

Report No. 2018-031
November 2017

STATE OF FLORIDA AUDITOR GENERAL

Attestation Examination

**HERNANDO 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, Dr. Lori M. Romano served as Superintendent and the following individuals served as Board members:

<u>Board Member</u>	<u>District No.</u>
Mark C. Johnson	1
Matthew A. Foreman, Chair from 11-17-15 Vice Chair to 11-16-15	2
Beth Narverud, Vice Chair from 11-17-15	3
Gustave "Gus" Guadagnino, Chair to 11-16-15	4
Susan Duval	5

The team leader was Joel Pierre, 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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HERNANDO COUNTY DISTRICT SCHOOL BOARD
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HERNANDO COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

CMW	Class Minutes, Weekly
DEUSS	Date Entered United States School
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
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 and ESE Support Levels 4 and 5, the Hernando 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 11 of the 103 teachers in our test. None of the teachers in our test 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 for 36 of the 72 students in our ESOL test and 13 of the 85 students in our ESE Support Levels 4 and 5 test. None of the students in our ESOL and ESE Support Levels 4 and 5 tests attended charter schools.

Noncompliance related to the reported FTE student enrollment resulted in 27 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to negative 8.9113 (all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of negative 39.0882. Noncompliance related to student transportation resulted in 7 findings and a proposed net adjustment of negative 8 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 \$162,390 (negative 39.0882 times \$4,154.45), all of which is applicable to District schools other than charter schools.

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

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

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Hernando 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 Hernando County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had 25 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 \$83.9 million was provided through the FEFP to the District for the District-reported 22,104.97 unweighted FTE as recalibrated, which included 361.55 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 \$4.7 million for student transportation as part of the State funding through the FEFP.

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Auditor General

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

INDEPENDENT AUDITOR'S REPORT

Report on Full-Time Equivalent Student Enrollment

We have examined the Hernando 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 teachers and students in our English for Speakers of Other Languages and Exceptional Student Education Support Levels 4 and 5 tests involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located.

In our opinion, except for the material noncompliance with State requirements 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 and Exceptional Student Education Support Levels 4 and 5, the Hernando 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 teacher certification and reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for students in English for Speakers of Other Languages and Exceptional Student Education Support Levels 4 and 5. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported 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
October 30, 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 Hernando County District School Board (District) reported to the Department of Education 22,104.97 unweighted FTE as recalibrated, which included 361.55 unweighted FTE as recalibrated for charter schools, at 25 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 (31) 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 (10,353) consisted of the total number of students in each program at the schools and cost centers in our tests.

We noted the following material noncompliance: exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 36 of the 72 students in our ESOL test² and 13 of the 85 students in our ESE Support Levels 4 and 5 test.³ None of the 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:

Programs	Number of Schools		Number of Students at Schools Tested		Students With	Recalibrated Unweighted FTE		Proposed Adjustments
	Population	Test	Population	Test	Exceptions	Population	Test	
Basic	31	10	8,708	112	2	17,605.2500	83.0825	12.4007
Basic with ESE Services	31	10	1,313	78	2	3,393.8400	53.8147	9.6758
ESOL	24	7	217	72	36	362.2800	46.4937	(20.5399)
ESE Support Levels 4 and 5	22	6	115	85	13	201.9400	72.8555	(10.4479)
Career Education 9-12	0	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>541.6600</u>	<u>.0000</u>	<u>.0000</u>
All Programs	31	10	<u>10,353</u>	<u>347</u>	<u>53</u>	<u>22,104.9700</u>	<u>256.2464</u>	<u>(8.9113)</u>

² For ESOL, the material noncompliance is composed of Findings 1, 4, 5, 8, 9, 12, 13, 14, 18, 19, 20, 25 and 26 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 3, 6, 10, 15, and 21 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (320, all applicable to District 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 11 of the 103 teachers in our test.⁴ None of the teachers in our test 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.

