

Report No. 2016-019
September 2015

STATE OF FLORIDA AUDITOR GENERAL

Attestation Examination

**NASSAU COUNTY
DISTRICT SCHOOL BOARD**

Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
and
Student Transportation

For the Fiscal Year Ended
June 30, 2014



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

Nassau County District School Board members and the Superintendent of Schools who served during the 2013-14 fiscal year are listed below:

<u>Member</u>	<u>District No.</u>
Donna Martin, Chair	1
Gail G. Cook	2
Amanda L. Young	3
Dr. Kimberly Joyce Fahlgren	4
Dr. Kathy Knight Burns, Vice Chair	5
Dr. John L. Ruis, Superintendent	

The team leader was Jeremy A. 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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NASSAU COUNTY DISTRICT SCHOOL BOARD
LIST OF ABBREVIATIONS

ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
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

NASSAU COUNTY DISTRICT SCHOOL BOARD
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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 ESE Support Levels 4 and 5, Career Education 9-12 (OJT), and student transportation, the Nassau County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students and students transported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014:

- Five of the 33 students in our ESE Support Levels 4 and 5 test and 14 of the 78 students in our Career Education 9-12 (OJT) test had 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 District did not report any charter schools; therefore, none of the students included in our tests attended charter schools.
- Of the 284 students in our student transportation test, 38 had exceptions involving their reported ridership classification or eligibility for State transportation funding.

Noncompliance related to the reported FTE resulted in 13 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 2.4377 (negative 2.4377 is all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 9.4977 (negative 9.4977 is all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in 7 findings and a proposed net adjustment of a negative 34 students.

The weighted adjustments to the FTE are presented in our report for illustrative purposes only. The weighted adjustments to the 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 the FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE by the base student allocation amount. For the Nassau County District School Board, the estimated gross dollar effect of our proposed adjustments to the reported FTE is a negative \$35,638 (negative 9.4977 times \$3,752.30), of which all is applicable to District schools other than 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 and student transportation and the computation of their financial impact is the responsibility of the Department of Education.

SCHOOL DISTRICT OF NASSAU COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Nassau County. Those services are provided primarily to prekindergarten through twelfth-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 State Board of Education. The geographic boundaries of the District are those of Nassau 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 elected Superintendent of Schools. For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 15 District schools other than charter schools and 3 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 11,150.95 unweighted FTE as recalibrated for those students and received approximately \$25 million in State funding through the FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
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Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-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. The funding provided by the 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. 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.

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE earned by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all the FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all the FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education then recalibrates all the 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 reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

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 physically handicapped, 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(4), 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 approximately \$2.6 million for student transportation as part of the State funding through the FEFP.



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Auditor General

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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 ON THE NUMBER OF FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Nassau County District School Board's 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, 2014. 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 2013-14* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's 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 District's 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 District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed the following material noncompliance: 5 of the 33 students in our ESE Support Levels 4 and 5 test¹ and 14 of the 78 students in our Career Education 9-12 (OJT) test² had 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 District did not report any charter schools; therefore, none of the students included in our tests attended charter schools.

¹ For ESE Support Levels 4 and 5, see *SCHEDULE D*, Findings 2, 3, 6, 8, and 9.

² For Career Education 9-12 (OJT), see *SCHEDULE D*, Findings 4, 5, 7, 10, and 11.

In our opinion, except for the material noncompliance mentioned above 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 ESE Support Levels 4 and 5 and Career Education 9-12 (OJT), the Nassau County District School Board 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, 2014.

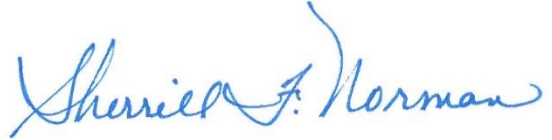
In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the 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 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 District's compliance with State requirements and did not include expressing an opinion on the District's 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 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 ESE Support Levels 4 and 5 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 D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance on the District's reported FTE 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.

³ 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 District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
September 18, 2015

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS FULL-TIME EQUIVALENT (FTE) STUDENTS

Reported FTE

The funding provided by the FEFP is based upon 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 (OJT). Unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See *SCHEDULE B* and NOTES A3, A4, and A6.) The District reported 11,150.95 unweighted FTE as recalibrated for those students at 15 District schools other than charter schools and 3 virtual education cost centers reported to the Department of Education for the fiscal year ended June 30, 2014.

