

**MARTIN 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, Laurie J. Gaylord served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Christia Li Roberts from 11-18-14	1
Michael J. Busha, Chair to 11-17-14	1
Marsha Powers, Vice Chair from 11-18-14	2
Rebecca Negron	3
Tina McSoley from 11-18-14	4
Maura Barry-Sorenson to 11-17-14	4
Michael DiTerlizzi, Chair from 11-18-14 Vice Chair to 11-17-14	5

The team leader was Eric R. Seldomridge, 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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MARTIN COUNTY DISTRICT SCHOOL BOARD
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SUMMARY

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving teachers and 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 Exceptional Student Education (ESE) Support Levels 4 and 5, the Martin 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:

- Of the 104 teachers in our test, 13 did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, or the earning of required in-service training points in English for Speakers of Other Languages strategies. Three of the 104 teachers (3 percent) in our test taught at charter schools and none of the teachers with exceptions taught at charter schools.
- 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 18 of the 130 students in our ESE Support Levels 4 and 5 test. Twenty-four of the 130 students (18 percent) in our ESE Support Levels 4 and 5 test attended charter schools and none of the students with exceptions attended charter schools.

Noncompliance related to the reported FTE student enrollment resulted in 21 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative .5002 but has a potential impact on the District's weighted FTE of negative 84.5014. Noncompliance related to student transportation resulted in 6 findings and a proposed net adjustment of negative 29 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 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 \$340,690 (negative 84.5014 times \$4,031.77), all of which is applicable to District schools other than charter schools.

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

The ultimate resolution of our proposed adjustments to the FTE 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 Martin 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 Martin 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 28 District schools other than charter schools, 2 charter schools, and 3 District cost centers, serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$9.8 million was provided through the FEFP to the District for the District-reported 18,583.42 unweighted FTE as recalibrated, which included 272.70 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 \$3.2 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 Martin 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 teachers and students in our 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 teachers and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in ESE Support Levels 4 and 5, the Martin 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 teacher certification and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in ESE Support Levels 4 and 5. 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
December 5, 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 Martin County District School Board (District) reported to the Department of Education 18,583.42 unweighted FTE as recalibrated, which included 272.70 unweighted FTE as recalibrated for charter schools, at 28 District schools other than charter schools, 2 charter schools, and 3 District 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 (33) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools. The population of students (9,057) 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 18 of the 130 students in our ESE Support Levels 4 and 5 test.² Twenty-four of the 130 students (18 percent) in our ESE Support Levels 4 and 5 test attended charter schools and none of the 18 students with exceptions attended charter schools.

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

<u>Programs</u>	<u>Number of Schools</u>		<u>Number of Students at Schools Tested</u>		<u>Students with Exceptions</u>	<u>Recalibrated Unweighted FTE</u>		<u>Proposed Adjustments</u>
	<u>Population</u>	<u>Test</u>	<u>Population</u>	<u>Test</u>		<u>Population</u>	<u>Test</u>	
Basic	26	8	6,162	100	0	13,254.1000	77.6544	47.6065
Basic with ESE Services	30	8	1,504	80	0	3,336.2700	67.6026	4.4330
ESOL	22	8	1,131	177	9	1,272.4100	130.3401	(15.5846)
ESE Support Levels 4 and 5	16	6	260	130	18	227.8300	86.2125	(32.0641)
Career Education 9-12	5	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>492.8100</u>	<u>.0000</u>	<u>(4.8910)</u>
All Programs	33	10	<u>9,057</u>	<u>487</u>	<u>27</u>	<u>18,583.4200</u>	<u>361.8096</u>	<u>(.5002)</u>

² For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 2, 3, 6, 7, and 14 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (309, of which 302 are applicable to District schools other than charter schools and 7 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.

We noted the following material noncompliance: 13 the 104 teachers in our test did not meet State requirements governing certification, School Board approval of out-of-field teacher assignments, notification to parents regarding teachers' out-of-field status, or the earning of required in-service training points in ESOL strategies.³ Three of the 104 teachers (3 percent) in our test taught at charter schools and none of the 13 teachers with exceptions taught at charter schools.

