

FLORIDA VIRTUAL SCHOOL

Florida Education Finance Program
Full-Time Equivalent Student Enrollment

For the Fiscal Year Ended
June 30, 2016



Sherrill F. Norman, CPA
Auditor General

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Robert Gidel Sr.	Orange
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Robert Saltsman	Orange

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

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**FLORIDA VIRTUAL SCHOOL
TABLE OF CONTENTS**

Page
No.

SUMMARY	i
INDEPENDENT AUDITOR’S REPORT ON FULL-TIME EQUIVALENT STUDENT ENROLLMENT	1
SCHEDULE A – POPULATIONS, TEST SELECTION, AND TEST RESULTS	
Reported Full-Time Equivalent Student Enrollment	4
Schools and Students.....	4
Teachers.....	5
Proposed Adjustments	5
SCHEDULE B – EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FULL-TIME EQUIVALENT STUDENT ENROLLMENT	6
SCHEDULE C – PROPOSED ADJUSTMENTS BY SCHOOL.....	7
SCHEDULE D – FINDINGS AND PROPOSED ADJUSTMENTS	
Overview.....	9
Findings.....	9
SCHEDULE E – RECOMMENDATIONS AND REGULATORY CITATIONS	13
NOTES TO SCHEDULES.....	15
MANAGEMENT’S RESPONSE	18

FLORIDA VIRTUAL SCHOOL

LIST OF ABBREVIATIONS

EP	Educational Plan
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FTE	Full-Time Equivalent
GK	General Knowledge
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
PK	Prekindergarten
SBE	State Board of Education

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 ESE Services, the Florida Virtual School (School) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2016. Specifically, we noted exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 8 of the 39 the students in our Basic with ESE Services test.

Noncompliance related to the reported FTE student enrollment resulted in ten findings. The resulting proposed net adjustment to the School's reported, unweighted FTE totaled negative 4.9618 but has a potential impact on the School's weighted FTE of negative 5.3215.

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, 2016, was \$4,154.45 per FTE. For the School, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$22,108 (negative 5.3215 times \$4,154.45).

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.

THE SCHOOL

The School was established pursuant to Section 1002.37(1)(a), Florida Statutes, to develop and deliver online and distance learning education. The School's mission as stated in Section 1002.37(1)(b), Florida Statutes, is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The Commissioner of Education is responsible for monitoring the School's performance and reporting such performance to the State Board of Education and the Legislature.

Section 1002.37(2), Florida Statutes, provides that the School is to be governed by a Board of Trustees (Board) composed of seven members appointed by the Governor to 4-year staggered terms. The executive officer of the Board is the appointed President and Chief Executive Officer. For the fiscal year ended June 30, 2016, the School operated five virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$168 million was provided through the FEFP to the School for the School-reported 32,119.50 unweighted FTE as recalibrated. The primary sources of funding for the School are funds from the FEFP.

FEFP

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve PK 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 on the numbers of individual students participating in particular educational programs. The School is funded through the FEFP as a special district. The School reports FTE student credit completions for courses offered to students who are Florida residents to the Department of Education for funding through the FEFP. 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 courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses 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.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice 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 Department of Juvenile Justice FTE student enrollment reported beyond the 180-day school year is not included in the recalibration to 1.0 FTE.



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

Report on Full-Time Equivalent Student Enrollment

We have examined the Florida Virtual School's (School's) compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2016. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; State Board of Education Rules, Chapter 6A-1, Florida Administrative Code; and the *FTE General Instructions 2015-16* issued by the Department of Education.

Management's Responsibility for Compliance

School management is responsible for the School's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the School'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 and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of the full-time equivalent student enrollment reported by the School under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the School complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the School's compliance with State requirements. The legal determination of the School's compliance with these requirements is the responsibility of the Department of Education.

