

**PUTNAM COUNTY
DISTRICT SCHOOL BOARD**

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

For the Fiscal Year Ended
June 30, 2016



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

During the 2015-16 fiscal year, Phyllis L. Criswell served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Nichole M. Cummings	1
David M. Buckles, Chair from 11-17-15, Vice Chair to 11-16-15	2
Terry Wright	3
Kathleen Jorgensen, Chair to 11-16-15	4
Jane T. Crawford, Vice Chair from 11-17-15	5

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

Please address inquiries regarding this report to J. David Hughes, CPA, Audit Manager, by e-mail at davidhughes@aud.state.fl.us or by telephone at (850) 412-2971.

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PUTNAM COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

DEUSS	Date Entered United States School
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FTE	Full-Time Equivalent
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten
SBE	State Board of Education

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 ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Putnam 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, 2016. Specifically, we noted:

- State requirements governing teacher 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 were not met for 13 of the 62 teachers in our test. Three (5 percent) of the 62 teachers in our test taught at charter schools and 3 (23 percent) of the 13 teachers with exceptions taught at charter schools.
- Exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The table below shows the total number of students included in each of our tests, as well as the number and percentage of students who attended charter schools who were included in our tests. The table also shows the number of students with exceptions in each of our tests, as well as the number and percentage of students with exceptions who attended charter schools.

Program Tested	Number of Students			Number of Students		
	Included in Test	Included in Test who Attended Charter Schools	Percentage	With Exceptions	With Exceptions who Attended Charter Schools	Percentage
ESOL	58	-	NA	11	-	NA
ESE Support Levels 4 and 5	34	-	NA	9	-	NA
Career Education 9-12	41	1	2%	16	-	NA
Totals	<u>133</u>	<u>1</u>		<u>36</u>	<u>0</u>	

Noncompliance related to the reported FTE student enrollment resulted in 22 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled negative 3.3651 (all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of negative 7.6467 (all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in 8 findings and a proposed net adjustment of negative 216 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, 2016, was \$4,154.45 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$31,768 (negative 7.6467 times \$4,154.45), of which all is applicable to District schools other than charter schools.

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

The ultimate resolution of our proposed adjustments to the FTE 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 Putnam County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Putnam 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 18 schools other than charter schools, 3 charter schools, and 3 virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$45.3 million was provided through the FEFP to the District for the District-reported 10,841.75 unweighted FTE as recalibrated, which included 507.98 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 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. 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.

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 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 \$2.6 million for student transportation as part of the State funding through the FEFP.



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

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 Putnam County District School Board's (District'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

District management is responsible for the District'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 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 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 District 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 District 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 District's compliance with State requirements. The legal determination of the District'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 teachers and students in our English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements described in the preceding paragraph 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 English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12, the Putnam County District School Board 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 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; 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 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

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.

located for students in English for Speakers of Other Languages, Exceptional Student Education Support Levels 4 and 5, and Career Education 9-12. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported full-time equivalent 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.

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 District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
July 27, 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 Putnam County District School Board (District) reported to the Department of Education 10,841.75 unweighted FTE as recalibrated, which included 507.98 unweighted FTE as recalibrated for charter schools, at 18 District schools other than charter schools, 3 charter schools, and 3 virtual education cost centers.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the Department of Education for schools and students for the fiscal year ended June 30, 2016. (See NOTE B.) The population of schools (24) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools, as well as the virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (5,024) consisted of the total number of students in each program at the schools and cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT.

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 11 of the 58 students in our ESOL test,² 9 of the 34 students in our ESE Support Levels 4 and 5 test,³ and 16 of the 41 students in our Career Education 9-12 test.⁴ One (2 percent) of the 41 students in our Career Education 9-12 test attended charter schools and none of the 16 students with exceptions attended charter schools. None of the 92 students in our ESOL and ESE Support Levels 4 and 5 tests 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	23	9	3,565	85	3	7,805.7200	59.5172	22.6838
Basic with ESE Services	23	9	1,066	63	3	2,318.6100	52.7149	(.6065)
ESOL	15	4	281	58	11	369.2900	50.1255	(13.1256)
ESE Support Levels 4 and 5	10	5	36	34	9	23.7600	20.9903	(1.5137)
Career Education 9-12	7	2	<u>76</u>	<u>41</u>	<u>16</u>	<u>324.3700</u>	<u>9.6223</u>	<u>(10.8031)</u>
All Programs	24	10	<u>5,024</u>	<u>281</u>	<u>42</u>	<u>10,841.7500</u>	<u>192.9702</u>	<u>(3.3651)</u>

² For ESOL, the material noncompliance is composed of Findings 6 and 8 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 12, 16, 17, 18, and 19 on *SCHEDULE D*.