Schools and Students

As part of our examination procedures, we tested the FTE reported to the Department of Education for schools and students for the fiscal year ended June 30, 2014. (See NOTE B.) The population of schools (18) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools, as well as the designated District virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (6,637) consisted of the total number of students in each program at the schools and cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT. Our populations and tests of schools and students are summarized as follows:

Programs	Number of Schools		Number of Students at Schools Tested		Students with Exceptions	Recalibrated Unweighted FTE		Proposed Adjustments
	Population	Test	Population	Test		Population	Test	
Basic	18	10	5,367	97	1	8,767.2100	83.6420	.4242
Basic with ESE Services	17	9	1,062	65	0	1,915.3400	56.9588	1.3502
ESOL	12	6	41	20	0	52.3000	14.2849	(.4840)
ESE Support Levels 4 and 5	10	6	39	33	5	43.2900	24.8581	(1.9096)
Career Education 9-12	4	3	<u>128</u>	<u>78</u>	<u>14</u>	<u>372.8100</u>	<u>26.0701</u>	<u>(1.8185)</u>
All Programs	18	10	<u>6,637</u>	<u>293</u>	<u>20</u>	<u>11,150.9500</u>	<u>205.8139</u>	<u>(2.4377)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (149 of which all are applicable to District schools other than 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 68 and found exceptions for 2. The District did not report any charter schools; therefore, none of the 68 teachers included in our test 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 and the computation of their financial impact is the responsibility of the Department of Education.

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE FULL-TIME EQUIVALENT (FTE) STUDENTS

<u>No. Program</u> ¹	<u>Proposed Net Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
102 Basic 4-8	.3174	1.000	.3174
103 Basic 9-12	.1068	1.011	.1080
111 Grades K-3 with ESE Services	.5000	1.125	.5625
113 Grades 9-12 with ESE Services	.8502	1.011	.8596
130 ESOL	(.4840)	1.145	(.5542)
254 ESE Support Level 4	(.5000)	3.558	(1.7790)
255 ESE Support Level 5	(1.4096)	5.089	(7.1735)
300 Career Education 9-12	<u>(1.8185)</u>	1.011	<u>(1.8385)</u>
Total	<u>(2.4377)</u>		<u>(9.4977)</u>

¹ See NOTE A6.

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 Department of Education. (See NOTE A4.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT (FTE) STUDENTS

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments</u> ¹			<u>Balance Forward</u>
	<u>#0102</u>	<u>#0191</u>	<u>#0231</u>	
102 Basic 4-8	.3174	.....	.....	.3174
103 Basic 9-12	.....	.....	.....	.0000
111 Grades K-3 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	.2834	.5668	.8502
130 ESOL	(.3174)	.....	.....	(.3174)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	(.3424)	(.5668)	(.9092)
300 Career Education 9-12	.....	(.3427)	(.1601)	(.5028)
Total	<u>.0000</u>	<u>(.4017)</u>	<u>(.1601)</u>	<u>(.5618)</u>

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

No.	Brought Forward	<u>Proposed Adjustments</u> ¹			Total
		<u>#0271</u>	<u>#0291</u>	<u>#7004</u>	
102	.3174	.....	.....	.....	.3174
103	.0000	.....	.1666	(.0598)	.1068
111	.0000	.5000	.....	.....	.5000
113	.8502	.....	.....	.....	.8502
130	(.3174)	.....	(.1666)	.....	(.4840)
254	.0000	(.5000)	.....	.....	(.5000)
255	(.9092)	.....	(.5004)	.....	(1.4096)
300	<u>(.5028)</u>	<u>.....</u>	<u>(1.3157)</u>	<u>.....</u>	<u>(1.8185)</u>
Total	<u>(.5618)</u>	<u>.0000</u>	<u>(1.8161)</u>	<u>(.0598)</u>	<u>(2.4377)</u>

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

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENTS

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 2013-14* 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 not available at the time of our examination and could not be subsequently located for students in ESE Support Levels 4 and 5 and Career Education 9-12 (OJT), the Nassau County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of FTE students under the FEFP for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 13.

Findings

Proposed Net Adjustments (Unweighted FTE)

Our examination included the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2013 reporting survey period or the February 2014 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.

