

**MONROE 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, Mark T. Porter served as Superintendent and the following individuals served as Board members:

Board Member	District No.
Robin Smith-Martin, Vice Chair to 11-17-14	1
Bobby Highsmith from 11-18-14	1
Andy Griffiths	2
Ed Davidson	3
John R. Dick, Chair from 11-18-14	4
Ronald A. Martin, Chair to 11-17-14, Vice Chair from 11-18-14	5

The team leader was Christopher E. Tynes, 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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MONROE 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 Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, Career Education 9-12, and student transportation, the Monroe 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. The table below shows, for the programs with exceptions, the total number of students included in our tests, as well as the number and percentage of students who attended charter schools who were included in our tests. The table also shows the number of students with exceptions in our tests, as well as the number and percentage of students with exceptions who attended charter schools.

Program Tested	Number of Students			Number of Students		
	Included in Test	Included in Test who Attended Charter Schools	Percentage	With Exceptions	With Exceptions who Attended Charter Schools	Percentage
Basic with ESE Services	51	3	6%	8	3	38%
ESOL	109	-	-	30	-	-
ESE Support Level 4 and 5	28	-	-	7	-	-
Career Education 9-12	19	3	16%	9	3	33%
Totals	<u>207</u>	<u>6</u>		<u>54</u>	<u>6</u>	

- We noted exceptions involving the reported ridership classification or eligibility for State transportation funding for 68 of the 289 students in our student transportation test.

Noncompliance related to the reported FTE student enrollment resulted in 23 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative 2.3643 (1.3556 is applicable to District schools other than charter schools and 1.0087 is applicable to charter schools) but has a potential impact on the District's weighted FTE of negative 14.3399 (13.3271 is applicable to District schools other than charter schools and 1.0128 is applicable to charter schools). Noncompliance related to student transportation resulted in 10 findings and a proposed net adjustment of negative 140 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 \$57,815 (negative 14.3399 times \$4,031.77), of which \$53,732 is applicable to District schools other than charter schools and \$4,083 is applicable to charter schools.

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

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

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had 14 District schools other than charter schools, 6 charter schools, and 3 virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$3.6 million was provided through the FEFP to the District for the District-reported 8,027.27 unweighted FTE as recalibrated, which included 1,128.10 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

FEFP

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve 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 \$1.2 million 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 Monroe 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 Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, and Career Education 9-12 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements 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 Basic With ESE Services, ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Monroe 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 Basic with ESE Services, ESOL, ESE Support Levels 4 and 5, and Career Education 9-12. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported 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
November 2, 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 Monroe County District School Board (District) reported to the Department of Education 8,027.27 unweighted FTE as recalibrated, which included 1,128.10 unweighted FTE as recalibrated for charter schools at 14 District schools other than charter schools, 6 charter schools, and 3 virtual education cost centers.

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 schools (23) 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 (4,478) 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 on-the-job training.

We noted the following material noncompliance: exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 8 of the 51 students in our Basic with ESE Services test,² 30 of the 109 students in our ESOL test,³ 7 of the 28 students in our ESE Support Levels 4 and 5 test,⁴ and 9 of the 19 students in our Career Education 9-12 test.⁵ Three of the 51 students (6 percent) in our Basic with ESE Services test attended a charter school and 3 of the 8 students with exceptions (38 percent) attended a charter school. None of the students in our ESOL and ESE Support Levels 4 and 5 tests attended charter schools. Three of the 19 students (16 percent) in our Career Education 9-12 test attended a charter school and 3 of the 9 students with exceptions (33 percent) attended a charter school.

² For Basic with ESE Services, the material noncompliance is composed of Findings 1, 7, 14, 15, and 19 on *SCHEDULE D*.

³ For ESOL, the material noncompliance is composed of Findings 2, 3, 8, 9, 12, 13, 16, and 17 on *SCHEDULE D*.

⁴ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 4, 5, 10, and 18 on *SCHEDULE D*.

⁵ For Career Education 9-12, the material noncompliance is composed of Findings 6 and 20 on *SCHEDULE D*.