⁴ For Career Education 9-12, the material noncompliance is composed of Findings 9, 10, and 11 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (157, of which 153 are applicable to District schools other than charter schools and 4 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 ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students.

We noted the following material noncompliance: State requirements governing teacher 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 were not met for 13 of the 62 teachers in our test.⁵ Three (5 percent) of the 62 teachers in our test taught at charter schools and 3 (23 percent) 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.

⁵ For teachers, the material noncompliance is composed of Findings 1, 2, 3, 5, 7, 13, 14, 20, and 22 on *SCHEDULE D*.

SCHEDULE B

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

District Schools Other Than Charter Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	10.8192	1.115	12.0634
102 Basic 4-8	3.1494	1.000	3.1494
103 Basic 9-12	4.4863	1.005	4.5087
112 Grades 4-8 with ESE Services	(1.0979)	1.000	(1.0979)
113 Grades 9-12 with ESE Services	.4914	1.005	.4939
130 ESOL	(13.1256)	1.180	(15.4882)
254 ESE Support Level 4	(2.0001)	3.613	(7.2264)
255 ESE Support Level 5	.4864	5.258	2.5575
300 Career Education 9-12	(6.5742)	1.005	(6.6071)
Subtotal	(3.3651)		(7.6467)

Charter Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
103 Basic 9-12	4.2289	1.005	4.2500
300 Career Education 9-12	(4.2289)	1.005	(4.2500)
Subtotal	.0000		.0000

Total of Schools

<u>No. Program (1)</u>	<u>Proposed Net Adjustment (2)</u>	<u>Cost Factor</u>	<u>Weighted FTE (3)</u>
101 Basic K-3	10.8192	1.115	12.0634
102 Basic 4-8	3.1494	1.000	3.1494
103 Basic 9-12	8.7152	1.005	8.7587
112 Grades 4-8 with ESE Services	(1.0979)	1.000	(1.0979)
113 Grades 9-12 with ESE Services	.4914	1.005	.4939
130 ESOL	(13.1256)	1.180	(15.4882)
254 ESE Support Level 4	(2.0001)	3.613	(7.2264)
255 ESE Support Level 5	.4864	5.258	2.5575
300 Career Education 9-12	(10.8031)	1.005	(10.8571)
Total	(3.3651)		(7.6467)

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>#0071*</u>	<u>#0113</u>	<u>#0151</u>	
101 Basic K-3	.....	.....	.....	.0000
102 Basic 4-8	.....	.4908	.4546	.9454
103 Basic 9-12	4.2289	.....	.....	4.2289
112 Grades 4-8 with ESE Services	.....	(.4908)	.....	(.4908)
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	.....	.....	(.4546)	(.4546)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	.....	.....	.0000
300 Career Education 9-12	<u>(4.2289)</u>	<u>.....</u>	<u>.....</u>	<u>(4.2289)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</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>Balance Forward</u>
		<u>#0251</u>	<u>#0301</u>	<u>#0321</u>	<u>#0351</u>	
101	.0000	10.8192	.....	.....	.....	10.8192
102	.9454	.....	.....	.5001	1.0367	2.4822
103	4.2289	.....	4.6816	.....	.....	8.9105
112	(.4908)	.....	.....	.0601	.....	(.4307)
113	.0000	.....	.....	.5599	.....	.5599
130	(.4546)	(10.8192)	(.8151)	.....	(1.0367)	(13.1256)
254	.0000	.....	.....	(2.0001)	.....	(2.0001)
255	.0000	.....	(.0600)	.5464	.....	.4864
300	<u>(4.2289)</u>	<u>.....</u>	<u>(6.5742)</u>	<u>.....</u>	<u>.....</u>	<u>(10.8031)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>(2.7677)</u>	<u>(.3336)</u>	<u>.0000</u>	<u>(3.1013)</u>

