

**OKALOOSA 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, Mary Beth Jackson served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Dr. Lamar White	1
Dewey E. Destin, Jr., Vice Chair	2
Rodney L. Walker	3
Catherine S. Thigpen, Chair	4
Melissa Thrush	5

The team leader was John Ray Speaks, Jr., 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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OKALOOSA COUNTY DISTRICT SCHOOL BOARD
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OKALOOSA COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

CMW	Class Minutes, Weekly
DEUSS	Date Entered United States School
DIT	Days in Term
ELL	English Language Learner
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
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 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 Okaloosa 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:

- 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	97	-	NA	19	-	NA
ESE Support Levels 4 and 5	128	2	2%	15	-	NA
Career Education 9-12	24	-	NA	3	-	NA
Totals	<u>249</u>	<u>2</u>		<u>37</u>	<u>-</u>	

Noncompliance related to the reported FTE student enrollment resulted in 33 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled negative 5.1759 (all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of negative 12.9785 (all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in 7 findings and a proposed net adjustment of negative 281 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 \$53,919 (negative 12.9785 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 Okaloosa 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 Okaloosa 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 42 schools other than charter schools, 3 charter schools, 2 cost centers, and 3 virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$92.5 million was provided through the FEFP to the District for the District-reported 30,183.38 unweighted FTE as recalibrated, which included 1,455.95 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 \$6.2 million for student transportation as part of the State funding through the FEFP.



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

INDEPENDENT AUDITOR'S REPORT

Report on Full-Time Equivalent Student Enrollment

We have examined the Okaloosa 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.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

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 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 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 Okaloosa 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

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.

examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, the material noncompliance mentioned above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in 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
September 25, 2017

SCHEDULE A

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

Reported FTE

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 Okaloosa County District School Board (District) reported to the Department of Education 30,183.38 unweighted FTE as recalibrated, which included 1,455.95 unweighted FTE as recalibrated for charter schools, at 42 District schools other than charter schools, 3 charter schools, 2 cost centers, 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 (50) consisted of the total number of brick and mortar schools and cost centers 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 (10,862) 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 19 of the 97 students in our ESOL test,² 15 of the 128 students in our ESE Support Levels 4 and 5 test,³ and 3 of the 24 students in our Career Education 9-12 test.⁴ Two (2 percent) of the 128 students in our ESE Support Levels 4 and 5 test attended charter schools and none of the 15 students with exceptions attended charter schools. Similarly, none of the students in our ESOL and Career Education 9-12 tests attended charter schools.

² For ESOL, the material noncompliance is composed of Findings 1, 7, 11, 12, 14, 15, 19, 27, and 28 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 3, 8, 9, 10, 20, 21, 22, 26, 30, and 31 on *SCHEDULE D*.

⁴ For Career Education 9-12, the material noncompliance is composed of Findings 19, 23, and 24 on *SCHEDULE D*.

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

Programs	Number of Schools		Number of Students at Schools Tested		Students With Exceptions	Recalibrated Unweighted FTE		Proposed Adjustments
	Population	Test	Population	Test		Population	Test	
Basic	48	14	8,634	153	4	23,392.3600	121.5185	15.1301
Basic with ESE Services	46	12	1,612	91	3	5,211.0200	83.7709	(1.6856)
ESOL	35	10	344	97	19	633.1000	76.4777	(15.6750)
ESE Support Levels 4 and 5	33	13	239	128	15	254.3900	105.6347	(1.9456)
Career Education 9-12	9	1	<u>33</u>	<u>24</u>	<u>3</u>	<u>692.5100</u>	<u>6.4365</u>	<u>(.9998)</u>
All Programs	50	16	<u>10,862</u>	<u>493</u>	<u>44</u>	<u>30,183.3800</u>	<u>393.8383</u>	<u>(5.1759)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (426, of which 419 are applicable to District schools other than charter schools and 7 are applicable to charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we selected 155 and found exceptions for 4 teachers. None of the 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.

