

**PUTNAM 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

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

<u>Member</u>	<u>District No.</u>
Nichole M. Cummings, Vice Chair to 11-18-13, Chair from 11-19-13	1
David M. Buckles from 10-1-13*	2
Terry Wright, Chair to 11-18-13	3
Kathleen Jorgensen, Vice Chair from 11-19-13	4
C. L. Overturf, Jr.	5

Phyllis Criswell, Superintendent

*Position remained vacant from July 1, 2013, until October 1, 2013.

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

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

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PUTNAM COUNTY DISTRICT SCHOOL BOARD
LIST OF ABBREVIATIONS

CELLA	Comprehensive English Language Learning Assessment
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

PUTNAM COUNTY DISTRICT SCHOOL BOARD
TABLE OF CONTENTS

	Page No.
SUMMARY.....	i
FULL-TIME EQUIVALENT (FTE) STUDENTS	
Independent Auditor’s Report.....	1
Schedule A – Populations, Test Selection, and Test Results.....	4
Schedule B – Effect of Proposed Adjustments on Weighted FTE.....	6
Schedule C – Proposed Adjustments by School.....	7
Schedule D – Findings and Proposed Adjustments.....	9
Schedule E – Recommendations and Regulatory Citations.....	15
Notes to Schedules.....	18
STUDENT TRANSPORTATION	
Independent Auditor’s Report.....	21
Schedule F – Populations, Test Selection, and Test Results.....	23
Schedule G – Findings and Proposed Adjustments.....	25
Schedule H – Recommendations and Regulatory Citations.....	31
Notes to Schedules.....	32
MANAGEMENT’S RESPONSE.....	33

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 ESE Support Levels 4 and 5 and Career Education 9-12 (OJT), the Putnam 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 73 teachers in our test, 11 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. Of the 73 teachers in our test, 1 (<1 percent) taught at a charter school and none of the 11 teachers with exceptions taught at charter schools.
- Four of the 23 students in our ESE Support Levels 4 and 5 test and 12 of the 24 students in our Career Education 9-12 (OJT) 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. None of the students in our ESE Support Levels 4 and 5 or Career Education 9-12 (OJT) tests attended charter schools.

Noncompliance related to the reported FTE resulted in 21 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 3.3214 (negative 3.3214 is all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 5.4831 (negative 5.4831 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 positive 54 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 the FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE by the base student allocation amount. For the Putnam County District School Board, the estimated gross dollar effect of our proposed adjustments to the reported FTE is a negative \$20,574 (negative 5.4831 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 PUTNAM COUNTY

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

The governing body of the District is the District School Board that is composed of five elected members. The executive officer of the Board is the elected Superintendent of Schools. For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 18 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 10,724.58 unweighted FTE as recalibrated for those students that included 412.49 unweighted FTE as recalibrated for charter school students and received approximately \$40.2 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 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. 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 earned 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 \$2.5 million for student transportation as part of the State funding through the FEFP.



Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT ON THE NUMBER OF FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined the Putnam 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 73 teachers in our test, 11 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 Of the 73 teachers in our test, 1 (<1 percent) taught at charter schools and none of the 11 teachers with exceptions taught at charter schools.

¹ For teachers, see SCHEDULE D, Findings 2, 3, 5, 8, 12, 16, 19, 20, and 21.

Students

Four of the 23 students in our ESE Support Levels 4 and 5 test² and 12 of the 24 students in our Career Education 9-12 (OJT) test³ 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. None of the students in our ESE Support Levels 4 and 5 or Career Education 9-12 (OJT) tests 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 ESE Support Levels 4 and 5 and Career Education 9-12 (OJT), the Putnam 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 ESE Support Levels 4 and 5 and Career Education 9-12 (OJT). 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 ESE Support Levels 4 and 5, see SCHEDULE D, Findings 13, 14, 15, and 18.

³ For Career Education 9-12 (OJT), see SCHEDULE D, Findings 9 and 10.