Yulee Elementary School (#0102)

1. [Ref. 10270] One teacher had earned only 120 of the 180 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:

102 Basic 4-8	.3174	
130 ESOL	<u>(.3174)</u>	<u>.0000</u>
		<u>.0000</u>

Findings

West Nassau County High School (#0191)

2. [Ref. 19101] The reported number of homebound instructional minutes for one ESE student in the Hospital and Homebound Program was overstated. The student was reported for 240 instructional minutes but did not receive any homebound instruction during the February 2014 reporting survey period. We propose the following adjustment:

255 ESE Support Level 5	(.0590)	(.0590)
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3. [Ref. 19102] The on-campus portion of the course schedule for one ESE student who was provided both on-campus instruction and homebound instruction was incorrectly reported in Program No. 255 (ESE Support Level 5). The student’s file did not contain a *Matrix of Services* form pertaining to the on-campus instruction; consequently, the on-campus portion of the student’s schedule 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	.2834	
255 ESE Support Level 5	(.2834)	.0000

4. [Ref. 19103] The timecard for one Career Education 9-12 (OJT) student was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	(.2222)	(.2222)
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5. [Ref. 19104] Three Career Education 9-12 (OJT) students were reported for more work hours than were supported by the students’ timecards. We propose the following adjustment:

300 Career Education 9-12	(.1205)	(.1205)
		(.4017)

Yulee High School (#0231)

6. [Ref. 23101] The on-campus portion of the course schedule for one ESE student who was provided both on-campus and homebound instruction was incorrectly reported in Program No. 255 (ESE Support Level 5). The student’s file did not contain a *Matrix of Services* form pertaining to the on-campus instruction; consequently, the on-campus portion of the student’s schedule should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Yulee High School (#0231) (Continued)

113 Grades 9-12 with ESE Services	.5668	
255 ESE Support Level 5	<u>(.5668)</u>	.0000

7. [Ref. 23102] Two Career Education 9-12 (OJT) students were reported for more work hours than were supported by the students' timecards. We propose the following adjustment:

300 Career Education 9-12	<u>(.1601)</u>	<u>(.1601)</u>
		<u>(.1601)</u>

Yulee Primary School (#0271)

8. [Ref. 27101] 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	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	<u>.0000</u>
		<u>.0000</u>

Fernandina Beach High School (#0291)

9. [Ref. 29101] The course schedule for one ESE student in the Hospital and Homebound Program was incorrectly reported. The student was only scheduled for homebound instruction; however, the student's reported schedule incorrectly included on-campus courses. We propose the following adjustment:

255 ESE Support Level 5	<u>(.5004)</u>	(.5004)
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10. [Ref. 29102] The timecards for three Career Education 9-12 (OJT) students 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>(.6280)</u>	(.6280)
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11. [Ref. 29103] Five Career Education 9-12 (OJT) students were reported for more work hours than were supported by the students' timecards. We propose the following adjustment:

300 Career Education 9-12	<u>(.6877)</u>	(.6877)
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**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Fernandina Beach High School (#0291) (Continued)

12. [Ref. 29170] One teacher had earned only 125 of the 240 in-service training points in ESOL strategies required by rule and the teacher’s in-service training timeline. We propose the following adjustment:

103 Basic 9-12	.1666	
130 ESOL	<u>(.1666)</u>	<u>.0000</u>
		<u>(1.8161)</u>

Nassau Virtual Franchise (#7004)

13. [Ref. 700401] The course schedule for one Basic virtual education student was incorrectly reported. The student had earned only a half credit and should have only been reported for one semester course instead of one full-year course. We propose the following adjustment:

103 Basic 9-12	<u>(.0598)</u>	<u>(.0598)</u>
		<u>(.0598)</u>

Proposed Net Adjustment (2.4377)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT (FTE) STUDENTS

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper FEFP funding categories for the correct amount of FTE and documentation is retained to support that reporting, particularly with regard to students in ESE Support Levels 4 and 5 and Career Education 9-12 (OJT); (2) ESE students are reported in accordance with the students' *Matrix of Services* forms; (3) reported FTE for students in the Hospital and Homebound Program is based on the homebound instructors' contact logs and time authorized on the students' IEPs; (4) the on-campus portion of the course schedules for ESE students who were alternately assigned to the Hospital and Homebound Program and to a school-based program reflects the actual instruction provided during the reporting survey week; (5) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, signed, and retained in readily-accessible files; (6) course schedules and the associated FTE for students enrolled in virtual education programs are reviewed and verified to ensure that the course schedules are accurately reported and FTE is only reported for courses that have been successfully completed; and (7) ESOL teachers earn their in-service training points in accordance with the teachers' in-service training timelines.