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	5.8354	1.115	6.5065
102 Basic 4-8	9.5813	1.000	9.5813
103 Basic 9-12	(.2866)	1.005	(.2880)
111 Grades K-3 with ESE Services	.2451	1.115	.2733
112 Grades 4-8 with ESE Services	(1.3307)	1.000	(1.3307)
113 Grades 9-12 with ESE Services	(.6000)	1.005	(.6030)
130 ESOL	(15.6750)	1.180	(18.4965)
254 ESE Support Level 4	(1.5887)	3.613	(5.7400)
255 ESE Support Level 5	(.3569)	5.258	(1.8766)
300 Career Education 9-12	(.9998)	1.005	(1.0048)
Total	(5.1759)		(12.9785)

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>#0031</u>	<u>#0082</u>	<u>#0131</u>	
101 Basic K-3	.8506	.....	.....	.8506
102 Basic 4-8	1.7012	.3340	.....	2.0352
103 Basic 9-12	.....	.....	.....	.0000
111 Grades K-3 with ESE Services	.....	.....	.2228	.2228
112 Grades 4-8 with ESE Services	.....	(1.8340)	.....	(1.8340)
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(2.5518)	.....	(.2353)	(2.7871)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	(.0300)	.....	(.0300)
300 Career Education 9-12	.....	.....	.....	.0000
Total	<u>.0000</u>	<u>(1.5300)</u>	<u>(.0125)</u>	<u>(1.5425)</u>

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

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>				<u>Balance Forward</u>
		<u>#0241</u>	<u>#0271</u>	<u>#0431</u>	<u>#0601</u>	
101	.8506	.....	.....	2.4588	.....	3.3094
102	2.0352	.....	4.8316	.....	.....	6.8668
103	.0000	.....	.....	.....	(.2148)	(.2148)
111	.2228	.....	.....	.....	.....	.2228
112	(1.8340)	.....	(.4967)	.....	.....	(2.3307)
113	.0000	.....	.....	.....	(1.1000)	(1.1000)
130	(2.7871)	.....	(4.8316)	(2.4588)	(.3570)	(10.4345)
254	.0000	(.0664)	.....	.....	.....	(.0664)
255	(.0300)	(.0668)	(.0600)	.....	(.1400)	(.2968)
300	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.9998)</u>	<u>(.9998)</u>
Total	<u>(1.5425)</u>	<u>(.1332)</u>	<u>(.5567)</u>	<u>.0000</u>	<u>(2.8116)</u>	<u>(5.0440)</u>

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

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments (1)</u>				<u>Balance Forward</u>
		<u>#0671</u>	<u>#0681</u>	<u>#0731</u>	<u>#0801</u>	
101	3.3094	.....	2.5260	.....	.....	5.8354
102	6.8668	.....	2.7145	.....	.....	9.5813
103	(.2148)	.....	.....	.....	.....	(.2148)
111	.2228	.5225	.....	.....	(.5002)	.2451
112	(2.3307)	.....	.....	.....	1.0000	(1.3307)
113	(1.1000)	.....	.....	.....	.5000	(.6000)
130	(10.4345)	.....	(5.2405)	.....	.....	(15.6750)
254	(.0664)	(.5225)	.....	.....	(.9998)	(1.5887)
255	(.2968)	.....	.....	(.0601)	.....	(.3569)
300	<u>(.9998)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(.9998)</u>
Total	<u>(5.0440)</u>	<u>.0000</u>	<u>.0000</u>	<u>(.0601)</u>	<u>.0000</u>	<u>(5.1041)</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>#7023</u>	<u>Total</u>
101 Basic K-3	5.8354	.....	5.8354
102 Basic 4-8	9.5813	.....	9.5813
103 Basic 9-12	(.2148)	(.0718)	(.2866)
111 Grades K-3 with ESE Services	.2451	.....	.2451
112 Grades 4-8 with ESE Services	(1.3307)	.....	(1.3307)
113 Grades 9-12 with ESE Services	(.6000)	.....	(.6000)
130 ESOL	(15.6750)	.....	(15.6750)
254 ESE Support Level 4	(1.5887)	.....	(1.5887)
255 ESE Support Level 5	(.3569)	.....	(.3569)
300 Career Education 9-12	(.9998)	.....	(.9998)
Total	(5.1041)	(.0718)	(5.1759)

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 ESOL, ESE Support Levels 4 and 5, and Career Education 9-12, the Okaloosa 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, 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.