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, CPA
Tallahassee, Florida
August 17, 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 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 10,724.58 unweighted FTE as recalibrated for those students that included 412.49 unweighted FTE as recalibrated for the charter schools students, at 18 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers reported 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 (23) 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 (4,870) consisted of the total number of students in each program at the schools and 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:

Programs	Number of Schools		Number of Students at Schools Tested		Students with Exceptions	Recalibrated Unweighted FTE		Proposed Adjustments
	Population	Test	Population	Test		Population	Test	
Basic	23	9	3,488	90	0	7,825.0400	57.4675	31.9166
Basic with ESE Services	23	9	902	53	0	2,207.9500	43.6243	(.4526)
ESOL	17	6	420	88	8	404.3800	72.3014	(29.0613)
ESE Support Levels 4 and 5	8	3	26	23	4	28.8600	19.4002	(.6099)
Career Education 9-12	7	1	<u>1</u>	<u>24</u>	<u>12</u>	<u>258.3500</u>	<u>5.8009</u>	<u>(5.1142)</u>
All Programs	23	9	<u>4,870</u>	<u>278</u>	<u>24</u>	<u>10,724.5800</u>	<u>198.5943</u>	<u>(3.3214)</u>

Teachers

We also tested teacher qualifications as part of our examination procedures. (See Note B.) Specifically, the population of teachers (168 of which 167 are applicable to District schools other than charter schools and 1 is applicable to charter schools) consisted of the total number of teachers at schools in our test who taught courses in ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students, and of the total number of teachers reported under virtual education cost centers in our test who taught courses in Basic, Basic with ESE Services, ESE Support Levels 4 and 5, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we

selected 73 and found exceptions for 11. Of the 73 teachers in our test, 1 (1 percent) taught at a charter school and none of the 11 teachers with exceptions taught at charter schools.

Proposed Adjustments

Our proposed adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our test of teacher qualifications. Our proposed adjustments generally reclassify the reported FTE to Basic education, except for noncompliance involving a student's enrollment or attendance in which case the reported FTE is taken to zero. (See Schedules B, C, and D.)

The ultimate resolution of our proposed adjustments to the FTE 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

<u>No. Program</u>¹	<u>Proposed Net Adjustment</u>²	<u>Cost Factor</u>	<u>Weighted FTE</u>³
101 Basic K-3	18.2009	1.125	20.4760
102 Basic 4-8	10.9069	1.000	10.9069
103 Basic 9-12	2.8088	1.011	2.8397
112 Grades 4-8 with ESE Services	(.4526)	1.000	(.4526)
130 ESOL	(29.0613)	1.145	(33.2752)
254 ESE Support Level 4	(1.4999)	3.558	(5.3366)
255 ESE Support Level 5	.8900	5.089	4.5292
300 Career Education 9-12	<u>(5.1142)</u>	1.011	<u>(5.1705)</u>
Total	<u>(3.3214)</u>		<u>(5.4831)</u>

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 FULL-TIME EQUIVALENT (FTE) STUDENTS

<u>No.</u> <u>Program</u>	<u>Proposed Adjustments</u> ¹			<u>Balance Forward</u>
	<u>#0211</u>	<u>#0231</u>	<u>#0251</u>	
101 Basic K-3	2.4082	.....	14.3484	16.7566
102 Basic 4-8	.....	9.7047	.....	9.7047
103 Basic 9-12	.....	.....	.....	.0000
112 Grades 4-8 with ESE Services	.....	.0088	.....	.0088
130 ESOL	(2.4082)	(9.7135)	(14.3484)	(26.4701)
254 ESE Support Level 4	.....	.....	.....	.0000
255 ESE Support Level 5	.....	.....	.....	.0000
300 Career Education 9-12	.....	.....	.....	.0000
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

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

<u>No.</u>	<u>Brought Forward</u>	<u>Proposed Adjustments</u> ¹				<u>Total</u>
		<u>#0301</u>	<u>#0321</u>	<u>#0351</u>	<u>#7023</u>	
101	16.7566	.....	.....	1.4443	.....	18.2009
102	9.7047	.....	.....	.7408	.4614	10.9069
103	.0000	2.8088	.....	.....	.....	2.8088
112	.0088	.....	.....	.....	(.4614)	(.4526)
130	(26.4701)	(.4061)	.....	(2.1851)	.....	(29.0613)
254	.0000	.....	(1.4999)	.....	.....	(1.4999)
255	.0000	.....	.9100	(.0200)	.....	.8900
300	<u>.0000</u>	<u>(5.1142)</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>(5.1142)</u>
Total	<u>.0000</u>	<u>(2.7115)</u>	<u>(.5899)</u>	<u>(.0200)</u>	<u>.0000</u>	<u>(3.3214)</u>

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

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 ESE Support Levels 4 and 5 and Career Education 9-12 (OJT), the Putnam 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 15.