⁴ For teachers, the material noncompliance is composed of Findings 2, 7, 16, 17, 22 and 23 on *SCHEDULE D.*

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	(.8333)	1.115	(.9291)
102 Basic 4-8	7.4504	1.000	7.4504
103 Basic 9-12	5.7836	1.005	5.8125
111 Grades K-3 with ESE Services	7.0061	1.115	7.8118
112 Grades 4-8 with ESE Services	2.7501	1.000	2.7501
113 Grades 9-12 with ESE Services	(.0804)	1.005	(.0808)
130 ESOL	(20.5399)	1.180	(24.2371)
254 ESE Support Level 4	(10.4979)	3.613	(37.9289)
255 ESE Support Level 5	.0500	5.258	.2629
Total	<u>(8.9113)</u>		<u>(39.0882)</u>

Notes: (1) See NOTE A7.

(2) These proposed net adjustments are for unweighted FTE. (See *SCHEDULE C*.)

(3) Weighted adjustments to the FTE are presented for illustrative purposes only. The weighted adjustments to the FTE do not take special program caps or allocation factors into consideration and are not intended to indicate the FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. (See NOTE A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT STUDENT ENROLLMENT

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments (1)</u>			<u>Balance Forward</u>
	<u>#0161</u>	<u>#0171</u>	<u>#0261</u>	
101 Basic K-3	1.1752	.....	4.7738	5.9490
102 Basic 4-8	.4178	.....	1.1644	1.5822
103 Basic 9-12	.....	.....	.....	.0000
111 Grades K-3 with ESE Services	.....	.4979	3.5000	3.9979
112 Grades 4-8 with ESE Services	.....	.....	1.0000	1.0000
113 Grades 9-12 with ESE Services	.....	.....	.....	.0000
130 ESOL	(1.5930)	.....	(5.9382)	(7.5312)
254 ESE Support Level 4	.....	(.4979)	(4.5000)	(4.9979)
255 ESE Support Level 5	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.0000</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.)

No.	Brought Forward	<u>Proposed Adjustments (1)</u>				Balance Forward
		<u>#0321</u>	<u>#0381</u>	<u>#0391</u>	<u>#7004</u>	
101	5.9490	(7.5796)	.7973	.....	.....	(.8333)
102	1.5822	1.6712	3.9471	.....	.2499	7.4504
103	.0000	.....	.....	5.6293	.....	5.6293
111	3.9979	.5082	2.5000	.....	.....	7.0061
112	1.0000	.....	2.0000	.....	(.2499)	2.7501
113	.0000	.....	.....	.....	.....	.0000
130	(7.5312)	(2.4932)	(4.7444)	(5.6293)	.....	(20.3981)
254	(4.9979)	(1.0000)	(4.5000)	.....	.....	(10.4979)
255	<u>.0000</u>	<u>.....</u>	<u>.....</u>	<u>.0500</u>	<u>.....</u>	<u>.0500</u>
Total	<u>.0000</u>	<u>(8.8934)</u>	<u>.0000</u>	<u>.0500</u>	<u>.0000</u>	<u>(8.8434)</u>

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

Proposed Adjustments (1)

<u>No. Program</u>	<u>Brought Forward</u>	<u>#7006</u>	<u>Total</u>
101 Basic K-3	(.8333)	.....	(.8333)
102 Basic 4-8	7.4504	.....	7.4504
103 Basic 9-12	5.6293	.1543	5.7836
111 Grades K-3 with ESE Services	7.0061	.....	7.0061
112 Grades 4-8 with ESE Services	2.7501	.....	2.7501
113 Grades 9-12 with ESE Services	.0000	(.0804)	(.0804)
130 ESOL	(20.3981)	(.1418)	(20.5399)
254 ESE Support Level 4	(10.4979)	.....	(10.4979)
255 ESE Support Level 5	<u>.0500</u>	<u>.....</u>	<u>.0500</u>
Total	<u>(8.8434)</u>	<u>(.0679)</u>	<u>(8.9113)</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 and ESE Support Levels 4 and 5, the Hernando 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.