Annette P. Edwins Elementary School (#0031)

1. [Ref. 3101] Three ELL students were incorrectly reported in the ESOL Program. ELL Committees were convened timely. However, the Committees did not document at least two criteria specified in SBE Rule 6A-6.09022(3), FAC, to support the students' continued ESOL placements or indicate the Committee's conclusion as to whether to continue the students' ESOL placements. In addition, the English language assessment for one of the students was not completed 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:

101 Basic K-3	.8506	
102 Basic 4-8	1.7012	
130 ESOL	<u>(2.5518)</u>	<u>.0000</u>
		<u>.0000</u>

Findings

Clifford Meigs Middle School (#0082)

2. [Ref. 8201] The source attendance records for two students (one in our Basic test and one in our Basic with ESE Services test) were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

102 Basic 4-8	(.5000)	
112 Grades 4-8 with ESE Services	<u>(1.0000)</u>	(1.5000)

3. [Ref. 8202] One ESE student enrolled in the Hospital and Homebound Program was reported for more homebound instruction than was provided. We propose the following adjustment:

255 ESE Support Level 5	<u>(.0300)</u>	(.0300)
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4. [Ref. 8203] The file for one student in our Basic test, who was reported in both program Nos. 102 (Basic 4-8) and in program No. 112 (Grades 4-8 with ESE Services), did not contain an EP covering the 2015-16 school year. We propose the following adjustment:

102 Basic 4-8	.8340	
112 Grades 4-8 with ESE Services	<u>(.8340)</u>	.0000
		<u>(1.5300)</u>

Destin Elementary School (#0131)

5. [Ref. 13101] Our examination disclosed that a number of student course schedules were incorrectly reported. The daily instructional schedule provided by the School supported 1,575 instructional minutes and met the minimum reporting of CMW; however, the students' course schedules reported were not in agreement with the School's daily instructional schedule. Instructional minutes reported ranged from 1,485 to 1,605 CMW. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the number of instructional minutes established in the School's daily instructional schedule. Since most of the students were reported at only one school for the entire school year and the reported FTE was recalibrated to 1.0, this incorrect reporting does not affect their ultimate funding level. We present this disclosure finding with no proposed adjustment.

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Findings

Destin Elementary School (#0131) (Continued)

6. [Ref. 13102] One part-time ESE PK student was not in attendance during the October 2015 reporting survey period and should not have been reported for FEFP funding. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.0125)	(.0125)
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7. [Ref. 13103] The course schedule for one ESE student in our ESOL test incorrectly included a portion of the student's instructional time in Program No. 130 (ESOL). The course schedules of ESE students should be reported entirely in ESE. We propose the following adjustment:

111 Grades K-3 with ESE Services	.2353	
130 ESOL	(.2353)	.0000
		(.0125)

Silver Sands-Exceptional Children School (#0241)

8. [Ref. 24101] Two ESE students were scheduled to attend school for only 1,100 CMW (.3667 FTE per reporting survey period) in accordance with the students' IEPs; however, the students were reported for 1,200 CMW (i.e., .4000 FTE per reporting survey period). We propose the following adjustment:

254 ESE Support Level 4	(.0666)	
255 ESE Support Level 5	(.0666)	(.1332)

9. [Ref. 24102] One ESE student was not reported in accordance with the student's *Matrix of Services* form for the October 2015 and February 2016 reporting survey periods. We propose the following adjustment:

254 ESE Support Level 4	.5001	
255 ESE Support Level 5	(.5001)	.0000
254 ESE Support Level 4	(.4999)	
255 ESE Support Level 5	.4999	.0000
		(.1332)