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	23	9	3,061	75	-	5,742.8000	62.5567	33.2416
Basic with ESE Services	20	6	908	51	8	1,502.8900	44.9246	(4.0166)
ESOL	11	5	456	109	30	529.8500	91.4425	(22.8843)
ESE Support Levels 4 and 5	9	4	34	28	7	47.0100	25.7182	(3.4838)
Career Education 9-12	6	2	<u>19</u>	<u>19</u>	<u>9</u>	<u>204.7200</u>	<u>4.6078</u>	<u>(5.2212)</u>
All Programs	23	9	<u>4,478</u>	<u>282</u>	<u>54</u>	<u>8,027.2700</u>	<u>229.2498</u>	<u>(2.3643)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (236, of which 234 are applicable to District schools other than charter schools and 2 are applicable to charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to 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 78 and found exceptions for 3 teachers. Two of the 78 teachers (3 percent) included in our test taught at charter schools and 1 of the 3 teachers with exceptions (33 percent) taught at charter schools.

Proposed Adjustments

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

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

SCHEDULE B

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

District Schools Other Than Charter Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	.6500	1.126	.7319
102 Basic 4-8	8.0594	1.000	8.0594
103 Basic 9-12	18.1749	1.004	18.2476
111 Grades K-3 with Exceptional Student Education (ESE) Services	1.0000	1.126	1.1260
112 Grades 4-8 with ESE Services	(.0082)	1.000	(.0082)
113 Grades 9-12 with ESE Services	(2.0084)	1.004	(2.0164)
130 English for Speakers of Other Languages (ESOL)	(22.8843)	1.147	(26.2483)
254 ESE Support Level 4	(3.4838)	3.548	(12.3605)
300 Career Education 9-12	(.8552)	1.004	(.8586)
Subtotal	(1.3556)		(13.3271)

Charter Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
103 Basic 9-12	6.3573	1.004	6.3827
113 Grades 9-12 with ESE Services	(3.0000)	1.004	(3.0120)
300 Career Education 9-12	(4.3660)	1.004	(4.3835)
Subtotal	(1.0087)		(1.0128)

Total of Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	.6500	1.126	.7319
102 Basic 4-8	8.0594	1.000	8.0594
103 Basic 9-12	24.5322	1.004	24.6303
111 Grades K-3 with ESE Services	1.0000	1.126	1.1260
112 Grades 4-8 with ESE Services	(.0082)	1.000	(.0082)
113 Grades 9-12 with ESE Services	(5.0084)	1.004	(5.0284)
130 ESOL	(22.8843)	1.147	(26.2483)
254 ESE Support Level 4	(3.4838)	3.548	(12.3605)
300 Career Education 9-12	(5.2212)	1.004	(5.2421)
Total	(2.3643)		(14.3399)

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>#0101</u>	<u>#0111</u>	<u>#0131</u>	
101 Basic K-3	.....	.....	.....	.0000
102 Basic 4-8	.....	6.7754	.8340	7.6094
103 Basic 9-12	13.5480	.....	4.6269	18.1749
111 Grades K-3 with Exceptional Student Education (ESE) Services	.....	.....	.....	.0000
112 Grades 4-8 with ESE Services	.....	(.0082)	.....	(.0082)
113 Grades 9-12 with ESE Services	(.5080)	.....	(1.5004)	(2.0084)
130 English for Speakers of Other Languages (ESOL)	(12.0480)	(5.2754)	(4.4609)	(21.7843)
254 ESE Support Level 4	(.9920)	(1.4918)	.....	(2.4838)
300 Career Education 9-12	<u>(.8552)</u>	<u>.....</u>	<u>.....</u>	<u>(.8552)</u>
Total	<u>(.8552)</u>	<u>.0000</u>	<u>(.5004)</u>	<u>(1.3556)</u>

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

<u>No. Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>		<u>Total</u>
		<u>#0311</u>	<u>#0382*</u>	
101 Basic K-3	.0000	.6500	.....	.6500
102 Basic 4-8	7.6094	.4500	.....	8.0594
103 Basic 9-12	18.1749	.....	6.3573	24.5322
111 Grades K-3 with ESE Services	.0000	1.0000	.....	1.0000
112 Grades 4-8 with ESE Services	(.0082)	.....	.....	(.0082)
113 Grades 9-12 with ESE Services	(2.0084)	.....	(3.0000)	(5.0084)
130 ESOL	(21.7843)	(1.1000)	.....	(22.8843)
254 ESE Support Level 4	(2.4838)	(1.0000)	.....	(3.4838)
300 Career Education 9-12	<u>(.8552)</u>	<u>.....</u>	<u>(4.3660)</u>	<u>(5.2212)</u>
Total	<u>(1.3556)</u>	<u>.0000</u>	<u>(1.0087)</u>	<u>(2.3643)</u>

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

*Charter School

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 (SBE) Rules, Chapter 6A-1, Florida Administrative Code (FAC); 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 Basic with Exceptional Student Education (ESE) Services, English for Speakers of Other Languages (ESOL), ESE Support Levels 4 and 5, and Career Education 9-12, the Monroe 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. 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.

