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September 2016

STATE OF FLORIDA AUDITOR GENERAL

Attestation Examination

**WASHINGTON COUNTY
DISTRICT SCHOOL BOARD**

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

For the Fiscal Year Ended
June 30, 2015



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2014-15 fiscal year, Herbert J. Taylor served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Vann Brock, Vice Chair from 11-18-14	1
Wayne C. Saunders	2
Milton L. Brown, Chair from 11-18-14	3
Terry Ellis, Chair to 11-17-14	4
Susan G. Roberts, Vice Chair to 11-17-14	5

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

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WASHINGTON COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS

	Page No.
SUMMARY	i
INDEPENDENT AUDITOR’S REPORT ON FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT	1
SCHEDULE A – POPULATIONS, TEST SELECTION, AND TEST RESULTS	
Reported FTE	4
Schools and Students.....	4
Teachers.....	5
Proposed Adjustments	5
SCHEDULE B – EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE STUDENT ENROLLMENT	6
SCHEDULE C – PROPOSED ADJUSTMENTS BY SCHOOL.....	7
SCHEDULE D – FINDINGS AND PROPOSED ADJUSTMENTS	
Overview.....	9
Findings.....	9
SCHEDULE E – RECOMMENDATIONS AND REGULATORY CITATIONS	14
NOTES TO SCHEDULES.....	17
INDEPENDENT AUDITOR’S REPORT ON STUDENT TRANSPORTATION	20
SCHEDULE F – POPULATIONS, TEST SELECTION, AND TEST RESULTS.....	22
SCHEDULE G – FINDINGS AND PROPOSED ADJUSTMENTS	
Overview.....	24
Findings.....	24
SCHEDULE H – RECOMMENDATIONS AND REGULATORY CITATIONS.....	28
NOTES TO SCHEDULES.....	29
MANAGEMENT’S RESPONSE	30

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 English for Speakers of Other Languages (ESOL), Exceptional Student Education (ESE) Support Levels 4 and 5, and student transportation, the Washington County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. Specifically:

- We noted exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 3 of the 5 students in our ESOL test, and 7 of the 13 students in our ESE Support Levels 4 and 5 test. The District did not report any charter schools; therefore, none of the students included in our test attended charter schools.
- We noted exceptions involving the reported ridership classification or eligibility for State transportation funding for 21 of the 209 students in our student transportation test.

Noncompliance related to the reported FTE student enrollment resulted in ten findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative 1.0016 but has a potential impact on the District's weighted FTE of negative 13.6505. Noncompliance related to student transportation resulted in seven findings and a proposed net adjustment of negative 40 students.

The weighted adjustments to the FTE student enrollment 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 student enrollment may be estimated by multiplying the proposed net weighted adjustment to the FTE student enrollment by the base student allocation amount. The base student allocation for the fiscal year ended June 30, 2015, was \$4,031.77 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$55,036 (negative 13.6505 times \$4,031.77).

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

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

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Washington County, Florida. Those services are provided primarily to prekindergarten through 12th-grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Washington 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. The District had seven District schools and two virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$14.7 million was provided through the FEFP to the District for the District-reported 3,262.22 unweighted FTE as recalibrated. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

FEFP

FTE Student Enrollment

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

The funding provided by the FEFP is based 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 student enrollment. For brick and mortar school students, one student would be reported as 1.0 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, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

For the 2013-14 school year and beyond, all FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice (DJJ) for 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 student enrollment reported for the student by all school districts, including the Florida Virtual School 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 student enrollment reported for extended school year periods and the DJJ FTE student enrollment reported 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 \$793,308 for student transportation as part of the State funding through the FEFP.



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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 FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

We have examined the Washington County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education (SBE) Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions 2014-15* 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 with State requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (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 supporting management's assertion 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 disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of FTE student enrollment as reported under the FEFP for students in our English for Speakers of Other Languages (ESOL) and Exceptional Student Education (ESE) Support Levels 4 and 5 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements 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 ESOL and ESE Support Levels 4 and 5, the Washington County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP for the fiscal year ended June 30, 2015.

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 weaknesses¹ in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements that has a material effect on the District's compliance with State requirements; and abuse that has a material effect on the District's compliance with State requirements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements or on compliance and other matters; accordingly, we express no such opinions. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. 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 ESOL and ESE Support Levels 4 and 5. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported FTE student enrollment is presented in *SCHEDULES A, B, C, and D*.