Opinion

Our examination disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of full-time equivalent student enrollment as reported under the Florida Education Finance Program for students in our Basic with Exceptional Student Education Services test 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 described in the preceding paragraph 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 Services, the Florida Virtual School complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2016.

Other Reporting Required by *Government Auditing Standards*

In accordance with *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 School'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 School's compliance with State requirements; and abuse that has a material effect on the School'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 School's compliance with State requirements and not for the purpose of expressing an opinion on the School's related internal control over compliance with State requirements; accordingly, we express no such opinion. 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 School'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 Exceptional Student Education Services. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of

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.

responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the School's reported full-time equivalent student enrollment is presented in *SCHEDULES A, B, C, and D*.

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

Purpose of this Report

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 American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the School's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
July 20, 2017

SCHEDULE A

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

Reported FTE Student Enrollment

The funding provided by the FEFP is based on the numbers of individual students participating in particular educational programs. The FEFP funds ten specific programs that are grouped under the following four general program titles: Basic, ESOL, ESE, and Career Education 9-12. 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, 2016, the Florida Virtual School (School) reported to the Department of Education 32,119.50 unweighted FTE as recalibrated at five virtual education cost centers.

The School reports FTE student credit completions for courses offered. For virtual education students, one student would be reported as 1.0000 FTE if the student has successfully completed six courses with a passing grade or credits earned or completing the prescribed level of content that counts toward promotion to a higher grade. A student who completes less than six credits will be a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the Department of Education for virtual education cost centers and students for the fiscal year ended June 30, 2016. (See NOTE B.) The population of virtual education cost centers (5) consisted of the total number of cost centers that offered virtual education instruction in the FEFP-funded programs. The population of students (189,120) consisted of the total number of students in each program at the virtual education 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 8 of the 39 students in our Basic with ESE Services test.²

Our populations and tests of cost centers and students are summarized as follows:

<u>Programs</u>	<u>Number of Cost Centers</u>		<u>Number of Students at Cost Centers 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	5	5	188,723	277	17	30,492.6100	133.6409	(1.5931)
Basic with ESE Services	2	2	397	39	8	358.4300	33.0710	(3.0179)
Career Education 9-12	0	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,268.4600</u>	<u>.0000</u>	<u>(.3508)</u>
All Programs	5	5	<u>189,120</u>	<u>316</u>	<u>25</u>	<u>32,119.5000</u>	<u>166.7119</u>	<u>(4.9618)</u>

² For Basic with ESE Services, the material noncompliance is composed of Findings 2 and 5 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (1,627) consisted of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, and Career Education 9-12. From the population of teachers, we selected 148 and found exceptions for 3 teachers.

Proposed Adjustments

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

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

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FULL-TIME EQUIVALENT 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	(2.1270)	1.115	(2.3716)
102 Basic 4-8	.7664	1.000	.7664
103 Basic 9-12	(.2325)	1.005	(.2337)
111 Grades K-3 with ESE Services	(1.0000)	1.115	(1.1150)
112 Grades 4-8 with ESE Services	(2.6012)	1.000	(2.6012)
113 Grades 9-12 with ESE Services	.5833	1.005	.5862
300 Career Education 9-12	<u>(.3508)</u>	1.005	<u>(.3526)</u>
Total	<u>(4.9618)</u>		<u>(5.3215)</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 STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0300</u>	<u>#0400</u>	<u>#0500</u>	
101 Basic K-3	1.0000	.....	.....	1.0000
102 Basic 4-8	2.6012	.....	(.7506)	1.8506
103 Basic 9-12	.....	(.6667)	.4342	(.2325)
111 Grades K-3 with ESE Services	(1.0000)	.....	.....	(1.0000)
112 Grades 4-8 with ESE Services	(2.6012)	.....	.....	(2.6012)
113 Grades 9-12 with ESE Services	.....	.5833	.....	.5833
300 Career Education 9-12	.....	<u>.0834</u>	<u>(.4342)</u>	<u>(.3508)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>(.7506)</u>	<u>(.7506)</u>