Findings

W. C. Pryor Middle School (#0271)

10. [Ref. 27101] One ESE student enrolled in the Hospital and Homebound Program was reported for more homebound instruction than was provided in the October 2015 reporting survey period. In addition, the physician's statement on the *Hospital and Homebound Medical Referral Form* covering the February 2016 reporting survey period did not adequately document the student's need for homebound instruction. We propose the following adjustment:

112 Grades 4-8 with ESE Services	(.4967)	
255 ESE Support Level 5	(.0600)	(.5567)

11. [Ref. 27102] The *ELL Student Plan (Plan)* for one student enrolled in the ESOL Program was not dated and was incomplete. We were unable to determine when the *Plan* was reviewed and updated for the 2015-16 school year and the course schedule supporting the courses that would employ ESOL strategies was not made a part of the student's *Plan* until after the reporting survey periods. We propose the following adjustment:

102 Basic 4-8	.6664	
130 ESOL	(.6664)	.0000

12. [Ref. 27103/04/05] The *Plans* for five students enrolled in the ESOL Program were incomplete as the course schedules supporting the courses that would employ ESOL strategies were not made a part of the students' *Plans* (two students – Ref. 27103/05) or not made part of the *Plans* until after the reporting survey periods (three students – Ref. 27104). We propose the following adjustments:

<u>Ref. 27103</u>		
102 Basic 4-8	.8330	
130 ESOL	(.8330)	.0000

<u>Ref. 27104</u>		
102 Basic 4-8	1.8328	
130 ESOL	(1.8328)	.0000

<u>Ref. 27105</u>		
102 Basic 4-8	.6664	
130 ESOL	(.6664)	.0000

Findings

W. C. Pryor Middle School (#0271) (Continued)

13. [Ref. 27171] One teacher was not properly certified to teach Primary Language Arts to classes that included ELL students and was not approved by the School Board to teach such students out of field until January 21, 2016, which was after the October 2015 reporting survey period. We also noted that the students' parents were not notified of the teacher's out-of-field status in ESOL and English. We propose the following adjustment:

102 Basic 4-8	.8330	
130 ESOL	<u>(.8330)</u>	<u>.0000</u>
		<u>(.5567)</u>

Shalimar Elementary School (#0431)

14. [Ref. 43101] An ELL Committee was not convened by October 1 to consider one student's continued ESOL placement beyond 3 years from the student's DEUSS. We propose the following adjustment:

101 Basic K-3	.8616	
130 ESOL	<u>(.8616)</u>	<u>.0000</u>

15. [Ref. 43102] The *ELL Student Plan* for one student enrolled in the ESOL Program was incomplete as the courses that would employ ESOL strategies were not indicated. We propose the following adjustment:

101 Basic K-3	.8616	
130 ESOL	<u>(.8616)</u>	<u>.0000</u>

16. [Ref. 43171/72] The parents of ELL students taught by two out-of-field teachers were not notified of the teachers' out-of-field status in ESOL (Ref. 43171) or not until February 8, 2016, which was after the October 2015 reporting survey period (Ref. 43172). We also noted that one of these teachers (Ref. 43172) was not properly certified to teach Primary Language Arts to classes that included ELL students and was not approved by the School Board to teach such students out of field until January 21, 2016, which was after the October 2015 reporting survey period. We propose the following adjustments:

<u>Ref. 43171</u>		
101 Basic K-3	.1846	
130 ESOL	<u>(.1846)</u>	<u>.0000</u>

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Shalimar Elementary School (#0431) (Continued)

Ref. 43172

101 Basic K-3

.5510

130 ESOL

(.5510)

.0000

.0000

Crestview High School (#0601)

17. [Ref. 60101] One Basic student withdrew from school prior to the reporting survey period; consequently, the student should not have been reported for FEFP funding. We propose the following adjustment:

103 Basic 9-12

(.4288)

300 Career Education 9-12

(.0714)

(.5002)

18. [Ref. 60102] The file for one ESE student did not contain an EP covering the 2015-16 school year. We propose the following adjustment:

103 Basic 9-12

1.0000

113 Grades 9-12 with ESE Services

(1.0000)