Proposed Adjustments

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

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

³ For teachers, the material noncompliance is composed of Findings 4, 5, 8, 10, 12, 13, 17, 18, 19, and 21 on *SCHEDULE D.*

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED 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	10.2303	1.126	11.5193
102 Basic 4-8	18.0296	1.000	18.0296
103 Basic 9-12	19.3466	1.004	19.4240
111 Grades K-3 with Exceptional Student Education (ESE) Services	1.5045	1.126	1.6941
112 Grades 4-8 with ESE Services	.9997	1.000	.9997
113 Grades 9-12 with ESE Services	1.9288	1.004	1.9365
130 English for Speakers of Other Languages	(15.5846)	1.147	(17.8755)
254 ESE Support Level 4	(31.0647)	3.548	(110.2176)
255 ESE Support Level 5	(.9994)	5.104	(5.1009)
300 Career Education 9-12	<u>(4.8910)</u>	1.004	<u>(4.9106)</u>
Total	<u>(.5002)</u>		<u>(84.5014)</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>#0021</u>	<u>#0051</u>	<u>#0070</u>	
101 Basic K-3	.....	.8532	.....	.8532
102 Basic 4-8	.1428	.....	14.3893	14.5321
103 Basic 9-12	.....	.....	12.7416	12.7416
111 Grades K-3 with Exceptional Student Education (ESE) Services	.....	.....	.....	.0000
112 Grades 4-8 with ESE Services	.4997	.....	.5000	.9997
113 Grades 9-12 with ESE Services	.....	.....	1.9288	1.9288
130 English for Speakers of Other Languages (ESOL)	(.1428)	(.8532)	.....	(.9960)
254 ESE Support Level 4	(.0005)	.....	(29.5597)	(29.5602)
255 ESE Support Level 5	(.9994)	.....	.....	(.9994)
300 Career Education 9-12	.....	.....	.....	.0000
Total	<u>(.5002)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5002)</u>

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

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>				<u>Balance Forward</u>
		<u>#0101</u>	<u>#0131</u>	<u>#0211</u>	<u>#0241</u>	
101	.8532	2.3463	6.6042	.....	.....	9.8037
102	14.5321	.7794	.....	.....	.....	15.3115
103	12.7416	.....	.....	.....	6.6050	19.3466
111	.0000	.....	.....	1.5045	.....	1.5045
112	.9997	.....	.....	.....	.....	.9997
113	1.9288	.....	.....	.....	.....	1.9288
130	(.9960)	(3.1257)	(6.6042)	.....	(1.7140)	(12.4399)
254	(29.5602)	.....	.....	(1.5045)	.....	(31.0647)
255	(.9994)	.....	.....	.....	.....	(.9994)
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(4.8910)</u>	<u>(4.8910)</u>
Total	<u>(.5002)</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5002)</u>

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

*Charter School

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>		<u>Total</u>
		<u>#0341</u>	<u>#0361</u>	
101 Basic K-3	9.8037	.4266	.....	10.2303
102 Basic 4-8	15.3115	.6399	2.0782	18.0296
103 Basic 9-12	19.3466	.....	.....	19.3466
111 Grades K-3 with ESE Services	1.5045	.....	.....	1.5045
112 Grades 4-8 with ESE Services	.9997	.....	.....	.9997
113 Grades 9-12 with ESE Services	1.9288	.....	.....	1.9288
130 ESOL	(12.4399)	(1.0665)	(2.0782)	(15.5846)
254 ESE Support Level 4	(31.0647)	.....	.....	(31.0647)
255 ESE Support Level 5	(.9994)	.....	.....	(.9994)
300 Career Education 9-12	<u>(4.8910)</u>	.....	.....	<u>(4.8910)</u>
Total	<u>(.5002)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.5002)</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 (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 teachers and 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 Exceptional Student Education (ESE) Support Levels 4 and 5, the Martin 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

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.