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 governing the determination and reporting of the number of FTE students under the FEFP.

REGULATORY CITATIONS

Reporting

- Section 1007.271(21), FS Dual Enrollment Programs
- Section 1011.60, FS Minimum Requirements of the Florida Education Finance Program
- Section 1011.61, FS Definitions
- Section 1011.62, FS Funds for Operation of Schools
- Rule 6A-1.0451, FAC Florida Education Finance Program Student Membership Surveys
- Rule 6A-1.04513, FAC Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Attendance

- Section 1003.23, FS Attendance Records and Reports
- Rules 6A-1.044(3) and (6)(c), FAC Pupil Attendance Records

Rule 6A-1.04513, FAC Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

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 2013-14

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 Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years

Rule 6A-6.0312, FAC Course Modifications for Exceptional Students

Rule 6A-6.0331, FAC	General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student 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 District Virtual Course Offerings

Charter Schools

Section 1002.33, FS	Charter Schools
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NOTES TO SCHEDULES

<p style="text-align: center;">NOTE A – SUMMARY FULL-TIME EQUIVALENT (FTE) STUDENTS</p>

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

1. School District of Nassau County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Nassau County, Florida. Those services are provided primarily to prekindergarten through twelfth-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 State Board of Education. The geographic boundaries of the District are those of Nassau County.

For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 15 District schools other than charter schools and 3 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 11,150.95 unweighted FTE as recalibrated for those students and received approximately \$25 million in State funding through the FEFP. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-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. Full-Time Equivalent (FTE) Students

The funding provided by the 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 4 through 12, 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. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE earned by the Department of Juvenile Justice (DJJ) students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) Part-Time Program, using a common student identifier. The Department of Education 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 reported for extended school year periods and DJJ FTE enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

5. 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.

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 one week. The survey periods for the 2013-14 school year were conducted during and for the following weeks: survey period one was performed for July 8 through 12, 2013; survey period two was performed for October 14 through 18, 2013; survey period three was performed for February 10 through 14, 2014; and survey period four was performed for June 16 through 20, 2014.

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 as follows: (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, 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 – TESTING FULL-TIME EQUIVALENT (FTE) STUDENTS

Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of the number of FTE students under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Southside Elementary School	NA
2. Yulee Elementary School	1
3. Callahan Middle School	NA
4. West Nassau County High School	2 through 5
5. Yulee High School	6 and 7
6. Yulee Primary School	8
7. Fernandina Beach High School	9 through 12
8. Nassau Virtual Instruction Program	NA
9. Nassau Virtual Franchise	13
10. Nassau Virtual Instruction Program (District Provided)	NA



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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111 West Madison Street
Tallahassee, Florida 32399-1450



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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 ON STUDENT TRANSPORTATION

We have examined the Nassau County District School Board's compliance with State requirements governing the determination and reporting of students transported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014. 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 2013-14* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's 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 District's 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 District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

Our examination procedures disclosed material noncompliance with the District's reporting of students transported as follows: 38 of the 284 students in our test had exceptions involving their reported ridership classification or eligibility for State transportation funding. (See *SCHEDULE G*, Findings 3, 4, 5, 6, and 7.)

In our opinion, except for the material noncompliance mentioned above involving their reported ridership classification or eligibility for State transportation funding, the Nassau County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported under the FEFP for the fiscal year ended June 30, 2014.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies 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 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 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 District's compliance with State requirements and did not include expressing an opinion on the District's 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.¹ However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. 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 G* and *MANAGEMENT'S RESPONSE* respectively. The impact of this noncompliance on the District's reported number of transported students 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.

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 District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
September 18, 2015

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.