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.

Browning-Pearce Elementary School (#0211)

1. [Ref. 21101] The English language proficiency of one ELL student was not assessed within 30 school days prior to the student's fifth-year ESOL anniversary date.

We propose the following adjustment:

101 Basic K-3	.8954	
130 ESOL	<u>(.8954)</u>	.0000

2. [Ref. 21170] One teacher taught Language Arts courses that included an ELL student but had earned none 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:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Browning-Pearce Elementary School (#0211) (Continued)

101 Basic K-3	.4172	
130 ESOL	<u>(.4172)</u>	.0000

3. [Ref. 21171] One teacher was not approved by the School Board to teach ESOL out of field until November 5, 2013, which was after the October 2013 reporting survey period. We propose the following adjustment:

101 Basic K-3	1.0956	
130 ESOL	<u>(1.0956)</u>	.0000
		<u>.0000</u>

George C. Miller Junior Intermediate School (#0231)

4. [Ref. 23101] A portion of the course schedule for one ESE student (the student was in our ESOL test) was incorrectly reported in Program No. 130 (ESOL). The student's entire schedule should have been reported in Program No. 112 (Grades 4-8 with ESE Services). We propose the following adjustment:

112 Grades 4-8 with ESE Services	.0088	
130 ESOL	<u>(.0088)</u>	.0000

5. [Ref. 23170/71] Two teachers taught Language Arts and Basic subject area classes that included ELL students but had earned none of the 60 (Ref. 23170) or only 30 of the 240 (Ref. 23171) in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We propose the following adjustments:

<u>Ref. 23170</u>		
102 Basic 4-8	6.8643	
130 ESOL	<u>(6.8643)</u>	.0000
 <u>Ref. 23171</u>		
102 Basic 4-8	2.8404	
130 ESOL	<u>(2.8404)</u>	.0000
		<u>.0000</u>

Middleton-Burney Elementary School (#0251)

6. [Ref. 25101] The parents of an ELL student were not notified of their child's ESOL placement until June 2, 2014, which was after the February 2014 reporting survey period. We propose the following adjustment:

101 Basic K-3	.4348	
130 ESOL	<u>(.4348)</u>	.0000

Findings

Middleton-Burney Elementary School (#0251) (Continued)

7. [Ref. 25102] The ELL Committees for two students who tested proficient in all areas of the CELLA 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, prior to recommending the students' continued ESOL placements. We propose the following adjustment:

101 Basic K-3	1.7392	
130 ESOL	<u>(1.7392)</u>	.0000

8. [Ref. 25170/71] Two teachers taught Language Arts and Basic subject area classes that included ELL students but were not approved by the School Board to teach such students out of field. We also noted that: (a) the parents of the students were not notified of the teachers' out-of-field status, and (b) the teachers had earned none of the 120 (Ref. 25170) or none of the 60 (Ref. 25171) in-service training points in ESOL strategies required by rule and the teachers' in-service training timelines. We propose the following adjustments:

<u>Ref. 25170</u>		
101 Basic K-3	9.5656	
130 ESOL	<u>(9.5656)</u>	.0000

<u>Ref. 25171</u>		
101 Basic K-3	2.6088	
130 ESOL	<u>(2.6088)</u>	<u>.0000</u>

.0000

Palatka High School (#0301)

9. [Ref. 30101] The timecards for nine Career Education 9-12 (OJT) students were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

300 Career Education 9-12	<u>(2.4104)</u>	(2.4104)
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10. [Ref. 30102] Two Career Education 9-12 (OJT) students were reported for more work hours than were supported by the students' timecards in the February 2014 reporting survey period and one of the two students' timecards covering the October 2013 reporting survey period was not signed by the student's employer. In addition, for another student, the timecard was not signed by the student's employer. We propose the following adjustment:

Findings **Proposed Net Adjustments (Unweighted FTE)**

Palatka High School (#0301) (Continued)

300 Career Education 9-12	(.3011)	(.3011)
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11. [Ref. 30103] The *ELL Student Plan* for one student enrolled in the ESOL Program was incomplete as it did not identify all of the courses in the student’s schedule that would employ ESOL strategies. We propose the following adjustment:

103 Basic 9-12	.4061	
130 ESOL	(.4061)	.0000

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

103 Basic 9-12	2.4027	
300 Career Education 9-12	(2.4027)	.0000
		<u>(2.7115)</u>

Eleanor H. Miller School (#0321)

