

**FLORIDA STATE
UNIVERSITY SCHOOLS, INC.**

**Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students**

For the Fiscal Year Ended
June 30, 2013



SCHOOLS' BOARD MEMBERS AND SCHOOLS' DIRECTOR

Florida State University Schools, Inc., Board members and the Schools' Director who served during the 2012-13 fiscal year are listed below:

Director

Dr. Lynn A. Wicker

Board Chair

Alan Hanstein, Chair from 7-17-12

Sergeant Lonnie Seay, Chair to 7-16-12

University Representatives

Dr. Robert B. Bradley to 5-14-13

Dr. Ramonda Horton-Ikard from 5-15-13

Dr. Aline Kalbian

Dr. Larry Scharmann

Michael Williams

Faculty Representative

Jennifer Underhill to 12-31-12

John Buckley from 1-1-13 to 5-31-13

Cory Cloud from 6-1-13

Community Representatives

Robert Bedford

Leslie Dughi

Christopher Kraft to 8-13-12

Ivery Luckey from 8-14-12

Jann Tucker-Pettway from 6-1-13

Parent Representatives

Kimblin NeSmith

Joni Synatschk from 7-17-12

St. Joe Company Representative

Abraham Prado

Student Representative

Isabella Yue to 5-31-13

Kelsey James from 6-1-13

The examination team leader was 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.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2013

DRCLS	Developmental Research Charter Laboratory School
ELL	English Language Learner
EP	Educational Plan
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FS	Florida Statutes
OJT	On-the-Job Training

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students and Student Transportation
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For the Fiscal Year Ended June 30, 2013

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EXECUTIVE 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 missing and could not be located for students in ESOL and Career Education 9-12 (OJT), the Florida State University Schools, Inc. (Schools), complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2013:

- Six of the 15 students in our ESOL sample and 9 of the 24 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. The Schools is a Developmental Research Charter Laboratory School (DRCLS) and all of the noted samples and exceptions consist of students who attend such charter school.

Noncompliance related to reported FTE resulted in five findings. The resulting proposed net adjustment to the Schools' reported, unweighted FTE totaled to a negative .6629 but has a potential impact on the Schools' weighted FTE of a negative .9104.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to FTE 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. However, the gross dollar effect of our proposed adjustments to FTE may be estimated by multiplying the proposed net weighted adjustment to FTE by the base student allocation amount. The Schools' estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$3,262 (negative .9104 times \$3,582.98).

The ultimate resolution of our proposed adjustments to FTE and the computation of their financial impact is the responsibility of the Department of Education.

FLORIDA STATE UNIVERSITY SCHOOLS, INC.

The Schools (located in Tallahassee, Florida) was established as a DRCLS, pursuant to Section 1002.32(2), Florida Statutes, effective August 22, 2000, and as a special school district, pursuant to Section 1011.24, Florida Statutes, by Florida State University (FSU) located in Tallahassee, Florida. Section 1002.32(3), Florida Statutes, specifies that developmental research schools are to provide a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning. Additionally, Section 1002.32(3)(a), Florida Statutes, provides that the primary goal of a developmental research school is to enhance instruction and research in specialized subjects that include mathematics, science, computer science, and foreign languages, while also providing an education in nonspecialized subjects. On February 3, 2003, FSU entered into an agreement with the City of Pembroke Pines (Florida) and sponsored the Pembroke Pines - Florida State University Charter Elementary School (a DRCLS) as part of FSU's existing special school district. The Schools offers instruction in Basic Education, ESOL, ESE, and Career Education 9-12 (OJT) and serves students in kindergarten through twelfth grade at the two locations.

In accordance with Section 1002.32(8), Florida Statutes, a Board of Directors has been established to provide general oversight and guidance to the Schools. The chief executive officer of the Schools, pursuant to Section 1002.32(7), Florida Statutes, is the Director. For the fiscal year ended June 30, 2013, State funding through FEFP was provided to the Schools for two charter schools serving kindergarten through twelfth grade students. The Schools reported 2,391.41 unweighted FTE for those students, and received approximately \$11.9 million in State funding through FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts and developmental research schools receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). 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 which 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. The funding provided by FEFP is based upon 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 (full-time equivalent) student.

