STATE OF FLORIDA AUDITOR GENERAL

Attestation Examination

Report No. 2016-005
July 2015

CLAY COUNTY
DISTRICT SCHOOL BOARD

Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
and
Student Transportation

For the Fiscal Year Ended
June 30, 2014

Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendent

Clay County District School Board members and the Superintendent of Schools who served during the 2013-14 fiscal year are listed below:

Member	District No.
Janice A. Kerekes, Vice Chair from 11-19-13	1
Carol Y. Studdard, Chair	2
Tina Bullock	3
Johnna L. McKinnon	4
Lisa B. Graham, Vice Chair to 11-18-13	5

Charles E. Van Zant, Jr.,Superintendent

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

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

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CLAY COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FS	Florida Statutes
FTE	Full-Time Equivalent
IDEA	Individuals with Disabilities Education Act
IEP	Individual Educational Plan
OJT	On-the-Job Training
PK	Prekindergarten

CLAY COUNTY DISTRICT SCHOOL BOARD

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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 Clay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students and students transported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014:

- Of the 191 teachers in our test, 20 did not meet State requirements governing 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. The District did not report any charter schools; therefore, none of the 191 teachers tested taught at charter schools.
- Fourteen of the 96 students in our ESOL test and 16 of the 123 students in our ESE Support Levels 4 and 5 test had exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The District did not report any charter schools; therefore, none of the students tested attended charter schools.

Noncompliance related to reported FTE resulted in 38 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 1.0966 (negative 1.0966 is all applicable to District Schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 21.1673 (negative 21.1673 is all applicable to District schools other than charter schools). Noncompliance related to student transportation resulted in 9 findings and a proposed net adjustment of a negative 20 students.

The weighted adjustments to the FTE 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 FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE by the base student allocation amount. For the Clay County District School Board, the estimated gross dollar effect of our proposed adjustments to the reported FTE is a negative $79,426 (negative 21.1673 times $3,752.30), of which all is applicable to District schools other than charter schools.

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

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

SCHOOL DISTRICT OF CLAY COUNTY

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Clay County. Those services are provided primarily to prekindergarten through twelfth-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 State Board of Education. The geographic boundaries of the District are those of Clay County.

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 42 District schools other than charter schools and 3 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 35,070.04 unweighted FTE as recalibrated for those students and received approximately $143.4 million in State funding through the FEFP.

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-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 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. The funding provided by the 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 brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one 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 a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE reported by the Department of Juvenile Justice (DJJ) 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 enrollment reported for the student by all school districts,

including the Florida Virtual School (FLVS) 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 reported for extended school year periods and DJJ FTE enrollment earned 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(4), 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 approximately $6.4 million for student transportation as part of the State funding through the FEFP.

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
ON THE NUMBER OF FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Clay County District School Board's compliance with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014. 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 2013-14 issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements 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 District's compliance with the aforementioned State 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 District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.:

Our examination procedures disclosed the following material noncompliance:

Teachers

Of the 191 teachers in our test, 20 did not meet State requirements governing 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.[1] The District did not report any charter schools; therefore, none of the 191 teachers tested taught at charter schools.

[1] For teachers, see SCHEDULE D, Findings 3, 6, 8, 9, 13, 14, 17, 20, 23, 26, 27, 29, 34, 35, and 36.

Students

Fourteen of the 96 students in our ESOL test[2] and 16 of the 123 students in our ESE Support Levels 4 and 5 test[3] had exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located. The District did not report any charter schools; therefore, none of the students tested attended charter schools.

In our opinion, except for the material noncompliance mentioned above 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 Clay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2014.

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses 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, and abuse that has a material effect on the subject matter. 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. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.[4] 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 ESOL and ESE Support Levels 4 and 5. Our examination disclosed certain other findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE A and EXHIBIT A, respectively. The impact of this noncompliance on the District's reported FTE 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

[2] For ESOL, see SCHEDULE D, Findings 2, 5, 7, 10, 11, 18, 22, 24, 30, 31, and 32.

[3] For ESE Support Levels 4 and 5, see SCHEDULE D, Findings 4, 12, 15, 16, 19, 21, 25, 28, and 33.

[4] 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.

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 AICPA require us to indicate that this report is intended solely for the information and use 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 applicable District management and is not intended to be and should not be used by anyone other than these specified parties

Respectfully submitted,

Sherrill F. Norman
Tallahassee, Florida
July 27, 2015

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS
FULL-TIME EQUIVALENT (FTE) STUDENTS

Reported FTE

The funding provided by the FEFP is based upon 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 (OJT). Unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See SCHEDULE B and NOTES A3, A4, and A6.) The District reported 35,070.04 unweighted FTE as recalibrated for those students at 42 District schools other than charter schools and 3 virtual education cost centers to the Department of Education for the fiscal year ended June 30, 2014..

Schools and Students

As part of our examination procedures, we tested the FTE reported to the Department of Education for schools and students for the fiscal year ended June 30, 2014. (See NOTE B.) The population of schools (45) consisted of the total number of brick and mortar schools in the District that offered courses, including charter schools, as well as the designated District virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (14,157) consisted of the total number of students in each program at the schools and virtual education cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT. Our populations and tests of schools and students are summarized as follows:

	Number of Schools		Number of Students at Schools Tested		Students with	Recalibrated Unweighted FTE		Proposed
Programs	Population	Test	Population	Test	Exceptions	Population	Test	Adjustments
Basic	45	15	10,978	172	5	25,119.9200	132.3926	16.9326
Basic with ESE Services	45	15	2,719	130	1	8,445.5100	111.3371	2.6909
ESOL	33	11	270	96	14	329.3000	69.4105	(10.7287)
ESE Support Levels 4 and 5	33	11	183	123	16	312.1100	93.2834	(5.3466)
Career Education 9-12	10	1	7	6	0	863.2000	1.0302	(4.6448)
All Programs	45	15	14,157	527	36	35,070.0400	407.4538	(1.0966)

Teachers

We also tested teachers as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (566 of which all are applicable to District schools other than charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL

students. From the population of teachers, we selected 191 and found exceptions for 20. The District did not report any charter schools; therefore, none of the 191 teachers tested 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 tests of teacher certification. Our proposed adjustments generally reclassify 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 and the computation of their financial impact is the responsibility of the Department of Education.

