



AUDITOR GENERAL
WILLIAM O. MONROE, C.P.A.



FLORIDA STATE UNIVERSITY SCHOOL
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
Full-Time Equivalent (FTE) Students

For the Fiscal Year Ended June 30, 2003

The School is a developmental research (laboratory) school affiliated with the College of Education at Florida State University, pursuant to Section 1002.32, Florida Statutes. The statute specifies that developmental research schools are to provide “a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning.” The statute also states that “each developmental research school is to enhance instruction and research in such specialized subjects by using resources available in a state university campus, while also providing an education in nonspecialized subjects.” The School operates as a charter school under the provisions of Section 1002.33, Florida Statutes, and is separately incorporated as the Florida State University Schools, Inc. Under the provisions of Section 1002.33(5), Florida Statutes, the School’s sponsor is Florida State University.

General oversight and guidance is provided to the School by an advisory board that was composed of the following members during our examination period:

Dean of the College of Education

Dr. Richard Kunkel

Faculty Members

Dr. Doug Harris

Dr. Charlotte Minnick

Community Representatives:

Robert Broome, Chairman

Keith Dantin

Daniel King

Parent Representatives:

Delores E. Dowining, Vice-Chairman

M’Lisa Ingram

Mary Liz Moody (also PTA Representative)

This examination was conducted by Douglas Sampson and supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joe Williams, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report, as well as other audit reports prepared by the Auditor General, can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

FLORIDA STATE UNIVERSITY SCHOOL
FLORIDA EDUCATION FINANCE PROGRAM (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

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WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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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 FLORIDA STATE UNIVERSITY SCHOOL FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated September 8, 2003, that the Florida State University School complied with the requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2003. These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. As discussed in the representation letter, management is responsible for the School's compliance with those statutes and rules. Our responsibility is to express an opinion on the School's compliance 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the School's compliance with the aforementioned FEFP requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the School's compliance with FEFP requirements is, however, ultimately the responsibility of the Department of Education (DOE).

In our opinion, the Florida State University School complied, in all material respects, with the aforementioned requirements of the Florida Education Finance Program (FEFP) regarding the determination and reporting of the number of full-time equivalent (FTE) students for the fiscal year ended June 30, 2003.

The results of our examination disclosed instances of noncompliance with the FEFP requirements mentioned above. We considered these instances of noncompliance in forming our opinion regarding management's assertion and these items did not affect our opinion as stated above. All of the instances of noncompliance

disclosed by our examination procedures are discussed in SCHEDULE D. The impact of those instances of noncompliance on the School's reported number of full-time equivalent (FTE) students is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and the Florida State University School. Copies of this report are available pursuant to Section 11.45(4)(c), Florida Statutes, and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink that reads "William O. Monroe". The signature is written in a cursive style with a large initial "W".

William O. Monroe, CPA
September 11, 2003

SCHEDULE A

Florida State University School
 Florida Education Finance Program (FEFP)
**FULL-TIME EQUIVALENT (FTE) STUDENTS
 POPULATIONS, SAMPLES, AND TEST RESULTS**
 For the Fiscal Year Ended June 30, 2003

<u>Description¹</u>	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE²</u>
1. <u>Basic</u>					
Population ³	1	100.00%	1,380	100.00%	1,210.1833
Sample Size ⁴	1	100.00%	25	1.81%	19.5818
Students w/Exceptions	-	-	0	(0.00%)	-
Net Audit Adjustments ⁵	-	-	-	-	1.0000
2. <u>English for Speakers of Other Languages (ESOL)</u>					
Population ³	0	0.00%	0	0.00%	0.0000
Sample Size ⁴	0	0.00%	0	0.00%	0.0000
Students w/Exceptions	-	-	0	(0.00%)	-
Net Audit Adjustments ⁵	-	-	-	-	0.0000
3. <u>Exceptional</u>					
<u>Basic with ESE Services</u>					
Population ³	1	100.00%	188	100.00%	173.5000
Sample Size ⁴	1	100.00%	21	11.17%	20.0000
Students w/Exceptions	-	-	2	(9.52%)	-
Net Audit Adjustments ⁵	-	-	-	-	(1.0000)
<u>ESE Support Levels 4 and 5</u>					
Population ³	0	0.00%	0	0.00%	0.0000
Sample Size ⁴	0	0.00%	0	0.00%	0.0000
Students w/Exceptions	-	-	0	(0.00%)	-
Net Audit Adjustments ⁵	-	-	-	-	0.0000
4. <u>Vocational 6-12</u>					
Population ³	1	100.00%	0	0.00%	99.2043
Sample Size ⁴	0	0.00%	0	0.00%	0.0000
Students w/Exceptions	-	-	0	(0.00%)	-
Net Audit Adjustments ⁵	-	-	-	-	0.0000