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

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.

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 SBE, 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 19, 2016

SCHEDULE A

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

Reported FTE

The funding provided by the Florida Education Finance Program (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, English for Speakers of Other Languages (ESOL), Exceptional Student Education (ESE), and Career Education 9-12. The unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See *SCHEDULE B* and NOTE A3., A4., and A5.) For the fiscal year ended June 30, 2015, the Washington County District School Board (District) reported to the Department of Education 3,262.22 unweighted FTE as recalibrated at seven District schools and two virtual education cost centers. The District did not report any charter schools.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the Department of Education for schools and students for the fiscal year ended June 30, 2015. (See NOTE B.) The population of nine schools consisted of the seven brick and mortar schools in the District that offered courses as well as the two designated District virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (2,046) consisted of the total number of students in each program at the schools and cost centers in our tests.

We noted the following material noncompliance: exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 3 of the 5 students in our ESOL test² and 7 of the 13 students in our ESE Support Levels 4 and 5 test.³

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

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students at Schools Tested</u>		<u>Students with Exceptions</u>	<u>Recalibrated Unweighted FTE</u>		<u>Proposed Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	9	5	1,601	48	0	2,476.7500	35.3088	2.6224
Basic with ESE Services	9	5	413	31	2	669.0300	21.9761	3.6217
ESOL	2	1	13	5	3	16.9800	4.3758	(2.6224)
ESE Support Levels 4 and 5	6	3	19	13	7	29.4600	10.9577	(4.6233)
Career Education 9-12	4	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>70.0000</u>	<u>.0000</u>	<u>.0000</u>
All Programs	9	5	<u>2,046</u>	<u>97</u>	<u>12</u>	<u>3,262.2200</u>	<u>72.6184</u>	<u>(1.0016)</u>

² For ESOL, the material noncompliance is composed of Finding 1 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 2, 3, 4, 5, 7, and 8 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (67) 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 English Language Learner (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 33 and found exceptions for 2 teachers.

Proposed Adjustments

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

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

SCHEDULE B

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

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	.8766	1.126	.9871
102 Basic 4-8	1.7458	1.000	1.7458
111 Grades K-3 with Exceptional Student Education (ESE) Services	3.6698	1.126	4.1322
112 Grades 4-8 with ESE Services	.0186	1.000	.0186
113 Grades 9-12 with ESE Services	(.0667)	1.004	(.0670)
130 English for Speakers of Other Languages	(2.6224)	1.147	(3.0079)
254 ESE Support Level 4	(3.9448)	3.548	(13.9962)
255 ESE Support Level 5	(.6785)	5.104	(3.4631)
Total	<u>(1.0016)</u>		<u>(13.6505)</u>

Notes: (1) See NOTE A7.

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

(3) Weighted adjustments to the FTE are presented for illustrative purposes only. The weighted adjustments to the FTE do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. (See NOTE A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0041</u>	<u>#0052</u>	<u>#0151</u>	
101 Basic K-3	.8766	.....	.....	.8766
102 Basic 4-8	1.7458	.....	.....	1.7458
111 Grades K-3 with Exceptional Student Education (ESE) Services	2.1698	.....	1.5000	3.6698
112 Grades 4-8 with ESE Services	.....	.3027	.....	.3027
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 English for Speakers of Other Languages (ESOL)	(2.6224)	.....	.....	(2.6224)
254 ESE Support Level 4	(2.4448)	.....	(1.5000)	(3.9448)
255 ESE Support Level 5	<u>(.3585)</u>	<u>(.3200)</u>	<u>.....</u>	<u>(.6785)</u>
Total	<u>(.6335)</u>	<u>(.0173)</u>	<u>.0000</u>	<u>(.6508)</u>

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

<u>No.</u> <u>Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>		<u>Total</u>
		<u>#7001</u>	<u>#7004</u>	
101 Basic K-3	.8766	.....	.....	.8766
102 Basic 9-12	1.7458	.....	.....	1.7458
111 Grades K-3 with ESE Services	3.6698	.....	.....	3.6698
112 Grades 4-8 with ESE Services	.3027	(.2841)	.....	.0186
113 Grades 9-12 with ESE Services	.0000	.....	(.0667)	(.0667)
130 ESOL	(2.6224)	.....	.....	(2.6224)
254 ESE Support Level 4	(3.9448)	.....	.....	(3.9448)
255 ESE Support Level 5	<u>(.6785)</u>	<u>.....</u>	<u>.....</u>	<u>(.6785)</u>
Total	<u>(.6508)</u>	<u>(.2841)</u>	<u>(.0667)</u>	<u>(1.0016)</u>

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

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

Overview

Management is responsible for determining that the FTE student enrollment as reported under the Florida Education Finance Program (FEFP) is 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 2014-15* 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 English for Speakers of Other Languages (ESOL) and Exceptional Student Education (ESE) Support Levels 4 and 5, the Washington County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP for the fiscal year ended June 30, 2015. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE E*.