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FTE
FULL-TIME EQUIVALENT (FTE) STUDENTS

No.	Program[1]	Proposed Net Adjustment[2]	Cost Factor	Weighted FTE[3]
101	Basic K-3	2.3772	1.125	2.6744
102	Basic 4-8	3.0542	1.000	3.0542
103	Basic 9-12	11.5012	1.011	11.6277
111	Grades K-3 with ESE Services	.5239	1.125	.5894
112	Grades 4-8 with ESE Services	.5000	1.000	.5000
113	Grades 9-12 with ESE Services	1.6670	1.011	1.6853
130	ESOL	(10.7287)	1.145	(12.2844)
254	ESE Support Level 4	(1.8882)	3.558	(6.7182)
255	ESE Support Level 5	(3.4584)	5.089	(17.5998)
300	Career Education 9-12	(4.6448)	1.011	(4.6959)
	Total	(1.0966)		(21.1673)*

***The District did not report any charter schools and there were no proposed adjustments for Charter Schools. Thus, there was no effect on the District's weighted FTE.**

[1] See NOTE A6.

[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 A4.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL[1]
FULL-TIME EQUIVALENT (FTE) STUDENTS

		Proposed Adjustments			
No.	**Program**	**#0071**	**#0111**	**#0232**	**Balance Forward**
101	Basic K-3	.6777	.....	.2988	.9765
102	Basic 4-8	.....	.....	1.4309	1.4309
103	Basic 9-12	.....	5.6515	.....	5.6515
111	Grades K-3 with ESE Services	.....	.....	.....	.0000
112	Grades 4-8 with ESE Services	.....	.....	.....	.0000
113	Grades 9-12 with ESE Services	.....	.2500	.....	.2500
130	ESOL	(.6777)	(.4165)	(1.7297)	(2.8239)
254	ESE Support Level 4	.....	(.5902)	.....	(.5902)
255	ESE Support Level 5	.....	(.2500)	.....	(.2500)
300	Career Education 9-12	.....	(4.6448)	.....	(4.6448)
Total		.0000	.0000	.0000	.0000

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

No.	Brought Forward	Proposed Adjustments #0252	#0311	#0341	#0352	Balance Forward
101	.9765	.....	.....	.....	.8332	1.8097
102	1.4309	.....	.....	.....	.....	1.4309
103	5.6515	2.3178	.0833	.8416	.....	8.8942
111	.0000	.....	.....	.....	.....	.0000
112	.0000	.....	.5000	.....	.....	.5000
113	.2500	.....	.3334	.....	.....	.5834
130	(2.8239)	(2.3178)	(.0833)	(.8416)	(.8332)	(6.8998)
254	(.5902)	.....	.....	.....	.....	(.5902)
255	(.2500)	(.1867)	(1.2575)	(.0600)	.....	(1.7542)
300	(4.6448)	.....	.....	.....	.....	(4.6448)
Total	.0000	(.1867)	(.4241)	(.0600)	.0000	(.6708)

Proposed Adjustments

No.	Brought Forward	#0431	#0501	#0521	#0651	Balance Forward
101	1.8097	.....	.0633	.4061	.0981	2.3772
102	1.4309	.....	.5781	.9969	.0483	3.0542
103	8.8942	.....	.....	.....	.....	8.8942
111	.0000	.....	.....	.....	.5239	.5239
112	.5000	.....	.....	.....	.....	.5000
113	.5834	.3334	.....	.....	.....	.9168
130	(6.8998)	.....	(.4285)	(.9686)	.....	(8.2969)
254	(.5902)	.....	(.2129)	(.4344)	(.6507)	(1.8882)
255	(1.7542)	(.5834)	.....	(.3750)	(.0196)	(2.7322)
300	(4.6448)	.....	.....	.....	.....	(4.6448)

Proposed Adjustments

No.	Brought Forward	#0661	#7004	#7023	Total
101	2.3772	.....	.....	.....	2.3772
102	3.0542	.....	.....	.....	3.0542
103	8.8942	2.4318	.0918	.0834	11.5012
111	.5239	.....	.....	.....	.5239
112	.5000	.....	.....	.....	.5000
113	.9168	.6668	.0834	.....	1.6670
130	(8.2969)	(2.4318)	.....	.....	(10.7287)
254	(1.8882)	.....	.....	.....	(1.8882)
255	(2.7322)	(.7262)	.....	.....	(3.4584)
300	(4.6448)	.....	.....	.....	(4.6448)
Total	(1.2958)	(.0594)	.1752	.0834	(1.0966)

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS
FULL-TIME EQUIVALENT (FTE) STUDENTS

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. 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 2013-14* 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 Clay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of the number of FTE students under the FEFP for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 23.