(Continues On Next Page)

For brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one 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 a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.



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

INDEPENDENT AUDITOR'S REPORT FLORIDA STATE UNIVERSITY SCHOOLS, INC. FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Florida State University Schools, Inc. (Schools), compliance with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2013. 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 2012-13* issued by the Department of Education. As discussed in the representation letter, management is responsible for the Schools' compliance with State requirements. Our responsibility is to express an opinion on the Schools' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Schools' compliance with the aforementioned State requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the Schools' compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed the following material noncompliance: 6 of the 15 students in our ESOL sample¹ and 9 of the 24 students in our Career Education 9-12 (OJT) sample,² had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. Additionally, all of the above-noted exceptions are applicable to students who attend charter schools. The Schools is a developmental research charter laboratory school and all of the noted samples and exceptions consist of students who attend such charter schools.

In our opinion, except for the material noncompliance mentioned above involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and Career Education 9-12 (OJT), the Florida State University Schools, Inc., complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2013.

¹For ESOL, see SCHEDULE D, Finding Nos. 2 and 3.

²For Career Education 9-12 (OJT), see SCHEDULE D, Finding Nos. 4 and 5.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the Schools' 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 subject matter. 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. The purpose of our examination was to express an opinion on the Schools' compliance with State requirements and did not include expressing an opinion on the Schools' related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.³ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the Schools' internal controls related to reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and Career Education 9-12 (OJT). Our examination disclosed certain other findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE A and EXHIBIT A, respectively. The impact of this noncompliance on the Schools' reported FTE is presented in SCHEDULES A, B, C, and D.

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

³ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. 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.

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 AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable Schools' management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
Tallahassee, Florida
November 18, 2014

SCHEDULE A

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2013

REPORTED FTE

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12 (OJT). Unweighted FTE represents FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The Schools reported 2,391.41 unweighted FTE at two charter schools to the Department of Education for the fiscal year ended June 30, 2013.

SCHOOLS AND STUDENTS

As part of our examination procedures, we sampled schools and students for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2013. (See NOTE B.) The population of schools (2) consisted of two brick and mortar schools that offered courses in FEFP-funded programs. The population of students (2,518) consisted of the total number of students in each program at the schools in our samples. Our Career Education 9-12 data includes only those students who participated in OJT. Our populations and samples of schools and students are summarized as follows:

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students</u>		Students with <u>Exceptions</u>	<u>Unweighted FTE</u>		<u>Proposed</u> <u>Adjustments</u>
	<u>Population</u>	<u>Sample</u>	<u>Population</u>	<u>Sample</u>		<u>Population</u>	<u>Sample</u>	
Basic	2	2	2,125	25	0	2,030.1500	23.0530	4.1754
Basic with ESE Services	2	2	309	18	1	304.9200	16.8340	(.8340)
ESOL	2	2	35	15	6	25.8500	10.0784	(3.3414)
ESE Support Levels 4 and 5	1	1	1	1	0	1.0000	1.0000	0.0000
Career Education 9-12	1	1	<u>48</u>	<u>24</u>	<u>2</u>	<u>29.4900</u>	<u>5.3316</u>	<u>(.6629)</u>
All Programs	2	2	<u>2,518</u>	<u>83</u>	<u>16</u>	<u>2,391.4100</u>	<u>56.2970</u>	<u>(.6629)</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
For the Fiscal Year Ended June 30, 2013

TEACHERS

We also sampled teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (51) consisted of the total number of teachers at schools in our sample who taught courses in ESE Support Levels 4 and 5 or taught courses to ELL students and of the total number of teachers reported under virtual education cost centers (no virtual education teachers were reported) in our sample who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, or taught courses to ELL students. From the population of teachers, we sampled 20 and found no exceptions for any of those teachers.