Key West High School (#0101)

1. [Ref. 10101] The files for two ESE students did not contain *Individual Educational Plans (IEPs)* that covered the reporting survey periods. We propose the following adjustment:

103 Basic 9-12	1.5000	
113 Grades 9-12 with ESE Services	<u>(1.5000)</u>	.0000

2. [Ref. 10102] The English language proficiencies of two English Language Learner (ELL) students were not assessed within 30 school days prior to the students' Date Entered United States School (DEUSS) anniversary dates and ELL Committees were not convened by October 1 (one student) or within 30 school days prior to the
(Finding Continues on Next Page)

Findings

Key West High School (#0101) (Continued)

student's DEUSS (one student), to consider the students' continued ESOL placements beyond 3 years from the students' DEUSS. . We propose the following adjustment:

103 Basic 9-12	1.1930	
130 ESOL	<u>(1.1930)</u>	.0000

3. [Ref. 10103] The files for 14 ELL students did not contain *ELL Student Plans* that covered the 2014-15 school year. We also noted that ELL Committees were not convened within 30 school days prior to 6 of the students' DEUSS anniversary dates to consider the students' continued ESOL placements beyond 3 years from the students' DEUSS, and the English language proficiencies of 5 of the students were not assessed within 30 school days prior to the students' DEUSS anniversary dates. We propose the following adjustment:

103 Basic 9-12	10.8550	
130 ESOL	<u>(10.8550)</u>	.0000

4. [Ref. 10104] 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:

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

5. [Ref. 10105] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.4920	
254 ESE Support Level 4	<u>(.4920)</u>	.0000

6. [Ref. 10106] The timecards for six Career Education 9-12 students who participated in on-the-job training (OJT) were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	<u>(.8552)</u>	<u>(.8552)</u>
		<u>(.8552)</u>

Findings

Horace O'Bryant School (#0111)

7. [Ref. 11101] The file for one ESE student did not contain an *Educational Plan (EP)* that covered the 2014-15 school year. We propose the following adjustment:

102 Basic 4-8	1.0000	
112 Grades 4-8 with ESE Services	<u>(1.0000)</u>	.0000

8. [Ref. 11102] The English language proficiencies of four ELL students were not assessed within 30 school days prior to the students' DEUSS anniversary dates. We also noted that ELL Committees were not convened within 30 school days prior to three of the students' DEUSS anniversary dates to consider the students' continued ESOL placements beyond 3 years from the students' DEUSS. We propose the following adjustment:

102 Basic 4-8	2.9918	
130 ESOL	<u>(2.9918)</u>	.0000

9. [Ref. 11103] Two ELL students were reported in the ESOL Program beyond the maximum 6-year period allowed for State funding of ESOL. We propose the following adjustment:

102 Basic 4-8	1.5000	
130 ESOL	<u>(1.5000)</u>	.0000

10. [Ref. 11104] The files for three ESE students did not contain *Matrix of Services* forms that covered the 2014-15 school year. We also noted that one of the student's files did not contain an *IEP* that covered the October 2014 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.5000	
112 Grades 4-8 with ESE Services	.9918	
254 ESE Support Level 4	<u>(1.4918)</u>	.0000

11. [Ref. 11170] One teacher taught Language Arts to classes that included ELL students but had earned only 60 of the 240 in-service training points in ESOL strategies required by SBE Rule 6A-6.0907, FAC, and the teacher's in-service training timeline. We propose the following adjustment:

102 Basic 4-8	.7836	
130 ESOL	<u>(.7836)</u>	.0000
		<u>.0000</u>

Findings

Marathon School (#0131)

12. [Ref. 13101] ELL Committees for four ELL students were either not convened by October 1 (one student) or within 30 school days prior to the students' DEUSS anniversary dates (three students) to consider the students' continued ESOL placements beyond 3 years from the students' DEUSS. We also noted that the English language proficiencies for three of the students' were not assessed within 30 school days prior to the students' DEUSS anniversary dates. We propose the following adjustment:

102 Basic 4-8	.8340	
103 Basic 9-12	2.2933	
130 ESOL	<u>(3.1273)</u>	.0000

13. [Ref. 13102] Two ELL students were reported in the ESOL Program beyond the maximum 6-year period allowed for State funding of ESOL. We propose the following adjustment:

103 Basic 9-12	1.3336	
130 ESOL	<u>(1.3336)</u>	.0000

14. [Ref. 13103] The file for one Gifted student did not contain an *EP* that covered the 2014-15 school year. We propose the following adjustment:

103 Basic 9-12	1.0000	
113 Grades 9-12 with ESE Services	<u>(1.0000)</u>	.0000

15. [Ref. 13104] One student was not in attendance during the October 2014 and February 2015 reporting survey periods and should not have been reported for FEFP funding. We propose the following adjustment:

113 Grades 9-12 with ESE Services	<u>(.5004)</u>	<u>(.5004)</u>
		<u>(.5004)</u>

Gerald Adams Elementary School (#0311)

16. [Ref. 31101] One student's English language proficiency was not assessed and an ELL Committee was not convened within 30 school days prior to the student's DEUSS anniversary date to consider the student's continued ESOL placement beyond 3 years from the student's DEUSS. We propose the following adjustment:

102 Basic 4-8	.4500	
130 ESOL	<u>(.4500)</u>	.0000

Findings

Gerald Adams Elementary School (#0311) (Continued)

17. [Ref. 31102] One student was incorrectly reported in the ESOL Program. The student was assessed as English language proficient in listening, speaking, reading, and writing, and an ELL Committee was not convened to consider the student's continued ESOL placement. We propose the following adjustment:

101 Basic K-3	.6500	
130 ESOL	<u>(.6500)</u>	.0000

18. [Ref. 31103] The files for two ESE students did not contain *Matrix of Services* forms that covered the October 2014 reporting survey period. We propose the following adjustment:

111 Grades K-3 with ESE Services	1.0000	
254 ESE Support Level 4	<u>(1.0000)</u>	.0000
		<u>.0000</u>

Key West Collegiate School (#0382) Charter School

19. [Ref. 38201] The files for three ESE students did not contain *IEPs* that covered the 2014-15 school year. We propose the following adjustment:

103 Basic 9-12	3.0000	
113 Grades 9-12 with ESE Services	<u>(3.0000)</u>	.0000

20. [Ref. 38202] The timecards for three Career Education 9-12 students who participated in OJT were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	<u>(1.0087)</u>	(1.0087)
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21. [Ref. 38270] One teacher was not properly certified and was not approved by the Charter School Board to teach out of field. The teacher held certification in Biology, Chemistry, Health, Math, Physical Education, and ESE but taught a course that required certification in Technology Education. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	3.3573	
300 Career Education 9-12	<u>(3.3573)</u>	.0000
		<u>(1.0087)</u>

Findings

Monroe Virtual Franchise (#7004)

22. [Ref. 700401] The number of Class Minutes Weekly for two virtual education students was incorrectly reported. The *FTE General Instructions 2014-15* indicate that for grades 6 through 12, one year-long course is equivalent to 1/6 FTE (or .1667 FTE) and one semester is equivalent to 1/12 FTE (or .0834 FTE). The students were reported for .0917 FTE for each semester course; however, the FTE for the students was recalibrated down to 1.0 FTE and did not have an effect on the overall funding of the students. Accordingly, we present this disclosure Finding with no proposed adjustment.

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Monroe Virtual Academy (#7006)

23. [Ref. 700670] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher held certification in Elementary Education, English, Health, Physical Education, Social Science, and ESE but taught a course that required certification in Information Technology. We also noted that the parents of the student were not notified of the teacher's out-of-field status. Since the student involved was reported in Basic education, we present this disclosure Finding with no proposed adjustment.