Findings	**Proposed Net Adjustments (Unweighted FTE)**
Our examination included the July and October 2013 reporting survey periods and the February and June 2014 reporting survey periods (see NOTE A5). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2013 reporting survey period or the February 2014 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	

District-Wide – Incomplete Reporting of Student Course Schedules

1. [Ref. 1] During the course of our field work, the District informed us that 270 virtual education students who had successfully completed courses (1,329 course records) were reported by the District to the DOE with an "IP" course grade and .0000 FTE. "IP" indicates the virtual course is still in progress. These records were not included by the DOE during the FTE recalibration process for funding because only successfully completed virtual courses are eligible for funding (i.e., virtual student course records reported with successful completion course grades). Additionally, these records were not corrected by the District during the FTE amendment period. Of these 270 students, we tested records (171 course records) for 40 students to confirm whether or not the students had successfully completed the courses noted. The results

Findings	Proposed Net Adjustments (Unweighted FTE)
of our testing disclosed that all 40 students tested had successfully completed 170 of the 171 courses and appeared to meet the FTE requirements and should have been reported with successful completion course grades instead of "IP" course grades. However, during our testing of the records for these 40 students, we noted that there were other FTE-related issues pertaining to the students not correctly reported (e.g., reporting total FTE that exceeded 1.0 per student; reporting a full-credit's worth of FTE for a given course that had already been reported for a half-credit while in the brick and mortar setting for one or more courses; incomplete reporting for a student with no clear reason or coursework to support the full reporting of 1.0 FTE; and reporting an on-line course when it was taken and funded in whole in the brick and mortar setting) that would need to be taken into consideration in determining any applicable adjustment. The District should improve its oversight of the reporting of FTE for virtual education students to ensure that such FTE is correctly and timely reported. The final impact of the District's underreporting must be determined through the DOE's FTE recalibration process and must also take into consideration the effect of the other noted FTE-related issues. Accordingly, the final resolution of this Finding and any applicable adjustment in FEFP funding for the District's underreporting of FTE rests with the DOE.	
	.0000

Charles E. Bennett Elementary School (#0071)

2. [Ref. 7101] The ELL Committee that convened on behalf of one ELL student, who was previously exited from the ESOL Program, did not document at least two of the five ESOL placement criteria specified in State Board of Education Rule 6A-6.0902(2)(a)3., FAC, when recommending the student's ESOL placement. We propose the following adjustment:

101 Basic K-3	.4701	
130 ESOL	(.4701)	.0000

3. [Ref. 7170] One Primary Language Arts teacher who taught a class that included ELL students was not properly certified and was not approved by the School Board to teach such students out of field in ESOL. We also noted that the parents of the student were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.2076	
130 ESOL	(.2076)	.0000
		.0000

Findings		Proposed Net Adjustments (Unweighted FTE)

R. C. Bannerman Learning Center (#0111)

4. [Ref. 11101] A portion of the course schedule for one ESE student was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the student's placement in the Hospital and Homebound Program. The on-line courses should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

113 Grades 9-12 with ESE Services	.2500	
255 ESE Support Level 5	(.2500)	.0000

5. [Ref. 11102] The *ELL Student Plan* for one student enrolled in the ESOL Program was not completed until January 22, 2014, which was after the October 2013 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.4165	
130 ESOL	(.4165)	.0000

6. [Ref. 11170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Technical Education but taught courses that required certification in Carpentry. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	5.2350	
254 ESE Support Level 4	(.5902)	
300 Career Education 9-12	(4.6448)	.0000
		.0000

Grove Park Elementary School (#0232)

7. [Ref. 23201] An ELL Committee was not convened within 30 days prior to one ELL student's ESOL anniversary date to consider the student's extended ESOL placement for a fifth year. We also noted that the student's English language proficiency was not timely assessed. We propose the following adjustment:

102 Basic 4-8	.4255	
130 ESOL	(.4255)	.0000

Findings		Proposed Net Adjustments (Unweighted FTE)

Grove Park Elementary School (#0232) (Continued)

8. [Ref. 23270] One teacher who taught elementary Basic subject areas to classes that included ELL students had earned none of the 60 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:

101 Basic K-3	.2988	
130 ESOL	(.2988)	.0000

9. [Ref. 23271] One Primary Language Arts teacher who taught classes that included ELL students was not properly certified and was not approved by the School Board to teach such students out of field in ESOL. We also noted the parents of the students were not notified of the teacher's out-of-field status until October 29, 2013, which was after the October 2013 reporting survey period. We propose the following adjustment:

102 Basic 4-8	1.0054	
130 ESOL	(1.0054)	.0000
		.0000

Orange Park High School (#0252)

10. [Ref. 25201] The *ELL Student Plan* for one student enrolled in the ESOL Program was not completed until October 31, 2013, which was after the October 2013 reporting survey period. We propose the following adjustment:

103 Basic 9-12	.2352	
130 ESOL	(.2352)	.0000

11. [Ref. 25202] ELL Committees were not convened within 30 school days prior to two ELL students' ESOL anniversary dates to consider the students' extended ESOL placements for a fifth and sixth year. We also noted that the students' English language proficiencies were not timely assessed. We propose the following adjustment:

103 Basic 9-12	.6664	
130 ESOL	(.6664)	.0000

Findings		Proposed Net Adjustments (Unweighted FTE)

Orange Park High School (#0252) (Continued)

12. [Ref. 25203] We noted the following exceptions regarding the reported schedule for one ESE student: (a) the student did not begin receiving instruction in the Hospital and Homebound Program until October 21, 2013, which was after the October 2013 reporting survey period, and (b) there was no attendance record to support the student's on-line course reporting. We propose the following adjustment:

255 ESE Support Level 5	(.1867)	(.1867)

13. [Ref. 25270/71] Two teachers who taught Language Arts to classes that included ELL students were not properly certified. We noted that one teacher (Ref. 25270) was not approved and one teacher was approved (Ref. 25271) by the School Board to teach such students out of field in ESOL. We also noted that: (a) the teachers had earned none of the 60 (Ref. 25270) or only 60 of the 120 (Ref. 25271) in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines, and (b) the parents of the student were not notified of one teacher's out-of-field status in ESOL (Ref. 25270). We propose the following adjustments:

Ref. 25270		
103 Basic 9-12	.1666	
130 ESOL	(.1666)	.0000
Ref. 25271		
103 Basic 9-12	.0833	
130 ESOL	(.0833)	.0000

