 42 students in our ESE Support Levels 4 and 5 test,³ and 27 of the 54 students in our Career Education 9-12 test.⁴ One (2 percent) of the 48 students in our ESOL test attended charter schools and 1 (13 percent) of the 8 students with exceptions attended charter schools. None of the students in our ESE Support Levels 4 and 5 and Career Education 9-12 tests attended charter schools.

Our populations and tests of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students at Schools Tested</u>		<u>Students With Exceptions</u>	<u>Recalibrated Unweighted FTE</u>		<u>Proposed Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	13	7	7,126	75	0	10,247.0400	53.4375	5.2021
Basic with ESE Services	13	7	1,058	52	2	1,945.1900	42.2868	2.9817
ESOL	11	5	163	48	8	257.0400	32.1407	(4.3106)
ESE Support Levels 4 and 5	8	4	47	42	14	47.3100	31.9075	(4.8679)
Career Education 9-12	3	2	<u>83</u>	<u>54</u>	<u>27</u>	<u>348.7400</u>	<u>12.9188</u>	<u>(5.9400)</u>
All Programs	13	7	<u>8,477</u>	<u>271</u>	<u>51</u>	<u>12,845.3200</u>	<u>172.6913</u>	<u>(6.9347)</u>

² For ESOL, the material noncompliance is composed of Findings 1, 6, 7, 12, 14, and 22 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 2, 3, 12, 16, 17, 18, 19, 23, 24, 25, and 26 on *SCHEDULE D*.

⁴ For Career Education 9-12, the material noncompliance is composed of Findings 8, 9, 10, 13, 20, and 21 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (214, of which 213 are applicable to District schools other than charter schools and 1 is applicable to charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we selected 65 and found exceptions for 3 teachers. One (2 percent) of the 65 teachers in our test taught at charter schools and none of the teachers with exceptions taught at charter schools.

Proposed Adjustments

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our test of teacher qualifications. Our proposed adjustments generally reclassify the reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance in which case the reported FTE is taken to zero. (See *SCHEDULES B, C, and D.*)

The ultimate resolution of our proposed adjustments to the FTE student enrollment and the computation of their financial impact is the responsibility of the DOE.

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FULL-TIME EQUIVALENT STUDENT ENROLLMENT

District Schools Other Than Charter Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
101 Basic K-3	1.4764	1.103	1.6284
102 Basic 4-8	.5000	1.000	.5000
103 Basic 9-12	2.2939	1.001	2.2962
111 Grades K-3 with ESE Services	.4721	1.103	.5207
112 Grades 4-8 with ESE Services	(.0008)	1.000	(.0008)
113 Grades 9-12 with ESE Services	3.0103	1.001	3.0133
130 ESOL	(3.8787)	1.194	(4.6312)
254 ESE Support Level 4	(2.0386)	3.607	(7.3532)
255 ESE Support Level 5	(2.8293)	5.376	(15.2103)
300 Career Education 9-12	(5.9400)	1.001	(5.9459)
Subtotal	(6.9347)		(25.1828)

Charter Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
101 Basic K-3	.9318	1.103	1.0278
111 Grades K-3 with ESE Services	(.4999)	1.103	(.5514)
130 ESOL	(.4319)	1.194	(.5157)
Subtotal	.0000		(.0393)

Total of Schools			
No. Program (1)	Proposed Net Adjustment (2)	Cost Factor	Weighted FTE (3)
101 Basic K-3	2.4082	1.103	2.6562
102 Basic 4-8	.5000	1.000	.5000
103 Basic 9-12	2.2939	1.001	2.2962
111 Grades K-3 with ESE Services	(.0278)	1.103	(.0307)
112 Grades 4-8 with ESE Services	(.0008)	1.000	(.0008)
113 Grades 9-12 with ESE Services	3.0103	1.001	3.0133
130 ESOL	(4.3106)	1.194	(5.1469)
254 ESE Support Level 4	(2.0386)	3.607	(7.3532)
255 ESE Support Level 5	(2.8293)	5.376	(15.2103)
300 Career Education 9-12	(5.9400)	1.001	(5.9459)
Total	(6.9347)		(25.2221)

- Notes: (1) See NOTE A7.
 (2) These proposed net adjustments are for unweighted FTE. (See *SCHEDULE C*.)
 (3) Weighted adjustments to the FTE are presented for illustrative purposes only. The weighted adjustments to the FTE do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of adjustments. That computation is the responsibility of the DOE. (See NOTE A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0051</u>	<u>#0070*</u>	<u>#0090</u>	
101 Basic K-3	1.3141	.9318	.....	2.2459
102 Basic 4-8	.....	.....	.....	.0000
103 Basic 9-12	.....	.....	.5471	.5471
111 Grades K-3 with ESE Services	(.0011)	(.4999)	.....	(.5010)
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(1.3141)	(.4319)	(.5471)	(2.2931)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.0011	.....	.....	.0011
300 Career Education 9-12	.....	.....	(.7442)	(.7442)
Total	<u>.0000</u>	<u>.0000</u>	<u>(.7442)</u>	<u>(.7442)</u>