Findings

**Proposed Net
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2014 reporting survey periods and the February and June 2015 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2014 reporting survey period or the February 2015 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.

Kate M. Smith Elementary School (#0041)

1. [Ref. 4101] We noted the following exceptions for three English Language Learner (ELL) students: ELL Committees were not convened by October 1 to consider two ELL students' continued ESOL placement beyond 3 years from the students' Date Entered United States School and the parents of two students (one other student and one of the two students) were not informed of their children's ESOL placements. We propose the following adjustment:

101 Basic K-3	.8766	
102 Basic 4-8	1.7458	
130 ESOL	<u>(2.6224)</u>	.0000

Findings

Kate M. Smith Elementary School (#0041) (Continued)

2. [Ref. 4102] The file for one ESE student did not contain a *Matrix of Services* form to support the student’s reporting in Program No. 254 (ESE Support Level 4). We propose the following adjustment:

111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	.0000

3. [Ref. 4103] School records did not demonstrate that the *Matrix of Services* form for one ESE student had been reviewed or updated when the student’s *Individual Education Plan (IEP)* (dated February 21, 2014) was prepared. We propose the following adjustment:

111 Grades K-3 with ESE Services	.5000	
254 ESE Support Level 4	<u>(.5000)</u>	.0000

Follow-Up to Management’s Response to Finding No. 3 (Ref. 4103):

In his response, the Superintendent indicated that the *Matrix of Services Handbook (Handbook)* in effect at the time of the IEP (dated February 21, 2014) stated that it was necessary to review but did not state that the Matrix required a documented signature for review. The Superintendent also indicated that the Matrix was reviewed at the time of the IEP meeting. While we agree that the *Handbook* in effect at that time did not specifically require the reviewer’s signature, School records should demonstrate that the required review took place and our examination disclosed no evidence that the review occurred. Accordingly, our Finding stands as presented.

4. [Ref. 4104] One ESE student who was scheduled to attend school for 540 Class Minutes Weekly (CMW) or .2250 FTE for both the October 2014 (in Program No. 254 [ESE Support Level 4]) and February 2015 (in Program No. 255 [ESE Support Level 5]) reporting survey periods was reported for .5000 FTE in each reporting survey period. Additionally, the student’s file did not contain a *Matrix of Services* form in support of the student’s reporting in Program No. 254 to accompany the active *IEP* that covered the October 2014 reporting survey period (dated August 29, 2014). We propose the following adjustment:

111 Grades K-3 with ESE Services	.2250	
254 ESE Support Level 4	<u>(.5000)</u>	
255 ESE Support Level 5	<u>(.2750)</u>	(.5500)

Findings

Kate M. Smith Elementary School (#0041) (Continued)

5. [Ref. 4105] The homebound teacher’s contact logs for one ESE student enrolled in the Hospital and Homebound Program were not available at the time of our examination and could not be subsequently located. Consequently, we were unable to verify the reported instructional time during the reporting survey period. We propose the following adjustment:

255 ESE Support Level 5	(.0835)	(.0835)
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Follow-Up to Management’s Response to Finding No. 5 (Ref. 4105):

In the Superintendent’s response, he acknowledged that School records lack a hospital and homebound log for the student but indicated that there is documentation of therapy notes for the student. We considered the therapy services documentation which supported 130 instructional minutes of the total 330 minutes reported; however, School records did not demonstrate that the student received the remaining 200 minutes reported. Accordingly, our Finding stands as presented.