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

<u>No.</u> <u>Program</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>		<u>Total</u>
		<u>#7004</u>	<u>#7023</u>	
101 Basic K-3	10.8192	.....	.....	10.8192
102 Basic 4-8	2.4822	.....	.6672	3.1494
103 Basic 9-12	8.9105	(.1953)	.....	8.7152
112 Grades 4-8 with ESE Services	(.4307)	.....	(.6672)	(1.0979)
113 Grades 9-12 with ESE Services	.5599	(.0685)	.....	.4914
130 ESOL	(13.1256)	.....	.....	(13.1256)
254 ESE Support Level 4	(2.0001)	.....	.....	(2.0001)
255 ESE Support Level 5	.4864	.....	.....	.4864
300 Career Education 9-12	<u>(10.8031)</u>	<u>.....</u>	<u>.....</u>	<u>(10.8031)</u>
Total	<u>(3.1013)</u>	<u>(.2638)</u>	<u>.0000</u>	<u>(3.3651)</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 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 ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Putnam County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP for the fiscal year ended June 30, 2016. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE E*.

Findings

Proposed Net Adjustments (Unweighted FTE)

Our examination included the July and October 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 or the February 2016 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.

Putnam Edge High School (#0071) Charter School

1. [Ref. 7170] One teacher was not properly certified and was not approved by the Charter School Board to teach out of field. The teacher was certified in Engineering and Technology Education but taught courses 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	2.0367	
300 Career Education 9-12	(2.0367)	.0000

2. [Ref. 7171] One teacher was not properly certified and was not approved by the Charter School Board to teach out of field. The teacher was certified in Elementary Education but taught a course that required certification in PK Primary 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:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Putnam Edge High School (#0071) Charter School (Continued)

103 Basic 9-12	1.1289	
300 Career Education 9-12	<u>(1.1289)</u>	.0000

3. [Ref. 7172] One teacher was not properly certified and was not approved by the Charter School Board to teach out of field. The teacher was certified in Elementary Education but taught a course that required certification in Public Service. 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	1.0633	
300 Career Education 9-12	<u>(1.0633)</u>	.0000
		<u>.0000</u>

C. H. Price Middle School (#0113)

4. [Ref. 11301] The course schedule for one ESE student was incorrectly reported as it included a portion of the instructional time in Program No. 102 (Basic 4-8). The course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

102 Basic 4-8	.4908	
112 Grades 4-8 with ESE Services	<u>(.4908)</u>	.0000
		<u>.0000</u>

James A. Long Elementary School (#0151)

5. [Ref. 15170] One teacher taught Primary Language Arts to classes 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 ELL students were not notified of the teacher's out-of-field status. We propose the following adjustment:

102 Basic 4-8	.4546	
130 ESOL	<u>(.4546)</u>	.0000
		<u>.0000</u>

Findings

Middleton-Burney Elementary School (#0251)

6. [Ref. 25101] The *ELL Student Plans* (Plans) for ten students enrolled in the ESOL Program were incomplete as the Plans did not identify all the courses that were to employ ESOL strategies. We propose the following adjustment:

101 Basic K-3	3.4820	
130 ESOL	<u>(3.4820)</u>	.0000

7. [Ref. 25170/71] Two teachers taught Primary Language Arts to classes that included ELL students but were not properly certified to teach ELL students and were not approved by the School Board to teach such students out of field until October 20, 2015, which was after the October 2015 reporting survey period. We also noted that one of the teachers (Ref. 25170) had earned only 60 (by the October 2015 reporting survey period) and 120 (by the February 2016 reporting survey period) of the 300 in-service training points in ESOL strategies required by SBE Rule 6A-1.0503(4)(b)2., FAC, and the teacher's in-service training timeline. We propose the following adjustments:

<u>Ref. 25170</u>		
101 Basic K-3	5.0796	
130 ESOL	<u>(5.0796)</u>	.0000

<u>Ref. 25171</u>		
101 Basic K-3	2.2576	
130 ESOL	<u>(2.2576)</u>	.0000

.0000

Palatka High School (#0301)

8. [Ref. 30101] One ELL student's English language proficiency was not assessed within 30 school days prior to the student's DEUSS anniversary date to consider the student's continued ESOL placement beyond 3 years from the student's DEUSS. We propose the following adjustment:

103 Basic 9-12	.1914	
130 ESOL	<u>(.1914)</u>	.0000

9. [Ref. 30102] The timecards were not available at the time of our examination and could not be subsequently located for nine Career Education 9-12 students who participated in OJT. We propose the following adjustment:

300 Career Education 9-12	<u>(1.5428)</u>	(1.5428)
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Findings

Palatka High School (#0301) (Continued)