<u>All Programs</u>					
Population ³	1	100.00%	1,568	100.00%	1,482.8876
Sample Size ⁴	1	100.00%	46	2.93%	39.5818
Students w/Exceptions	-	-	2	(4.35%)	-
Net Audit Adjustments ⁵	-	-	-	-	0.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Cont.)

Florida State University School
 Florida Education Finance Program (FEFP)
**FULL-TIME EQUIVALENT (FTE) STUDENTS
 POPULATIONS, SAMPLES, AND TEST RESULTS**
 For the Fiscal Year Ended June 30, 2003

<u>Description</u> ¹	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Teachers</u>	<u>% of Pop. (Sample)</u>
<u>Teacher Certification</u> ⁶				
Population	1	100.00%	11	100.00%
Sample Size ⁴	1	100.00%	5	45.45%
Exceptions ⁶	-	-	0	(0.00%)

¹ See NOTE A6.

² Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See NOTE A4.)

³ The population shown for the number of students is the total number of students in the program indicated. (Our Vocational sample is limited to only those students who had instruction in on-the-job-training (OJT) programs. Since there were no students reported in OJT by the School, the corresponding population is shown as zero.) The population shown for full-time equivalent (FTE) students is the total of the figures as reported for each survey conducted for the fiscal year ended June 30, 2003. (See NOTE A5.)

⁴ See NOTE B.

⁵ These audit adjustments present the net effects of the instances of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification (see footnote 6 and SCHEDULE D).

⁶ Our examination procedures, which tested teacher certification for English for Speakers of Other Languages (ESOL), Exceptional, and Vocational programs, disclosed no instances of noncompliance.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Florida State University School
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2003

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	.5000	1.005	.5025
103 Basic 9-12	.5000	1.122	.5610
111 Grades K-3 with ESE Services	(.5000)	1.005	(.5025)
113 Grades 9-12 with ESE Services	<u>(.5000)</u>	1.122	<u>(.5610)</u>
Total	<u>.0000</u>		<u>.0000</u>

¹ See NOTE A6.

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

³ Weighted FTE adjustments are presented for illustrative purposes only; they 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 audit adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Florida State University School
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
AUDIT ADJUSTMENTS BY PROGRAM
 For the Fiscal Year Ended June 30, 2003

<u>No. Program</u>	<u>Audit Adjustments¹</u>	
	<u>#0341</u>	<u>Total</u>
101 Basic K-3	.5000	.5000
103 Basic 9-12	.5000	.5000
111 Grades K-3 with ESE Services	(.5000)	(.5000)
113 Grades 9-12 with ESE Services	<u>(.5000)</u>	<u>(.5000)</u>
Total	<u>.0000</u>	<u>.0000</u>

¹ These adjustments are for unweighted FTE. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Florida State University School
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2003

Overview

The management of the Florida State University School is responsible for determining and reporting the number of full-time equivalent (FTE) students in compliance with requirements of the Florida Education Finance Program (FEFP). These requirements are found primarily in Chapter 1011, Florida Statutes, and State Board of Education Rules, Chapter 6A-1, Florida Administrative Code, and secondarily in Chapters 1000 through 1010, 1012, and 1013, Florida Statutes, and State Board of Education Rules, Chapters 6A-4 and 6A-6, Florida Administrative Code. In our opinion, the School complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2003. However, our examination procedures did disclose instances of noncompliance which, while not of material impact on the School's compliance, are nevertheless worthy of management's attention and action, as recommended on page 9.

Findings

**Net Audit
 Adjustment
 (Unweighted FTE)**

1. (Ref. 34101) The files for two Exceptional students in the October survey did not contain an *Individual Educational Plan* (IEP) that was valid for that survey. We made the following audit adjustments:

101 Basic K-3	.3000	
103 Basic 9-12	.5000	
111 Grades K-3 with ESE Services	(.5000)	
113 Grades 9-12 with ESE Services	<u>(.5000)</u>	<u>.0000</u>
		<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Cont.)