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

*Charter School

<u>No.</u> <u>Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>		<u>Total</u>
		<u>#0091</u>	<u>#0301</u>	
101 Basic K-3	2.2459	.....	.1623	2.4082
102 Basic 4-8	.0000	.....	.5000	.5000
103 Basic 9-12	.5471	1.7468	.....	2.2939
111 Grades K-3 with ESE Services	(.5010)	.....	.4732	(.0278)
112 Grades 4-8 with ESE Services	.0000	.....	(.0008)	(.0008)
113 Grades 9-12 with ESE Services	.0000	3.0103	.....	3.0103
130 ESOL	(2.2931)	(1.8552)	(.1623)	(4.3106)
254 ESE Support Level 4	.0000	(2.0000)	(.0386)	(2.0386)
255 ESE Support Level 5	.0011	(1.3312)	(1.4992)	(2.8293)
300 Career Education 9-12	<u>(.7442)</u>	<u>(5.1958)</u>	.....	<u>(5.9400)</u>
Total	<u>(.7442)</u>	<u>(5.6251)</u>	<u>(.5654)</u>	<u>(6.9347)</u>

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Overview

Flagler County District School Board (District) management is responsible for determining that the FTE student enrollment as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; SBE Rules, Chapter 6A-1, FAC; and the *FTE General Instructions 2016-17* issued by the DOE. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action as presented in *SCHEDULE E*.

Findings

**Proposed Net
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2016 reporting survey periods and the February and June 2017 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2016 reporting survey period, the February 2017 reporting survey period, or both. Accordingly, our Findings do not mention specific reporting survey periods unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Rymfire Elementary School (#0051)

1. [Ref. 5101] One ELL student’s English language proficiency was not assessed and an ELL Committee was not convened within 30 school days prior to the student’s DEUSS anniversary date to consider the student’s continued ESOL placement beyond 3 years from the student’s DEUSS. We propose the following adjustment:

101 Basic K-3	.3958	
130 ESOL	<u>(.3958)</u>	.0000

2. [Ref. 5102] One ESE student was not reported in accordance with the student’s *Matrix of Services* form. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.0519)	
255 ESE Support Level 5	<u>.0519</u>	.0000

3. [Ref. 5103] A physician’s statement was not available at the time of our examination and could not be subsequently located to support one ESE student’s placement in the Hospital and Homebound Program. In addition, the student’s *Matrix of Services* form that accompanied the February 2, 2017, IEP was dated (*Finding Continues on Next Page*)

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Rymfire Elementary School (#0051) (Continued)

June 19, 2017, which was after the February 2017 reporting survey period, and the prior *Matrix of Services* form was not reviewed when the student's new IEP was prepared. We propose the following adjustment:

111 Grades K-3 with ESE Services	.0508	
255 ESE Support Level 5	<u>(.0508)</u>	.0000

4. [Ref. 5170/71] Parents of ELL students taught by two out-of-field teachers were not notified of the teachers' out-of-field status in ESOL. In addition, one of the teachers (Ref. 5171) was not approved by the School Board to teach such students out of field. We propose the following adjustments:

<u>Ref. 5170</u>		
101 Basic K-3	.0853	
130 ESOL	<u>(.0853)</u>	.0000

<u>Ref. 5171</u>		
101 Basic K-3	.8330	
130 ESOL	<u>(.8330)</u>	<u>.0000</u>

.0000

Palm Harbor Academy (#0070) Charter School

5. [Ref. 7001] A valid IEP for the February 2017 reporting survey period for one ESE student was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

101 Basic K-3	.4999	
111 Grades K-3 with ESE Services	<u>(.4999)</u>	.0000

6. [Ref. 7002] The *ELL Student Plan* for one ELL student was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

101 Basic K-3	.4319	
130 ESOL	<u>(.4319)</u>	<u>.0000</u>

.0000

Matanzas High School (#0090)

7. [Ref. 9001] The *ELL Student Plan* for one ELL student was not reviewed and updated for the 2016-17 school year. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Matanzas High School (#0090) (Continued)

103 Basic 9-12	.5471	
130 ESOL	<u>(.5471)</u>	.0000

8. [Ref. 9002] The timecards for three students in Career Education 9-12 who participated in OJT indicated that the students did not work during the applicable reporting survey periods. We propose the following adjustment:

300 Career Education 9-12	<u>(.2237)</u>	(.2237)
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9. [Ref. 9003] The timecards for three Career Education 9-12 students who participated in OJT were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	<u>(.2971)</u>	(.2971)
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10. [Ref. 9004] School records did not evidence that one Career Education 9-12 student attended scheduled on-campus courses. The School's electronic attendance records did not document that the teacher submitted attendance for these courses and no other attendance record was available. We propose the following adjustment:

300 Career Education 9-12	<u>(.2234)</u>	(.2234)
		<u>(.7442)</u>

Flagler-Palm Coast High School (#0091)

11. [Ref. 9101] Student course schedules were incorrectly reported for several students. The bell schedules provided by the School supported instructional minutes per week that met the minimum reporting of CMW; however, the students' course schedules reported were not in agreement with the bell schedules. We noted differences ranging from 165 CMW to 400 CMW. Student course schedules, which are necessary for the recalibration process to work properly, should reflect the correct number of CMW according to the School's instructional and bell schedules. Since most of the students were reported at only one school for the entire school year and their reported FTE was recalibrated to 1.0, this incorrect reporting did not affect their ultimate funding level. As such, we present this disclosure finding with no proposed adjustment.

.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Flagler-Palm Coast High School (#0091) (Continued)

12. [Ref. 9102] The files for two students (one student was in our ESOL test and one student was in our ESE Support Levels 4 and 5 test) were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

103 Basic 9-12	.8730	
130 ESOL	(.3730)	
254 ESE Support Level 4	<u>(.5000)</u>	.0000

13. [Ref. 9103] The course schedules for two Career Education 9-12 students included a dual-enrolled course at Daytona State College. School records indicated that the students had dropped the courses and School records did not evidence that the students were enrolled in the courses during the applicable reporting survey periods. In addition, the timecard for one of the students who also participated in OJT was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

103 Basic 9-12	(.2307)	
300 Career Education 9-12	<u>(.2421)</u>	(.4728)

14. [Ref. 9104] The *ELL Student Plans* for three ELL students were incomplete as the students' course schedules showing which courses were to employ ESOL strategies were not included with the *Plans* until after the February 2017 reporting survey period. In addition, School records did not demonstrate that the parents of one of the students were notified of the student's ESOL placement until after February 2017 reporting survey period. We propose the following adjustment:

103 Basic 9-12	1.3188	
130 ESOL	<u>(1.3188)</u>	.0000

15. [Ref. 9105] One ESE student's schedule was incorrectly reported in Program Nos. 103 (Basic 9-12) and 300 (Career Education 9-12). The student's entire schedule should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

103 Basic 9-12	(.3777)	
113 Grades 9-12 with ESE Services	.5001	
300 Career Education 9-12	<u>(.1224)</u>	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Flagler-Palm Coast High School (#0091) (Continued)

16. [Ref. 9106] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

113 Grades 9-12 with ESE Services	1.0000	
254 ESE Support Level 4	<u>(1.0000)</u>	.0000

17. [Ref. 9108] One ESE student's *Matrix of Services* form that accompanied the September 12, 2016, IEP was dated October 19, 2016, which was after the October 2016 reporting survey period. In addition, School records did not demonstrate that the prior *Matrix of Services* form was reviewed when the new IEP was prepared. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	.0000

18. [Ref. 9109] Two ESE students were reported incorrectly in Program No. 255 (ESE Support Level 5) based on the students' placements in the Hospital and Homebound Program. The students were provided only on-campus instruction during the applicable reporting survey period and should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

113 Grades 9-12 with ESE Services	.9302	
255 ESE Support Level 5	<u>(.9302)</u>	.0000

19. [Ref. 9110] The physician's statement supporting one ESE student's placement in the Hospital and Homebound Program and the homebound teacher's contact logs for the October 2016 reporting survey period were not available at the time of our examination and could not be subsequently located. In addition, the student was reported for 1,008 CMW of homebound instruction in the February 2017 reporting survey; however, the student was only scheduled to receive 240 CMW of such instruction. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0800	
255 ESE Support Level 5	<u>(.4010)</u>	(.3210)

20. [Ref. 9111] More work hours were reported than were supported by the timecard for one Career Education 9-12 student who participated in OJT. We propose the following adjustment:

300 Career Education 9-12	<u>(.0762)</u>	(.0762)
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**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Flagler-Palm Coast High School (#0091) (Continued)

21. [Ref. 9112] The timecards for 17 Career Education 9-12 students who participated in OJT were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	(4.7551)	(4.7551)
---------------------------	----------	----------

22. [Ref. 9113] One student scored English language proficient on the Spring 2016 English Language Proficiency Assessment and a Level 3 on the Florida Standards Assessment in English Language Arts; therefore, the student met the criteria for exiting the ESOL Program. An ELL Committee convened on October 19, 2016, which was after the October 2016 reporting survey period, and recommended the student's exit from the ESOL Program. We propose the following adjustment:

103 Basic 9-12	.1634	
130 ESOL	(.1634)	.0000
		<u>(5.6251)</u>

Belle Terre Elementary School (#0301)