10. [Ref. 30103] More work hours were reported than were supported by the timecards for five students in Career Education 9-12 who participated in OJT. We propose the following adjustment:

300 Career Education 9-12	(.4681)	(.4681)
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11. [Ref. 30104] We noted exceptions regarding two Career Education 9-12 students who participated in OJT in the October 2015 and February 2016 reporting survey periods. Specifically, the timecards for the two students (one in the October 2015 and one in the February 2016 reporting survey period) were not available at the time of our examination and could not be subsequently located, and the timecards for the two students in the other reporting survey periods were improperly completed. One student's timecard indicated that the student worked 6 hours daily for the entire month (all 31 days) and the other student's timecard did not include the specific dates worked. Consequently, the work hours reported for these students in both reporting survey periods could not be validated. We propose the following adjustment:

300 Career Education 9-12	(.6968)	(.6968)
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12. [Ref. 30105] One ESE student who was enrolled in the Hospital and Homebound Program was incorrectly reported for one homebound course. The student was not provided any homebound services during the October 2015 reporting survey period and should not have been reported for FEFP funding. We propose the following adjustment:

255 ESE Support Level 5	(.0600)	(.0600)
-------------------------	---------	---------

13. [Ref. 30170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Biology but taught a course that required certification in Any Health Occupation. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	3.8665	
300 Career Education 9-12	(3.8665)	.0000

Findings

Palatka High School (#0301) (Continued)

14. [Ref. 30171/72/73/74] Four teachers taught Basic subject area classes that included ELL students but had earned none of the 60 in-service training points in ESOL strategies required by SBE Rule 6A-6.0907, FAC, and the teachers' in-service training timelines. We propose the following adjustments:

<u>Ref. 30171</u>		
103 Basic 9-12	.2097	
130 ESOL	<u>(.2097)</u>	.0000
 <u>Ref. 30172</u>		
103 Basic 9-12	.2802	
130 ESOL	<u>(.2802)</u>	.0000
 <u>Ref. 30173</u>		
103 Basic 9-12	.0700	
130 ESOL	<u>(.0700)</u>	.0000
 <u>Ref. 30174</u>		
103 Basic 9-12	.0638	
130 ESOL	<u>(.0638)</u>	.0000
		<u>(2.7677)</u>

Eleanor H. Miller School (#0321)

15. [Ref. 32101] The file for one ESE student did not contain an IEP covering the October 2015 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.5001	
112 Grades 4-8 with ESE Services	<u>(.5001)</u>	.0000

16. [Ref. 32102] The course schedule for one ESE student was incorrectly reported in Program No. 255 (ESE Support Level 5) for 1,500 CMW (.5000 FTE). The student was provided homebased instruction for only 180 CMW (.0600 FTE) and was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.0600	
255 ESE Support Level 5	<u>(.5000)</u>	(.4400)

17. [Ref. 32103] Three ESE students were not reported in accordance with the students' *Matrix of Services* forms. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Eleanor H. Miller School (#0321) (Continued)

113 Grades 9-12 with ESE Services	.4999	
254 ESE Support Level 4	(1.4999)	
255 ESE Support Level 5	<u>1.0000</u>	.0000

18. [Ref. 32104] The homebound instructional minutes for three ESE students were not reported as scheduled by the students' IEPs and provided based on the homebound instructors' contact logs. In addition, the Physician's Statement authorizing homebound instruction for one of the students was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.0600	
255 ESE Support Level 5	<u>.0464</u>	.1064

19. [Ref. 32105] One ESE student's *Matrix of Services* form that accompanied an IEP prepared on December 16, 2015, was dated February 17, 2016, which was after the February 2016 reporting survey period. Additionally, School records did not demonstrate that the prior *Matrix of Services* form, dated January 14, 2015, was reviewed when the above-noted IEP was prepared. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.5002	
254 ESE Support Level 4	<u>(.5002)</u>	.0000
		<u>(.3336)</u>

William D. Moseley Elementary School (#0351)

20. [Ref. 35170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in PK Primary Education but taught a course requiring certification in Elementary 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:

102 Basic 4-8	1.0367	
130 ESOL	<u>(1.0367)</u>	.0000
		<u>.0000</u>

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Putnam Virtual Franchise (#7004)

21. [Ref. 700401] The reported FTE was overstated for four courses in three Basic and one ESE virtual education students' schedules. The students successfully completed a semester course but were reported for more (.0834 per course). We propose the following adjustment:

103 Basic 9-12	(.1953)	
113 Grades 9-12 with ESE Services	(.0685)	(.2638)
		(.2638)

Putnam Virtual Instruction Program (District Provided) (#7023)

22. [Ref. 702370] One teacher, who was assigned one ESE virtual education student, taught Basic subject area classes to the student but was not properly certified to teach ESE students and was not approved by the School Board to teach such students out of field. The teacher held certification in Elementary Education but taught courses that required certification in ESE to only this ESE student. 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	.6672	
112 Grades 4-8 with ESE Services	(.6672)	.0000
		.0000

Proposed Net Adjustment **(3.3651)**

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Putnam County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the proper FEFP funding categories for the correct amount of FTE and documentation is retained to support that reporting; (2) only students who are in membership and in attendance at least 1 day of the reporting survey period are reported for FEFP funding; (3) *ELL Student Plans* are timely prepared and identify all of the courses that are to employ ESOL strategies; (4) the English language proficiency of students being considered for continuation of their ESOL placements (beyond the initial 3-year base period) is assessed within 30 school days prior to the students' DEUSS; (5) ESE students are reported in accordance with *Matrix of Services* forms and as scheduled by the students' IEPs, that are properly and timely prepared; (6) reported instructional minutes for students in the Hospital and Homebound Program are authorized by a Physician's Statements and based on established schedules as indicated by homebound instructors' contact logs that clearly document the dates and lengths of times of instruction in conjunction with the students' IEPs; (7) students in Career Education 9-12 who participate in OJT are reported in accordance with timecards that are accurately completed, signed, and retained in readily-accessible files; (8) course schedules and the associated FTE for virtual education students are accurately reported; (9) teachers are properly certified or, if teaching out of field, are timely approved by the School Board or Charter School Board to teach out of field; (10) parents are timely notified when their children are assigned to teachers teaching out of field; and (11) ESOL teachers earn the in-service training points required by SBE Rule 6A-6.0907 or 6A-1.0503(4)(b)2., FAC, and the teachers' in-service training timelines.

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

REGULATORY CITATIONS

Reporting

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

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

Section 1011.61, Florida Statutes, *Definitions*

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

SBE Rule 6A-1.0451, 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

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, FAC, *Definitions Which Apply to Programs for English Language Learners*

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

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

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

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

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

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

Career Education On-The-Job Attendance

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

Career Education On-The-Job Funding Hours

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*

Charter Schools

Section 1002.33, Florida Statutes, *Charter Schools*

NOTES TO SCHEDULES

NOTE A – SUMMARY FULL-TIME EQUIVALENT STUDENT ENROLLMENT

A summary discussion of the significant features of the Putnam County District School Board (District), the FEFP, the FTE, and related areas is provided below.

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Putnam County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Putnam 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 18 schools other than charter schools, 3 charter schools, and 3 virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$45.3 million was provided through the FEFP to the District for the District-reported 10,841.75 unweighted FTE as recalibrated, which included 507.98 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 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. 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 District's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Putnam Edge High School*	1 through 3
2. C. H. Price Middle School	4
3. James A. Long Elementary School	5
4. Middleton-Burney Elementary School	6 and 7
5. Palatka High School	8 through 14
6. Eleanor H. Miller School	15 through 19
7. William D. Moseley Elementary School	20
8. Putnam Virtual Instruction Program	NA
9. Putnam Virtual Franchise	21
10. Putnam Virtual Instruction Program (District Provided)	22

* Charter School



Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722
Fax: (850) 488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on Student Transportation

We have examined the Putnam County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program for the fiscal year ended June 30, 2016. 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 2015-16* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District'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 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 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 student transportation reported by the District 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 District 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 District's compliance with State requirements. The legal determination of the District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

Opinion

In our opinion, the Putnam County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of student transportation 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 attestation standards established by *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses⁶ in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the District's compliance with State requirements; and any other instances that warrant the attention of those charged with governance; noncompliance with provisions of contracts or grant agreements that has a material effect on the District's compliance with State requirements; and abuse that has a material effect on the District's compliance with State requirements. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions.

We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements; accordingly, we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. 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 impact of this noncompliance with State requirements 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.