PROPOSED ADJUSTMENTS

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our proposed adjustments generally reclassify 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 FTE and the computation of their financial impact is the responsibility of the Department of Education.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2013

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	2.5908	1.117	2.8939
102 Basic 4-8	.4170	1.000	.4170
103 Basic 9-12	1.1676	1.020	1.1910
113 Grades 9-12 with ESE Services	(.8340)	1.020	(.8507)
130 ESOL	(3.3414)	1.167	(3.8994)
300 Career Education 9-12	<u>(.6629)</u>	.999	<u>(.6622)</u>
Total	<u>(.6629)</u>		<u>(.9104)</u>

¹ See NOTE A6.

² These proposed net adjustments are for unweighted FTE. (See SCHEDULE C.)

³ Weighted adjustments to FTE are presented for illustrative purposes only. The weighted adjustments to 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 Department of Education. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
PROPOSED ADJUSTMENTS BY SCHOOL
 For the Fiscal Year Ended June 30, 2013

<u>No. Program</u>	<u>Proposed Adjustments</u> ¹	
	<u>#0341</u>	<u>Total</u>
101 Basic K-3	2.5908	2.5908
102 Basic 4-8	.4170	.4170
103 Basic 9-12	1.1676	1.1676
113 Grades 9-12 with ESE Services	(.8340)	(.8340)
130 ESOL	(3.3414)	(3.3414)
300 Career Education 9-12	<u>(.6629)</u>	<u>(.6629)</u>
Total	<u>(.6629)</u>	<u>(.6629)</u>

¹ *These proposed adjustments are for unweighted FTE. (See NOTE A4.)*

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2013

OVERVIEW

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. 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 2012-13* issued by the Department of Education. Except for the material noncompliance involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and Career Education 9-12 (OJT), the Florida State University Schools, Inc. complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2013. All noncompliance disclosed by our examination procedures is discussed below and requires Schools’ management’s attention and action, as recommended on page 11.

Findings

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Our examination included the July and October 2012 surveys and the February and June 2013 surveys (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2012 survey or the February 2013 survey or both. Accordingly, our Findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Florida State University Schools, Inc. (in Tallahassee)(#0341)

1. [Ref. 34101] The file for one ESE student in the Gifted ESE Program did not contain an EP covering the 2012-13 school year. We propose the following adjustment:

103 Basic 9-12	.8340	
113 Grades 9-12 with ESE Services	<u>(.8340)</u>	.0000

2. [Ref. 34102] The file for one ELL student reported in the ESOL Program was missing and could not be located. We propose the following adjustment:

101 Basic K-3	.8636	
130 ESOL	<u>(.8636)</u>	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND PROPOSED ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2013

**Proposed Net
 Adjustments
 (Unweighted FTE)**

Findings

Florida State University Schools, Inc. (in Tallahassee) (#0341) (Continued)

3. [Ref. 34103] We noted that five ELL students enrolled in the ESOL Program had the following exceptions: (a) four students' ELL Student Plans were not prepared until after the October 2012 (one student) or February 2013 (three students) reporting survey periods, and (b) one of these students' ELL Student Plan was incomplete as it did not include the student's instructional schedule. We propose the following adjustment:

101 Basic K-3	1.7272	
102 Basic 4-8	.4170	
103 Basic 9-12	.3336	
130 ESOL	<u>(2.4778)</u>	.0000

4. [Ref. 34104] The timecards for five Career Education 9-12 (OJT) students indicated that the students worked fewer hours than were reported during the October 2012 (three students) or February 2013 (two students) reporting survey periods. We propose the following adjustment:

300 Career Education 9-12	<u>(.1629)</u>	(.1629)
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5. [Ref. 34105] The timecards for four Career Education 9-12 (OJT) students indicated that the students were not working during the October 2012 (three students) or February 2013 (one student) reporting survey periods and were not otherwise engaged in job-search activities. We propose the following adjustment:

300 Career Education 9-12	<u>(.5000)</u>	(.5000)
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Proposed Net Adjustment (.6629)

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2013

RECOMMENDATIONS

We recommend that Schools' management exercise more care and take corrective action, as appropriate, to ensure that: (1) EPs are timely prepared; (2) students' ESOL files are retained and available for audit purposes; (3) *ELL Student Plans* are complete, timely prepared, and include the students' course schedules; (4) only students whose timecards indicate that the students were employed or otherwise engaged in job-search activities are reported in the Career Education 9-12 (OJT) Program; and (5) students in Career Education 9-12 (OJT) are reported in accordance with timecards that accurately completed, signed, and retained in readily-accessible files

The absence of statements in this report regarding practices and procedures followed by the Schools 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 Schools' obligation to comply with all State requirements governing FTE and FEFP.