23. [Ref. 30101] The course schedule for one PK ESE student was incorrectly reported in the October 2016 and February 2017 reporting survey periods. The student was provided 1,050 CMW of instruction (or .4375 FTE) for each survey period but was reported for 1,114 CMW (or .4643 FTE) and 1,142 CMW (or .4761 FTE) of such instruction for the respective reporting survey periods. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.0268)	
254 ESE Support Level 4	(.0386)	(.0654)

24. [Ref. 30102] Three ESE students were not reported in accordance with the students' *Matrix of Services* forms. We propose the following adjustment:

111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	(.5000)	
112 Grades 4-8 with ESE Services	(.5000)	
254 ESE Support Level 4	.5000	
112 Grades 4-8 with ESE Services	.4992	
255 ESE Support Level 5	(.4992)	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Belle Terre Elementary School (#0301) (Continued)

25. [Ref. 30103] One student was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the student's placement in the Hospital and Homebound Program. The student was only provided on-campus instruction and should have been reported in Program No. 102 (Basic 4-8). We propose the following adjustment:

102 Basic 4-8	.5000	
255 ESE Support Level 5	<u>(.5000)</u>	.0000

26. [Ref. 30104] One ESE student was not in attendance during the October 2016 reporting survey period and should not have been reported for FEEP funding. We propose the following adjustment:

255 ESE Support Level 5	<u>(.5000)</u>	(.5000)
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27. [Ref. 30170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in ESE but taught courses that required certification in Elementary Education and ESOL. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.1623	
130 ESOL	<u>(.1623)</u>	.0000
		<u>(.5654)</u>

Proposed Net Adjustment

(6.9347)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Flagler County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) the CMW in students' course schedules are reported in accordance with the schools' bell schedules and the FTE is accurately calculated based on the number of instructional hours provided; (2) students are reported in the proper FEFP funding categories for the correct amount of FTE and documentation is retained to support that reporting, particularly for students in ESOL and ESE programs; (3) only students who are in membership during the survey week and in attendance at least 1 day of the reporting survey period are reported for FEFP funding; (4) the English language proficiency of students being considered for continuation of their ESOL placements beyond the 3-year base period is timely assessed and ELL Committees are timely convened subsequent to the assessments; (5) *ELL Student Plans* are timely prepared, include the students' course schedules, and are retained in readily accessible files; (6) students assessed as English language proficient are exited from the ESOL Program or retained based on the placement recommendations of ELL Committees; (7) IEPs are timely prepared; (8) ESE students are reported in accordance with the students' *Matrix of Services* forms that are timely completed and maintained in the students' files; (9) there is evidence that the *Matrix of Services* forms are reviewed and updated as necessary when students' IEPs are reviewed or updated to ensure that the *Matrix of Services* forms accurately reflect the IEP services in effect during the reporting survey period; (10) students are reported in the Hospital and Homebound Program for the scheduled instructional time as supported by the students' IEPs and homebound teachers' contact logs, and as supported by timely prepared physicians' statements; (11) schedules for students enrolled in the Hospital and Homebound Program on an intermittent basis are reported in the appropriate programs based on whether the students' are receiving instruction on-campus or in the hospital and homebound setting at the time of the survey as supported by the students' *Matrix of Services* forms; (12) students in Career Education 9-12 who participate in OJT are reported in accordance with timecards that are accurately completed, signed, and retained in readily accessible files; (13) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; (14) parents are timely notified when their children are assigned to teachers teaching out of field; and (15) parents are timely notified when their children are placed in the ESOL Program.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP.

REGULATORY CITATIONS

Reporting

Section 1007.271(21), Florida Statutes, *Dual Enrollment Programs*

Section 1011.60, Florida Statutes, *Minimum Requirements of the Florida Education Finance Program*

Section 1011.61, Florida Statutes, *Definitions*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*

SBE Rule 6A-1.0451, FAC, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, FAC, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2016-17

Attendance

Section 1003.23, Florida Statutes, *Attendance Records and Reports*

SBE Rule 6A-1.044(3) and (6)(c), FAC, *Pupil Attendance Records*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2016-17

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

ESOL

Section 1003.56, Florida Statutes, *English Language Instruction for Limited English Proficient Students*

Section 1011.62(1)(g), Florida Statutes, *Education for Speakers of Other Languages*

SBE Rule 6A-6.0901, FAC, *Definitions Which Apply to Programs for English Language Learners*

SBE Rule 6A-6.0902, FAC, *Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners*

SBE Rule 6A-6.09021, FAC, *Annual English Language Proficiency Assessment for English Language Learners (ELLs)*

SBE Rule 6A-6.09022, FAC, *Extension of Services in English for Speakers of Other Languages (ESOL) Program*