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Proposed Net Adjustment

(2.3643)

SCHEDULE E

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

RECOMMENDATIONS

We recommend that Monroe County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) only students who are in membership during the survey week and are documented as in attendance at least 1 day during the reporting survey period are reported for Florida Education Finance Program (FEFP) funding; (2) virtual students' instructional time and associated FTE is reported in accordance with the Department of Education's *FTE General Instructions*; (3) English Language Learner (ELL) students are not reported in the English for Speakers of Other Languages (ESOL) Program for more than the 6-year period allowed for State funding of ESOL; (4) the English language proficiencies of students being considered for continuation of their ESOL placements (beyond the initial 3-year base period) are assessed within 30 school days prior to the students' Date Entered United States School (DEUSS), or by October 1 if the students' DEUSS falls within the first 2 weeks of school, and ELL Committees are timely convened subsequent to these assessments; (5) students who are assessed as English language proficient are either exited from the ESOL Program or referred to an ELL Committee to determine the students' continued ESOL placements; (6) Exceptional Student Education (ESE) students are reported in accordance with the students' *Matrix of Services* forms that are timely prepared and retained in the students' files; (7) *Individual Educational Plans*, *Educational Plans*, and *ELL Student Plans* are timely prepared and are retained in the students' files; (8) work hours for students in Career Education 9-12 who participated in on-the-job training are reported in accordance with timecards that are accurately completed, signed, and retained in readily-accessible files; (9) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; (10) parents are timely notified when their children are assigned to out-of-field teachers; and (11) ESOL teachers earn the appropriate in-service training points as required by State Board of Education (SBE) Rule 6A-6.0907, Florida Administrative Code, and 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 relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP.

REGULATORY CITATIONS

Reporting

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

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

Section 1011.61, Florida Statutes, *Definitions*

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

SBE Rule 6A-1.0451, 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*
FTE General Instructions 2014-15

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

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

NOTE A – SUMMARY FULL-TIME EQUIVALENT (FTE) STUDENT ENROLLMENT

A summary discussion of the significant features of the Monroe 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 Monroe 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 Monroe County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had 14 District schools other than charter schools, 6 charter schools, and 3 virtual education cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$3.6 million was provided through the FEFP to the District for the District-reported 8,027.27 unweighted FTE as recalibrated, which included 1,128.10 unweighted FTE as recalibrated for charter schools. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. FEFP

Florida school districts receive State funding through the FEFP to serve 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 (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 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. Key West High School	1 through 6
2. Horace O'Bryant School	7 through 11
3. Marathon School	12 through 15
4. Stanley Switlik Elementary School	NA
5. Gerald Adams Elementary School	16 through 18
6. Key West Collegiate School*	19 through 21
7. Monroe Virtual Franchise	22
8. Monroe Virtual Academy	23
9. Monroe Virtual Instruction Program	NA

* Charter School



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 Monroe 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 Monroe 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 weaknesses⁶ 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
November 2, 2016

⁶ 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 Monroe 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 (86) 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 (5,751) 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>
Hazardous Walking	423
Individuals with Disabilities Education Act – Prekindergarten through Grade 12, Weighted	179
All Other Florida Education Finance Program Eligible Students	<u>5,149</u>
Total	<u>5,751</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 their reported ridership classification or eligibility for State transportation funding for 68 of 289 students in our student transportation test.⁷

⁷ For student transportation, the material noncompliance is composed of Findings 4, 5, 6, 7, 8, 9, and 10 on *SCHEDULE G*.

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.	(8)	-	-
Our tests included 289 of the 5,751 students reported as being transported by the District.	-	68	(58)
In conjunction with our general tests of student transportation we identified certain issues related to 86 additional students.	-	<u>86</u>	<u>(82)</u>
Totals	<u>(8)</u>	<u>154</u>	<u>(140)</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 Monroe 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 of reported ridership disclosed that one student did not have a matching demographic record in the Full-Time Equivalent (FTE) database and the District's transportation staff were unable to provide any documentation to support the student's eligibility. We propose the following adjustment:

October 2014 Survey
90 Days in Term
Hazardous Walking

(1)

(1)

Findings

2. [Ref. 52] Our general tests of student ridership disclosed that 32 students were either not listed on the bus drivers' reports (11 students) or were not marked as riding the bus (21 students) during the reporting survey periods; consequently, the students should not have been reported for State transportation funding. We propose the following adjustments:

July 2014 Survey

8 Days in Term

Individuals with Disabilities Education Act (IDEA) – Prekindergarten (PK) through Grade 12, Weighted	(5)
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October 2014 Survey