14. [Ref. 25272/73] Two 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 rule and the teachers' in-service training timelines. We propose the following adjustments:

Ref. 25272		
103 Basic 9-12	.5832	
130 ESOL	(.5832)	.0000
Ref. 25273		
103 Basic 9-12	.5831	
130 ESOL	(.5831)	.0000
		(.1867)

Findings		Proposed Net Adjustments (Unweighted FTE)

Keystone Heights Junior/Senior High School (#0311)

15. [Ref. 31101] A portion of the course schedules for four ESE students was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the students' placement in the Hospital and Homebound Program. The on-line courses should have been reported in Program No. 112 (Grades 4-8 with ESE Services) or Program No. 113 (Grades 9-12 with ESE Services). Additionally, we noted that: (a) there were no attendance records to support the reporting of five on-line courses for two of the students, and (b) one student was reported for one hour of homebound instruction but was scheduled for and receiving two hours of such instruction. We propose the following adjustment:

112 Grades 4-8 with ESE Services	.5000	
113 Grades 9-12 with ESE Services	.3334	
255 ESE Support Level 5	(1.2301)	(.3967)

16. [Ref. 31102] The schedule for one ESE student was incorrectly reported as the schedule included instructional time in the Hospital and Homebound Program; however, the student did not begin receiving homebound instruction until October 22, 2013, which was after the October 2013 reporting survey period. We propose the following adjustment:

255 ESE Support Level 5	(.0274)	(.0274)

17. [Ref. 31171] One teacher who taught English to a class that included an ELL student was not properly certified and was not approved by the School Board to teach such students out of field in ESOL. We also noted the parents of the student were not notified of the teacher's out-of-field status. We propose the following adjustment:

103 Basic 9-12	.0833	
130 ESOL	(.0833)	.0000
		(.4241)

Clay High School (#0341)

18. [Ref. 34101] One ELL student was beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:

103 Basic 9-12	.8416	
130 ESOL	(.8416)	.0000

Findings		Proposed Net Adjustments (Unweighted FTE)

Clay High School (#0341) (Continued)

19. [Ref. 34102] The reported number of homebound instructional minutes for three ESE students in the Hospital and Homebound Program was incorrectly reported. Two students were reported for 240 instructional minutes but were only provided 120 instructional minutes each and one student was reported for 180 instructional minutes but was provided 240 instructional minutes. We propose the following adjustment:

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

Lakeside Elementary School (#0352)

20. [Ref. 35270] One teacher who taught Language Arts to a class that included ELL students was not properly certified but was approved by the School Board to teach such students out of field. However, the teacher had earned only 60 of the 180 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustment:

101 Basic K-3	.8332	
130 ESOL	(.8332)	.0000
		.0000

Ridgeview High School (#0431)

21. [Ref. 43101] A portion of the course schedules for two ESE students was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the students' placement in the Hospital and Homebound Program. The on-line courses should have been reported in Program No. 113 (Grades 9-12 with ESE Services). Additionally, we noted that there were no attendance records to support the reporting of two on-line classes for one of the students. We propose the following adjustment:

113 Grades 9-12 with ESE Services	.3334	
255 ESE Support Level 5	(.5834)	(.2500)
		(.2500)

Findings		Proposed Net Adjustments (Unweighted FTE)

Tynes Elementary School (#0501)

22. [Ref. 50101] The *ELL Student Plan* for one student enrolled in the ESOL Program was not completed until November 4, 2013, which was after the October 2013 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.4285	
130 ESOL	(.4285)	.0000

23. [Ref. 50170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified as an Educational Media Specialist but taught courses that required certification in ESE. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.0633	
102 Basic 4-8	.1496	
254 ESE Support Level 4	(.2129)	.0000
		.0000

Fleming Island Elementary School (#0521)

24. [Ref. 52101] The files for two ELL students enrolled in the ESOL Program did not contain *ELL Student Plans* covering the October 2013 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.9102	
130 ESOL	(.9102)	.0000

25. [Ref. 52102] The attendance records for one ESE student were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

255 ESE Support Level 5	(.3750)	(.3750)

Findings		Proposed Net Adjustments (Unweighted FTE)

Fleming Island Elementary School (#0521) (Continued)

26. [Ref. 52170/72/73] Three teachers were not properly certified and were not approved by the School Board to teach out of field. The teachers held certification in Elementary Education (Ref. 52170/52172) or Music (Ref. 52173) but taught courses that required certification in ESE. We also noted that the parents of the students were not notified of the teachers' out-of-field status. We propose the following adjustments:

Ref. 52170		
101 Basic K-3	.1159	
102 Basic 4-8	.0289	
254 ESE Support Level 4	(.1448)	.0000
Ref. 52172		
101 Basic K-3	.1159	
102 Basic 4-8	.0289	
254 ESE Support Level 4	(.1448)	.0000
Ref. 52173		
101 Basic K-3	.1159	
102 Basic 4-8	.0289	
254 ESE Support Level 4	(.1448)	.0000

27. [Ref. 52174] One Primary Language Arts teacher who taught a class that included an ELL student was not properly certified and was not approved by the School Board to teach such students out of field in ESOL until February 20, 2014, which was after the February 2014 reporting survey period. We propose the following adjustment:

101 Basic K-3	.0584	
130 ESOL	(.0584)	.0000
		(.3750)

Plantation Oaks Elementary School (#0651)

28. [Ref. 65101] 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	.5239	
254 ESE Support Level 4	(.5239)	.0000

Findings		Proposed Net Adjustments (Unweighted FTE)

Plantation Oaks Elementary School (#0651) (Continued)