SBE Rule 6A-6.0903, FAC, *Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program*

SBE Rule 6A-6.09031, FAC, *Post Reclassification of English Language Learners (ELLs)*

SBE Rule 6A-6.0904, FAC, *Equal Access to Appropriate Instruction for English Language Learners*

Career Education On-The-Job Attendance

SBE Rule 6A-1.044(6)(c), FAC, *Pupil Attendance Records*

Career Education On-The-Job Funding Hours

FTE General Instructions 2016-17

Exceptional Education

Section 1003.57, Florida Statutes, *Exceptional Students Instruction*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*

Section 1011.62(1)(e), Florida Statutes, *Funding Model for Exceptional Student Education Programs*
SBE Rule 6A-6.03028, FAC, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*
SBE Rule 6A-6.03029, FAC, *Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years*
SBE Rule 6A-6.0331, FAC, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*
SBE Rule 6A-6.0334, FAC, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*
SBE Rule 6A-6.03411, FAC, *Definitions, ESE Policies and Procedures, and ESE Administrators*
SBE Rule 6A-6.0361, FAC, *Contractual Agreements with Nonpublic Schools and Residential Facilities*
Matrix of Services Handbook (2015 Edition)

Teacher Certification

Section 1012.42(2), Florida Statutes, *Teacher Teaching Out-of-Field; Notification Requirements*
Section 1012.55, Florida Statutes, *Positions for Which Certificates Required*
SBE Rule 6A-1.0502, FAC, *Non-certificated Instructional Personnel*
SBE Rule 6A-1.0503, FAC, *Definition of Qualified Instructional Personnel*
SBE Rule 6A-4.001, FAC, *Instructional Personnel Certification*
SBE Rule 6A-6.0907, FAC, *Inservice Requirements for Personnel of Limited English Proficient Students*

Virtual Education

Section 1002.321, Florida Statutes, *Digital Learning*
Section 1002.37, Florida Statutes, *The Florida Virtual School*
Section 1002.45, Florida Statutes, *Virtual Instruction Programs*
Section 1002.455, Florida Statutes, *Student Eligibility for K-12 Virtual Instruction*
Section 1003.498, Florida Statutes, *School District Virtual Course Offerings*

Charter Schools

Section 1002.33, Florida Statutes, *Charter Schools*

NOTES TO SCHEDULES

<p>NOTE A – SUMMARY FULL-TIME EQUIVALENT STUDENT ENROLLMENT</p>

A summary discussion of the significant features of the Flagler County District School Board (District), the FEFP, the FTE, and related areas is provided below.

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Flagler County, Florida. Those services are provided primarily to PK through 12th-grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the SBE. The geographic boundaries of the District are those of Flagler County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had nine schools other than charter schools, two charter schools, and two virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2017, State funding totaling \$31.2 million was provided through the FEFP to the District for the District-reported 12,845.32 unweighted FTE as recalibrated, which included 964.75 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. FEFP

Florida school districts receive State funding through the FEFP to serve PK through 12th-grade students (adult education is not funded by the FEFP). The FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system, including charter schools, the availability of programs and services appropriate to the student's educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per-student cost for equivalent educational programs due to sparsity and dispersion of student population.

3. FTE Student Enrollment

The funding provided by the FEFP is based on the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE student enrollment. For example, for PK through 3rd grade, 1.0 FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels 4 through 12, 1.0 FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days. For brick and mortar school

students, one student would be reported as 1.0 FTE if the student was enrolled in six courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses at 50 minutes each per day is 5 hours of class a day or 25 hours per week, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Recalibration of FTE to 1.0

School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE combines all FTE student enrollment reported for the student by all school districts, including the Florida Virtual School. If the combined reported FTE for the student exceeds 1.0 FTE, the DOE recalibrates the reported FTE student enrollment for each student to 1.0 FTE. The FTE student enrollment reported by the Department of Juvenile Justice for FTE student enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year. However, if a student only has FTE student enrollment reported in one survey of the 180-day school year (Survey 2 or Survey 3), the FTE student enrollment reported will be capped at .5000 FTE, even if FTE student enrollment is reported in Survey 1 or Survey 4, with the exception of FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year.

5. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the DOE by multiplying the number of unweighted FTE in each educational program by the specific cost factor of each program to obtain weighted FTEs. Weighted FTEs are multiplied by the base student allocation amount and that product is multiplied by the appropriate cost differential factor. Various adjustments are then added to obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

6. FTE Reporting Survey Periods

The FTE is determined and reported during the school year by means of four FTE membership survey periods that are conducted under the direction of district and school management. Each survey period is a testing of the FTE membership for a period of 1 week. The survey periods for the 2016-17 school year were conducted during and for the following weeks: Survey 1 was performed July 11 through 15, 2016; Survey 2 was performed October 10 through 14, 2016; Survey 3 was performed February 6 through 10, 2017; and Survey 4 was performed June 12 through 16, 2017.