90 Days in Term

All Other FEFP Eligible Students	(17)
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February 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	<u>(10)</u>	(32)
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3. [Ref. 53] Our general tests of student ridership disclosed that 29 students were not eligible to be reported for State transportation funding. Specifically:

- a. Twenty-six PK students were incorrectly reported in Hazardous Walking (18 students), All Other FEFP Eligible Students (6 students), and IDEA – PK through Grade 12, Weighted (2 students) ridership categories. We determined that 1 of the 18 students reported in the Hazardous Walking ridership category was identified as an IDEA student and was eligible for reporting in the All Other FEFP Eligible Students ridership category. The other 25 students were not identified as IDEA students and were not children of students in the Teenage Parent Program. Consequently, the 25 students were not eligible for State transportation funding.
- b. Three students were reported incorrectly in the IDEA - PK through Grade 12, Weighted ridership category. The students were not identified as IDEA students; however, we determined that one student was eligible for reporting in the Hazardous Walking ridership category and two students were eligible for reporting in the All Other FEFP Eligible Students ridership category.

We propose the following adjustments:

a. October 2014 Survey

90 Days in Term

Hazardous Walking	(18)
IDEA - PK through Grade 12, Weighted	(1)
All Other FEFP Eligible Students	1

			Students Transported Proposed Net Adjustments
<u>Findings</u>			
February 2015 Survey			
IDEA - PK through Grade 12, Weighted			(1)
All Other FEFP Eligible Students			(6)
b. February 2015 Survey			
<u>90 Days in Term</u>			
Hazardous Walking			1
IDEA - PK through Grade 12, Weighted			(3)
All Other FEFP Eligible Students			<u>2</u> (25)
4.	[Ref. 54] Our general tests disclosed the following exceptions:		
a.	The number of buses in operation was overstated by eight buses during the October 2014 and February 2015 reporting survey periods because some bus numbers were incorrectly recorded.		
b.	Our review of the summer survey records disclosed that the bus driver reports for one reported bus (involving 7 students) for the July 2014 reporting survey period and seven reported buses (involving 32 students) in the June 2015 reporting survey period were unavailable for examination and could not be subsequently located. Consequently, we could not validate the student ridership for the 39 students (15 students were in our tests) that were reported with those bus numbers.		
We propose the following adjustments:			
a. October 2014 Survey			
Number of Buses in Operation			(6)
February 2015 Survey			
Number of Buses in Operation			<u>(2)</u>
			<u>(8)</u> 0
b. July 2014 Survey			
<u>8 Days in Term</u>			
IDEA - PK through Grade 12, Weighted			(7)
June 2015 Survey			
<u>12 Days in Term</u>			
Hazardous Walking			(1)
IDEA - PK through Grade 12, Weighted			(26)
<u>11 Days in Term</u>			
IDEA - PK through Grade 12, Weighted			(4)
All Other FEFP Eligible Students			(1) (39)

Findings

5. [Ref. 55] Three students in our test were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The students' *Individual Educational Plans (IEPs)* did not indicate that the students met at least one of the five criteria required for reporting in a weighted ridership category. 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	(1)	
All Other FEFP Eligible Students	1	

February 2015 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(2)	
All Other FEFP Eligible Students	<u>2</u>	0

6. [Ref. 56] The *IEPs* for three students reported in the IDEA - PK through Grade 12, Weighted ridership category were not available at the time of our examination and could not be subsequently located. We determined that one of the students was eligible for reporting in the All Other FEFP Eligible Students ridership category and the remaining two students were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(1)	
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February 2015 Survey

90 Days in Term

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

7. [Ref. 57] Thirteen students in our test were either not listed on the bus drivers' reports (7 students) or were not marked as riding the bus during the reporting survey period (6 students); therefore, the students should not have been reported for State transportation funding. We propose the following adjustments:

July 2014 Survey

8 Days in Term

IDEA - PK through Grade 12, Weighted	(1)	
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		Students Transported Proposed Net Adjustments
<u>Findings</u>		
October 2014 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(3)	
February 2015 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	(8)	(13)
8. [Ref. 58] Thirty-one students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students were not identified as IDEA students and lived less than 2 miles from their assigned schools. We determined that 4 of the students were eligible for reporting in the Hazardous Walking ridership category and the remaining 27 students were not otherwise eligible for State transportation funding. We propose the following adjustments:		
October 2014 Survey		
<u>90 Days in Term</u>		
Hazardous Walking	4	
All Other FEFP Eligible Students	(24)	
February 2015 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(7)	(27)
9. [Ref. 59] Two students in our test were incorrectly reported in the Hazardous Walking ridership category. The students live more than 2 miles from their assigned school; therefore, the students should have been reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:		
October 2014 Survey		
<u>90 Days in Term</u>		
Hazardous Walking	(2)	
All Other FEFP Eligible Students	<u>2</u>	0
10. [Ref. 60] One student in our test was not enrolled in school during the reporting survey period; consequently, the student was not eligible for State transportation funding. We propose the following adjustment:		
October 2014 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(1)	(1)
Proposed Net Adjustment		(140)

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) only those students who are documented as enrolled in school during the survey week and are recorded on bus driver reports as having been transported at least once during the reporting survey period are reported for State transportation funding; (3) students are reported in the correct ridership category and have documentation on file to support that reporting; (4) the distance from home to school is verified prior to reporting students in the All Other Florida Education Finance Program (FEFP) Eligible Students ridership category based on living 2 miles or more from their assigned schools; (5) only prekindergarten (PK) students with disabilities or PK children of students enrolled in a Teenage Parent Program are reported for State transportation funding; (6) transportation personnel review the student database for completeness to ensure that only students that have matching demographics are reported for State transportation funding; and (7) students who are reported in the Individuals with Disabilities Education Act (IDEA) – PK through Grade 12, Weighted ridership category are appropriately documented as having met one of the five criteria required for weighted classification as indicated on the students' *Individual Educational Plans*.

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 Monroe County

For the fiscal year ended June 30, 2015, the District received \$1.2 million 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	5	18
October 2014	37	3,025
February 2015	34	2,676
June 2015	<u>10</u>	<u>32</u>
Total	<u>86</u>	<u>5,751</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*

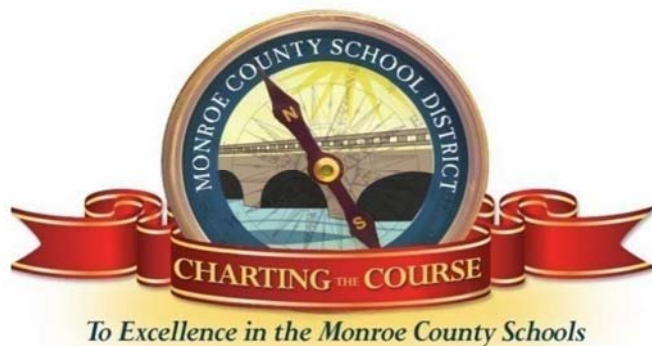
State Board of Education Rules, Chapter 6A-3, Florida Administrative Code, *Transportation*

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

MARK T. PORTER
Superintendent of Schools



Members of the Board

District # 1
BOBBY HIGHSMITH

District # 2
ANDY GRIFFITHS
Chairman

District # 3
ED DAVIDSON

District # 4
JOHN R. DICK
Vice Chairman

District # 5
RONALD A. MARTIN

November 2, 2016

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

Dear Ms. Norman,

I have reviewed the list of preliminary and tentative findings and recommendations based on your examination of Monroe County District School Board's compliance with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program and the number of students transported as reported for the fiscal year ended June 30, 2015. The District agrees with all of the findings noted.

Corrective actions to be taken are noted below by reference number. Those findings that have similar responses are grouped together.

Florida Education Finance Program

Finding 15

Only students who are in membership during the survey week and are documented as in attendance at least 1 day during the reporting survey period are reported for Florida Education Finance Program (FEFP) funding.

Reference Number: 13104

The District will exercise more care to ensure that only those students in membership and documented as being in attendance at least 1 day during the survey period are reported for FEFP funding.

Finding 22

Virtual students' instructional time and associated FTE should be reported in accordance with the Department of Education's FTE Instructions.

Reference Number: 700401

The District has corrected the issue with the calculation of virtual students' time and associated FTE.

Findings 9 and 13

Instances were noted in which the District reported for English Language Learner (ELL) students in excess of the 6-year period allowed for State funding.

Reference Numbers: 11103 and 13102

The District has implemented enhanced procedures to ensure that ELL students that exceed the 6-year maximum are not reported for ELL weighted funding.