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

<u>No. Program</u>	<u>Proposed Adjustments (1)</u>		
	<u>Brought Forward</u>	<u>#0700</u>	<u>Total</u>
101 Basic K-3	1.0000	(3.1270)	(2.1270)
102 Basic 4-8	1.8506	(1.0842)	.7664
103 Basic 9-12	(.2325)	.....	(.2325)
111 Grades K-3 with ESE Services	(1.0000)	.....	(1.0000)
112 Grades 4-8 with ESE Services	(2.6012)	.....	(2.6012)
113 Grades 9-12 with ESE Services	.5833	.....	.5833
300 Career Education 9-12	<u>(.3508)</u>	<u>.....</u>	<u>(.3508)</u>
Total	<u>(.7506)</u>	<u>(4.2112)</u>	<u>(4.9618)</u>

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

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Overview

Management is responsible for determining that the FTE student enrollment as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; SBE Rules, Chapter 6A-1, FAC; and the *FTE General Instructions 2015-16* 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 ESE Services, the Florida Virtual School 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, 2016. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE E*.

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Our examination included the July and October 2015 reporting survey periods and the February and June 2016 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2015 reporting survey period, February 2016 reporting survey period, or June 2016 reporting survey period or all. Accordingly, our Findings do not mention specific reporting survey periods unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Florida Virtual School Full Time K-8 (#0300)

1. [Ref. 30002] The instructional schedules for 12 ESE students were not reported in their entirety. The students' IEPs scheduled Speech Therapy, Language Therapy, or Occupational Therapy services and documentation was in the students' files that evidenced the services were provided; however, the services were not reported in the students' instructional schedules. Since this exclusion did not specifically affect the overall FEFP funding of the students, we present this disclosure finding with no proposed adjustment.

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2. [Ref. 30001] Our review of the files for five ESE students disclosed that the IEPs for four students were prepared after the October 2015 reporting survey period had ended and, for the other student, the file did not contain documentation to support that the parents were advised of, and invited to, the student's EP development meeting. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Florida Virtual School Full Time K-8 (#0300) (Continued)

101 Basic K-3	1.0000	
102 Basic 4-8	1.7010	
111 Grades K-3 with ESE Services	(1.0000)	
112 Grades 4-8 with ESE Services	<u>(1.7010)</u>	.0000

3. [Ref. 30071] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher held certification in English, World Language (French), and Social Science but taught a course that also required the Reading Endorsement. We also noted that the students' parents were not notified of the teacher's out-of-field status. We propose the following adjustment:

102 Basic 4-8	.9002	
112 Grades 4-8 with ESE Services	<u>(.9002)</u>	.0000
		<u>.0000</u>

Florida Virtual School Full-Time 9-12 (#0400)

4. [Ref. 40001] The course schedules for eight students were incorrectly reported for one course. The course was reported as a Basic 9-12 course (course No. 0800370, Parenting 1) but should have been reported as a Career Education 9-12 course (course No. 8500300, Parenting Skills). This oversight was found and corrected on the students' transcripts but was inadvertently not corrected in the students' schedules. We propose the following adjustment:

103 Basic 9-12	(.6667)	
300 Career Education 9-12	<u>.6667</u>	.0000

5. [Ref. 40002] The course schedules for three ESE students were incorrectly reported as they included a portion of the students' instructional time in Program No. 300 (Career Education 9-12). The course schedules of ESE students should be reported entirely in ESE. In addition, one student was provided Speech Therapy as scheduled in the student's IEP and there was documentation to support that the services were provided but this information was not reported in the student's instructional schedule. This exclusion did not affect the overall FEFP funding of the student. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.5833	
300 Career Education 9-12	<u>(.5833)</u>	.0000
		<u>.0000</u>

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Florida Virtual School Part Time 6-8 (#0500)