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS 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 physically handicapped, 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(4), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of vehicles (176) consisted of the total of the numbers of vehicles (buses, vans, or passenger cars) reported by the District for each reporting survey period. For example, a vehicle that transported students during the July and October 2013 and February and June 2014 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (11,901) consisted of the total numbers of students reported by the District as having been transported for each reporting survey period. (See NOTE A2.) The District reported students in the following ridership categories:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
Teenage Parents and Infants	6
IDEA – PK through Grade 12, Weighted	410
All Other FEFP Eligible Students	<u>11,485</u>
Total	<u>11,901</u>

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

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	<u>Proposed Net Adjustment</u>	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(6)		
Our tests included 284 of the 11,901 students reported as being transported by the District.		38	(26)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 8 students.	–	<u>8</u>	<u>(8)</u>
Total	<u>(6)</u>	<u>46</u>	<u>(34)</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 Department of Education.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Management is responsible for determining and reporting the number of students transported in compliance with State requirements. 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 2013-14* issued by the Department of Education. Except for the material noncompliance involving their reported ridership classification or eligibility for State transportation funding, the Nassau County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported under the FEFP for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 27.

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 test from the July and October 2013 reporting survey periods and the February and June 2014 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 (i.e., once for the October 2013 reporting survey period and once for the February 2014 reporting survey period) will be presented in our Findings as two test students

1. [Ref. 57] Our general tests disclosed that the reported number of buses in operation was overstated by six buses as follows:
 - a. Five bus numbers (three buses in the October 2013 reporting survey period and two buses in the February 2014 reporting survey period) were included in the bus count and reported in error due to data-entry errors made when inputting the bus numbers.
 - b. One bus number was incorrectly coded as a bus but was actually a passenger car in the October 2013 reporting survey period.

We propose the following adjustments:

**Students
Transported
Proposed Net
Adjustments**

Findings

October 2013 Survey

Number of Buses in Operation (4)

February 2014 Survey

Number of Buses in Operation (2)
(6)

2. [Ref. 51] The number of days in term for 36 students was incorrectly reported. One student in the July 2013 reporting survey period should have been reported for 6 days in term rather than 12 days in term, and 35 students in the June 2014 reporting survey period should have been reported for 16 days in term rather than 4 days in term. We propose the following adjustments:

July 2013 Survey

12 Days in Term

All Other FEFP Eligible Students (1)

6 Days in Term

All Other FEFP Eligible Students 1

June 2014 Survey

16 Days in Term

IDEA - PK through Grade 12, Weighted 15

All Other FEFP Eligible Students 20

4 Days in Term

IDEA - PK through Grade 12, Weighted (15)

All Other FEFP Eligible Students (20) 0

3. [Ref. 52] Twelve students (4 students were in our test) were reported on four separate routes; however, the individual route summaries were not available at the time of our examination and could not be subsequently located. Consequently, the ridership for these 12 students could not be validated. We propose the following adjustments:

July 2013 Survey

6 Days in Term

All Other FEFP Eligible Students (9)

February 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students (2) (12)

Findings

4. [Ref. 53] Twelve students in our test were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership as follows: (a) the IEPs for 4 of the students did not indicate that the students met at least one of the five criteria required for IDEA-Weighted classification, and (b) the IEPs for 8 of the students indicated that the criteria met was for being transported out of the District; however, the students were transported within the District and, therefore, did not meet this criteria. We determined that all the students lived more than 2 miles from their assigned school and were otherwise eligible to be reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

October 2013 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(8)	
All Other FEFP Eligible Students	8	

February 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(4)	
All Other FEFP Eligible Students	<u>4</u>	0

5. [Ref. 54] The reported ridership for 13 students in our test was not adequately supported. The students were either not listed on bus driver reports (12 students) or the bus driver report (1 student) indicated that the student was not transported during the reporting survey period. We propose the following adjustments:

October 2013 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	(2)	

February 2014 Survey

90 Days in Term

Teenage Parents and Infants	(3)	
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June 2014 Survey

16 Days in Term

All Other FEFP Eligible Students	(7)	(13)
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**Students
Transported
Proposed Net
Adjustments**

Findings

6. [Ref. 55] Eight students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than 2 miles from their assigned schools and were not otherwise eligible for State transportation funding. We propose the following adjustments:

July 2013 Survey

6 Days in Term

All Other FEFP Eligible Students (1)

October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students (3)

February 2014 Survey

90 Days in Term

All Other FEFP Eligible Students (4) (8)