.0000

19. [Ref. 60103] The source attendance records for two students (one in our ESOL test and one in our Career Education 9-12 test) were not available at the time of our examination and could not be subsequently located. In addition, there were no timecards on file to support the Career Education 9-12 student's participation in OJT. We propose the following adjustment:

103 Basic 9-12

(.7860)

130 ESOL

(.3570)

300 Career Education 9-12

(.3570)

(1.5000)

20. [Ref. 60104] One student in our ESE Support Levels 4 and 5 test was reported for more homebound instruction than was provided. We propose the following adjustment:

113 Grades 9-12 with ESE Services

(.2400)

(.2400)

21. [Ref. 60105] One ESE student enrolled in the Hospital and Homebound Program was reported for more homebound instruction than was provided. We propose the following adjustment:

255 ESE Support Level 5

(.0200)

(.0200)

Findings

Crestview High School (#0601) (Continued)

22. [Ref. 60106] The physicians' statements on the *Hospital and Homebound Medical Referral Forms* of three ESE students did not adequately document either the need for homebound instruction or an anticipated duration of the students' medical condition or prognosis. In addition, the weekly instructional time was underreported by 1 hour for one of the students. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.1400	
255 ESE Support Level 5	<u>(.1200)</u>	.0200

23. [Ref. 60107] The timecards for one Career Education 9-12 student who participated in OJT were not signed by the student's employer. We propose the following adjustment:

300 Career Education 9-12	<u>(.5000)</u>	(.5000)
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24. [Ref. 60108] The timecard for one Career Education 9-12 student who participated in OJT was not available at the time of our examination and could not be subsequently located. We determined that the student was unemployed during the reporting survey period. We propose the following adjustment:

300 Career Education 9-12	<u>(.0714)</u>	(.0714)
		<u>(2.8116)</u>

Addie R. Lewis School (#0671)

25. [Ref. 67101] Our examination disclosed that ten of the elementary school students' course schedules in our test were incorrectly reported. The daily instructional schedule provided by the School supported 1,610 instructional minutes and met the minimum reporting of CMW; however, the students' course schedules reported were not in agreement with the School's daily instructional schedule. Instructional minutes reported ranged from 1,600 to 1,750 CMW. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the number of instructional minutes established in the School's daily instructional schedule. Since most of the students were reported at only one school for the entire school year and the reported FTE was recalibrated to 1.0, this incorrect reporting does not affect their ultimate funding level. We present this disclosure finding with no proposed adjustment.

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Findings

Addie R. Lewis School (#0671) (Continued)

26. [Ref. 67102] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

111 Grades K-3 with ESE Services	.5225	
254 ESE Support Level 4	<u>(.5225)</u>	<u>.0000</u>
		<u>.0000</u>

Longwood Elementary School (#0681)

27. [Ref. 68101] Five ELL students were incorrectly reported in the ESOL Program. ELL Committees were convened timely; however, the Committees did not document at least two criteria specified in SBE Rule 6A-6.09022(3), FAC, to support the students' continued ESOL placements or indicate the Committee's conclusion as to whether to continue the students' ESOL placements. We propose the following adjustment:

101 Basic K-3	2.5260	
102 Basic 4-8	1.7144	
130 ESOL	<u>(4.2404)</u>	<u>.0000</u>

28. [Ref. 68102] One ELL student was incorrectly reported in the ESOL Program. The student was exited from the ESOL Program on August 28, 2013. We propose the following adjustment:

102 Basic 4-8	.4286	
130 ESOL	<u>(.4286)</u>	<u>.0000</u>

29. [Ref. 68171] One teacher was not properly certified to teach classes that included ELL students and was not approved by the School Board to teach such students out of field. We also noted that the students' parents were not notified of the teacher's out-of-field status in ESOL until March 9, 2016, which was after the February 2016 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.5715	
130 ESOL	<u>(.5715)</u>	<u>.0000</u>
		<u>.0000</u>

Walker Elementary School (#0731)

30. [Ref. 73101] One ESE student enrolled in the Hospital and Homebound Program was not provided homebound instruction until after the October 2015 reporting survey period. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Walker Elementary School (#0731) (Continued)