6. [Ref. 50002] School records did not demonstrate that two students were Florida residents or that the students had been enrolled in a Florida school district Home Education Program. Consequently, we could not validate the students' eligibility to be reported in a Florida virtual education program. We propose the following adjustment:

102 Basic 4-8	(.7506)	(.7506)
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7. [Ref. 50071] One teacher was not properly certified and was not approved by the School Board to teach out-of-field. The teacher held certification in Computer Science and Math but taught a course that required certification in Business Education. We also noted the students' parents were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	.4342	
300 Career Education 9-12	(.4342)	.0000
		<u>(.7506)</u>

Florida Virtual School Part Time 9-12 (#0600)

8. [Ref. 60071] One teacher did not complete the GK requirements within 1 calendar year from the date of employment under a temporary certificate as required by Section 1012.56(7), Florida Statutes. Since the students were only reported in Basic education programs, we present this disclosure finding with no proposed adjustment.

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Florida Virtual School Part Time K-5 (#0700)

9. [Ref. 70001/03] School records did not demonstrate that three students were Florida residents or that the students were enrolled in a Florida school district Home Education Program. Consequently, we could not validate the students' eligibility to be reported in a Florida virtual education program. We propose the following adjustment:

<u>Ref. 70001</u>		
101 Basic K-3	(1.2510)	(1.2510)
 <u>Ref. 70003</u>		
101 Basic K-3	(.4170)	(.4170)

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

10. [Ref. 70002] Four students in our Basic test did not meet the eligibility criteria for placement in a virtual education program for the 2015-16 school year. In addition, the documentation to support one student's enrollment in a Florida school district Home Education Program was not available at the time of our examination and could not subsequently be located. We propose the following adjustment

101 Basic K-3	(1.4590)	
102 Basic 4-8	<u>(1.0842)</u>	<u>(2.5432)</u>
		<u>(4.2112)</u>
Proposed Net Adjustment		<u>(4.9618)</u>

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Florida Virtual School (School) management exercise more care and take corrective action, as appropriate, to ensure that: (1) documentation is maintained to support the Florida residency of students reported for FEFP funding; (2) students' instructional schedules are reported in the proper FEFP funding categories for the correct amount of FTE and documentation is on file to support that reporting; (3) students' instructional schedules are reported in their entirety inclusive of all courses taken; (4) IEPs are timely prepared for students reported in ESE programs, and parents are advised of, and invited to, the students' EP development meetings; (5) students meet the eligibility criteria prior to enrollment in a virtual education program and supporting documentation is maintained, including enrollment in Home Education Programs with their respective school districts; (6) teachers are properly certified or, if out of field, are timely approved to teach out of field by the School Board; (7) parents are timely notified when their children are assigned to teachers teaching out of field; and (8) teachers with temporary certificates pass the GK test within the required timeline.

The absence of statements in this report regarding practices and procedures followed by the School 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 School'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, FAC, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, FAC, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2015-16

Attendance

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

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

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2015-16

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, FAC, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*

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

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

SBE Rule 6A-6.0331, FAC, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*

SBE Rule 6A-6.0334, FAC, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*

SBE Rule 6A-6.03411, FAC, *Definitions, ESE Policies and Procedures, and ESE Administrators*

SBE Rule 6A-6.0361, FAC, *Contractual Agreements with Nonpublic Schools and Residential Facilities Matrix of Services Handbook (2015 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, FAC, *Non-certificated Instructional Personnel*

SBE Rule 6A-1.0503, FAC, *Definition of Qualified Instructional Personnel*

SBE Rule 6A-4.001, FAC, *Instructional Personnel Certification*

SBE Rule 6A-6.0907, FAC, *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*

NOTES TO SCHEDULES

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

A summary discussion of the significant features of the Florida Virtual School (School), the FEFP, the FTE, and related areas is provided below.