13. [Ref. 32101] One ESE student was not in attendance during the October 2013 reporting survey period and should not have been reported for FEP funding. We propose the following adjustment:

254 ESE Support Level 4	(.4999)	(.4999)
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14. [Ref. 32102] One ESE student was not reported in accordance with the student's *Matrix of Services* form. We propose the following adjustment:

254 ESE Support Level 4	(1.0000)	
255 ESE Support Level 5	<u>1.0000</u>	.0000

15. [Ref. 32103] The reported number of instructional minutes for one ESE student in the Hospital and Homebound Program was overstated. The student was reported for 450 minutes of homebound instruction but was provided only 180 minutes of such instruction. We propose the following adjustment:

255 ESE Support Level 5	(.0900)	(.0900)
		<u>(.5899)</u>

Findings

William D. Moseley Elementary School (#0351)

16. [Ref. 35170] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Social Science but taught a course that required certification in Speech Correction. We also noted that the parents of the student were not notified of the teacher's out-of-field status. Since the student is proposed for adjustment in Finding 18 (Ref. 35102), we present this disclosure Finding with no proposed adjustment.

.0000

17. [Ref. 35101] 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 fourth or sixth year. We also noted that the students' files did not contain *ELL Student Plans* covering the 2013-14 school year or evidence that parents were notified of their children's ESOL placements. We propose the following adjustment:

101 Basic K-3	.4815	
130 ESOL	<u>(.4815)</u>	.0000

18. [Ref. 35102] One ESE student in the Hospital and Homebound Program was reported for 30 minutes of Language Therapy but there were no homebound instructor's contact logs to support this reporting. We propose the following adjustment:

255 ESE Support Level 5	<u>(.0200)</u>	(.0200)
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19. [Ref. 35171] One teacher taught Language Arts classes that included ELL students but was not approved by the School Board to teach such students out of field. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

101 Basic K-3	.9628	
130 ESOL	<u>(.9628)</u>	.0000

20. [Ref. 35172] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in PK/Primary Education but taught a course that required certification in Elementary Education. We also noted that the parents of the students were not notified of the teacher's out-of-field status. We propose the following adjustment:

<u>Findings</u>		Proposed Net Adjustments (Unweighted FTE)
<u>William D. Moseley Elementary School (#0351)</u> (Continued)		
102 Basic 4-8	.7408	
130 ESOL	<u>(.7408)</u>	<u>.0000</u>
		<u>(.0200)</u>
 <u>Putnam Virtual Instruction Program (#7023)</u>		
21. [Ref. 702370] One teacher was not properly certified and was not approved by the School Board to teach out of field. The teacher was certified in Early Childhood Education and Elementary Education but taught courses that required certification in Art, Earth/Space Science, and 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.		
102 Basic 4-8	.4614	
112 Grades 4-8 with ESE Services	<u>(.4614)</u>	<u>.0000</u>
		<u>.0000</u>
Proposed Net Adjustment		<u>(3.3214)</u>

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) only students who are in membership during the survey week and in attendance at least 1 day of the 11-day survey window are reported for FEFP funding; (2) the course schedules for ESE students are reported entirely in ESE; (3) ESE students are reported in accordance with their *Matrix of Services* forms; (4) reported instructional minutes for students in the Hospital and Homebound Program are based on the homebound instructors' contact logs and the time authorized on the students' IEPs; (5) the English language proficiency of students being considered for extension of their ESOL placements (beyond the initial 3-year base period) is assessed within 30 school days prior to the students' ESOL anniversary dates and ELL Committees are convened subsequent to these assessments but not later than the students' ESOL anniversary dates; (6) parents are timely notified of their children's ESOL placements; (7) ELL Committees document the consideration of at least two of the five criteria specified by State Board of Education Rule 6A-6.0902(2)(a)3., FAC, when recommending the students' ESOL placements; (8) students' *ELL Student Plans* identify all courses employing ESOL strategies; (9) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, appropriately signed, and retained in readily-accessible files; (10) teachers are either properly certified or, if teaching out of field, are timely approved by the School Board to do so; (11) parents are notified of the teachers' out-of-field status; and (12) teachers earn their in-service training points in ESOL strategies on a timely basis as required by rule and the teachers' in-service training timelines.