7. Educational Programs

The FEFP funds ten specific programs under which instruction may be provided as authorized by the Florida Legislature. The general program titles under which these specific programs fall are: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

8. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education:

Chapter 1000, Florida Statutes, *K-20 General Provisions*

Chapter 1001, Florida Statutes, *K-20 Governance*

Chapter 1002, Florida Statutes, *Student and Parental Rights and Educational Choices*

Chapter 1003, Florida Statutes, *Public K-12 Education*

Chapter 1006, Florida Statutes, *Support for Learning*

Chapter 1007, Florida Statutes, *Articulation and Access*

Chapter 1010, Florida Statutes, *Financial Matters*

Chapter 1011, Florida Statutes, *Planning and Budgeting*

Chapter 1012, Florida Statutes, *Personnel*

SBE Rules, Chapter 6A-1, FAC, *Finance and Administration*

SBE Rules, Chapter 6A-4, FAC, *Certification*

SBE Rules, Chapter 6A-6, FAC, *Special Programs I*

NOTE B – TESTING FTE STUDENT ENROLLMENT
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Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE student enrollment as reported under the FEFP to the DOE for the fiscal year ended June 30, 2017. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Rymfire Elementary School	1 through 4
2. Palm Harbor Academy*	5 and 6
3. Matanzas High School	7 through 10
4. Flagler-Palm Coast High School	11 through 22
5. Belle Terre Elementary School	23 through 27
6. Flagler Virtual Instruction Program	NA
7. iFlagler-Virtual Franchise	NA

* Charter School



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on Student Transportation

We have examined the Flagler County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; State Board of Education Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions 2016-17* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with State requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of student transportation reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

In our opinion, the Flagler County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of student transportation reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with attestation standards established by *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses⁵ in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements, and abuse that has a material effect on the District's compliance with State requirements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions.

We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements; accordingly, we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. The impact of this noncompliance with State requirements on the District's reported student transportation is presented in *SCHEDULES F* and *G*.

The District's written response to this examination has not been subjected to our examination procedures and, accordingly, we express no opinion on it.

⁵ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

Purpose of this Report

Pursuant to Section 11.45(4)(c), Florida Statutes, this report is a public record and its distribution is not limited. Attestation standards established by the American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
November 27, 2018

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Flagler County District School Board (District) must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be classified as a student with a disability under the IDEA, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(2), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested student transportation as reported to the DOE for the fiscal year ended June 30, 2017. (See NOTE B.) The population of vehicles (207) consisted of the total number of vehicles (buses, vans, or passenger cars) reported by the District for all reporting survey periods. For example, a vehicle that transported students during the July and October 2016 and February and June 2017 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (12,343) consisted of the total number of funded students reported by the District as having been transported for all reporting survey periods. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Funded Students Transported</u>
Teenage Parents and Infants	8
IDEA – PK through Grade 12, Weighted	524
All Other FEFP Eligible Students	<u>11,811</u>
Total	<u>12,343</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of DIT, if any, are not included in our error-rate determination.

Our examination results are summarized below:

<u>Description</u>	<u>Students</u>	
	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
Our tests included 273 of the 12,343 students reported as being transported by the District.	9	(3)
In conjunction with our general tests of student transportation we identified certain issues related to 11 additional students.	<u>11</u>	<u>(10)</u>
Total	<u>20</u>	<u>(13)</u>

Our proposed net adjustment presents the net effect of noncompliance disclosed by our examination procedures. (See *SCHEDULE G.*)

The ultimate resolution of our proposed net adjustment and the computation of its financial impact is the responsibility of the DOE.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Flagler County District School Board (District) management is responsible for determining that student transportation as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; SBE Rules, Chapter 6A-3, FAC; and the *Student Transportation General Instructions 2016-17* issued by the DOE. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE H*.

Findings

Students Transported Proposed Net Adjustments

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2016 reporting survey periods and the February and June 2017 reporting survey periods. Adjusted students who were in more than one reporting survey period are accounted for by reporting survey period. For example, a student included in our tests twice (e.g., once for the October 2016 reporting survey period and once for the February 2017 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] Our general tests disclosed that the number of DIT for 6,172 students were incorrectly reported. The students were reported for 14 and 87 DIT but should have been reported for 15 and 90 DIT in accordance with the District's summer and regular school year instructional calendars. We propose the following adjustments:

October 2016 Survey

90 Days in Term

Teenage Parents and Infants	2
IDEA - PK through Grade 12, Weighted	218
All Other FEFP Eligible Students	5,897

87 Days in Term

Teenage Parents and Infants	(2)
IDEA - PK through Grade 12, Weighted	(218)
All Other FEFP Eligible Students	(5,897)