Florida State University School
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2003

**Net Audit
 Adjustment
 (Unweighted FTE)**

FindingsOther Matters Not Involving Full-Time Equivalent (FTE) Students

2. The composition of the School's advisory board did not comply with membership requirements specified by Section 1002.32(8)2., Florida Statutes. The advisory board was composed of the dean of the affiliated college of education, three faculty members from the college of education, three community representatives, and three parent representatives. However, Section 1002.32(8)2., Florida Statutes, specifies the following:

The dean of the affiliated college of education shall be a standing member of the board, and the president of the university shall appoint four faculty members from the related university, at least two of whom are from the college of education, one layperson who resides in the county in which the school is located, two parents of students who attend the lab school, and one lab school student appointed by the principal to serve on the advisory board.

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Florida State University School
 Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2003

Recommendations

We recommend that management exercise more care to ensure that students are reported in the proper funding categories and have proper documentation to support that reporting. **We recommend** also that the School's advisory board be brought into compliance with the provisions of Section 1002.32(8)2., Florida Statutes.

The absence of statements in this report regarding practices and procedures followed by the School should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the School's obligation to comply with all of the statutory and rule provisions governing the Florida Education Finance Program (FEFP).

Regulatory Citations**Exceptional Education**

Section 1003.57(5), F.S.Exceptional Students Instruction

Section 1011.62(1)(e), F.S.Funding Model for Exceptional Student Education Programs

Section 1011.62, F.S.Funds for Operation of Schools

Rule 6A-6.03028, F.A.C.Development of Individual Educational Plans for Exceptional Students

Rule 6A-6.03029, F.A.C.Development of Family Support Plans for Children with Disabilities Ages
 Birth Through Five Years

Rule 6A-6.0312, F.A.C.Course Modification for Exceptional Students

Rule 6A-6.0331, F.A.C.Identification and Assignment of Exceptional Students to Special Programs

Rule 6A-6.0334, F.A.C.Temporary Assignment of Transferring Exceptional Students

Rule 6A-6.03411, F.A.C.Special Programs and Procedures for Exceptional Students

The accompanying notes are an integral part of this schedule.

SCHEDULE F

Florida State University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
SUMMARY OF MANAGEMENT'S RESPONSE
For the Fiscal Year Ended June 30, 2003

Management agreed with our findings. A copy of management's response may be found on beginning on page 14 of this report.

The accompanying notes are an integral part of this schedule.

Florida State University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

NOTE A - SUMMARY

A summary discussion of the essential features of the Florida State University School, the Florida Education Finance Program (FEFP), full-time equivalent (FTE) students, and related areas follows:

1. Florida State University School

The Florida State University School was established pursuant to Section 1002.32, Florida Statutes, as a developmental research school on the campus of Florida State University and was affiliated with the University's College of Education. Effective for the fiscal year ending June 30, 2001, the School began operating as a charter school under the provisions of Section 1002.33, Florida Statutes, and was separately incorporated as the Florida State University Schools, Inc. Under the provisions of Section 1002.33(5)(b), Florida Statutes, the School's sponsor is Florida State University.

The School offers instruction in Basic, Exceptional, Vocational, and English for Speakers of Other Languages (ESOL) programs for students in the kindergarten through twelfth grade. The Florida State University School was established pursuant to Section 1002.32, Florida Statutes, as a developmental research school located in Tallahassee, Florida. This Statute specifies that developmental research schools are to provide "a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning." The statute also states that "each developmental research school is to enhance instruction and research in such specialized subjects by using resources available in a state university campus, while also providing an education in nonspecialized subjects."

The Florida State University School offers instruction in Basic, Exceptional, and Vocational programs for students in the kindergarten through twelfth grade. The School reported 1,482,8876 full-time equivalent (FTE) students, and received approximately \$6.8 million in FEFP funding for those FTE. The primary sources of funding for the School are funds allocated from the Florida Education Finance Program.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the Florida Education Finance Program (FEFP), which was established by the Florida Legislature in 1973. It is the intent of the law "to guarantee to each student in the Florida public school system the availability of programs and services appropriate to his educational needs which 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.