255 ESE Support Level 5	(.0601)	(.0601)
		(.0601)

Richbourg School (#0801)

31. [Ref. 80101] Three ESE students were not reported in accordance with the students' *Matrix of Services* forms. We propose the following adjustment:

111 Grades K-3 with ESE Services	(.5002)	
112 Grades 4-8 with ESE Services	1.0000	
113 Grades 9-12 with ESE Services	.5000	
254 ESE Support Level 4	(.9998)	.0000
		.0000

Okaloosa Online Non Franchised (#7023)

32. [Ref. 702301] One virtual education student in our Basic test did not meet the eligibility requirements to participate in a virtual instruction program. We propose the following adjustment:

103 Basic 9-12	(.0718)	(.0718)
		(.0718)

Liza Jackson Preparatory School (#9807) Charter School

33. [Ref. 980701] Our examination disclosed that the students' course schedules were incorrectly reported. The daily instructional schedule provided by the School supported varying instructional minutes (1,825 CMW for elementary school and, depending on the grade level, 1,635 to 1,730 CMW for middle school) and met the minimum reporting of CMW; however, the students' course schedules reported were not in agreement with the School's daily instructional schedule (elementary school students) and the School's bell schedule (middle school students). The School reported 1,770 CMW for elementary school students and 1,750 CMW for middle school students. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the number of instructional minutes established in the School's bell schedule. Since most of the students were reported at only one school for
(Finding Continues on Next Page)

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Liza Jackson Preparatory School (#9807) Charter School (Continued)

the entire school year and the reported FTE was recalibrated to 1.0, this incorrect reporting does not affect their ultimate funding level. We present this disclosure Finding with no proposed adjustment.

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Proposed Net Adjustment

(5.1759)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Okaloosa County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in agreement with the Schools' daily instructional or bell schedules; (2) only students who are in membership and in attendance at least 1 day during the reporting survey period are reported for FEFP funding; (3) students' EPs are reviewed and updated timely and are maintained in the students' files; (4) *ELL Student Plans* are prepared timely, include the instructional programs and courses that are to employ ESOL strategies, and are maintained in the students' files; (5) the English language proficiency of students being considered for continuation of their ESOL placements (beyond the 3-year base period) is assessed by October 1 if students' DEUSS falls within the first 2 weeks of the school year or within 30 school days prior to the students' DEUSS anniversary dates, and ELL Committees are timely convened subsequent to these assessments and document at least two criteria specified in SBE Rule 6A-6.09022(3), FAC; (6) ELL students that have been exited from the ESOL Program are not reported in that Program; (7) students are reported in the proper funding categories for the correct amount of FTE and adequate documentation is retained to support that reporting, particularly with regard to students in ESE Programs; (8) ESE students are reported in accordance with the students' *Matrix of Services* forms; (9) students enrolled in a Hospital and Homebound Program are reported for the Program's services based on the itinerant teachers' (homebound instructors') contact logs, scheduled by the students' IEPs, and supported by a medical need as evidenced by a physician's statement; (10) students in Career Education 9-12 who participate in OJT are gainfully employed, reported in accordance with timecards that are accurately completed, signed, are reported in properly defined OJT courses, and all supporting documentation is retained in readily-accessible files; (11) students meet eligibility requirements prior to enrollment in virtual instruction programs; (12) teachers are appropriately certified or, if teaching out of field, are timely approved by the District or Charter School Board to teach out of field; and (13) parents are appropriately notified of teachers' out-of-field status.