Westside Elementary School (#0161)

1. [Ref. 16102] The *ELL Student Plans (Plans)* were incomplete for three students as the course schedules identifying which courses were to employ ESOL strategies were not made part of the *Plans* until after the applicable reporting survey periods. Also, an ELL Committee was not convened by October 1 to consider one of the student's continued ESOL placement beyond 3 years from the student's DEUSS. We propose the following adjustment:

101 Basic K-3	.8328	
102 Basic 4-8	.4178	
130 ESOL	<u>(1.2506)</u>	.0000

2. [Ref. 16170] 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 propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Westside Elementary School (#0161) (Continued)

101 Basic K-3	.3424	
130 ESOL	(.3424)	<u>.0000</u>
		<u>.0000</u>

Eastside Elementary School (#0171)

3. [Ref. 17101] 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	.4979	
254 ESE Support Level 4	(.4979)	<u>.0000</u>
		<u>.0000</u>

Deltona Elementary School (#0261)

4. [Ref. 26101] The *ELL Student Plans (Plans)* were incomplete for seven students as the course schedules identifying which courses were to employ ESOL strategies were not made part of the *Plans* until after the October 2015 reporting survey period. We propose the following adjustment:

101 Basic K-3	2.9246	
130 ESOL	(2.9246)	<u>.0000</u>

5. [Ref. 26102] ELL Committees were not convened by October 1 to consider two students' continued ESOL placements beyond 3 years from the students' DEUSS anniversary dates. For one of the students, the English language proficiency was not assessed within 30 school days and the *ELL Student Plan (Plan)* was incomplete as the course schedule identifying which courses were to employ ESOL strategies was not made part of the *Plan* until after the October 2015 reporting survey period. We propose the following adjustment:

101 Basic K-3	.8356	
102 Basic 4-8	.8356	
130 ESOL	(1.6712)	<u>.0000</u>

6. [Ref. 26103] Five 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	3.5000	
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	(4.5000)	<u>.0000</u>

Findings

Deltona Elementary School (#0261) (Continued)

7. [Ref. 26171/72/73/74] Four 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 (one teacher was approved on January 26, 2016, which was after the October 2015 reporting survey period [Ref. 26173]) to teach such students out of field. We also noted that the parents of the students were not notified of the teachers' out-of-field status (notifications for two teachers were made on January 26, 2016, which was after the October 2015 reporting survey period [Ref. 26171/73]), and one of the teachers (Ref. 26171) had earned only 120 of the 300 in-service training points in ESOL strategies required by SBE Rule 6A-6.0503(4)(b)2., FAC, and the teacher's in-service training timeline. We propose the following adjustments:

<u>Ref. 26171</u>			
102 Basic 4-8	.3288		
130 ESOL	<u>(.3288)</u>		.0000
 <u>Ref. 26172</u>			
101 Basic K-3	.1644		
130 ESOL	<u>(.1644)</u>		.0000
 <u>Ref. 26173</u>			
101 Basic K-3	.1644		
130 ESOL	<u>(.1644)</u>		.0000
 <u>Ref. 26174</u>			
101 Basic K-3	.6848		
130 ESOL	<u>(.6848)</u>		<u>.0000</u>
			<u>.0000</u>

Suncoast Elementary School (#0321)

8. [Ref. 32101] The *ELL Student Plans (Plans)* were incomplete for two students as the course schedules identifying which courses were to employ ESOL strategies were not made part of the *Plans* until after the applicable reporting survey periods. We propose the following adjustment:

102 Basic 4-8	.8356		
130 ESOL	<u>(.8356)</u>		.0000

9. [Ref. 32102] One ELL student's English language proficiency was not assessed within 30 school days prior to the student's DEUSS. We propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Suncoast Elementary School (#0321) (Continued)

102 Basic 4-8	.8356	
130 ESOL	<u>(.8356)</u>	.0000

10. [Ref. 32103] 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	1.0000	
254 ESE Support Level 4	<u>(1.0000)</u>	.0000

11. [Ref. 32104] The source attendance records for one 3rd grade teacher's class with 18 students (2 students were in our test) in the February 2016 reporting survey period were not available at the time of our examination and could not be subsequently located. School management indicated that classroom teachers complete attendance daily by indicating student absences on a class roster manually and attest to the accuracy of the attendance by signing and dating the rosters. These rosters are then recorded in the District's Student Information System, Total Educational Resource Management System, by the School's Data Entry Clerk. However, we were unable to review the source attendance for one 3rd grade teacher's class; consequently, the attendance for the 18 students in that teacher's class could not be validated. We propose the following adjustment:

101 Basic K-3	(7.5796)	
111 Grades K-3 with ESE Services	(.4918)	
130 ESOL	<u>(.8220)</u>	<u>(8.8934)</u>
		<u>(8.8934)</u>

Explorer K-8 (#0381)

12. [Ref. 38101] The *ELL Student Plans (Plans)* were incomplete for four students as course schedules identifying which courses were to employ ESOL strategies were not made part of the *Plans* until after the applicable reporting survey periods. We also noted that an ELL Committee for one of the students was not convened within 30 school days prior to the student's DEUSS anniversary date to consider the student's continued ESOL placement beyond 3 years from the student's DEUSS. We propose the following adjustment:

101 Basic K-3	.7973	
102 Basic 4-8	.9169	
130 ESOL	<u>(1.7142)</u>	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Explorer K-8 (#0381) (Continued)

13. [Ref. 38102] Two ELL students were beyond the maximum 6-year period allowed for State funding of ESOL. We propose the following adjustment:

102 Basic 4-8	1.5190	
130 ESOL	<u>(1.5190)</u>	.0000

14. [Ref. 38103] The file for one ELL student did not contain evidence that the student’s parents had been notified of the student’s ESOL placement. We propose the following adjustment:

102 Basic 4-8	1.0000	
130 ESOL	<u>(1.0000)</u>	.0000

15. [Ref. 38104] Five 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	2.5000	
112 Grades 4-8 with ESE Services	2.0000	
254 ESE Support Level 4	<u>(4.5000)</u>	.0000

16. [Ref. 38170] One teacher taught a Basic subject area class 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 teacher’s in-service training timeline. We propose the following adjustment:

102 Basic 4-8	.5112	
130 ESOL	<u>(.5112)</u>	.0000
		<u>.0000</u>

Weeki Wachee High School (#0391)

17. [Ref. 39170] One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the student were not notified of the teacher’s out-of-field status until February 3, 2016, which was after the October 2015 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.0705	
130 ESOL	<u>(.0705)</u>	.0000

Findings

Weeki Wachee High School (#0391) (Continued)

18. [Ref. 39101] The *ELL Student Plans (Plans)* were incomplete for seven students as the course schedules identifying which courses were to employ ESOL strategies were not made part of the *Plans* until after the applicable reporting survey periods. We propose the following adjustment:

103 Basic 9-12	2.2269	
130 ESOL	<u>(2.2269)</u>	.0000

19. [Ref. 39102] Three ELL students were beyond the maximum 6-year period allowed for State funding of ESOL. We also noted that the *ELL Student Plan (Plan)* for one of these students was incomplete as the course schedule identifying which courses were to employ ESOL strategies was not made part of the *Plan* covering the October 2015 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.9239	
130 ESOL	<u>(.9239)</u>	.0000

20. [Ref. 39103] ELL Committees were not convened by October 1 to consider two students' continued ESOL placements beyond 3 years from the students' DEUSS. We propose the following adjustment:

103 Basic 9-12	.8527	
130 ESOL	<u>(.8527)</u>	.0000

21. [Ref. 39104] The number of homebound instructional minutes for one ESE student enrolled in the Hospital and Homebound Program was underreported. The student was reported for 60 instructional CMW;; however, the homebound teacher's contact logs indicated that the student received 180 instructional CMW and as scheduled in the student's IEP. We propose the following adjustment:

255 ESE Support Level 5	<u>.0500</u>	.0500
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22. [Ref. 39171/72/74] Three 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. 39171</u>		
103 Basic 9-12	.2115	
130 ESOL	<u>(.2115)</u>	.0000

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Weeki Wachee High School (#0391) (Continued)

<u>Ref. 39172</u>		
103 Basic 9-12	.9551	
130 ESOL	<u>(.9551)</u>	.0000
<u>Ref. 39174</u>		
103 Basic 9-12	.3020	
130 ESOL	<u>(.3020)</u>	.0000

23. [Ref. 39173] 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 students were not notified of the teacher’s out-of-field status until February 3, 2016, which was after the October 2015 reporting survey period, and the teacher had earned only 120 of the 240 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 adjustment:

103 Basic 9-12	.0867	
130 ESOL	<u>(.0867)</u>	<u>.0000</u>
		<u>.0500</u>

Hernando ESchool Virtual Franchise (#7004)

24. [Ref. 700401] The file for one virtual education student in our Basic with ESE Services test did not contain an EP that was valid during the October 2015 and February 2016 reporting survey periods. We propose the following adjustment:

102 Basic 4-8	.2499	
112 Grades 4-8 with ESE Services	<u>(.2499)</u>	<u>.0000</u>
		<u>.0000</u>

Hernando Virtual Instruction (Course Offerings (#7006)

25. [Ref. 700601] One virtual education student in our ESOL test did not receive a passing grade for one virtual education course; therefore, this course should not have been reported for State FEFP funding. We also noted that the student’s ELL file was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

130 ESOL	<u>(.0679)</u>	(.0679)
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**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Hernando Virtual Instruction (Course Offerings (#7006)) (Continued)

26. [Ref. 700602] The *ELL Student Plan (Plan)* was incomplete for one ELL virtual education student as the instructional schedule indicating the courses that were to employ ESOL strategies was not made part of the *Plan* until January 12, 2016, which was after the October 2015 reporting survey period. We also noted that an ELL Committee was not convened within 30 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	.0739	
130 ESOL	<u>(.0739)</u>	.0000

27. [Ref. 700603] The ESE file for one virtual education student in our Basic with ESE Services test was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

103 Basic 9-12	.0804	
113 Grades 9-12 with ESE Services	<u>(.0804)</u>	<u>.0000</u>

(.0679)

Proposed Net Adjustment

(8.9113)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Hernando County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) the English language proficiency of students being considered for continuation of their ESOL placements (beyond the 3-year base period) is timely assessed and ELL Committees are timely convened subsequent to these assessments; (2) parents are timely notified of their children's ESOL placements; (3) ELL students are not reported for more than the 6-year period allowed for State funding of ESOL; (4) source attendance records are retained in readily accessible files; (5) *ELL Student Plans* include course schedules identifying all courses that are to employ ESOL strategies; (6) reported FTE for students in the Hospital and Homebound Program is based on the homebound instructors' contact logs and time scheduled on the students' IEPs; (7) ESE students are reported in accordance with the students' *Matrix of Services* forms which are timely completed and maintained in the students' files; (8) only students who have successfully completed courses are reported for FTE in a Virtual Instruction Program; (9) ESE and ELL students' files contain proper documentation to support the students' program placements; (10) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; (11) parents are timely and appropriately notified when their children are assigned to teachers who are teaching out of field; and (12) ESOL teachers earn the required in-service training points in accordance with SBE Rules 6A-1.0503(4)(b)2., and 6A-6.0907, 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

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

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

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the appointed Superintendent of Schools. The District had 25 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 \$83.9 million was provided through the FEFP to the District for the District-reported 22,104.97 unweighted FTE as recalibrated, which included 361.55 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. Westside Elementary School	1 and 2
2. Eastside Elementary School	3
3. Deltona Elementary School	4 through 7
4. Suncoast Elementary School	8 through 11
5. Explorer K-8	12 through 16
6. Weeki Wachee High School	17 through 23
7. Brooksville Engineering, Science, and Technology*	NA
8. Hernando ESchool Virtual Franchise	24
9. Hernando Virtual Instruction (Course Offerings)	25 through 27
10. Hernando Virtual Instruction	NA

* Charter School



Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT

Report on Student Transportation

We have examined the Hernando 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 Hernando 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
October 30, 2017

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Hernando 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 (253) 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 (22,717) 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	36
Hazardous Walking	126
IDEA – PK through Grade 12, Weighted	225
All Other FEFP Eligible Students	<u>22,330</u>
Total	<u>22,717</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.	(1)	-	-
Our tests included 344 of the 22,717 students reported as being transported by the District.	-	19	(6)
In conjunction with our general tests of student transportation we identified certain issues related to 5 additional students.	-	<u>5</u>	<u>(2)</u>
Totals	<u>(1)</u>	<u>24</u>	<u>(8)</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 Hernando 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*.