REGULATORY CITATIONSReporting

Section 1002.32, FSDevelopmental Research (Laboratory) Schools
 Section 1011.60, FSMinimum Requirements of the Florida Education Finance Program
 Section 1011.61, FSDefinitions
 Section 1011.62, FSFunds for Operation of Schools
 Rule 6A-1.0451, FACFlorida Education Finance Program Student Membership Surveys
 Rule 6A-1.04513, FACMaintaining Auditable FTE Records
FTE General Instructions 2012-13

Attendance

Section 1003.23, FSAttendance Records and Reports
 Rules 6A-1.044(3) and (6)(c), FACPupil Attendance Records
 Rule 6A-1.04513, FACMaintaining Auditable FTE Records
FTE General Instructions 2012-13
Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2013

REGULATORY CITATIONS (Continued)English for Speakers of Other Languages (ESOL)

- Section 1003.56, FS English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), FS Education for Speakers of Other Languages
- Rule 6A-6.0901, FAC Definitions Which Apply to Programs for English Language Learners
- Rule 6A-6.0902, FAC Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners
- Rule 6A-6.09021, FAC Annual English Language Proficiency Assessment for English Language Learners (ELLs)
- Rule 6A-6.09022, FAC Extension of Services in English for Speakers of Other Languages (ESOL) Program
- Rule 6A-6.0903, FAC Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program
- Rule 6A-6.09031, FAC Post Reclassification of English Language Learners (ELLs)
- Rule 6A-6.0904, FAC Equal Access to Appropriate Instruction for English Language Learners

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

- Rule 6A-6.055(3), FAC Definitions of Terms Used in Vocational Education and Adult Programs
FTE General Instructions 2012-13

Exceptional Education

- Section 1003.57, FS Exceptional Students Instruction
- Section 1011.62, FS Funds for Operation of Schools
- Section 1011.62(1)(e), FS Funding Model for Exceptional Student Education Programs
- Rule 6A-6.03028, FAC Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
- Rule 6A-6.03029, FAC Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, FAC Course Modifications for Exceptional Students

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Florida State University Schools, Inc.
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2013

REGULATORY CITATIONS (Continued)

Exceptional Education (Continued)

- Rule 6A-6.0331, FAC General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
 - Rule 6A-6.0334, FAC Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
 - Rule 6A-6.03411, FAC Definitions, ESE Policies and Procedures, and ESE Administrators
 - Rule 6A-6.0361, FAC Contractual Agreement with Nonpublic Schools and Residential Facilities
- Matrix of Services Handbook (2012 Revised Edition)*

Teacher Certification

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

Virtual Education

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

Charter Schools

- Section 1002.33, FS Charter Schools

The accompanying notes are an integral part of this schedule.

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE A – SUMMARY

A summary discussion of the significant features of the Schools, FEFP, FTE, and related areas follows:

1. Florida State University Schools, Inc.

The School (located in Tallahassee, Florida) was established as a DRCLS, pursuant to Section 1002.32(2), Florida Statutes, effective August 22, 2000, and as a special school district, pursuant to Section 1011.24, Florida Statutes, by Florida State University (FSU) located in Tallahassee, Florida. Section 1002.32(3), Florida Statutes, specifies that developmental research schools are to provide a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning. Additionally, Section 1002.32(3)(a), Florida Statutes, provides that the primary goal of a developmental research school is to enhance instruction and research in specialized subjects that include mathematics, science, computer science, and foreign languages, while also providing an education in nonspecialized subjects. On February 3, 2003, FSU entered into an agreement with the City of Pembroke Pines (Florida) and sponsored the Pembroke Pines - Florida State University Charter Elementary School (a DRCLS) as part of FSU's existing special school district. The Schools offers instruction in Basic Education, ESOL, ESE, and Career Education 9-12 (OJT) and serves students in kindergarten through twelfth grade at the two locations.