29. [Ref. 65170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Music but taught courses that required certification in ESE. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.0981	
102 Basic 4-8	.0483	
254 ESE Support Level 4	(.1268)	
255 ESE Support Level 5	(.0196)	.0000
		.0000

Oakleaf High School (#0661)

30. [Ref. 66101] The file for one ELL student enrolled in the ESOL Program did not contain an *ELL Student Plan* covering the 2013-14 school year. We propose the following adjustment:

103 Basic 9-12	.6152	
130 ESOL	(.6152)	.0000

31. [Ref. 66102] Two ELL students were beyond the maximum six-year period allowed for State funding of ESOL. We propose the following adjustment:

103 Basic 9-12	.8298	
130 ESOL	(.8298)	.0000

32. [Ref. 66103] An ELL Committee was not convened within 30 school days prior to one ELL student's ESOL anniversary date to consider the student's extended ESOL placement for a fifth year. We also noted that the student's English language proficiency was not timely assessed. We propose the following adjustment:

103 Basic 9-12	.2499	
130 ESOL	(.2499)	.0000

33. [Ref. 66104/05] A portion of the course schedules for two ESE students was incorrectly reported in Program No. 255 (ESE Support Level 5) based on the students' placements in the Hospital and Homebound Program. The on-line courses should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We also noted that

Findings		Proposed Net Adjustments (Unweighted FTE)

Oakleaf High School (#0661) (Continued)

there were no attendance records to support the reporting of two on-line courses for one of the students (Ref. 66105). We propose the following adjustments:

Ref. 66104		
113 Grades 9-12 with ESE Services	.3334	
255 ESE Support Level 5	(.3334)	.0000
Ref. 66105		
113 Grades 9-12 with ESE Services	.3334	
255 ESE Support Level 5	(.3928)	(.0594)

34. [Ref. 66170/71] The parents of students taught by two out-of-field teachers were not notified of the teachers' out-of-field status in ESOL (Ref. 66170/71) and Reading (Ref. 66171). We also noted that one of the teachers (Ref. 66171) had earned none of the 120 in-service training points in ESOL strategies required by rule and the teacher's in-service training timeline. We propose the following adjustments:

Ref. 66170		
103 Basic 9-12	.2499	
130 ESOL	(.2499)	.0000
Ref. 66171		
103 Basic 9-12	.4870	
130 ESOL	(.4870)	.0000
		(.0594)

Clay Virtual Instruction Program (#7001)

35. [Ref. 700170] Our tests indicated that one teacher's identifier number (expressed as a contracted services number - CS7001002) was used for six courses that had been taught utilizing this one teacher's identifier number; however, we were unable to determine compliance as to teacher qualifications because the District was unable to provide the identity of the teacher or determine whether there were multiple teachers involved. Since these six courses were comprised of all Basic education students, we are presenting this disclosure Finding with no proposed adjustments.

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Findings		Proposed Net Adjustments (Unweighted FTE)

Clay Virtual Franchise (#7004)

36. [Ref. 700470] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Physical Education but taught a course that required certification in Health. We also noted that the parents of the students were not notified of teacher's out-of-field status. Since the class was comprised of all Basic education students, we are presenting this disclosure Finding with no proposed adjustments.

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37. [Ref. 700401] The course schedules for five virtual education students (four students were in our Basic test and one student was in our Basic with ESE Services test) were incorrectly reported. We noted the following:

a. Two students were reported for a semester course (.1582 FTE) but did not earn credit for the course at this School.

b. Three students had earned credit for four semester courses (.3334 FTE) but the courses were not reported.

We propose the following adjustment:

103 Basic 9-12	.0918	
113 Grades 9-12 with ESE Services	.0834	.1752
		.1752

Clay Virtual Academy (#7023)

38. [Ref. 702301] The course schedule for one Basic virtual education student was incorrectly reported. The student earned one full credit (.1668 FTE) for a year-long course but was only reported for a half credit (.0834 FTE) for this course. We propose the following adjustment:

103 Basic 9-12	.0834	.0834
		.0834

Proposed Net Adjustment	(1.0966)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS
FULL-TIME EQUIVALENT (FTE) STUDENTS

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) reported FTE is reviewed for completeness and accuracy, edit errors are timely addressed, and amendments are made prior to the close of the amendment period for each of the reporting surveys; (2) students are reported in the proper FEFP funding categories for the correct amount of FTE and have adequate documentation to support that reporting, particularly with regard to students in ESOL and ESE Support Levels 4 and 5; (3) attendance records are maintained for all students, including those Hospital and Homebound Program students receiving on-line instruction; (4) *ELL Student Plans* are timely prepared and maintained in the students' files; (5) students assessed English proficient are placed or retained in ESOL based on the placement recommendations of ELL Committees that have considered the criteria specified in State Board of Education Rule 6A-6.0902(2)(a)3., FAC; (6) the English language proficiency of students being considered for extension of their ESOL placements (beyond the initial three-year base period) is assessed within 30 school days prior to the students' ESOL anniversary dates and ELL Committees are convened subsequent to these assessments but no later than each student's ESOL anniversary date; (7) ELL students are not reported for more than the six-year period allowed for State funding of ESOL; (8) ESE students are reported in accordance with the students' *Matrix of Services* forms; (9) reported instructional minutes for students in the Hospital and Homebound Program are based on the homebound instructors' contact logs and time authorized on the students' IEPs; (10) course schedules for virtual education students are accurately reported based on the credit earned; (11) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to do so; (12) parents are timely and appropriately notified when their children are assigned to out-of-field teachers; (13) documentation is retained that identifies the teachers of instruction during the reporting survey periods; and (14) ESOL teachers earn their in-service training points in accordance with 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 governing the determination and reporting of the number of FTE students under the FEFP.