⁶ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

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 District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
July 27, 2017

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Putnam 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 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(2), 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, 2016. (See NOTE B.) The population of vehicles (179) consisted of the total number of vehicles (buses, vans, or passenger cars) reported by the District for all reporting survey periods. For example, a vehicle that transported students during the July and October 2015 and February and June 2016 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (11,368) consisted of the total number of students reported by the District as having been transported for all reporting survey periods. (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	3
IDEA - PK through Grade 12, Weighted	361
All Other FEFP Eligible Students	<u>11,004</u>
Total	<u>11,368</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 233 of the 11,368 students reported as being transported by the District.	-	21	(14)
In conjunction with our general tests of student transportation we identified certain issues related to 203 additional students.	-	<u>203</u>	<u>(202)</u>
Totals	<u>(2)</u>	<u>224</u>	<u>(216)</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 FEFP is in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; SBE Rules, Chapter 6A-3, FAC; and the *Student Transportation General Instructions 2015-16* issued by the Department of Education. The Putnam 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, 2016. 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 2015 reporting survey periods and the February and June 2016 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 2015 reporting survey period and once for the February 2016 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 in the February 2016 reporting survey period. The buses were incorrectly included in the number of buses in operation due to a data entry error made when inputting the bus numbers. We propose the following adjustment:

February 2016 Survey

Number of Buses in Operation	<u>(2)</u>	0
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2. [Ref. 52] Our general tests disclosed that 177 PK students (one student was in our test) were incorrectly reported in the All Other FEFP Eligible Students ridership category. We determined that one of the student's parents was enrolled in a Teenage Parent Program and, therefore, the PK student was eligible to be reported in the Teenage Parents and Infants ridership category. However, the remaining 176 students were not otherwise eligible for State transportation funding. We propose the following adjustments:

<u>Findings</u>	<u>Students Transported Proposed Net Adjustments</u>	
October 2015 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(86)	
February 2016 Survey		
<u>90 Days in Term</u>		
Teenage Parents and Infants	1	
All Other FEFP Eligible Students	(91)	(176)
3. [Ref. 53] Our general tests disclosed that 33 students (7 students were in our test) were either not listed on the bus driver reports (2 students), were not marked as riding their assigned buses (7 students), or the supporting bus driver reports were not available at the time of our examination and could not be subsequently located (24 students). We propose the following adjustments:		
October 2015 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(12)	
All Other FEFP Eligible Students	(11)	
February 2016 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	(10)	(33)
4. [Ref. 54] Seven students in our test were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The IEPs for four of the students did not indicate that the students met at least one of the five criteria required for reporting in a weighted ridership category, and the IEPs for three of the students were not available at the time of our examination and could not be subsequently located. However, we determined that six of the students were otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category and the other student was not eligible for State transportation funding. We propose the following adjustments:		
October 2015 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(2)	
All Other FEFP Eligible Students	2	
February 2016 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(5)	
All Other FEFP Eligible Students	4	(1)

Findings

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

October 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	(2)	
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February 2016 Survey

90 Days in Term

All Other FEFP Eligible Students	(1)	(3)
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6. [Ref. 56] The home addresses for two students in our test were not recorded in the District's Student Information Management System (Skyward) and we could not otherwise validate the students' eligibility for State transportation funding. We propose the following adjustments:

October 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	(1)	
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February 2016 Survey

90 Days in Term

All Other FEFP Eligible Students	(1)	(2)
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7. [Ref. 57] One student in our test was incorrectly reported in the Teenage Parents and Infants ridership category as the student was not enrolled in a Teenage Parent Program. However, we determined that the student was otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

February 2016 Survey

90 Days in Term

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

8. [Ref. 58] Our general test of reported ridership disclosed that one student was incorrectly reported for State transportation funding. District records demonstrated that the student was enrolled in a Home Education Program; consequently, the student was not eligible for State transportation funding. We propose the following adjustment:

<u>Findings</u>	Students Transported Proposed Net <u>Adjustments</u>	
February 2016 Survey		
<u>90 Days in Term</u>		
All Other FEFP Eligible Students	<u>(1)</u>	<u>(1)</u>
Proposed Net Adjustment		<u>(216)</u>

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Putnam 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 are accurately reported; (2) only PK students who are classified as IDEA students or whose parents are enrolled in a Teenage Parent Program are reported for State transportation funding; (3) 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; (4) IEPs are maintained in readily-accessible files and only students who meet one of the five criteria required for reporting in a weighted ridership category as supported on the students' IEPs are reported in the IDEA - PK through Grade 12, Weighted ridership category; (5) the distance from home to school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category based on living 2 or more miles from their assigned schools; (6) home addresses are maintained and retained for all students reported for student ridership; (7) only PK students whose parents are enrolled in a Teenage Parent Program or teenage parent students enrolled in a Teenage Parent Program are reported in the Teenage Parents and Infants ridership category; and (8) students enrolled solely in Home Education Programs are not 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 FEFP.