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 Okaloosa 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 Okaloosa 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 Okaloosa 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 42 schools other than charter schools, 3 charter schools, 2 cost centers, and 3 virtual education cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2016, State funding totaling \$92.5 million was provided through the FEFP to the District for the District-reported 30,183.38 unweighted FTE as recalibrated, which included 1,455.95 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. Annette P. Edwins Elementary School	1
2. Clifford Meigs Middle School	2 through 4
3. Destin Elementary School	5 through 7
4. Silver Sands – Exceptional Children School	8 and 9
5. W. C. Pryor Middle School	10 through 13
6. Shalimar Elementary School	14 through 16
7. James E. Plew Elementary School	NA
8. Crestview High School	17 through 24
9. Addie R. Lewis School	25 and 26
10. Longwood Elementary School	27 through 29
11. Walker Elementary School	30
12. Richbourg School	31
13. Okaloosa Virtual Instruction Program	NA
14. Okaloosa Virtual Instruction (Course Offerings)	NA
15. Okaloosa Online Non Franchised	32
16. Liza Jackson Preparatory School*	33

* Charter School



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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 Student Transportation

We have examined the Okaloosa 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.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

In our opinion, the Okaloosa 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 weaknesses⁵ 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.

⁵ 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
September 25, 2017

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Okaloosa 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 (448) 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 (27,795) 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	26
Hazardous Walking	1,398
IDEA – PK through Grade 12, Weighted	1,745
All Other FEFP Eligible Students	<u>24,626</u>
Total	<u>27,795</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of DIT, 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.	(1)	-	-
Our tests included 435 of the 27,795 students reported as being transported by the District.	-	17	(14)
In conjunction with our general tests of student transportation we identified certain issues related to 267 additional students.	-	<u>267</u>	<u>(267)</u>
Total	<u>(1)</u>	<u>284</u>	<u>(281)</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 Okaloosa 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

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] The number of buses in operation was overstated by one bus in the October 2015 reporting survey period. A bus that only transported a courtesy rider was incorrectly included in the count. We propose the following adjustment:

October 2015 Survey

Number of Buses in Operation	(1)	0
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2. [Ref. 52] The number of DIT were incorrectly reported for students attending a Department of Juvenile Justice Program. The students were reported for 29 and 22 DIT in the July 2015 and June 2016 reporting survey periods rather than 31 and 29 DIT, respectively, in accordance with the School's summer calendar. We propose the following adjustments:

**Students
Transported
Proposed Net
Adjustments**

		Students Transported Proposed Net Adjustments	
<u>Findings</u>			
July 2015 Survey			
<u>31 Days in Term</u>			
All Other FEFP Eligible Students	12		
<u>29 Days in Term</u>			
All Other FEFP Eligible Students	(12)		
June 2016 Survey			
<u>29 Days in Term</u>			
All Other FEFP Eligible Students	14		
<u>22 Days in Term</u>			
All Other FEFP Eligible Students	(14)	0	
3. [Ref. 53/57] Our general tests disclosed that 278 students (11 students were in our test) lived less than 2 miles from their assigned schools, and were not otherwise eligible for State transportation funding. We propose the following adjustments:			
Ref. 53			
October 2015 Survey			
<u>90 Days in Term</u>			
All Other FEFP Eligible Students	(141)		
February 2016 Survey			
<u>90 Days in Term</u>			
All Other FEFP Eligible Students	(126)	(267)	
Ref. 57			
February 2016 Survey			
<u>90 Days in Term</u>			
All Other FEFP Eligible Students	(11)	(11)	
4. [Ref. 54] One student in our test did not have a matching demographic record in the State FTE database. In addition, the student was not marked as riding the bus during the June 2016 reporting survey period and the student’s IEP did not authorize extended school year services. We propose the following adjustment:			
June 2016 Survey			
<u>9 Days in Term</u>			
IDEA - PK through Grade 12, Weighted	(1)	(1)	

Findings

5. [Ref. 55] Two students in our test were indicated as in attendance for only 1 day of the February 2016 reporting survey period; however, the transportation records demonstrated that the students were not marked as riding the bus on this day. Consequently, we could not determine that these students had been provided transportation during the reporting survey period and should not have been reported for State transportation funding. We propose the following adjustment:

February 2016 Survey

90 Days in Term

All Other FEFP Eligible Students	(2)	(2)
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6. [Ref. 56] Two students in our test were incorrectly reported in the Hazardous Walking ridership category. The students lived 2 miles or more from their assigned school and should have been reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2015 Survey