1. The School

The School was established pursuant to Section 1002.37(1)(a), Florida Statutes, to develop and deliver online and distance learning education. The School's mission as stated in Section 1002.37(1)(b), Florida Statutes, is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The School serves any student in the State who meets the profile for success in this educational delivery context and also meets eligibility criteria for participation in the virtual education programs. The Commissioner of Education is responsible for monitoring the School's performance and reporting such performance to the State Board of Education and the Legislature.

Section 1002.37(2), Florida Statutes, provides that the School is to be governed by a Board of Trustees (Board) composed of seven members appointed by the Governor to 4-year staggered terms. The executive officer of the Board is the appointed President and Chief Executive Officer. For the fiscal year ended June 30, 2016, the School operated five virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$168 million was provided through the FEFP to the School for the School-reported 32,119.50 unweighted FTE as recalibrated. The primary sources of funding for the School are funds from the FEFP.

2. FEFP

Florida school districts receive State funding through the FEFP to serve PK 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 on the numbers of individual students participating in particular educational programs. The School is funded through the FEFP as a special district. The School reports FTE student credit completions for courses offered to students who are Florida residents to the Department of Education for funding through the FEFP. 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 PK 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 courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses 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

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice 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 Department of Juvenile Justice 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 2015-16 school year were conducted during and for the following weeks: survey period one was performed for July 6 through 10, 2015; survey period two was performed for October 12 through 16, 2015; survey period three was performed for February 8 through 12, 2016; and survey period four was performed for June 13 through 17, 2016.

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) ESOL, (3) ESE, and (4) Career Education 9-12.

8. Statutes and Rules

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

Chapter 1000, 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, FAC, *Finance and Administration*

SBE Rules, Chapter 6A-4, FAC, *Certification*

SBE Rules, Chapter 6A-6, FAC, *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, 2016. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the School'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. Florida Virtual School Full Time K-8	1 through 3
2. Florida Virtual School Full Time 9-12	4 and 5
3. Florida Virtual School Part Time 6-8	6 and 7
4. Florida Virtual School Part Time 9-12	8
5. Florida Virtual School Part Time K-5	9 and 10

MANAGEMENT'S RESPONSE

FLORIDA VIRTUAL SCHOOL

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Suite 100
Orlando, FL 32835
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7/20/2017

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

Attn: J. David Hughes

Dear Ms. Norman:

Attached you will find responses to the findings stated in the Preliminary and Tentative Audit Report dated 6/27/2017.

Please do not hesitate to contact me if you have any questions regarding the documentation we have provided.

Thank you for your professionalism and assurance during this process. As we discussed, the new FLVS leadership and Board of Trustees are committed to assuring the elimination of exceptions going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jodi Marshall".

Ms. Jodi Marshall
President and Chief Executive Officer
Florida Virtual School



ESE Process Improvements (#30001, #30002)

FLVS concurs with the audit findings regarding ESE processes. To ensure proper IEP documentation and therapy course reporting, the FLVS FTE Administrator and the FLVS ESE Director will monitor and communicate every survey period regarding ESE documentation for students reported as well as ensure that therapy courses are reported every survey.

In addition, the FLVS ESE Director has communicated with all ESE Managers in the K-12 schools to require their diligence in following up with a records request to previous districts when students with IEPs enroll at FLVS and the ESE documentation submitted upon enrollment is not complete (i.e. does not include a signature page from the prior district). In addition, the ESE Managers have been asked to ensure that meeting participants are noted on any amendments that include an actual IEP team meeting and that staff signatures are preferred as applicable (email response received directly from the FDOE Bureau Chief of ESE, Monica Verra-Tirado, confirmed that staff signatures are not required on IEP documents).

Beginning in the 16-17 school year, FLVS took steps to ensure that the therapy courses were coded on student schedules due to the reoccurring concern from the 13-14 audit. However, since that process began in the 16-17 year, it was a reoccurring issue in 15-16. At this present time, all K-12 students with such related services/therapies indicated on their IEPs do in fact have these therapies noted on their schedules and therefore, this should no longer be of concern.