Students Transported Proposed Net Adjustments

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] Ten students in our test were incorrectly reported, as follows:
 - a. One student was reported in the All Other FEFP Eligible Students ridership category; however, the student's IEP indicated that the student met at least one of the five criteria required for reporting in the IDEA – PK through Grade 12, Weighted ridership category.
 - b. Seven students were reported in the IDEA – PK through Grade 12, Weighted ridership category; however, the IEPs for these students did not indicate that the students met at least one of the five criteria required for reporting in a weighted ridership category.
 - c. The IEPs for two students reported in the IDEA – PK through Grade 12, Weighted ridership category were not valid during the February 2016 reporting survey period; consequently, these students were not eligible for reporting in that ridership category.

**Students
Transported
Proposed Net
Adjustments**

Findings

We determined that nine of the students were otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category. Accordingly, we propose the following adjustments:

a. July 2015 Survey

14 Days in Term

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

b. July 2015 Survey

14 Days in Term

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

October 2015 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(3)	
All Other FEFP Eligible Students	3	

February 2016 Survey

90 Days in Term

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

June 2016 Survey

8 Days in Term

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

c. February 2016 Survey

90 Days in Term

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

2. [Ref. 52] One student in our test was incorrectly reported in the All Other FEFP Eligible Students ridership category. The student lived less than 2 miles from the student's assigned school and the student was not otherwise eligible for State transportation funding. We propose the following adjustment:

October 2015 Survey

90 Days in Term

All Other FEFP Eligible Students	<u>(1)</u>	(1)
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**Students
Transported
Proposed Net
Adjustments**

Findings

3. [Ref. 53] Four students in our test were not marked as riding a bus during the reporting survey periods; consequently, the students were not eligible to be reported 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

Hazardous Walking	(1)	
All Other FEFP Eligible Students	<u>(2)</u>	(4)

4. [Ref. 55] Two students in our test were incorrectly reported in the Teenage Parents and Infants ridership category. District records did not evidence that the students were enrolled in a Teenage Parent Program; however, we determined that the students were otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2015 Survey

90 Days in Term

Teenage Parents and Infants	(1)	
All Other FEFP Eligible Students	1	

February 2016 Survey

90 Days in Term

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

5. [Ref. 56] Our general tests disclosed that the number of buses in operation was overstated by one bus due to a data entry error when inputting the bus number. We propose the following adjustment:

October 2015 Survey

Number of Buses in Operation	<u>(1)</u>	0
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**Students
Transported
Proposed Net
Adjustments**

Findings

6. [Ref. 57] Our general tests disclosed that four students (two students were in our test) reported in the IDEA – PK through Grade 12, Weighted ridership category were transported by private passenger vehicles; however, only students transported by bus are eligible to be reported in the weighted ridership category. In addition, bus ridership records did not demonstrate that one of the students was transported during the reporting survey period. We determined that the remaining three students were otherwise eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

July 2015 Survey

14 Days in Term

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

October 2015 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted	(3)	
All Other FEFP Eligible Students	<u>2</u>	(1)

7. [Ref. 58] Our general tests disclosed that three PK students were reported in the All Other FEFP Eligible Students ridership category; however, this ridership category is designated only for students in kindergarten through grade 12. In addition, only PK students who are enrolled in an ESE Program or whose parents are enrolled in a Teenage Parent Program are eligible for State transportation funding. We determined that one of the students was eligible to be reported in the Teenage Parents and Infants ridership category and the remaining two students were not otherwise eligible to be reported 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

Teenage Parents and Infants	1	
All Other FEFP Eligible Students	<u>(2)</u>	<u>(2)</u>

Proposed Net Adjustment

(8)

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Hernando County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) ESE students are only reported in the IDEA - PK through Grade 12, Weighted ridership category when the students' IEPs document one of the five criteria required for weighted classification; (2) the number of buses in operation is accurately reported; (3) the distance from home to assigned school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category; (4) only students who have been documented as having been transported at least 1 day during the 11-day reporting survey period are reported for State transportation funding; (5) students transported in private passenger vehicles are not reported in the IDEA - PK through Grade 12, Weighted ridership category; (6) adequate documentation is retained to support the reporting of students in the Teenage Parents and Infants ridership category; and (7) only PK students enrolled in an ESE Program or whose parents are enrolled in a Teenage Parent Program are reported for State transportation funding.