REGULATORY CITATIONS

Reporting

Section 1007.271(21), FS ..... Dual Enrollment Programs

Section 1011.60, FS ..... Minimum Requirements of the Florida Education Finance Program

Section 1011.61, FS ..... Definitions
Section 1011.62, FS ..... Funds for Operation of Schools
Rule 6A-1.0451, FAC ..... Florida Education Finance Program Student Membership Surveys
Rule 6A-1.04513, FAC ..... Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Attendance

Section 1003.23, FS ..... Attendance Records and Reports
Rules 6A-1.044(3) and (6)(c), FAC ..... Pupil Attendance Records
Rule 6A-1.04513, FAC ..... Maintaining Auditable FTE Records

FTE General Instructions 2013-14

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

English for Speakers of Other Languages (ESOL)

Section 1003.56, FS ..... English Language Instruction for Limited English Proficient Students
Section 1011.62(1)(g), FS ..... Education for Speakers of Other Languages
Rule 6A-6.0901, FAC ..... Definitions Which Apply to Programs for English Language Learners
Rule 6A-6.0902, FAC ..... Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners
Rule 6A-6.09021, FAC ..... Annual English Language Proficiency Assessment for English Language Learners (ELLs)
Rule 6A-6.09022, FAC ..... Extension of Services in English for Speakers of Other Languages (ESOL) Program
Rule 6A-6.0903, FAC ..... Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program
Rule 6A-6.09031, FAC ..... Post Reclassification of English Language Learners (ELLs)
Rule 6A-6.0904, FAC ..... Equal Access to Appropriate Instruction for English Language Learners

Career Education On-the-Job Attendance

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

Career Education On-the-Job Funding Hours

Rule 6A-6.055(3), FAC ..... Definitions of Terms Used in Vocational Education and Adult Programs

FTE General Instructions 2013-14

Exceptional Education

Section 1003.57, FS ..... Exceptional Students Instruction
Section 1011.62, FS ..... Funds for Operation of Schools
Section 1011.62(1)(e), FS ..... Funding Model for Exceptional Student Education Programs
Rule 6A-6.03028, FAC ..... Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
Rule 6A-6.03029, FAC ..... Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years
Rule 6A-6.0312, FAC ..... Course Modifications for Exceptional Students
Rule 6A-6.0331, FAC ..... General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services
Rule 6A-6.0334, FAC ..... Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
Rule 6A-6.03411, FAC ..... Definitions, ESE Policies and Procedures, and ESE Administrators
Rule 6A-6.0361, FAC ..... Contractual Agreement with Nonpublic Schools and Residential Facilities

Matrix of Services Handbook (2012 Revised Edition)

Teacher Certification

Section 1012.42(2), FS ..... Teacher Teaching Out-of-Field; Notification Requirements
Section 1012.55, FS ..... Positions for Which Certificates Required
Rule 6A-1.0502, FAC ..... Non-certificated Instructional Personnel
Rule 6A-1.0503, FAC ..... Definition of Qualified Instructional Personnel
Rule 6A-4.001, FAC ..... Instructional Personnel Certification
Rule 6A-6.0907, FAC ..... Inservice Requirements for Personnel of Limited English Proficient Students

Virtual Education

Section 1002.321, FS ..... Digital Learning
Section 1002.37, FS ..... The Florida Virtual School
Section 1002.45, FS ..... Virtual Instruction Programs
Section 1002.455, FS ..... Student Eligibility for K-12 Virtual Instruction
Section 1003.498, FS ..... School District Virtual Course Offerings

Charter Schools

Section 1002.33, FS ..... Charter Schools

NOTE A – SUMMARY
FULL-TIME EQUIVALENT (FTE) STUDENTS

A summary discussion of the significant features of the District, FEFP, FTE, and related areas follows:

1. School District of Clay County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Clay County, Florida. Those services are provided primarily to prekindergarten through twelfth-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 State Board of Education. The geographic boundaries of the District are those of Clay County.

For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 42 District schools other than charter schools and 3 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 35,070.04 unweighted FTE as recalibrated for those students and received approximately $143.4 million in State funding through the FEFP. The primary sources of funding for the District are funds from FEFP, local ad valorem taxes, and Federal grants and donations.

2. Florida Education Finance Program (FEFP)

Florida school districts receive State funding through the FEFP to serve prekindergarten through twelfth-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. Full-Time Equivalent (FTE) Students

The funding provided by the 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 FTE. For example, for prekindergarten 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 4 through 12, 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. For brick and mortar school students, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is 5 hours of class a day or 25 hours per week that equals one FTE). For virtual education students, one student would be reported as one 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 a fraction of an FTE. Half-credit completions will be included in determining an FTE. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

4. Recalibration of FTE to 1.0

For the 2013-14 school year and beyond, all student FTE enrollment is capped at 1.0 FTE except for the FTE reported by the Department of Juvenile Justice (DJJ) 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 enrollment reported for the student by all school districts, including the Florida Virtual School (FLVS) 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 reported for extended school year periods and DJJ FTE enrollment earned 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 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.

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 one week. The survey periods for the 2013-14 school year were conducted during and for the following weeks: survey period one was performed for July 8 through 12, 2013; survey period two was performed for October 14 through 18, 2013; survey period three was performed for February 10 through 14, 2014; and survey period four was performed for June 16 through 20, 2014.