6. [Ref. 4171/72] Two teachers were not properly certified and were not approved by the School Board to teach out of field. One teacher (Ref. 4171) was certified in Elementary and Early Childhood Education and the other teacher (Ref. 4172) was certified in Mentally Handicapped, Elementary, and Early Childhood Education but the teachers taught a course that also required the Prekindergarten Disabilities Endorsement. We also noted that the parents of the students were not notified of the teachers’ out-of-field status. We propose the following adjustments:

<u>Ref. 4171</u>		
111 Grades K-3 with ESE Services	.4724	
254 ESE Support Level 4	(.4724)	.0000
 <u>Ref. 4172</u>		
111 Grades K-3 with ESE Services	.4724	
254 ESE Support Level 4	(.4724)	.0000
		<u>(.6335)</u>

Findings

Vernon Middle School (#0052)

7. [Ref. 5201] The file for one ESE student, who was enrolled in the Hospital and Homebound Program, did not contain an annual physician’s statement supporting the student’s placement in the Hospital and Homebound Program. Also, School records did not demonstrate that the *Matrix of Services* form (dated December 5, 2012) was reviewed or updated when the student’s *IEP* (dated May 20, 2014) was prepared. Additionally, the instructional time reported for orientation and mobility services was incorrectly reported as the student’s *IEP* indicated that the student was to receive instruction semimonthly but was reported as weekly. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.3027	
255 ESE Support Level 5	<u>(.3200)</u>	<u>(.0173)</u>

Follow-Up to Management’s Response to Finding No. 7 (Ref. 5201):

In his response, the Superintendent indicated that the Matrix was reviewed at the time of the IEP meeting but did not require a signature according to the *Matrix of Services Handbook (Handbook)*. While we agree that the Handbook in effect at the time the IEP was prepared (May 20, 2014) did not specifically require the reviewer’s signature, School records should demonstrate that the required review took place and our examination disclosed no evidence that the review occurred. Accordingly, our Finding stands as presented.

(.0173)

Vernon Elementary School (#0151)

8. [Ref. 15101] School records did not demonstrate that the *Matrix of Services* forms for two ESE students were reviewed or updated when the students’ *IEPs* (dated January 21, 2014, and February 21, 2014) was prepared. We propose the following adjustment:

111 Grades K-3 with ESE Services	1.5000	
254 ESE Support Level 4	<u>(1.5000)</u>	<u>.0000</u>

Findings

Vernon Elementary School (#0151) (Continued)

Follow-Up to Management’s Response to Finding No. 8 (Ref. 15101):

In his response, the Superintendent indicated that the *Matrix of Services Handbook (Handbook)* in effect at the time of the IEP (dated February 21, 2014) stated that it was necessary to review but did not state that the Matrix required a documented signature for review. The Superintendent also indicated that the Matrix was reviewed at the time of the IEP meeting. While we agree that the Handbook in effect at that time did not specifically require the reviewer’s signature, School records should demonstrate that the required review took place and our examination disclosed no evidence that the review occurred. Accordingly, our Finding stands as presented.

.0000

Washington Virtual Instruction Program (#7001)

9. [Ref. 700101] The number of instructional minutes for four courses for one virtual education ESE student was incorrectly reported for a full year of FTE. The four courses were funded for one semester of FTE (the first semester) during the October 2014 reporting survey period while the student attended a brick and mortar school. Consequently, the courses taken in the February 2015 reporting survey period while in the virtual program (reported in the June 2015 reporting survey period) should have only been reported for the second semester of FTE. We propose the following adjustment:

112 Grades 4-8 with ESE Services	(.2841)	(.2841)
		(.2841)

Washington Virtual Franchise (#7004)

10. [Ref. 700401] The number of instructional minutes reported for one course for one virtual education ESE student was overstated. The course was reported for a full-year of FTE; however, the course was only a semester course and the student earned only one-half credit. We propose the following adjustment:

113 Grades 9-12 with ESE Services	(.0667)	(.0667)
		(.0667)

Proposed Net Adjustment **(1.0016)**

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

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 Florida Education Finance Program (FEFP) funding categories for the correct amount of FTE student enrollment and adequate documentation is retained to support that reporting particularly with regard to students in Exceptional Student Education (ESE); (2) English Language Learner (ELL) Committees are convened to consider students' continued English for Speakers of Other Languages (ESOL) placements (beyond the initial 3-year base period) within 30 school days prior to the students' Date Entered United States School (DEUSS) anniversary dates, or by or by October 1 if the students' DEUSS falls within the first two weeks of school and each year thereafter; (3) parents are timely notified of their children's ESOL placements and documentation is retained to evidence this notification; (4) schedules for students enrolled in the Hospital and Homebound Program are reported in the appropriate programs for the correct amount of FTE and the homebound instructors' logs are retained to support the instructional time provided; (5) annual physician's statements are on file to support the students' Hospital and Homebound placements; (6) evidence is maintained to support that the *Matrix of Services* forms were reviewed and updated when the students' *Individual Educational Plans (IEPs)* are prepared and reflect the *IEP* services in effect during the reporting survey period; (7) *Matrix of Services* forms are timely prepared; (8) course schedules and the associated FTE for virtual education students are accurately reported; (9) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; and (10) parents are timely notified when their children are assigned to teachers teaching out of field.