<u>Findings</u>		Students Transported Proposed Net Adjustments
June 2017 Survey		
<u>15 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	55	
<u>14 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(55)	0
2. [Ref. 52] Our general tests disclosed that two students were not enrolled in school during the October 2016 reporting survey period; consequently, the students were not eligible to be reported for State transportation funding. We propose the following adjustment:		
October 2016 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(2)	(2)
3. [Ref. 53] Nine students (eight students were in our test) were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The IEPs for seven of the students did not indicate that the students met at least one of the five criteria required for reporting in a weighted ridership category and the IEPs for two students were not available at the time of our examination and could not be subsequently located. We determined that seven of the students lived more than 2 miles from their assigned schools and were eligible for reporting in the All Other FEFP Eligible Students ridership category. The remaining two students were not otherwise eligible for State transportation funding. We propose the following adjustments:		
October 2016 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(4)	
All Other FEFP Eligible Students	3	
February 2017 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(4)	
All Other FEFP Eligible Students	4	
June 2017 Survey		
<u>15 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(1)	(2)

**Students
Transported
Proposed Net
Adjustments**

Findings

4. [Ref. 54] Our general tests disclosed that five students were enrolled in Virtual Instruction Programs and did not require transportation services; consequently, the students should not have been reported for State transportation funding. We propose the following adjustments:

October 2016 Survey

90 Days in Term

All Other FEFP Eligible Students (2)

February 2017 Survey

90 Days in Term

All Other FEFP Eligible Students (3) (5)

5. [Ref. 55] Our general tests disclosed that four students (one student was in our test) were either not marked by the bus driver as riding the bus (one student) or were not listed on the bus drivers' reports (three students) during the applicable reporting survey periods; consequently, the students were not eligible to be reported for State transportation funding. We propose the following adjustments:

October 2016 Survey

90 Days in Term

All Other FEFP Eligible Students (1)

February 2017 Survey

90 Days in Term

All Other FEFP Eligible Students (3) (4)

Proposed Net Adjustment

(13)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Flagler County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of DIT is accurately reported; (2) only those students who are in membership and are documented as having been transported at least 1 day during the reporting survey period are reported for State transportation funding; and (3) students reported in the IDEA - PK through Grade 12, Weighted ridership category are documented as meeting one of the five criteria required for reporting in a weighted ridership category as noted on the students' IEPs.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

REGULATORY CITATIONS

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

SBE Rules, Chapter 6A-3, FAC, *Transportation*

Student Transportation General Instructions 2016-17

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
--

A summary discussion of the significant features of the Flagler County District School Board (District) student transportation and related areas is provided below.

1. Student Eligibility

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be classified as a student with a disability under the IDEA, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(2), Florida Statutes.

2. Transportation in Flagler County

For the fiscal year ended June 30, 2017, the District received \$2.6 million for student transportation as part of the State funding through the FEFP. The District's student transportation reported by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Funded Students</u>	<u>Number of Courtesy Riders</u>
July 2016	11	29	47
October 2016	92	6,120	568
February 2017	92	6,139	654
June 2017	<u>12</u>	<u>55</u>	<u>71</u>
Totals	<u>207</u>	<u>12,343</u>	<u>1,340</u>

3. Statutes and Rules

The following statutes and rules are of significance to the District's administration of student transportation:

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

SBE Rules, Chapter 6A-3, FAC, *Transportation*

NOTE B – TESTING STUDENT TRANSPORTATION
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Our examination procedures for testing provided for the selection of students using judgmental methods for testing student transportation as reported to the DOE for the fiscal year ended June 30, 2017. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

MANAGEMENT'S RESPONSE



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Rymfire Elementary School

Ariana Perez
Employee of the Year
Government Services Bldg

James Tager
Superintendent

November 27, 2018

Ms. Sherrill F. Norman, CPA
Auditor General
Claude Denson Pepper Building, Room 476A
111 West Madison Street
Tallahassee, Florida 32399-1450

Re: Response to Florida Education Finance Program Full-Time Equivalent Student Enrollment and Student Transportation Preliminary & Tentative Report

Dear Ms. Norman:

This letter is in reply to your October 31, 2018 letter which included a preliminary and tentative report on the examination of full-time equivalent (FTE) student enrollment and student transportation for the fiscal year ended June 30, 2017.

We agree with the findings included in your examination of FTE student enrollment and student transportation.

Attached is a summary of the District's corrective actions with regard to the examination findings. Should additional information be required, please contact Patty Wormeck, Director of Finance.

Sincerely,

James Tager
Superintendent of Schools
Flagler County District School Board

cc: Board Members

"An Equal Opportunity Employer"

FTE Student Enrollment Findings & Corrective Action

- **Findings:** 1 [Ref. 5101]

Corrective Action: The District's ESOL department will monitor all DEUSS dates and notify schools monthly of students moving into the extension of services window to ensure that extension of services meetings are convened in a timely manner to verify continuing ESOL placement. Continued staff training and support are being provided to ensure records compliance.