Districtwide – Reporting of School Bell Schedules

1. [Ref. 2101/13101/36101] The course schedules for several students attending three of the ten schools tested were incorrectly reported. The bell schedules provided for these schools supported varying numbers of instructional minutes per week and met the minimum reporting of Class Minutes Weekly (CMW); however, the students' course schedules were not reported in agreement with the bell schedules. We noted differences of CMW ranging from a low of 269 CMW to a high of 465 CMW. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the correct number of CMW according to the schools' bell schedules. Since most of the students were reported at only one school for the entire school year and their reported FTE was recalibrated to 1.0, this incorrect reporting did not affect their ultimate funding level. As such, we present this disclosure Finding with no proposed adjustment.

**Proposed Net
Adjustments
(Unweighted FTE)**

.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Stuart Middle School (#0021)

2. [Ref. 2102] One ESE student was not in attendance during the reporting survey period and should not have been reported for FEFP funding. We propose the following adjustment:

254 ESE Support Level 4	(.5002)	(.5002)
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3. [Ref. 2103] Two ESE students were not reported in accordance with the students' *Matrix of Services* forms. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.4997	
254 ESE Support Level 4	.4997	
255 ESE Support Level 5	(.9994)	.0000

4. [Ref. 2170] One teacher taught Primary Language Arts to a class that included an English Language Learner (ELL) student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the student were not notified of the teacher's out-of-field status. We propose the following adjustment:

102 Basic 4-8	.1428	
130 ESOL	(.1428)	.0000
		(.5002)

J. D. Parker School of Technology (#0051)

5. [Ref. 5171] One teacher taught Primary Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.8532	
130 ESOL	(.8532)	.0000
		.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Riverbend Academy (#0070)

6. [Ref. 7001] The files for 12 ESE students did not contain either the students' *Individual Education Plans* or the students' *Matrix of Services* forms that covered the reporting survey periods. We also noted that the files for 2 of the students did not contain a *Physician's Statement* to support the students' placements in the Hospital and Homebound Program. We propose the following adjustment:

102 Basic 4-8	3.1623	
103 Basic 9-12	1.1121	
112 Grades 4-8 with ESE Services	.5000	
113 Grades 9-12 with ESE Services	1.5002	
254 ESE Support Level 4	<u>(6.2746)</u>	.0000

7. [Ref. 7002] The file for one ESE student did not contain a *Physician's Statement* to support the student's placement in the Hospital and Homebound Program. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.4286	
254 ESE Support Level 4	<u>(.4286)</u>	.0000

8. [Ref. 7070/71/72] Three teachers were not properly certified and were not approved by the School Board to teach out of field in English, Math, Science, History, and Psychology (Ref. 7070); ESE (Ref. 7071); or English (Ref. 7072). 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. 7070</u>		
102 Basic 4-8	.2499	
103 Basic 9-12	1.4662	
254 ESE Support Level 4	<u>(1.7161)</u>	.0000

<u>Ref. 7071</u>		
102 Basic 4-8	10.9771	
254 ESE Support Level 4	<u>(10.9771)</u>	.0000

<u>Ref. 7072</u>		
103 Basic 9-12	10.1633	
254 ESE Support Level 4	<u>(10.1633)</u>	.0000

.0000

Findings

Port Salerno Elementary School (#0101)

9. [Ref. 10101] The English language proficiency of one ELL student was not assessed and an ELL Committee was not convened within 30 school days prior to the student's Date Entered United States School (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	.7794	
130 ESOL	<u>(.7794)</u>	.0000

10. [Ref. 10170] One teacher taught Primary Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	2.3463	
130 ESOL	<u>(2.3463)</u>	.0000
		<u>.0000</u>

Warfield Elementary School (#0131)

11. [Ref. 13102] The files for three ELL students did not contain *ELL Student Plans* that covered the 2014-15 school year. We propose the following adjustment:

101 Basic K-3	2.3382	
130 ESOL	<u>(2.3382)</u>	.0000

12. [Ref. 13170] One teacher taught Primary Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	4.2660	
130 ESOL	<u>(4.2660)</u>	.0000
		<u>.0000</u>

Findings

Jensen Beach Elementary School (#0211)

13. [Ref. 21170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in ESE but taught courses that also required certification in Elementary Education. Additionally, we noted that the parents of the students were not notified of the teacher’s out-of-field status. Since the students are cited in Finding 14 (Ref. 21101), we present this disclosure Finding with no proposed adjustment:

.0000

14. [Ref. 21101] The files for two ESE students did not contain *Matrix of Services* forms covering the 2014-15 school year. We propose the following adjustment:

111 Grades K-3 with ESE Services	1.5045	
254 ESE Support Level 4	<u>(1.5045)</u>	<u>.0000</u>
		<u>.0000</u>

South Fork High School (#0241)

15. [Ref. 24101] We noted for two ELL students that the English language proficiency was not assessed within 30 school days prior to the student’s DEUSS anniversary date (one student) and an ELL Committee was not convened by October 1 (one student) to consider the students’ continued ESOL placement beyond 3 years from the students’ DEUSS. We propose the following adjustment:

103 Basic 9-12	.7856	
130 ESOL	<u>(.7856)</u>	.0000

16. [Ref. 24102] The file for one ELL Student did not contain an *ELL Student Plan* that covered the October 2014 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.5000	
130 ESOL	<u>(.5000)</u>	.0000

17. [Ref. 24170] One teacher taught Language Arts to a class that included ELL students but had earned only 60 of the 300 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:

103 Basic 9-12	.4284	
130 ESOL	<u>(.4284)</u>	.0000

Findings

South Fork High School (#0241) (Continued)

18. [Ref. 24171] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Drafting but taught a course that required certification in Business 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	4.8910	
300 Career Education 9-12	<u>(4.8910)</u>	<u>.0000</u>
		<u>.0000</u>

Felix A. Williams Elementary School (#0341)

19. [Ref. 34170/71] Parents of ELL students were not notified of two teachers’ out-of-field status in ESOL until October 28, 2014, which was after the October 2014 reporting survey period. Additionally, one of the teachers (Ref. 34170) had earned only 120 of the 180 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 adjustments:

<u>Ref. 34170</u>		
101 Basic K-3	.4266	
130 ESOL	<u>(.4266)</u>	<u>.0000</u>
 <u>Ref. 34171</u>		
102 Basic 4-8	.6399	
130 ESOL	<u>(.6399)</u>	<u>.0000</u>
		<u>.0000</u>

Dr. David L. Anderson Middle School (#0361)

20. [Ref. 36102] ELL Committees were not convened for two ELL students by October 1 (one student) or within 30 school days prior to the student’s DEUSS anniversary date (one student) to consider the students’ continued ESOL placement beyond 3 years from the students’ DEUSS. We also noted that one of the student’s English language proficiency was not assessed within 30 school days prior to the student’s DEUSS anniversary date. We propose the following adjustment:

102 Basic 4-8	1.0668	
130 ESOL	<u>(1.0668)</u>	<u>.0000</u>

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Dr. David L. Anderson Middle School (#0361) (Continued)

21. [Ref. 36170] One teacher taught Language Arts to a class that included ELL students but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. 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:

102 Basic 4-8	1.0114	
130 ESOL	<u>(1.0114)</u>	<u>.0000</u>
		<u>.0000</u>
Proposed Net Adjustment		<u>(.5002)</u>

SCHEDULE E

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

RECOMMENDATIONS

We recommend that Martin 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 and in attendance at least 1 day of a reporting survey period are reported with the survey's results; (2) students' schedules are reported in accordance with the instructional minutes indicated on the schools' bell schedules; (3) *Individual Educational Plans*, *Matrix of Services* forms, and *English Language Learner (ELL) Student Plans* are timely prepared, properly completed, and retained in the students' files; (4) Exceptional Student Education students are reported in accordance with the students' *Matrix of Services* forms; (5) valid *Physicians' Statements* are on file to support students' placements in the Hospital and Homebound Program; (6) the English language proficiencies of students being considered for continuation of their English for Speakers of Other Languages (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) anniversary dates or by October 1 if the students' DEUSS is within the first 2 weeks of school and ELL Committees are timely convened subsequent to these assessments; (7) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; (8) parents are timely notified when their children are assigned to teachers teaching out of field; and (9) 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 in accordance with the teachers' in-service training timelines.