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

REGULATORY CITATIONS

Reporting

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

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

Section 1011.61, Florida Statutes, *Definitions*

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

State Board of Education (SBE) Rule 6A-1.0451, Florida Administrative Code, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, Florida Administrative Code, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, Florida Administrative Code, *Maintaining Auditable FTE Records*

Attendance

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

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

SBE Rule 6A-1.04513, Florida Administrative Code, *Maintaining Auditable FTE Records*

FTE General Instructions 2014-15

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

English for Speakers of Other Languages (ESOL)

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

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

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

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

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

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

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

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

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

Career Education On-The-Job Attendance

SBE Rule 6A-1.044(6)(c), Florida Administrative Code, *Pupil Attendance Records*

Career Education On-The-Job Funding Hours

SBE Rule 6A-6.055(3), Florida Administrative Code, *Definitions of Terms Used in Vocational Education and Adult Programs*

FTE General Instructions 2014-15

Exceptional Education

Section 1003.57, Florida Statutes, *Exceptional Students Instruction*

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

Section 1011.62(1)(e), Florida Statutes, *Funding Model for Exceptional Student Education Programs*

SBE Rule 6A-6.03028, Florida Administrative Code, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*

SBE Rule 6A-6.03029, Florida Administrative Code, *Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years*

SBE Rule 6A-6.0312, Florida Administrative Code, *Course Modifications for Exceptional Students*
SBE Rule 6A-6.0331, Florida Administrative Code, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*
SBE Rule 6A-6.0334, Florida Administrative Code, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*
SBE Rule 6A-6.03411, Florida Administrative Code, *Definitions, ESE Policies and Procedures, and ESE Administrators*
SBE Rule 6A-6.0361, Florida Administrative Code, *Contractual Agreement with Nonpublic Schools and Residential Facilities*
Matrix of Services Handbook (2012 Revised Edition)

Teacher Certification

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

Virtual Education

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

Charter Schools

Section 1002.33, Florida Statutes, *Charter Schools*

NOTES TO SCHEDULES

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

A summary discussion of the significant features of the Washington County District School Board (District), the Florida Education Finance Program (FEFP), the FTE, and related areas follows:

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Washington County, Florida. Those services are provided primarily to prekindergarten through 12th-grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education (SBE). The geographic boundaries of the District are those of Washington 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. The District had seven District schools and two virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$14.7 million was provided through the FEFP to the District for the District-reported 3,262.22 unweighted FTE as recalibrated. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. FEFP

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

3. FTE Student Enrollment

The funding provided by the FEFP is based 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 student enrollment. For example, for prekindergarten through 3rd grade, 1.0 FTE is defined as one student in membership in a program or a group of programs for 20 hours per week for 180 days; for grade levels 4 through 12, 1.0 FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days. For brick and mortar school students, one student would be reported as 1.0 FTE if the student was enrolled in six 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, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice (DJJ) for 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 the FTE student enrollment reported for the student by all school districts, including the Florida Virtual School 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 student enrollment reported for extended school year periods and the DJJ FTE student enrollment reported 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 obtain the total State and local FEFP dollars. All cost factors, the base student allocation amount, cost differential factors, and various adjustment figures are established by the Florida Legislature.

6. FTE Reporting Survey Periods

The FTE is determined and reported during the school year by means of four FTE membership survey periods that are conducted under the direction of district and school management. Each survey period is a testing of the FTE membership for a period of 1 week. The survey periods for the 2014-15 school year were conducted during and for the following weeks: survey period one was performed for July 7 through 11, 2014; survey period two was performed for October 13 through 17, 2014; survey period three was performed for February 9 through 13, 2015; and survey period four was performed for June 15 through 19, 2015.