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
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NOTES TO SCHEDULES

<p style="text-align: center;">NOTE A – SUMMARY FULL-TIME EQUIVALENT (FTE) STUDENTS</p>

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

1. School District of Putnam County

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Putnam County, Florida. Those services are provided primarily to 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 Putnam County.

For the fiscal year ended June 30, 2014, State funding through the FEFP was provided to the District for 18 District schools other than charter schools, 3 charter schools, and 2 virtual education cost centers serving prekindergarten through twelfth-grade students. The District reported 10,724.58 unweighted FTE as recalibrated for those students that included 412.49 unweighted FTE as recalibrated for charter school students and received approximately \$40.2 million in State funding through the FEFP. The primary sources of funding for the District are funds from the 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 earned 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

<p>NOTE B – TESTING FULL-TIME EQUIVALENT (FTE) STUDENTS</p>
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Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE 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:

<u>School</u>	<u>Findings</u>
1. The Children's Reading Center*	NA
2. Browning-Pearce Elementary School	1 through 3
3. George C. Miller Junior Intermediate School	4 and 5
4. Middleton-Burney Elementary School	6 through 8
5. Palatka High School	9 through 12
6. Eleanor H. Miller School	13 through 15
7. William D. Moseley Elementary School	16 through 20
8. Putnam Virtual Franchise	NA
9. Putnam Virtual Instruction Program	21

*Charter School



Sherrill F. Norman, CPA
Auditor General

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

INDEPENDENT AUDITOR'S REPORT ON STUDENT TRANSPORTATION

We have examined management's assertion, included in its representation letter dated August 28, 2014, that the Putnam County District School Board complied with State requirements governing the determination and reporting of students transported under the Florida Education Finance Program 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 Putnam 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 determination and reporting of students transported under the FEFP 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, CPA
Tallahassee, Florida
August 17, 2015

¹ A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

² A control deficiency 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 (196) 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 (12,026) 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:

<u>Ridership Category</u>	<u>Number of Students Transported</u>
Teenage Parents and Infants	24
IDEA – PK through Grade 12, Weighted	238
All Other FEFP Eligible Students	<u>11,764</u>
Total	<u>12,026</u>

Students with exceptions are students with exceptions affecting their ridership category. Students cited only for incorrect reporting of days in term, if any, are not included in our error rate determination.

Our examination results are summarized below:

<u>Description</u>	<u>Buses</u>	<u>Students</u>	
	<u>Proposed Net Adjustment</u>	<u>With Exceptions</u>	<u>Proposed Net Adjustment</u>
We noted that the reported number of buses in operation was overstated.	(9)		
Our tests included 229 of the 12,026 students reported as being transported by the District.		17	(11)
We also noted certain issues in conjunction with our general tests of student transportation that resulted in the addition of 199 students.	-	<u>199</u>	<u>65</u>
Total	<u>(9)</u>	<u>216</u>	<u>(54)</u>

Our proposed net adjustment presents the net effect of noncompliance disclosed by our examination procedures. (See Schedule G.)

The ultimate resolution of our proposed net adjustment and the computation of its financial impact is the responsibility of the Department of Education.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Management is responsible for determining 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 Putnam County District School Board complied, in all material respects, with State requirements governing the determination and reporting of students transported 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 31.

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 tests 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. 51] One student was reported for 60 days in term but should have been reported for 90 days in term in accordance with the District's calendar. We propose the following adjustments:

February 2014 Survey

90 Days in Term

All Other FEFP Eligible Students

1

60 Days in Term

All Other FEFP Eligible Students

(1)

0

Findings

2. [Ref. 52] Our general tests of the reported ridership disclosed that 18 students were not enrolled in school during the reporting survey periods; therefore, the students should not have been reported for State transportation funding. We propose the following adjustments:

October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students (12)

February 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (2)

All Other FEFP Eligible Students (4) (18)

3. [Ref. 53] Our general tests of the reported ridership disclosed that 52 students (1 was in our test) were incorrectly reported as follows:

- a. Forty-one PK students were reported in the All Other FEFP Eligible Students ridership category; however, the students were not classified as IDEA students and were not enrolled in a Teenage Parent Program. Consequently, the students were not eligible for State transportation funding.
- b. Eleven students were reported in the IDEA – PK through Grade 12, Weighted ridership category; however, the students were not classified as IDEA students. We determined that: (a) ten of the students were eligible for reporting in the All Other FEFP Eligible Students ridership category, and (b) one student in our test was not marked as riding a bus; therefore, the student was not eligible for State transportation funding.