Florida Residency Process Improvements (#50002, #70001, #70003)

FLVS concurs with the audit findings regarding Florida residency processes. Beginning with the 17-18 school year, FLVS implemented registration improvements to address the Florida Residency findings. Once the parent or child completes their registration/sign-up process either through Admissions and Registration (A&R) or the new K-5 Elementary Registration system, the process is as follows.

K-5 Process:

1. The parent's linked account is created as part of the sign-up process within the new registration system for K-5. In this case, the parent is most likely registering the child for elementary school.
2. The parent, using their login credentials, logs into VSA.
3. The parent must approve/verify each enrollment per the state statute.

6-12 Process:

1. The parent must create an account linked to the child or children's account(s). This can be done via the login page. The parent must have the login credentials of the child's account to create their linked parent account.
2. Once the parent's linked account is created, the parent must approve/verify each enrollment per the state statute.

In addition, the language on the screen for the parent to sign and certify is the following:

"As the legal parent or guardian, I verify that I have registered my child with our resident county's home education office as a student in their home education program. I understand that, per Florida Statutes 1002.37 and 1002.41, my registering my child with our county Home Education office is required in order to take FLVS courses."

Student Name : <Dynamically inputs student full name>
DOB: <Student DOB in VSA>



Student Address: <Student address entered at time of registration>
Parent/Guardian Address: <at time of registration request>
School District: <at time of registration request>

“By clicking the “Accept” button below, I am confirming that all the information displayed above is correct and that I have already registered my child with my resident county Home Education Office. If you have any questions, please contact the FLVS Registrar Office via email at registrar@flvs.net.”

Two buttons: “Cancel” or “Accept”

By the parent selecting “accept” they are affirming that the student is already registered as a home education student with their county’s home school office. They have also affirmed that all the information about the student is correct and up to date. A screen shot of this is stored in the audit log and available via the enrollment details screen with the time/date stamp of when the parent clicked “accept”.

The Home Education Office is also a link to a page on FLVS.net that lists the contacts for each district’s home education office, if the parent does not know who to contact. This allow them to get the information regarding their district and click “cancel” so that they can first register their child, then come back and complete the process.

Lastly, it is only AFTER the parent has confirmed each enrollment that the enrollment will proceed to a “Course Request Complete” status and then considered available to be placed with a teacher.

Teacher Certification Process Improvements (#30071, #50071, #60071)

FLVS concurs with the audit findings regarding teacher certification processes. The FLVS Certification Specialist will request certification information from Connections Academy to confirm that their teachers are teaching in-field.

In addition, the FLVS Certification Specialist has worked with the Business Analysis team to develop an Out-of-Field report. This report can be run on demand. If an Out-of-Field teacher is found, the Certification Specialist will notify the Instructional Leader immediately to move the teacher to an acceptable in-field position. Instructional Leaders will also be encouraged to confirm a teacher’s certification with the Certification Specialist prior to moving a teacher to a new course.

FLVS has implemented a monitoring process to terminate the employment of any instructors that hold the Temporary Certificate and have not completed the General Knowledge Exam requirements within the first year of full time employment. Any instructors that need to complete the General Knowledge Exam will be contacted monthly by the Certification Specialist and their supervisors will be notified. If the one year of employment approaches and the instructor has not completed the General Knowledge Exam, the supervisor will be notified by the Certification Specialist and the process to terminate the employee will move forward. FLVS is reviewing the Temporary Certification hiring process to eliminate this issue all together.

CTE Course Reporting (#40001, #40002)

The FTE Administrator has updated checklists and procedure documents to ensure that any ESE funded student has all their courses reported in the applicable ESE FEFP program. In addition, appropriate personnel were re-trained on researching DOE course codes to input into our student information system for accurate course reporting.

Elementary Eligibility (#70002)

As of the 2017-2018 year, the legislature removed the elementary eligibility requirements. Therefore, no changes to FLVS processes and procedures will be implemented.