Findings 2, 3, 8, 12, and 16

English language proficiency of students being considered for continuation of their ESOL placements was not assessed within 30 school days prior to the student's Date Entered United States School (DEUSS) or by October 1 if the students' DEUSS falls within the first two weeks of school nor were ELL committees timely convened subsequent to these assessments.

Reference Numbers: 10102, 10103, 11102, 13101, and 31101

The District will enhance its procedures and oversight to ensure that students are identified and assessed within 30 school days prior to their DEUSS anniversary date or October 1, as appropriate. In addition, the District will enhance its procedures to ensure that the ELL committee meets to consider extended placement for those students eligible for extended placement.

Finding 17

An instance was noted in which a student was assessed as English language proficient and an ELL committee was not convened to consider the student's continued ESOL placement.

Reference Number: 31102

The District will enhance its procedures and oversight to ensure that an ELL committee is convened to consider a student's continued ESOL placement once assessed as English language proficient.

Finding 5

A student was not reported in accordance with the student's *Matrix of Services* form.

Reference Number: 10105

The District will continue to enhance its procedures to ensure that students are reported in accordance with their *Matrix of Services* form.

Findings 1, 3, 4, 7, 10, 14, 18, and 19

Instances were noted in which Matrix of Services forms, Individual Educational Plans (IEP), Educational Plans (EP), and ELL Student Plans were not timely prepared and retained in the students' files.

Reference Number: 10101, 10103, 10104, 11101, 11104, 13103, 31103, and 38201

The District has enhanced its procedures and oversight to ensure that appropriate documentation is maintained in the students' files.

Finding 6 and 20

Timecards for some Career Education students who participated in on-the-job training (OJT) were not available for examination and could not be subsequently located.

Reference Number: 10106 and 38202

The District will enhance its procedures to ensure that Career Education students who participated in OJT have timecards available for examination.

Finding 21 and 23

Instances were noted in which teachers taught classes that they were not properly certified to teach and had not been approved by the School Board to teach out of field.

Reference Numbers: 38270 and 700670

The District will continue to enhance its procedures to ensure that teachers are properly certified to teach the classes reported for FEFP funding as well as ensuring that parents are appropriately notified of teachers' out-of-field status.

Finding 11

An instance was noted where a teacher that taught Language Arts that included ELL students had not earned sufficient in-service training hours as required by State Board of Education rule.

Reference Number: 11170

The District will enhance its procedures to ensure that instructional personnel that teach ELL students have earned sufficient in-service training points to comply with the State Board of Education rule.

Transportation

Finding 1

An instance was noted in which a student did not have a matching demographic record in the FTE database and staff was unable to provide documentation to support eligibility.

Reference Number: 51

The District will enhance its procedures to ensure that all students transported have a matching demographic record in the FTE database.

Findings 2, 4.b., and 7

Instances were noted in which students were not listed on the bus driver reports or were not marked as riding the bus during the survey period. In addition, instances were noted where bus driver reports were not available for examination and could not be subsequently located.

Reference Numbers: 52, 54, 57

The District will continue to enhance its procedures to ensure that all driver reports are maintained and available for review and that only those eligible students listed as riding buses are reported for funding.

Finding 4.a.

The reported number of buses in operation was overstated.

Reference Number 54

The District will continue to enhance its procedures to ensure that bus numbers are accurately reported.

Findings 3, 5, 8 and 9

Students transported were incorrectly classified or were not otherwise eligible for State transportation funding.

Reference Numbers: 53, 55, 58, and 59

The District will enhance its procedures to ensure that all students transported are correctly and accurately reported and that only eligible student riders are reported for funding.

Finding 3.b., 5, 6

Students were incorrectly reported in weighted ridership categories. Instances were noted where documentation was not available to support the inclusion of student in the weighted ridership categories.

Reference Numbers: 53, 55, and 56

The District will enhance its procedures to ensure that students reported for weighted ridership categories meet the appropriate criteria for such reporting and that documentation is available to support the student's inclusion in the weighted ridership categories.

Finding 10

An instance was noted in which a student was not enrolled in school during the reporting survey period and therefore was not eligible for State transportation funding.

Reference Number: 60

The District will enhance its procedures to ensure that only eligible student riders are reported for funding.

We appreciate the professionalism of staff throughout the audit process.

Sincerely,



Mark T. Porter, Superintendent
Monroe County Schools