



AUDITOR GENERAL

William O. Monroe, CPA



OPERATIONAL AUDIT OF INSTRUCTIONAL MATERIALS FUNDING FOR DISTRICT SCHOOL BOARDS July 1, 1999 to March 31, 2001

SUMMARY

The Legislature provides funding through a categorical appropriation for school districts to use in purchasing instructional materials for students in grades K-12. This funding, which totaled \$173,667,113 for fiscal year 2000-2001, is allocated to the individual school districts based on reported numbers of full-time equivalent students in each district. Our audit included a survey of 434 teachers in 15 districts to assess the status of instructional materials in the classrooms. The results of our survey are as follows:

- ♦ *The quantity of instructional materials available in the classrooms was generally adequate.*
- ♦ *The content of instructional materials was considered deficient by the teachers for 11 percent of the materials. These materials were, in many instances, used in courses that have not been through the adoption cycle since the implementation of the Sunshine State Standards.*
- ♦ *The age of instructional materials in use is a significant concern for several districts.*

Our audit findings are as follows:

- ♦ *Procedures could be enhanced in some districts to ensure instructional materials are purchased in a timely manner consistent with the Statewide adoption cycle for instructional materials.*
- ♦ *Additional guidance is needed to school districts from the Florida Department of Education (Department) to ensure effective communication is made to parents regarding the manner and use of instructional materials.*
- ♦ *Improvements are needed in the school districts' reporting to the Department the use of instructional materials funds.*

INTRODUCTION

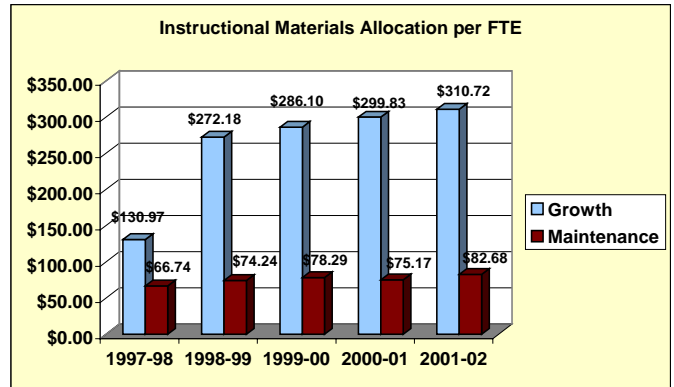
Instructional materials are defined by Section 233.07(4), Florida Statutes, as items having intellectual content that by design serve as a major tool for assisting in the instruction of a subject or course. These items may be available in bound, unbound, kit, or package form, and may consist of hardback or softback textbooks, consumable worksheets, learning laboratories,

***INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS***

manipulatives, electronic media, and computer courseware or software.

The Legislature has provided funding through a categorical appropriation to enable school districts to obtain instructional materials that will serve as a major tool of instruction for each student in the classrooms of Florida's public schools. To further ensure that adequate quality instructional materials are available, Florida, like 22 other states, has developed a formal Statewide adoption system for selecting instructional materials for grades K-12. This process includes the review of textbooks or other materials submitted by publishers for selected subjects on an established cycle. This process is conducted for most core courses (mathematics, language arts and reading, science, and social studies) on a six-year cycle. A nine-member Statewide Instructional Materials Committee, appointed by the Commissioner of Education, reviews the materials submitted for content, presentation, and learning strategies. Instructional materials that the Committee feels will best serve the educational objectives in Florida are selected, and contracts are entered into to provide materials at established prices through a book depository. The categorical appropriation for instructional materials includes a growth component to fund materials for new students, and a maintenance component to fund replacement of materials for existing students. Section 233.34, Florida Statutes, generally requires that each school district purchase textbooks or other instructional materials from the Statewide-adopted materials, with the exception that 50 percent of the annual allocation may be used for the purchase of instructional materials not on the

Statewide-adopted list and for the repair and renovation of textbooks. State funding per full-time equivalent (FTE) student for instructional materials for the past five years is shown in the following chart.



The Legislature has established a process for reviewing and determining appropriate instructional materials for Florida's students. In addition, the Legislature has provided school districts with flexibility in forming decisions as to what is most appropriate for students within each district. The recommendations in this report are intended to enhance accountability and efficiency in the use of the instructional materials funds by school districts to ensure all students have access to sufficient, relevant materials.