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 as follows: (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, FS .....K-20 General Provisions
Chapter 1001, FS .....K-20 Governance
Chapter 1002, FS .....Student and Parental Rights and Educational Choices
Chapter 1003, FS .....Public K-12 Education
Chapter 1006, FS .....Support for Learning
Chapter 1007, FS .....Articulation and Access
Chapter 1010, FS .....Financial Matters
Chapter 1011, FS .....Planning and Budgeting
Chapter 1012, FS .....Personnel
Chapter 6A-1, FAC .....Finance and Administration
Chapter 6A-4, FAC .....Certification
Chapter 6A-6, FAC .....Special Programs I

NOTE B – TESTING FULL-TIME EQUIVALENT (FTE) STUDENTS

Our examination procedures provided for the selection of tests of schools, students, and teachers using judgmental methods for testing the FTE reported to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of the number of FTE students under the FEFP. The following schools were selected for testing:

School	Findings
District-Wide – Incomplete Reporting of Student Course Schedules	1
1. Charles E. Bennett Elementary School	2 and 3
2. R. C. Bannerman Learning Center	4 through 6
3. Grove Park Elementary School	7 through 9
4. Orange Park High School	10 through 14
5. Keystone Heights Junior/Senior High School	15 through 17
6. Clay High School	18 and 19
7. Lakeside Elementary School	20
8. Ridgeview High School	21
9. Tynes Elementary School	22 and 23
10. Fleming Island Elementary School	24 through 27
11. Plantation Oaks Elementary School	28 and 29
12. Oakleaf High School	30 through 34
13. Clay Virtual Instruction Program	35
14. Clay Virtual Franchise	36 and 37
15. Clay Virtual Academy	38

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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
ON STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated July 15, 2014, that the Clay County District School Board complied with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2014. 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 2013-14* issued by the Department of Education. As discussed in the representation letter, management is responsible for the District's compliance with State requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements 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 District's compliance with the aforementioned State 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 District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education

In our opinion, management's assertion that the Clay County District School Board complied with State requirements governing the determination and reporting of students transported under the FEFP for the fiscal year ended June 30, 2014, is fairly stated, in all material respects.

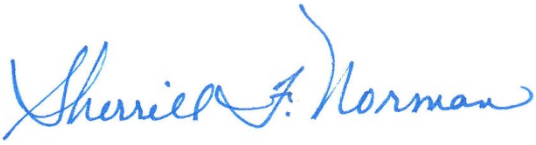
In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud and noncompliance with provisions of laws or regulations 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, and abuse that has a material effect on the subject matter. 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. The purpose of our examination was to express an opinion on the District's compliance with State requirements and did not include expressing an opinion on the District's related internal controls. Accordingly, we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in SCHEDULE G and EXHIBIT A, respectively. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.[1] The noncompliance mentioned above, while indicative of certain control deficiencies,[2] is not considered indicative of material weaknesses in the District's internal controls related to their reported ridership classification or eligibility for State transportation funding. The impact of this noncompliance on the District's reported number of transported students 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.

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 AICPA require us to indicate that this report is intended solely for the information and use 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 applicable District management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Sherrill F. Norman
Tallahassee, Florida
July 27, 2015

[1] *A <u>significant deficiency</u> 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 <u>material weakness</u> 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.*

[2] *A <u>control deficiency</u> in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis.*

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS
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(4), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested the number of students transported as reported to the Department of Education for the fiscal year ended June 30, 2014. (See NOTE B.) The population of vehicles (372) consisted of the total of the numbers of vehicles (buses, vans, or passenger cars) reported by the District for each reporting survey period. For example, a vehicle that transported students during the July and October 2013 and February and June 2014 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (27,031) consisted of the total numbers of students reported by the District as having been transported for each reporting survey period. (See NOTE A2.) The District reported students in the following ridership categories:

Ridership Category	Number of Students Transported
Teenage Parents and Infants	22
Hazardous Walking	1,508
IDEA – PK through Grade 12, Weighted	2,127
All Other FEFP Eligible Students	23,374
Total	27,031

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:

Description	Buses: Proposed Net Adjustment	Students: With Exceptions	Students: Proposed Net Adjustment
We noted that the reported number of buses in operation was overstated.	(1)		
Our tests included 392 of the 27,031 students reported as being transported by the District.		8	(6)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 22 students.	_	22	(14)
Total	(1)	30	(20)

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 and reporting the number of students transported in compliance with State requirements. 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 2013-14* issued by the Department of Education. The Clay County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported for the fiscal year ended June 30, 2014. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 37.

Findings	Students Transported Proposed Net Adjustments
Our examination procedures included both general tests and detailed tests. Our general tests included inquiries concerning the District's transportation of students and verification that a bus driver's report existed for each bus reported in a survey period. Our detailed tests involved verification of the specific ridership categories reported for students in our tests from the July and October 2013 reporting survey periods and the February and June 2014 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 test twice (i.e., once for the October 2013 reporting survey period and once for the February 2014 reporting survey period) will be presented in our Findings as two test students.	
1. [Ref. 59] The reported number of buses in operation for the October 2013 reporting survey period was overstated by one bus due to a coding error. Since we were able to verify the ridership of the students on other buses, we present this disclosure Finding with no proposed student adjustment:	
October 2013 Survey	
Number of Buses in Operation	(1)
2. [Ref. 51] The number of days in term for 35 students in the June 2014 reporting survey period should have been reported for 4 days in term rather than 9 days in term in accordance with the District's instructional calendar. We propose the following adjustment:	
June 2014 Survey	
9 Days in Term	
IDEA - PK through Grade 12, Weighted	(35)

Findings		Students Transported Proposed Net Adjustments
4 Days in Term		
IDEA - PK through Grade 12, Weighted	35	0

3. [Ref. 52] Two students were incorrectly reported in the IDEA - PK through Grade 12, Weighted ridership category as the students' files did not contain IEPs covering the reporting survey period. We determined that the students were otherwise eligible to be reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2013 Survey		
90 Days in Term		
IDEA - PK through Grade 12, Weighted	(2)	
All Other FEFP Eligible Students	2	0

4. [Ref. 53] Our general tests disclosed that one student was incorrectly reported in the All Other FEFP Eligible Students ridership category. The student was not enrolled in school during the reporting survey period and was not otherwise eligible for State transportation funding. We propose the following adjustment:

February 2014 Survey		
90 Days in Term		
All Other FEFP Eligible Students	(1)	(1)

5. [Ref. 54] Our general tests disclosed that 13 PK students were incorrectly reported in the All Other FEFP Eligible Students ridership category. Three of the students were infant children of teenage students and were eligible to be reported in the Teenage Parents and Infants ridership category. The remaining 10 students were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2013 Survey		
90 Days in Term		
Teenage Parents and Infants	2	
All Other FEFP Eligible Students	(8)	
February 2014 Survey		
90 Days in Term		
Teenage Parents and Infants	1	
All Other FEFP Eligible Students	(5)	(10)

Findings		Students Transported Proposed Net Adjustments

6. [Ref. 55] Our general tests disclosed that seven PK students (one was in our test) were incorrectly reported in the Hazardous Walking ridership category. The Hazardous Walking ridership category is reserved for students in Grades K-6. We determined that four of the students were otherwise eligible to be reported in the All Other FEFP Eligible Students ridership category as they were qualified IDEA students whose IEPs supported transportation services and the remaining three students were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2013 Survey		
90 Days in Term		
Hazardous Walking	(3)	
All Other FEFP Eligible Students	2	
February 2014 Survey		
90 Days in Term		
Hazardous Walking	(4)	
All Other FEFP Eligible Students	2	(3)

7. [Ref. 56] The reported ridership for three students in our test was not adequately supported. The bus drivers' reports indicated the students were not transported during the reporting survey period. We propose the following adjustment:

July 2013 Survey		
4 Days in Term		
IDEA - PK through Grade 12, Weighted	(3)	(3)

8. [Ref. 57] One student in our test was incorrectly reported in the Hazardous Walking ridership category. The student lived more than two miles from school and should have been reported in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

October 2013 Survey		
90 Days in Term		
Hazardous Walking	(1)	
All Other FEFP Eligible Students	1	0

Findings		Students Transported Proposed Net Adjustments

9. [Ref. 58] Three students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than two miles from school and were not otherwise eligible for State transportation funding. We propose the following adjustment:

February 2014 Survey		
90 Days in Term		
All Other FEFP Eligible Students	(3)	(3)
Proposed Net Adjustment		(20)

RECOMMENDATIONS AND REGULATORY CITATIONS
STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that District management exercise more care and take corrective action, as appropriate, to ensure that: (1) transported students are reported in the correct ridership category for the correct number of days in term and have appropriate documentation on file to support that reporting; (2) only those students who are documented as enrolled in school during the survey week and are recorded on bus drivers' reports as having been transported by the District at least once during the 11-day survey window are reported for State transportation funding; (3) students reported in IDEA-Weighted classifications are appropriately documented as meeting one of the five criteria as noted on the students' IEPs; (4) only PK students with disabilities or PK children of students enrolled in a Teenage Parent Program are reported for State transportation funding and proper documentation is maintained to support this reporting; (5) only eligible students who live less than two miles from their assigned school and are on a route that meets the criteria for hazardous walking conditions are reported in the Hazardous Walking ridership category; (6) the distance from home to school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category; and (7) the number of buses in operation is accurately reported.

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 governing the determination and reporting of students transported under the FEFP.

REGULATORY CITATIONS

Section 1002.33, FS .....Charter Schools
Chapter 1006, Part I, E., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation

Student Transportation General Instructions 2013-14

NOTE A - SUMMARY
STUDENT TRANSPORTATION

A summary discussion of the significant features of student transportation and related areas follows:

1. Student Eligibility

Any student who is transported by bus 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(4), Florida Statutes.

2. Transportation in Clay County

For the fiscal year ended June 30, 2014, the District received approximately $6.4 million for student transportation as part of the State funding through FEFP. The District's reporting of students transported by survey period was as follows:

Survey Period	Number of Vehicles	Number of Students
July 2013	6	56
October 2013	181	13,240
February 2014	180	13,700
June 2014	5	35
Total	372	27,031

3. Statutes and Rules

The following statutes and rules are of significance to the District's administration of student transportation:

Section 1002.33, FS .....Charter Schools
Chapter 1006, Part I, E., FS .....Transportation of Public K-12 Students
Section 1011.68, FS .....Funds for Student Transportation
Chapter 6A-3, FAC .....Transportation

NOTE B – TESTING
STUDENT TRANSPORTATION

Our examination procedures for testing provided for the selection of students using judgmental methods for testing the reporting of students transported under the FEFP to the Department of Education for the fiscal year ended June 30, 2014. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements governing the determination and reporting of students transported under the FEFP.

SCHOOL BOARD OF CLAY COUNTY

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1-888-663-2529 (KH)
FAX 904/284-6525 TDD 904/284-6584

Charlie Van Zant, Jr.
Superintendent of Schools

BOARD MEMBERS:

Janice Kerekes
District 1
Carol Studdard
District 2
Betsy Condon
District 3
Johnna McKinnon
District 4
Ashley Gilhousen
District 5

July 27, 2015

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

Re: Clay County District School Board's written response to the Preliminary and Tentative Audit Findings for the Fiscal Year Ended June 30, 2014.

Dear Auditor General Norman:

Pursuant to the List of Preliminary and Tentative Audit Findings and Recommendations for the Clay County District School Board for the Fiscal Year ended June 30, 2014, please accept the following written response as requested.

FTE Audit Findings

We have reviewed the items identified in the report. We concur with the Findings for both the FTE and Student Transportation portions of the audit. We have shared all audit Findings with the applicable departments and will work with each of them on revisions to policies and practices needed to ensure future compliance with all requirements.

If you have any questions or concerns, please contact Diane Kornegay, Deputy Superintendent, at (904) 529-4840.

Sincerely,

Diane S. Kornegay

Diane S. Kornegay
Deputy Superintendent
School Board of Clay County, FL

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