For the fiscal year ended June 30, 2013, State funding through FEFP was provided to the Schools for two charter schools serving kindergarten through twelfth grade students. The Schools reported 2,391.41 unweighted FTE for those students and received approximately \$11.9 million in State funding through FEFP.

2. Florida Education Finance Program (FEFP)

Florida school districts and developmental research schools receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). 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 which 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.

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon 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 FTE. For example, for prekindergarten through third grade, one 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 four through twelve, one 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 one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one 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 a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education 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 this product 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.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of Schools' management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2012-13 school year were conducted during and for the following weeks: survey one was performed for July 9 through 13, 2012; survey two was performed for October 8 through 12, 2012; survey three was performed for February 11 through 15, 2013; and survey four was performed for June 17 through 21, 2013.

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE A - SUMMARY (Continued)

6. Educational Programs

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 as follows: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

7. Statutes and Rules

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

Chapter 1000, FS	K-20 General Provisions
Chapter 1001, FS	K-20 Governance
Chapter 1002, FS	Student and Parental Rights and Educational Choices
Chapter 1003, FS	Public K-12 Education
Chapter 1006, FS	Support for Learning
Chapter 1007, FS	Articulation and Access
Chapter 1010, FS	Financial Matters
Chapter 1011, FS	Planning and Budgeting
Chapter 1012, FS	Personnel
Chapter 6A-1, FAC	Finance and Administration
Chapter 6A-4, FAC	Certification
Chapter 6A-6, FAC	Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers using judgmental methods for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2013. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the Schools' compliance with State requirements governing FTE and FEFP. The following schools were in our sample:

Florida State University Schools, Inc.
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2013

NOTE B - SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Florida State University Schools, Inc. (in Tallahassee)	1 through 5
2. Pembroke Pines - Florida State University Charter Elementary School	NA

**EXHIBIT A
MANAGEMENT'S RESPONSE**



FLORIDA STATE UNIVERSITY SCHOOLS, INC.

3000 School House Road
Tallahassee, FL 32311
(850) 245-3700 FAX (850) 245-3737
www.fsus.fsu.edu

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Chief Operating Officer*

*Mr. Stephen Bowen
Associate Director*

*Dr. Elvis Epps
Principal*

*Ms. Sue Weathersbee
Chief Financial Officer*

Board of Directors

- Mr. Alan Hanstein, Chair*
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- Mr. Abraham Prado*
- Ms. Joni Synatschk*
- Ms. Jann Tucker-Pettway*
- Mr. Michael Williams*

FSU College of Education

Dr. Marcy Driscoll, Dean

FSUS Mission

Educational Research

Innovative Instruction

Professional Service

November 18, 2014

Mr. David, W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin,

The following is my response to the report on the examination of full-time equivalent (FTE) students, as reported by the Florida State University School under the Florida Education Finance Program (FEFP) for the fiscal year ending June 30, 2013. I have also included proposed corrective actions as appropriate for the circumstances involved.

Finding 1 [Ref. 34101]

- **Response**
The ESE Director will audit each ESE Gifted student file to ensure that EPs are timely prepared during each school year. This will also be monitored by the ESE teacher to ensure compliance.

Finding 2 [Ref. 34102]

- **Response**
All ELL student files will be archived for audit purposes and files of withdrawn students will also be copied and archived.

Finding 3 [Ref. 34103]

- **Response**
Each ELL folder now contains a checklist of the required documents, including the students' course schedules, along with date certain requirements for all signatures.

Finding 4 [Ref. 34104] and **Finding 5** [Ref. 34105]

- **Response**
The FSUS OJT program coordinator will communicate and work more closely with the FSUS MIS director to ensure more accurate reporting of student work hours. Timecards will be audited on a monthly basis by the OJT program coordinator to ensure accuracy and compliance. MIS Director will ensure that accurate FTE reporting will be done after verification of timecards during each survey period.

If I may be of further assistance to you, please contact me at 245-3712 or via email at lwicker@fsu.edu.

Respectfully,

Lynn A. Wicker, Ed.D
Director