

STATE OF FLORIDA AUDITOR GENERAL DAVID W. MARTIN, CPA



Summary

Report Number: [2015-047](#)
Report Title: [Florida State University Schools, Inc. – Florida Education Finance Program](#)
Report Period: [07/01/2012 – 06/30/2013](#)
Release Date: [11/21/2014](#)

SUMMARY OF ATTESTATION EXAMINATION

Except for the material noncompliance described below involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located for students in ESOL and Career Education 9-12 (OJT), the Florida State University Schools, Inc. (Schools), complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2013:

- Six of the 15 students in our ESOL sample and 9 of the 24 students in our Career Education 9-12 (OJT) sample had exceptions involving reporting errors or records that were not properly or accurately prepared or were missing and could not be located. The Schools is a Developmental Research Charter Laboratory School (DRCLS) and all of the noted samples and exceptions consist of students who attend such charter school.

Noncompliance related to reported FTE resulted in five findings. The resulting proposed net adjustment to the Schools' reported, unweighted FTE totaled to a negative .6629 but has a potential impact on the Schools' weighted FTE of a negative .9104.

Weighted adjustments to FTE are presented in our report for illustrative purposes only. The weighted adjustments to 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 FTE by the base student allocation amount. The Schools' estimated gross dollar effect of our proposed adjustments to reported FTE is a negative \$3,262 (negative .9104 times \$3,582.98).

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

FLORIDA STATE UNIVERSITY SCHOOLS, INC.

The Schools (located in Tallahassee, Florida) was established as a DRCLS, pursuant to Section 1002.32(2), Florida Statutes, effective August 22, 2000, and as a special school district, pursuant to Section 1011.24, Florida Statutes, by Florida State University (FSU) located in Tallahassee, Florida. Section 1002.32(3), Florida Statutes, specifies that developmental research schools are to provide a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning. Additionally, Section 1002.32(3)(a), Florida Statutes, provides that the primary goal of a developmental research school is to enhance instruction and research in specialized subjects that include mathematics, science, computer science, and foreign languages, while also providing an education in nonspecialized subjects. On February 3, 2003, FSU entered into an agreement with the City

of Pembroke Pines (Florida) and sponsored the Pembroke Pines - Florida State University Charter Elementary School (a DRCLS) as part of FSU's existing special school district. The Schools offers instruction in Basic Education, ESOL, ESE, and Career Education 9-12 (OJT) and serves students in kindergarten through twelfth grade at the two locations.

In accordance with Section 1002.32(8), Florida Statutes, a Board of Directors has been established to provide general oversight and guidance to the Schools. The chief executive officer of the Schools, pursuant to Section 1002.32(7), Florida Statutes, is the Director. For the fiscal year ended June 30, 2013, State funding through FEFP was provided to the Schools for two charter schools serving kindergarten through twelfth grade students. The Schools reported 2,391.41 unweighted FTE for those students, and received approximately \$11.9 million in State funding through FEFP

FLORIDA EDUCATION FINANCE PROGRAM (FEFP)

Full-Time Equivalent (FTE) Students

Florida school districts and developmental research schools receive State funding through FEFP to serve prekindergarten through twelfth grade students (adult education is not funded by FEFP). 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 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.

The Superintendent's written response to the audit findings is included in the audit report as Exhibit A.