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

For the fiscal year ended June 30, 2016, the District received \$4.7 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	13	90
October 2015	114	11,564
February 2016	113	10,978
June 2016	<u>13</u>	<u>85</u>
Totals	<u>253</u>	<u>22,717</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
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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

The School District of Hernando County, Florida
Office of the Superintendent
919 N. Broad Street
Brooksville, FL 34601
Phone: (352) 797-7000
Fax: (352) 797-7010



Superintendent: *Lori M. Romano, Ph.D.*
Board Chairperson: *Beth Narverud*
Vice Chairperson: *Mark C. Johnson*
Board Members:
Susan Duval
Gus Guadagnino
Linda K. Prescott

October 30, 2017

The Honorable Ms. Sherrill F. Norman, CPA
Auditor General
Office of the Auditor General
Claude Pepper Building, Suite G74
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Ms. Norman:

This response is submitted pursuant to the provisions of Section 11.45(7) (d), Florida Statutes. We have reviewed and accept the findings, recommendations, and adjustments as outlined in the Report of Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students and Student Transportation for the Hernando County District School Board for the fiscal year ended June 30, 2016.

While we were pleased with our improvement over the audit in 2014, we have several areas we will work to improve in the future.

English for Speakers of Other Languages (ESOL)

- The District will identify courses eligible for ESOL weighted FTE and ensure that only these courses are reported.
- The District will enhance existing procedures to ensure that students in the ESOL program entering a classroom with an out-of-field teacher have a dated copy of the parental notification placed in their file. It will continue to be the principals' responsibility to mail the parental notices. However, ESOL Lead teachers will monitor ESOL student files to ensure compliance.
- With regard to ELL students beyond the six-year maximum allowed for ESOL funding and ELL students not tested for extension, the District will provide refresher training on existing procedures with a focus on the compliance requirements with all ESOL Lead teachers.

Exceptional Student Education (ESE)

- District corrective actions with regard to matrix errors include coordination of tasks between the Exceptional Student Education FTE Support Specialist and the Exceptional Student Education Program/Staffing Specialists assigned to the school. Improved communication between instructional staff and support staff should reduce matrix errors. Additionally, regular monitoring of Exceptional Student Education student files for completeness and accuracy of reporting will be conducted by the Exceptional Student Education Department.
- With regard to the findings related to hospital homebound students, the District will provide training to the Exceptional Student Education FTE Support Specialist as to the documentation requirements for these students. Specifically, student files must contain a valid IEP and matrix, a physician's authorization that clearly indicates the student is eligible on the dates claimed, and signed instructor logs to support hours claimed.

It is the policy of the Hernando County School District not to illegally discriminate or allow its employees to illegally discriminate on the basis of race, color, religion, national origin, age, sex, marital status, disability or GINA in its educational programs or employment practices.

Certification

- As a corrective action, the District intends to improve compliance with certification requirements at all levels of administration. Notwithstanding the challenges of finding teachers with the specific certification needs, the District will work to match a teacher's certification and teaching duties.
- Certification staff will track and send out reminders to teachers and their administrators to ensure ESOL points are earned within the time prescribed.
- Certification staff will ensure that teachers who are teaching out-of-field are properly reported to the School Board.

Transportation

- The Transportation Department will ensure that the ridership classification for transported students is supported by adequate documentation. Additionally, the District will enhance coordination of services between the Transportation Department and the Exceptional Student Education Department to improve communication regarding special transportation needs identified in IEPs.
- The Transportation Department will enhance attendance monitoring procedures by randomly sampling students during the various survey periods in efforts to identify students who may have withdrawn.

If further information is needed, please contact Joyce McIntyre, Director of Finance & Purchasing at (352) 797-7004 or via e-mail at mcIntyre_j@hcsb.k12.fl.us.

Sincerely,



Lori M. Romano, Ph.D.
Superintendent of Schools

LMR/jmm

Cc: School Board Members
Heather Martin, Deputy Superintendent
John Stratton, Executive Director of Business Services

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