- **Findings:** 2 [Ref. 5102], 16 [Ref. 9106], 17 [Ref. 9108], 24 [Ref. 30102]

Corrective Action: The District's Staffing Specialist will verify that each student's Matrix of Services is reported correctly during each reporting survey week.

- **Findings:** 3 [Ref. 5103], 18 [Ref. 9109], 19 [Ref. 9110], 23 [Ref. 30101], 25 [Ref. 30103]

Corrective Action: The District's Student & Community Engagement department is reviewing all Program No. 254 and 255 student assignments and student files to confirm that each file contains an updated Matrix of Services. A full-time psychologist and staffing specialist have been assigned to each school building to ensure proper on-campus instruction and homebound instruction are being maintained in accordance with their specific Matrix of Services.

- **Findings:** 4 [Ref. 5170/71], 27 [Ref. 30170]

Corrective Action: Each individual principal and the Human Resources department have been notified to review twice a year, in September and January, the status of all teachers to determine which ones are out-of-field, and to ensure proper notification is sent to the School Board and parents of any children being taught by out-of-field teachers.

- **Findings:** 5 [Ref. 7001], 6 [Ref. 7002]

Corrective Action: The charter school has been notified of the finding and the procedures that must be maintained for each reporting survey period. Further, Palm Harbor Academy Charter School has officially closed as of October 1, 2018.

- **Findings:** 7 [Ref. 9001]

Corrective Action: The District's ESOL department will monitor the updates for all student plans annually and will ensure that schools include course schedules as a part of each student plan.

- **Findings:** 8 [Ref. 9002], 20 [Ref. 9111]

Corrective Action: Each specific OJT teacher will be notified prior to each survey week to ensure all OJT students turn in their timecards. The teacher will verify the OJT hours with the data entry clerk.



- **Findings:** 9 [Ref. 9003], 21 [Ref. 9112]

Corrective Action: The Assistant Principal assigned to oversee OJT instructors will require all timecards be turned in at the end of each semester and will be maintained in a permanent file in the Administration Office.

- **Findings:** 10 [Ref. 9004], 26 [Ref. 30104]

Corrective Action: The importance and process for recording attendance has been reviewed with teachers and other pertinent personnel to ensure accuracy in this area.

- **Findings:** 11 [Ref. 9101]

Corrective Action: The bell schedules at all schools are being confirmed with the course schedules and our Skyward Student reporting software program. All principals have been advised that no adjustments are allowed to the bell schedule without the approval of the Superintendent and Management Information Systems department.

- **Findings:** 12 [Ref. 9102], 14 [Ref. 9104], 22 [Ref. 9113]

Corrective Action: The District's ESOL department will monitor ESOL student files for audit compliance, using the ESOL File Checklist, noting any deficiencies and required corrective action by the school, including follow-up of such corrective action. Continued staff training and support are being provided to ensure records compliance.

- **Findings:** 13 [Ref. 9103]

Corrective Action: The school will continue to strengthen its communication with the college to ensure timely reporting of dropped courses by dual-enrolled students. In addition, the Assistant Principal assigned to oversee OJT instructors will require all timecards be turned in at the end of each semester and will be maintained in a permanent file in the Administration Office.

- **Findings:** 15 [Ref. 9105]

Corrective Action: The school staffing specialist will review all ESE student files in their respective school to verify accuracy in course reporting with each teacher.

Student Transportation

- **Finding:** 1 [Ref. 51]

Corrective Action: The difference in days was the result of Hurricane Matthew and the subsequent change in calendar days for hurricane make-up days. Additional training has been provided to staff to ensure accuracy of reporting for such incidents in the future.



- **Finding:** 2 [Ref. 52]

Corrective Action: The Transportation department will continue to provide staff training and provide additional support on the process for handling ridership attendance to further minimize any such errors in the future.

- **Finding:** 3 [Ref. 53]

Corrective Action: The District's IDEA Federal grant manager will meet with relevant transportation personnel twice a year, prior to each survey period, to ensure the documentation for student ridership eligible for the weighted ridership category is appropriate and on file within the transportation department.

- **Finding:** 4 [Ref. 54]

Corrective Action: The Teaching & Learning department personnel that oversee the Virtual Instruction Program (VIP) will meet with relevant transportation personnel twice a year, prior to each survey period, to ensure the students enrolled in the VIP Program are included in/excluded from the appropriate ridership category.

- **Finding:** 5 [Ref. 55]

Corrective Action: All bus drivers' reports will be cross-referenced to the ridership reports prior to the reports being transmitted for each survey period to ensure each student's eligibility for State transportation funding. Continued staff training and support are being provided to ensure reporting compliance.