7. Educational Programs

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

8. Statutes and Rules

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

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

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

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

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

Chapter 1006, Florida Statutes, *Support for Learning*

Chapter 1007, Florida Statutes, *Articulation and Access*

Chapter 1010, Florida Statutes, *Financial Matters*

Chapter 1011, Florida Statutes, *Planning and Budgeting*

Chapter 1012, Florida Statutes, *Personnel*

SBE Rules, Chapter 6A-1, Florida Administrative Code, *Finance and Administration*

SBE Rules, Chapter 6A-4, Florida Administrative Code, *Certification*

SBE Rules, Chapter 6A-6, Florida Administrative Code, *Special Programs I*

NOTE B – TESTING FTE STUDENT ENROLLMENT
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Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE student enrollment as reported under the FEFP to the Department of Education for the fiscal year ended June 30, 2015. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Kate M. Smith Elementary School	1 through 6
2. Vernon Middle School	7
3. Vernon Elementary School	8
4. Washington Virtual Instruction Program	9
5. Washington Virtual Franchise	10



Sherrill F. Norman, CPA
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 STUDENT TRANSPORTATION

We have examined the Washington County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; State Board of Education (SBE) Rules, Chapter 6A-3, Florida Administrative Code; and the *Student Transportation General Instructions 2014-15* 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 with State requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (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 supporting management's assertion 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 disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP involving the students' reported ridership classification or eligibility for State transportation funding.

In our opinion, except for the material noncompliance with State requirements mentioned above involving the students' reported ridership classification or eligibility for State transportation funding, the Washington County District School Board complied, in all material respects, with State requirements relating to the

classification, assignment, and verification of student transportation as reported under the FEFP for the fiscal year ended June 30, 2015.

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 weaknesses⁴ 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 that has a material effect on the District's compliance with State requirements; and abuse that has a material effect on the District's compliance with State requirements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements or on compliance and other matters, accordingly, we express no such opinions. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to the students' reported ridership classification or eligibility for State transportation funding. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance on the District's reported student transportation is presented in *SCHEDULES F* and *G*.

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

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 SBE, 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 19, 2016

⁴ 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 Washington County District School Board (District) must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an Exceptional Student Education 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 student transportation as reported to the Department of Education for the fiscal year ended June 30, 2015. (See NOTE B.) The population of vehicles (89) consisted of the total number 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 2014 and February and June 2015 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (3,811) consisted of the total number 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>
Individuals with Disabilities Education Act – Prekindergarten through Grade 12, Weighted	69
All Other FEFP Eligible Students	<u>3,742</u>
Total	<u>3,811</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.

We noted the following material noncompliance: exceptions involving reported ridership classification or eligibility for State transportation funding for 21 of the 209 students in our student transportation test.⁵

⁵ For student transportation, the material noncompliance is composed of Findings 3, 5, 6, and 7 on *SCHEDULE G*.

Our examination results are summarized below:

<u>Description</u>	<u>Students</u>	
	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
Our tests included 209 of the 3,811 students reported as being transported by the District.	21	(18)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 23 students.	<u>23</u>	<u>(22)</u>
Total	<u>44</u>	<u>(40)</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 that student transportation as reported under the Florida Education Finance Program (FEFP) is 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 2014-15* issued by the Department of Education. Except for the material noncompliance involving the students' reported ridership classification or eligibility for State transportation funding, the Washington County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP for the fiscal year ended June 30, 2015. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE H*.

Findings

Students Transported Proposed Net Adjustments

Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2014 reporting survey periods and the February and June 2015 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 2014 reporting survey period and once for the February 2015 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] Our general tests disclosed that 21 prekindergarten (PK) students were incorrectly reported in the All Other Florida Education Finance Program (FEFP) Eligible Students ridership category. The students were not enrolled in an Exceptional Student Education (ESE) Program, were not children of students enrolled in the Teenage Parent Program, and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students

(10)

**Students
Transported
Proposed Net
Adjustments**

Findings

February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	(11)	(21)
----------------------------------	------	------

2. [Ref. 52] Our general tests disclosed that one ESE student was incorrectly reported in the Individuals with Disabilities Education Act (IDEA) - PK through Grade 12, Weighted ridership category. Only students transported by bus are eligible to be reported in this category and this student was transported by passenger car. However, we determined that the student lived 2 miles or more from school; therefore, the student was eligible to be reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	<u>1</u>	0

3. [Ref. 53] Nine students in our test in the July 2014 reporting survey period were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were general education students attending summer school for academic credit recovery. Since the students were not enrolled in an ESE Program or in a Department of Juvenile Justice program, the students were not eligible for State transportation funding. We propose the following adjustment:

July 2014 Survey

16 Days in Term

All Other FEFP Eligible Students	(9)	(9)
----------------------------------	-----	-----

4. [Ref. 55] Our general tests disclosed that the reported ridership of one student was not adequately supported. The bus driver's report indicated that the student was not transported on the bus during the 11-day reporting survey period; consequently, the student should not have been reported for State transportation funding. We propose the following adjustment:

February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	(1)	(1)
----------------------------------	-----	-----

Findings

5. [Ref. 56] Six students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. Three students were not listed on the bus drivers' reports and the other three students were not marked on the bus drivers' reports as having been transported during the reporting survey periods. We also noted that one of these students was not enrolled in school during the reporting survey period and one of the students was only enrolled in virtual education. We propose the following adjustments:

October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students (2)

February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students (4) (6)

6. [Ref. 57] Three 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:

October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students (2)

February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students (1) (3)

7. [Ref. 58] Three students in our test were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The students' *Individual Education Plans* did not indicate that the students met at least one of the five criteria required for reporting in a weighted ridership category. However, we determined that the students were eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

October 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (2)

All Other FEFP Eligible Students 2

		Students Transported Proposed Net Adjustments
<u>Findings</u>		
February 2015 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	<u>1</u>	<u>0</u>
Proposed Net Adjustment		<u>(40)</u>

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) only those students who are documented as enrolled in school during the survey week and recorded on bus driver reports as having been transported by the District at least once during the 11-day reporting survey period are reported for State transportation funding; (2) students reported in the Individuals with Disabilities Education Act (IDEA) – Prekindergarten (PK) through Grade 12, Weighted ridership category are transported by bus and the students' *Individual Educational Plans* appropriately document one of the five criteria required for weighted classification; (3) the distance from home to school is verified prior to students being reported in the All Other Florida Education Finance Program (FEFP) Eligible Students ridership category; (4) only PK students who are classified as students with disabilities under the IDEA or whose parents are enrolled in a Teenage Parent Program are reported for State transportation funding; and (5) only students in Exceptional Student Education or Department of Juvenile Justice programs are reported for State transportation in the summer reporting survey periods.

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

REGULATORY CITATIONS

Section 1002.33, Florida Statutes, *Charter Schools*

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

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

State Board of Education Rules, Chapter 6A-3, Florida Administrative Code, *Transportation Student Transportation General Instructions 2014-15*

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION
--

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 Exceptional Student Education 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 Washington County

For the fiscal year ended June 30, 2015, the District received \$793,308 for student transportation as part of the State funding through the Florida Education Finance Program (FEFP). The District's student transportation reported by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2014	1	9
October 2014	44	1,921
February 2015	44	1,881
June 2015	<u>0</u>	<u>0</u>
Total	<u>89</u>	<u>3,811</u>

3. Statutes and Rules

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

Section 1002.33, Florida Statutes, *Charter Schools*

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

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

State Board of Education Rules, Chapter 6A-3, Florida Administrative Code, *Transportation*

NOTE B – TESTING STUDENT TRANSPORTATION
--

Our examination procedures for testing provided for the selection of students using judgmental methods for testing student transportation as reported to the Department of Education for the fiscal year ended June 30, 2015. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

MANAGEMENT'S RESPONSE



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September 19, 2016

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District 2
Wayne C. Saunders
847 Candy Lane, Chipley
District 3
Milton Brown
3399 Mallory Road, Vernon
District 4
Terry Ellis
1306 Pinebluff Court, Chipley
District 5
Susan G Roberts
1456 State Park Road, Chipley

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

Dear Ms. Norman:

The following letter is in response to our district's audit of state requirements governing the Florida Education Finance Program (FEFP) and student transportation for the fiscal year ending June 30, 2015. Our district disagrees with Ref. 4103, 4105, 5201 and 15101, and has provided an explanation and/or attachments. All other findings our district agrees with and we have stated our corrective actions to address each.

Schedule D
Full-time Equivalent (FTE) Student Enrollment

Kate M. Smith Elementary School (#0041)

1. [Ref. 4101] The Director of Curriculum will review procedures with pertinent staff regarding this finding. Procedures for convening an ELL committee prior to October 1 will be reviewed, along with documenting that parents are notified of their child's placement in the program and documentation of this notice is to be included in the student's cumulative records.
2. [Ref. 4102] The Director of Exceptional Student Education and Student Services will review this finding with ESE support staff, to include the appropriate procedures to ensure a Matrix of Services form supports funding for the student.
3. [Ref. 4103] The District disagrees with this finding for the following reason: The Matrix of Services Handbook at the time of the IEP (dated February 21, 2014) did not state that the Matrix required a documented signature for review. It stated that it was necessary to review. The District is appealing this finding and stating that it was reviewed at the time of the IEP meeting. See attached page 46 from the Matrix of Services Handbook.