90 Days in Term

Hazardous Walking	(2)	
All Other FEFP Eligible Students	<u>2</u>	0

7. [Ref. 58] One student in our test was incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category. The student's IEP did not indicate that the student met at least one of the five criteria required for reporting in that ridership category. However, we determined that the student was eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

February 2016 Survey

90 Days in Term

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

Proposed Net Adjustment		<u>(281)</u>
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SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Okaloosa County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) Transportation and Management Information System management review the applicable transportation databases for completeness and accuracy to ensure that all students are reported in the correct ridership categories, all students have matching demographics to support the students' proper enrollment and eligibility for State transportation funding, and proper documentation is on file to support that reporting; (2) the number of buses used to transport students and the number of DIT are accurately reported in accordance with the DIT as supported by the schools' summer calendars; (3) only those students who are documented as enrolled in school during the applicable reporting survey period and recorded on bus drivers' reports as having been transported by the District at least 1 day during the reporting survey period are reported for State transportation funding; (4) students reported in IDEA – PK through Grade 12, Weighted ridership category are documented as meeting one of the five criteria required for reporting in a weighted ridership category as noted on the students' IEPs; (5) only students who live less than 2 miles from their assigned school and cross a designated hazardous walking location are reported in the Hazardous Walking ridership category; and (6) the distance from home to school is verified as being 2 miles or more prior to reporting students in the All Other FEFP Eligible Students ridership category.

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 Okaloosa County

For the fiscal year ended June 30, 2016, the District received \$6.2 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	23	160
October 2015	201	13,697
February 2016	200	13,776
June 2016	<u>24</u>	<u>162</u>
Totals	<u>448</u>	<u>27,795</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

SCHOOL DISTRICT OF OKALOOSA COUNTY

SUPERINTENDENT OF SCHOOLS
MARY BETH JACKSON

ATTORNEY TO THE BOARD
C. JEFFREY McINNIS, Esq.



BOARD MEMBERS
TIM BRYANT
DEWEY DESTIN
MELISSA THRUSH
RODNEY L. WALKER
LAMAR WHITE

September 25, 2017

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

Dear Ms. Norman;

The School Board of Okaloosa County submits this letter in response to the Auditor General's Preliminary Report of the Florida Education Finance Program for the 2015-2016 school year. We have received and reviewed the findings contained in this tentative report and agree with the findings as noted and have begun implementing the corrective action necessary to remedy them.

We continue to seek guidance from the Florida Department of Education that will bring the documentation of our ESOL students into compliance and ensure that schools' personnel are aware of the established guidelines in Rule and Statute. Since the conclusion of the 2016 audit two separate trainings as well as monthly meetings have been held to facilitate communication between the ESOL district representative and schools. In addition, during the 2017 school year the district implemented and continues to use ELLevation, a software program aimed at reducing common mistakes and oversights in ELL documentation by providing real time feedback to schools.

In addition, the district has reviewed its practices for providing Hospital Homebound Instruction to include obtaining clarification from doctors when necessary to better understand the students' need for and duration of this instruction.

Finally, for the 2018 school year, the school district will examine the process used to determine student eligibility for transportation funding and all transportation reporting. We will revise these processes to include less opportunity for human error and ensure that all personnel understand the requirements as set forth by statute and state board rule.

To address the remaining findings of the audit, schools administrators have been met with individually to review their findings and develop corrective action to ensure accurate reporting of teacher certification, maintenance of attendance source documentation and other pertinent FTE information. In addition, the school district will continue to offer one-on-one training and workshops to bolster data entry accuracy in the future. As we continue to examine the report and its recommendations, further corrective actions will be initiated in an effort to avoid such findings in the future.

The School District of Okaloosa County appreciates the thorough and professional manner in which the audit was conducted and the assistance provided by the auditor. We appreciate the opportunity for improvement and will continue to evaluate processes for "best practices" to insure compliance with all the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Please do not hesitate to contact me at 850-833-3110 if you have any questions or if we can provide further information.

Sincerely,


Mary Beth Jackson
Superintendent of Schools

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