Florida State University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent) student. For example, for kindergarten through third grade, one 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 four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

4. 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 full-time equivalent (FTE) students 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 this product 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.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of district and school management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2002-2003 school year were conducted during and for the following weeks: survey one was performed for July 15-19, 2002; survey two was performed for October 7-11, 2002; survey three was performed for February 3-7, 2003; and survey four was performed for June 16-20, 2003.

6. Educational Programs

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 as follows: (1) Basic; (2) English for Speakers of Other Languages (ESOL); (3) Exceptional; and (4) Vocational (6-12).

Florida State University School
Florida Education Finance Program (FEFP)
FULL-TIME EQUIVALENT (FTE) STUDENTS
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2003

NOTE A - SUMMARY (Continued)

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education and the Florida Education Finance Program (FEFP):

- Chapter 1000, F.S.K-20 General Provisions
- Chapter 1001, F.S.K-20 Governance
- Chapter 1002, F.S.Student and Parental Rights and Educational Choices
- Chapter 1003, F.S.Public K-12 Education
- Chapter 1006, F.S.Support for Learning
- Chapter 1007, F.S.Articulation and Access
- Chapter 1010, F.S.Financial Matters
- Chapter 1011, F.S.Planning and Budgeting
- Chapter 1012, F.S.Personnel
- Chapter 6A-1, F.A.C. ...Finance and Administration
- Chapter 6A-3, F.A.C. ...Transportation
- Chapter 6A-4, F.A.C. ...Certification
- Chapter 6A-6, F.A.C. ...Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of schools, students, and teachers, using statistical and judgmental methods, for testing of FTE membership as reported to the Department of Education for the fiscal year ended June 30, 2003. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the School's compliance with applicable Florida Statutes and State Board of Education Administrative Rules.

MANAGEMENT'S RESPONSE

FLORIDA STATE UNIVERSITY SCHOOL

Jesse Jackson
Director

Eileen McDaniel, Director
Research Director

Susan Martelli,
Secondary Principal

Marlene West
Assistant Principal

October 9, 2003

Mr. William O. Monroe
Auditor General
Room 412C, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. William:

I would like to commend the Auditor General's office for the professional manner in which Mr. Douglas R. Sampson CPA conducted the Florida Education Finance Program (FEFP) audit at Florida State University School.

We concur with your finding that two students receiving exceptional education services had files that showed a delay in the rewrite of their IEPS. The annual re-writes were scheduled to be completed in September but were not written until the latter part of October. Though there was a delay in the writing of their annual IEPS, the students in question continued to receive service from the Speech Pathologist. The Speech/Language Pathologist has a rather extensive caseload. She is very consistent about meeting with her students and making sure that their needs are being met. An assistant was hired last year to provide assistants with some of the Speech Pathologist's responsibilities but the Individual Education Plans (IEPS) can only be written by the certified professional. This area of specialty has a very limited pool of qualified individuals available for hire. We feel very fortunate to have such a qualified individual as we do serving our students.

Remedy

Our Speech Pathologist is currently grooming a Speech/Language intern who will be hired in January to help support our Exceptional Student Education program. We feel that this addition to our staff will go a long way in providing some necessary relief for our Speech/Language Pathologist.

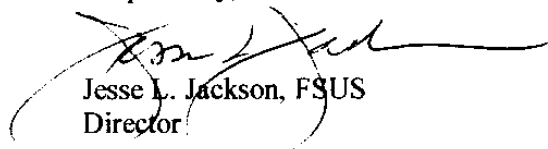
We also concur with your findings that the composition of our School Advisory Board does not comply with the membership requirements specified by Section 1002.32(8)2., Florida Statutes. In July 2000, Florida State University School sought to become incorporated as a non-profit

organization in the pursuit of becoming a Charter School. Article VI of Articles of Incorporation states, "The affairs of the corporation shall be managed by a board of directors who shall be selected annually as provided in the By-laws. The number of directors shall be established in the By-laws, but shall not be less than three." The current board of directors was established with this article and the established By-laws in mind. It was not known at the time the By-laws were established that state statues regarding the composition of School Advisory Boards would take precedence over the board of directors established by the corporation.

Remedy

We will begin the process of realigning membership within our board to be in compliance with state statues.

Respectfully,



Jesse L. Jackson, FSUS
Director