REGULATORY CITATIONS

Section 1002.33, Florida Statutes, *Charter Schools*
Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*
Section 1011.68, Florida Statutes, *Funds for Student Transportation*
SBE Rules, Chapter 6A-3, FAC, *Transportation*
Student Transportation General Instructions 2015-16

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION

A summary discussion of the significant features of student transportation and related areas is provided below.

1. Student Eligibility

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(2), Florida Statutes.

2. Transportation in Putnam County

For the fiscal year ended June 30, 2016, the District received \$2.6 million for student transportation as part of the State funding through the 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 2015	-	-
October 2015	88	5,635
February 2016	91	5,733
June 2016	-	-
Totals	<u>179</u>	<u>11,368</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*

SBE Rules, Chapter 6A-3, FAC, *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, 2016. 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

Putnam County School District
200 Reid Street Palatka, Florida 32177
www.putnamschools.org

July 27, 2017

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

Dear Ms. Norman:

In response to the preliminary and tentative audit findings Report on Florida Education Finance Program Full-Time Equivalent Students and Student Transportation of the Putnam County School District for the fiscal year ended June 30, 2016, we would like to provide the following responses:

Full Time Equivalent Students:

The District will closely monitor the FTE reporting in the future to reflect the most accurate reporting possible. Training and process monitoring will be used to monitor and improve any areas as it relates to reporting. We have sent a copy of the findings to each principal and/or supervisor to work to correct these deficiencies to help preclude having similar findings in the future.

We will exercise more care and take corrective action, as appropriate, to ensure that: (1) teachers are either properly certified or, if teaching out of field, are timely approved by the School Board to do so and parents are notified of the teachers' out-of-field status; (2) the course schedules for ESE students are reported entirely in ESE; (3) ESE students are reported in accordance with their Matrix of Services forms; (4) ELL Committees document the consideration of at least two of the five criteria specified by State Board of Education Rule 6A-6.0902(2)(a)3., FAC, when recommending the students' ESOL placements; (5) students' ELL Student Plans identify all courses employing ESOL strategies; (6) the English language proficiency of students being considered for extension of their ESOL placements (beyond the initial 3-year base period) is assessed within 30 school days prior to the students' ESOL anniversary dates and ELL Committees are convened subsequent to these assessments but not later than the students' ESOL anniversary dates; (7) students in

Nikki Cummings, District I
David Buckles, District II
Sandra Gilyard, District III



Kathy Jorgensen, District IV
Jane Crawford, District V
Dr. Rick Surency, Superintendent

Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, appropriately signed, and retained in readily-accessible files; (8) reported instructional minutes for students in the Hospital and Homebound Program are based on the homebound instructors' contact logs and the time authorized on the students' IEPs; only students who are in membership during the survey week and in attendance at least 1 day of the 11-day survey window are reported for FEFP funding; (9) parents are timely notified of their children's ESOL placements; (10) FTE is appropriately stated for virtual education students' schedules (11) teachers earn their in-service training points in ESOL strategies on a timely basis as required by rule and the teachers' in-service training timelines.

Student Transportation:

The District will exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation are accurately reported; (2) only students who are eligible for transportation will be reported for State transportation funding; (3) bus drivers' reports accurately reflect the students riding their assigned buses; (4) students reported in the IDEA – PK through Grade 12, Weighted ridership category are appropriately documented as meeting one of the five criteria required for IDEA-Weighted classification as noted on the students' IEPs; (5) students are correctly reported in the appropriate ridership program, as well as the All Other FEFP Eligible Students ridership category; and (6) that students home addresses are kept up to date and accurate within the District's Student Information Management System.

As in previous years, we appreciate the service your office provides. It was a pleasure to work with your team during this audit.

Should you have any questions regarding the enclosed responses, please contact Mrs. Rhonda Odom, Chief Financial Officer, at (386)329-0513.

Sincerely,



Nikki Cummings, District I
David Buckles, District II
Sandra Gilyard, District III



Kathy Jorgensen, District IV
Jane Crawford, District V
Dr. Rick Surrency, Superintendent