7. [Ref. 56] One student in our test was incorrectly reported in the Teenage Parents and Infants ridership category. The student was not enrolled in a Teenage Parent Program and was not otherwise eligible for State transportation funding. We propose the following adjustment:

October 2013 Survey

90 Days in Term

Teenage Parents and Infants (1) (1)

Proposed Net Adjustment

(34)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation and the number of days in term are accurately reported; (2) bus driver reports are maintained to support all reported ridership; (3) students reported in the IDEA – PK through Grade 12, Weighted ridership category are appropriately documented as meeting one of the five criteria required for IDEA-Weighted classification as noted on the students’ IEPs; (4) only those students who are recorded on bus drivers’ reports as having been transported by the District at least once during the 11-day survey window are reported for State transportation funding; (5) the distance from home to school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category; and (6) only students enrolled in the Teenage Parent Program are reported in the Teenage Parents and Infants ridership category.

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 governing the determination and reporting of students transported under the FEFP.

REGULATORY CITATIONS

- Section 1002.33, FS Charter Schools
 - Chapter 1006, Part I, E., FS Transportation of Public K-12 Students
 - Section 1011.68, FS Funds for Student Transportation
 - Chapter 6A-3, FAC Transportation
- Student Transportation General Instructions 2013-14*

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
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A summary discussion of the significant features of student transportation and related areas follows:

1. Student Eligibility

Any student who is transported by bus 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 physically handicapped, 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(4), Florida Statutes.

2. Transportation in Nassau County

For the fiscal year ended June 30, 2014, the District received approximately \$2.6 million for student transportation as part of the State funding through the FEFP. The District's transportation reporting by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2013	8	66
October 2013	82	5,954
February 2014	80	5,846
June 2014	<u>6</u>	<u>35</u>
Total	<u>176</u>	<u>11,901</u>

3. Statutes and Rules

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

Section 1002.33, FS Charter Schools
Chapter 1006, Part I, E., FS Transportation of Public K-12 Students
Section 1011.68, FS Funds for Student Transportation
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 the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of students transported under the FEFP.

MANAGEMENT'S RESPONSE



The Nassau County School District

1201 Atlantic Avenue
Fernandina Beach, Florida 32034

John L. Ruis, Ed.D.
Superintendent of Schools

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FTE AND TRANSPORTATION AUDIT RESPONSE

September 16, 2015

Sherrill F. Norman, CPA
Auditor General
Suite G74; Claude Pepper Bldg.
111 West Madison Street
Tallahassee, Florida 32399-1450

Attn: J. David Hughes

Dear Ms. Norman:

The following is our response to the audit findings in your Florida Education Finance Program Full-Time Equivalent Student and Student Transportation Audit for the Fiscal Year Ended June 30, 2014.

1. Concerning the findings (Ref#s 19101, 19102, 23101, 29101) related to Hospital Homebound students, during 2013-2014 we implemented new procedures to ensure that Hospital Homebound students were appropriately reported. On our records the students were identified and reported appropriately. However, during the processing of the student database the FOCUS SIS system had a programming error which changed the way the students were reported to the state. This error was identified during the course of the audit and programming changes made to ensure proper reporting of the student in accordance with our records.
2. Concerning the findings (Ref#s 10270, 29170), we will review the in-service hours of teachers teaching ESOL classes to review that they have met the required training hours.
3. Concerning the findings (Ref#s 19103, 19104, 23102, 29102, 29103) related to On the Job (OJT) FTE reporting we will continue to review with appropriate instructional and administrative staff the best way to ensure the proper reporting of FTE for this program.
4. Concerning finding (# 27101) related to the incorrect Matrix of Service being reported, we will continue to look for ways to ensure that students are reported in accordance with the supporting documentation.
5. Concerning finding (Ref# 700401) related to the credit earned by a virtual school student, we will review more closely these students to ensure that they are reported with the proper credit hours.
6. Concerning the findings (REF#s 51, 52, 53, 54, 55, 56, 57) related to transportation, we will review our procedures for reporting transportation FTE and develop appropriate checks and balances to ensure the proper reporting of data.

Sincerely,

John L. Ruis, Ed.D.
Superintendent

Our mission is to develop each student as an inspired life-long learner and problem-solver with the strength of character to serve as a productive member of society.

AN EQUAL OPPORTUNITY EMPLOYER