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

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

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

A summary discussion of the significant features of the Martin 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 Martin 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 Martin 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 28 District schools other than charter schools, 2 charter schools, and 3 District cost centers serving prekindergarten through 12th-grade students. For the fiscal year ended June 30, 2015, State funding totaling \$9.8 million was provided through the FEFP to the District for the District-reported 18,583.42 unweighted FTE as recalibrated, which included 272.70 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 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

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>
Districtwide – Reporting of School Bell Schedules	1
1. Stuart Middle School	2 through 4
2. J. D. Parker School of Technology	5
3. Riverbend Academy	6 through 8
4. Port Salerno Elementary School	9 and 10
5. Warfield Elementary School	11 and 12
6. Jensen Beach Elementary School	13 and 14
7. South Fork High School	15 through 18
8. Felix A. Williams Elementary School	19
9. Dr. David L. Anderson Middle School	20 and 21
10. The Hope Center for Autism*	NA

* Charter School



Sherrill F. Norman, CPA
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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 management's assertion, included in its representation letter dated May 9, 2016, that the Martin County District School Board (District) complied 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 management's assertion about 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.

In our opinion, management's assertion that the Martin County District School Board complied 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, is fairly stated, in all material respects.

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

weaknesses⁴ in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on management's assertion that the Martin County District School Board complied 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, 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 management's assertion; and abuse that has a material effect on management's assertion. 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 management's assertion 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. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. The noncompliance mentioned above, while indicative of certain control deficiencies,⁵ is not considered indicative of material weaknesses in the District's internal controls related to students' reported ridership classification or eligibility for State transportation funding. 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
December 5, 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.

⁵ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis.

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Martin 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 (157) 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 (14,943) 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>
Teenage Parents and Infants	21
Hazardous Walking	628
Individuals with Disabilities Education Act – Prekindergarten through Grade 12, Weighted	445
All Other Florida Education Finance Program Eligible Students	<u>13,849</u>
Total	<u>14,943</u>

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

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	<u>Proposed Net Adjustment</u>	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(2)	-	-
Our tests included 361 of the 14,943 students reported as being transported by the District.	-	26	(25)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 22 students.	-	<u>22</u>	<u>(4)</u>
Total	<u>(2)</u>	<u>48</u>	<u>(29)</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. The Martin 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 the reported number of buses in operation was overstated by two buses. The buses transported 23 students and, according to Transportation staff, were activity buses that transported students to non-FEFP fundable programs. However, Transportation staff provided documentation to support that 21 of the 23 students were provided transportation on other buses and the remaining 2 students were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey	
Number of Buses in Operation	(1)
February 2015 Survey	
Number of Buses in Operation	(1)
	(2)

**Students
Transported
Proposed Net
Adjustments**

Findings

February 2015 Survey (Continued)

90 Days in Term

All Other FEFP Eligible Students	(2)	(2)
----------------------------------	-----	-----

2. [Ref. 52] Our general tests disclosed that 19 students were incorrectly reported in the Hazardous Walking ridership category. Seventeen of the students lived more than 2 miles from their assigned school and should have been reported in the All Other FEFP Eligible Students ridership category. The remaining 2 students did not cross a designated hazardous area; consequently, these students were not eligible for reporting in the Hazardous Walking ridership category and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2014 Survey

90 Days in Term

Hazardous Walking	(9)	
All Other FEFP Eligible Students	8	

February 2015 Survey

90 Days in Term

Hazardous Walking	(10)	
All Other FEFP Eligible Students	<u>9</u>	(2)

3. [Ref. 53] Our general tests disclosed that one prekindergarten student was incorrectly reported in the All Other FEFP Eligible Students ridership category. The student was the child of a parent who was enrolled in a Teenage Parent Program; therefore, the student was eligible for reporting in the Teenage Parents and Infants ridership category. We propose the following adjustment:

October 2014 Survey

90 Days in Term

Teenage Parents and Infants	1	
All Other FEFP Eligible Students	<u>(1)</u>	0

4. [Ref. 54] Our general tests disclosed that 66 students were reported for an incorrect number of Days in Term (DIT) in the July 2014 reporting survey. The students were reported for 4 DIT but should have been reported for 7 DIT, in accordance with the District’s instructional calendar. We propose the following adjustment:

July 2014 Survey

7 Days in Term

Individuals with Disabilities Education Act – Prekindergarten through Grade 12, Weighted	48	
All Other FEFP Eligible Students	18	

**Students
Transported
Proposed Net
Adjustments**

Findings

July 2014 Survey (Continued)

4 Days in Term

IDEA - PK through Grade 12, Weighted (48)

All Other FEFP Eligible Students (18) 0

5. [Ref. 55] Twenty-five students in our test were either not listed on the bus drivers' reports (20 students) or were not marked as riding the bus (5 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

7 Days in Term

All Other FEFP Eligible Students (2)

October 2014 Survey

90 Days in Term

Teenage Parents and Infants (2)

Hazardous Walking (4)

IDEA - PK through Grade 12, Weighted (3)

All Other FEFP Eligible Students (8)

February 2015 Survey

90 Days in Term

Teenage Parents and Infants (1)

All Other FEFP Eligible Students (2)

June 2015 Survey

10 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students (2) (25)

6. [Ref. 56] One student in our test was incorrectly reported in the Teenage Parents and Infants ridership category. There was no documentation to support that the student was enrolled in a Teenage Parent Program during the reporting survey period; however, we determined that the student was eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

February 2015 Survey

90 Days in Term

Teenage Parents and Infants (1)

All Other FEFP Eligible Students 1 0

Proposed Net Adjustments

(29)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Martin County District School Board (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) students are reported in the correct ridership category and documentation is retained to support that reporting; (3) students who do not have to cross the designated hazard are not reported in the Hazardous Walking ridership category; (4) only prekindergarten students who are children of students enrolled in a Teenage Parent Program are reported in the Teenage Parents and Infants ridership category; and (5) only those students who are in membership and are documented as having been transported at least 1 day during the reporting survey period are reported for State transportation funding.

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 Florida Education Finance Program.

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 Martin County

For the fiscal year ended June 30, 2015, the District received \$3.2 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	6	66
October 2014	72	7,474
February 2015	74	7,300
June 2015	<u>5</u>	<u>103</u>
Total	<u>157</u>	<u>14,943</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



THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

500 East Ocean Blvd • Stuart, Florida 34994 • Telephone (772) 219-1200 • Facsimile: (772) 219-1231

Educate all students for success

December 5, 2016

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

Dear Ms. Norman:

In connection with your examination of our District's full-time (FTE) student enrollment and student transportation as reported under the Florida Education Finance Program (FEFP), the following is the response to the preliminary and tentative audit findings for fiscal year ending June 30, 2015:

Full-time Equivalent (FTE) Student Enrollment:

For items 1 through 3 and 5 through 9, the District concurs with the Auditor General's recommendations. The District will provide continuous training of staff and updating and instituting processes to serve as a reconciliation to ensure the proper FTE is being reported, as well as, teachers are properly certified and/or out of field teachers are properly and timely reported.

For item 4, Exceptional Student Education students are reported in accordance with the students' *Matrix of Services* forms, the District will appeal to the Florida Department of Education to obtain guidance in remedying the disparities between regulations/guidelines that delineate funding procedures and federal and state regulations that preserve the rights of the exceptional students relative to students that are confined to adolescent psychiatric treatment facilities.

Student Transportation:

The District concurs with the Auditor General's recommendations. The Transportation department will provide continuous training to bus operators on procedures for properly reporting riders, including those students in the hazardous walking category, and will utilize staff at each school to assist in capturing the correct ridership.

The Martin County District School Board understands its responsibilities to comply with all State requirements and will continue to conduct corrective actions that include technical assistance for all stakeholders and a recurring evaluation of procedures to ensure compliance in all areas.

If further information is needed, please contact Helene DiBartolomeo, Chief Finance Officer.

Sincerely,

Laurie J. Gaylord

Laurie J. Gaylord
Superintendent of Schools

Laurie J. Gaylord, Superintendent

School Board Members: Michael DiTerlizzi • Tina McSoley • Rebecca Negron • Marsha Powers • Christia Li Roberts

"An Equal Opportunity Agency"