STATE OF FLORIDA
AUDITOR GENERAL
SHERRILL F. NORMAN, CPA

Summary

Report Number: 2016-193

Report Title: Marion County District School Board – Florida Education Finance Program

Report Period: 07/01/2014 - 06/30/2015

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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 not available at the time of our examination and could not be subsequently located for students in English for Speakers of Other Languages (ESOL), Exceptional Student Education (ESE) Support Levels 4 and 5, and Career Education 9-12, the Marion County District School Board (District) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment and student transportation as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2015:

- We noted exceptions involving reporting errors or records that were not properly or accurately prepared or were not available at the time of our examination and could not be subsequently located for 44 of the 264 students in our ESOL test, 25 of the 68 students in our ESE Support Levels 4 and 5 test, and 14 of the 108 students in our Career Education 9-12 test. Of the 264 students in our ESOL test, 1 (less than 1 percent) attended a charter school and 1 of the 44 students (2 percent) with exceptions attended a charter school. None of the students in our ESE Support Levels 4 and 5 and Career Education 9-12 tests attended charter schools.

Noncompliance related to the reported FTE student enrollment resulted in 56 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled to a negative 2.8697 (negative 2.8697 is all applicable to District schools other than charter schools) but has a potential impact on the District's weighted FTE of a negative 16.4278 (negative 16.3869 is applicable to District schools other than charter schools and negative .0409 is applicable to charter schools). Noncompliance related to student transportation resulted in 5 findings and a proposed net adjustment of a negative 25 students.

The weighted adjustments to the FTE student enrollment are presented in our report for illustrative purposes only. The weighted adjustments to the FTE do not take special program caps and allocation factors into account and are not intended to indicate the weighted FTE used to compute the dollar value of adjustments. That computation is the responsibility of the Department of Education. However, the gross dollar effect of our proposed adjustments to the FTE may be estimated by multiplying the proposed net weighted adjustment to the FTE student enrollment by the base student allocation amount. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is a negative $66,233 (negative 16.4278 times $4,031.77), of which a negative $66,068 is applicable to District schools other than charter schools and a negative $165 is applicable to charter schools.

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

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

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Marion County, Florida. Those services are provided primarily to prekindergarten through 12th-grade students and to adults seeking career education-type training. The District is part of the State system of public education under the general direction and control of the State Board of Education. The geographic boundaries of the District are those of Marion 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, 2015, State funding through the FEFP was provided to the District for 58 District schools other than charter schools, 4 charter schools, 3 District cost centers, and 2 virtual education cost centers serving prekindergarten through 12th-grade students. The District reported 41,668.19 unweighted FTE as recalibrated for those students that included 469.24 unweighted FTE as recalibrated for charter school students and received approximately $145 million in State funding through the FEFP.

FEFP

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve prekindergarten through 12th-grade students (adult education is not funded by the FEFP). The FEFP was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system, including charter schools, the availability of programs and services appropriate to the student's educational needs that are substantially equal to those available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per-student costs for equivalent educational programs due to sparsity and dispersion of student population.

The funding provided by the FEFP is based 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 student enrollment. For brick and mortar school students, one student would be reported as 1.0 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, which equates to 1.0 FTE). For virtual education students, one student would be reported as 1.0 FTE if the student has successfully completed six courses or credits or the prescribed level of content that counts toward promotion to the next grade. A student who completes less than six credits will be reported as a fraction of an FTE. Half-credit completions will be included in determining an FTE student enrollment. Credits completed by a student in excess of the minimum required for that student for graduation are not eligible for funding.

For the 2013-14 school year and beyond, all FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice (DJJ) for students beyond the 180-day school year. School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The Department of Education combines all FTE student enrollment reported for the student by all school districts, including the Florida Virtual School Part-Time Program, using a common student identifier. The Department of Education then recalibrates all reported FTE student enrollment for each student to 1.0 FTE if the total reported FTE for the student exceeds 1.0 FTE. The FTE student enrollment reported for extended school year periods and the DJJ FTE student enrollment reported beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

Student Transportation

Any student who is transported by the District must meet one or more of the following conditions in order to be eligible for State transportation funding: live 2 or more miles from school, be physically handicapped, be a Career Education 9-12 or an ESE student who is transported from one school center to another where appropriate programs are provided, or be on a route that meets the criteria for hazardous walking conditions specified in Section 1006.23(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 $10.1 million for student transportation as part of the State funding through the FEFP.

Management's response is included in the audit report.