We propose the following adjustments:

a. October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students (21)

February 2014 Survey

90 Days in Term

All Other FEFP Eligible Students (20) (41)

**Students
Transported
Proposed Net
Adjustments**

Findings

b. October 2013 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (1)

February 2014 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (10)

All Other FEFP Eligible Students 10 (1)

4. [Ref. 54] Our general tests disclosed that the reported number of buses in operation was overstated by nine buses (one bus in the October 2013 reporting survey and eight buses in the February 2014 reporting survey period). We also noted exceptions for 34 students on these buses as follows:

- a. Eleven bus numbers (five bus numbers in the October 2013 reporting survey and six bus numbers in the February 2014 reporting survey period) were incorrectly included in the number of buses in operation because of data-entry errors. All but 3 students reported on those buses were found on other bus drivers' reports.
- b. Four buses and the 31 students on those buses were inadvertently not reported in the October 2013 reporting survey period but should have been reported.
- c. The number of buses in operation in the February 2014 reporting survey period incorrectly included two buses that had transported only courtesy riders.

We propose the following adjustments:

a. October 2013 Survey

Number of Buses in Operation (5)

90 Days in Term

All Other FEFP Eligible Students (1)

February 2014 Survey

Number of Buses in Operation (6)

90 Days in Term

All Other FEFP Eligible Students (2) (3)

**Students
Transported
Proposed Net
Adjustments**

Findings

b. October 2013 Survey

90 Days in Term

Number of Buses in Operation 4

IDEA - PK through Grade 12, Weighted 17

All Other FEFP Eligible Students 14 31

c. February 2014 Survey

Number of Buses in Operation (2)

(9)

5. [Ref. 59] During our general tests, we determined through inquiry with the District's Transportation staff that 96 students were incorrectly reported in the Non-FEFP Fundable PK through Grade 12 Students ridership category. Transportation staff explained that there was a misunderstanding on their part concerning the definitions of the new ridership categories implemented in the 2013-14 school year. Transportation staff identified and provided documentation to us that supported that the students were eligible IDEA students who were in membership and were provided transportation during the reporting survey periods. As a result, we determined that the students were eligible for State transportation funding in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students 46

February 2014 Survey

90 Days in Term

All Other FEFP Eligible Students 50 96

6. [Ref. 55] Seven students in our test were either not listed on the bus drivers' reports or the bus drivers' reports indicated that the students were not transported during the reporting survey periods. We also noted the following additional exceptions involving three of the students:

- a. Two students were reported in the Teenage Parents and Infants ridership category but were not enrolled in a Teenage Parent Program and were not otherwise eligible for State transportation funding. We also noted that one of these students withdrew from school prior to the reporting survey period.

Findings

- b. One student was reported in the All Other FEFP Eligible Students ridership category but lived less than 2 miles from school and was not otherwise eligible for State transportation funding.

We propose the following adjustments:

October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students	(3)	
----------------------------------	-----	--

February 2014 Survey

90 Days in Term

Teenage Parents and Infants	(2)	
All Other FEFP Eligible Students	<u>(2)</u>	(7)

7. [Ref. 56] Two students in our test were not enrolled in school during the reporting survey period; therefore, the students should not have been reported for State transportation funding. We propose the following adjustment:

February 2014 Survey

90 Days in Term

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

8. [Ref. 57] One student in our test was incorrectly reported in the All Other FEFP Eligible Students ridership category. The student lived less than 2 miles from school and was not otherwise eligible for State transportation funding. We propose the following adjustment:

October 2013 Survey

90 Days in Term

All Other FEFP Eligible Students	<u>(1)</u>	(1)
----------------------------------	------------	-----

9. [Ref. 58] Six students in our test were incorrectly reported in the IDEA – PK through Grade 12, Weighted ridership category. The students’ IEPs did not indicate that the students met at least one of the five criteria required for IDEA-Weighted classification; however, we determined that the students were eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustments:

		Students Transported Proposed Net Adjustments
<u>Findings</u>		
October 2013 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(1)	
All Other FEFP Eligible Students	1	
February 2014 Survey		
<u>90 Days in Term</u>		
IDEA - PK through Grade 12, Weighted	(5)	
All Other FEFP Eligible Students	<u>5</u>	<u>0</u>
Proposed Net Adjustment		<u>54</u>

SCHEDULE H

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) the number of buses in operation and days in term are accurately reported; (2) only students who are enrolled in school during the survey week and rode the bus during the 11-day survey window are reported for State transportation funding; (3) students are reported in the correct ridership category and documentation is on file to support that reporting; (4) students reported in the IDEA – PK through Grade 12, Weighted ridership category are appropriately documented as meeting one of the five criteria required for IDEA-Weighted classification as noted on the students' IEPs; and (5) transported students who are documented as eligible IDEA students and who are in membership are reported for State transportation funding.