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4. [Ref. 4104] The Director of Exceptional Student Education and Student Services will review attendance and procedures for enrollment minutes with appropriate staff to ensure correct reporting during survey periods.
5. [Ref. 4105] The District disagrees with this finding. While there is not a hospital/homebound log for the student, there is documentation of therapy notes for the student. He was a Pre-K student at the time and had therapy with a physical therapist, occupational therapist, speech therapist and time with a teacher of visual impairment. The District can provide these confidential documents which show that the student did receive services.
6. [Ref. 4171 / 4172] The Director of Administrative Services will review with administrators the appropriate process to determine if a teacher is certified in or out of field by using the current year's Course Code Catalog. Also, administrators will be reminded of the requirements to notify parents whenever it is necessary to hire a teacher that is out-of-field.

Vernon Middle School (#0052)

1. [Ref. 5201] The District disagrees with part of this finding as follows: While the annual physician's statement was missing from the student's file (the District agrees with this finding), the Matrix of Services had been reviewed. The Director of Exceptional Student Education and Student Services will review the importance of ensuring all documentation needed for services must be included in the student's file. The District disagrees with the part of the finding regarding a signature to document review of the Matrix. The District is appealing part of this finding and stating that the Matrix was reviewed at the time of the IEP meeting, but did not require a signature according to the Matrix of Services Handbook page 46.

Vernon Elementary School (#0151)

1. [Ref. 15101] The Director of Exceptional Student Education and Student Services disagrees with this finding. The Matrix of Services Handbook at the time of the IEP (dated February 21, 2014) did not state that the Matrix required a documented signature for review. It stated that it was necessary to review. I am appealing this finding and stating that it was reviewed at the time of the IEP meeting. I am attaching page 46 for your review. This finding is the same as Ref. 4103 with same attachment

Washington Virtual Instruction Program (#7001)

2. The Director of Curriculum will discuss/review this finding with guidance that provides data entry to the virtual Instruction Program, to ensure students are accurately reported for course completions.

Washington Virtual Instruction Program (#7004)

1. The Director of Curriculum will discuss/review this finding with guidance that provides data entry to the virtual Instruction Program, to ensure students are accurately reported for course completions.

Schedule G
Student Transportation

1. [Ref. 51] The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements the year the requirements for correctly reporting students in the ridership category to ensure that they are eligible for State Transportation funding (specifically students enrolled in Exceptional Student Education (ESE), eligibility and reporting of Pre-K students, and students enrolled via the Teenage Parent Program.
2. [Ref. 52] The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements for correctly reporting students in the ridership category to ensure that they are eligible for State Transportation funding (specifically students enrolled in Exceptional Student Education (ESE), reported under Individuals with Disabilities Education Act (IDEA) that would receive weighted funding.
3. [Ref. 53] The Director of Transportation and Transportation Secretary will review these findings with drivers during summer reporting periods for correctly reporting students in the ridership category, to ensure that they are eligible to be reported for funding.
4. [Ref. 55]: The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements for correctly recording student participation during survey reporting periods.
5. [Ref. 56]: The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements for correctly recording student participation during survey reporting periods.
6. [Ref. 57]: The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements for correctly recording student participation during survey reporting periods.
7. [Ref. 58]: The Director of Transportation and Transportation Secretary will review these findings with current drivers at the beginning of the year and with newly hired drivers the requirements for correctly reporting students in the ridership category to ensure that they are eligible for State Transportation funding (specifically students

Page 4
September 19, 2016

enrolled in Exceptional Student Education (ESE), reported under Individuals with Disabilities Education Act (IDEA) that would receive weighted funding.

The District is requesting that you consider our appeal of findings Ref. 4103, 4105, 5201 and 15101.

Per recommendations from this audit and to comply with all State requirements governing both student FTE and student transportation, Washington District and School Administrators will exercise more care to review procedures and train staff to prevent future errors in reporting.

Sincerely,


Joseph Taylor

Attachment (1) – Page 46, Matrix of Services Handbook

Attachment (2) – Confidential therapy notes for student, will be provided upon request