The absence of statements in this report regarding practices and procedures followed by the District should not be construed as acceptance, approval, or endorsement of those practices and procedures. Additionally, the specific nature of this report does not limit or lessen the District's obligation to comply with all State requirements 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*

NOTES TO SCHEDULES

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 Putnam County

For the fiscal year ended June 30, 2014, the District received approximately \$2.5 million for student transportation as part of the State funding through the FEFP. The District's reporting of students transported by survey period was as follows:

<u>Survey Period</u>	<u>Number of Vehicles</u>	<u>Number of Students</u>
July 2013	0	0
October 2013	95	5,951
February 2014	101	6,075
June 2014	<u>0</u>	<u>0</u>
Total	<u>196</u>	<u>12,026</u>

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 number of students transported as 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 students transported under the FEFP.

MANAGEMENT'S RESPONSE



200 Reid Street Palatka, Florida 32177
www.putnamschools.org

August 17, 2015

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

Dear Ms. Norman:

In response to the preliminary and tentative audit findings Report on Florida Education Finance Program Full-Time Equivalent Students and Student Transportation of the Putnam County School District for the fiscal year ended June 30, 2014, we would like to make the following statements:

Full Time Equivalent Students:

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

We will exercise more care and take corrective action, as appropriate, to ensure that: (1) only students who are in membership during the survey week and in attendance at least 1 day of the 11-day survey window are reported for FEFP funding; (2) the course schedules for ESE students are reported entirely in ESE; (3) ESE students are reported in accordance with their Matrix of Services forms; (4) reported instructional minutes for students in the Hospital and Homebound Program are based on the homebound instructors' contact logs and the time authorized on the students' IEPs; (5) the English language proficiency of students being considered for extension of their ESOL placements (beyond the initial 3-year base period) is assessed within 30 school days prior to the students' ESOL anniversary dates and ELL Committees are convened subsequent to these assessments but not later than the students' ESOL anniversary dates; (6) parents are timely notified of their children's ESOL placements; (7) ELL Committees document the consideration of at least two of the five criteria specified by State Board of Education Rule 6A-6.0902(2)(a)3., FAC, when recommending the students' ESOL placements; (8) students' ELL Student Plans identify all courses employing ESOL strategies; (9) students in Career Education 9-12 (OJT) are reported in accordance with timecards that are accurately completed, appropriately signed, and retained in readily-accessible files; (10) teachers are either properly certified or, if teaching out of field, are timely approved by the School Board to do so; (11) parents are notified of the teachers' out-of-field status; and (12) teachers earn their in-service training points in ESOL strategies on a timely basis as required by rule and the teachers' in-service training timelines.

Nikki Cummings, District I
David Buckles, District II
Terry Wright, District III

On Course For a Successful Future

Kathy Jorgensen, District IV
Jane Crawford, District V
Phyllis Criswell, Superintendent

Student Transportation:

The District is very pleased with the progress we had made in the Transportation area and we will continue to work on our exceptions. We will exercise more care and take corrective action, as appropriate, to ensure that: (1) the number of buses in operation and days in term are accurately reported; (2) only students who are enrolled in school during the survey week and rode the bus during the 11-day survey window are reported for State transportation funding; (3) students are reported in the correct ridership category and documentation is on file to support that reporting; (4) students reported in the IDEA – PK through Grade 12, Weighted ridership category are appropriately documented as meeting one of the five criteria required for IDEA-Weighted classification as noted on the students' IEPs; and (5) transported students who are documented as eligible IDEA students and who are in membership are reported for State transportation funding.

As in previous years, we appreciate the service your office provides. It was a pleasure to work with Mrs. Jennifer Taylor during this audit and throughout many years. She conducted herself in a courteous and professional manner at all times and we would like to thank her for her assistance and technical advice during the audit and for pointing out areas our district can improve upon.

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

Sincerely,

A handwritten signature in cursive script that reads "Phyllis L. Ciswell".