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of our audit focused on the administration of instructional materials categorical appropriations by district school boards for the period July 1, 1999, through March 31, 2001. Our objectives were to: (1) survey selected districts regarding the quantity, content, age, and condition of instructional materials in use in the classrooms, and (2) determine whether

***INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS***

district school boards have established and implemented procedures to provide for effective and efficient utilization of instructional materials funding in accordance with applicable laws, administrative rules, regulations, and other guidelines.

In conducting our audit, we considered governing laws, rules, and other guidelines, and we interviewed personnel at the Department and at selected district school boards. We also reviewed and observed management controls at selected school districts for the purpose of determining the extent to which management controls provided for adequate, quality instructional materials and complied with applicable laws, administrative rules, and other guidelines relating to the instructional materials appropriations.

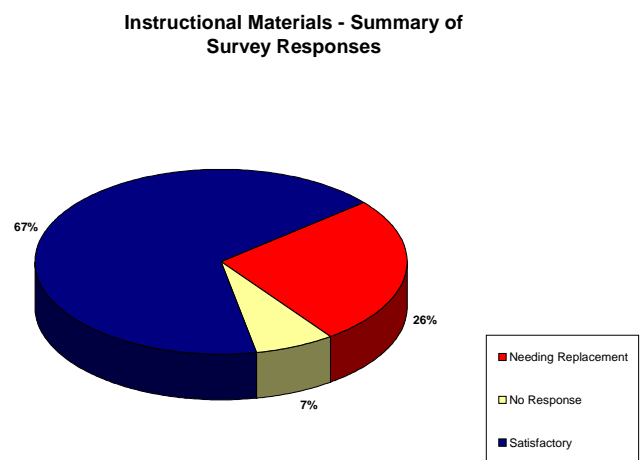
FINDINGS AND RECOMMENDATIONS

Survey Results - Quantity, Content, and Condition of Instructional Materials

Overview. During April 2001, we interviewed 434 teachers from 177 schools randomly selected from 15 school districts throughout the State. The surveys included teachers from 96 elementary schools, 42 middle schools, and 39 high schools. All teachers were asked to provide information on the instructional materials used in the classrooms, including: the titles and publishers of the materials; the copyright date and date of purchase of the materials; and the quantity, condition, and relevance of the materials content to meeting educational objectives. The survey responses identified 1,341 titles of instructional materials used. As shown in Chart 1, while the survey responses indicated

that the quantity, condition, and content of 892 titles, approximately 67 percent, were adequate, problems were noted with approximately 26 percent of the titles identified. Sufficient information was not provided for approximately 7 percent of the titles identified in the surveys to allow a determination as to their quantity, condition, or content.

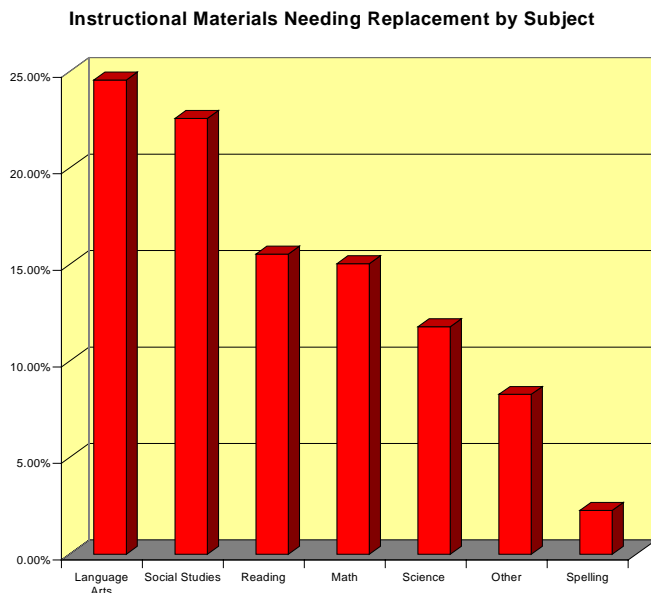
Chart 1



Based on the survey responses, a breakdown by subject of the instructional materials that needed replacement, whether due to inadequate quantity, content, condition, or age, is shown in Chart 2. Chart 2 shows that the instructional materials most in need of replacement are in the subjects of language arts, social studies, and reading. Social studies and language arts materials for grades K-12 were adopted April 1, 2001, and were available for purchase after that date. The subject of reading is scheduled for Statewide adoption in April 2002. Chart 2 also shows that the instructional materials least in need of replacement are science and spelling. These materials were adopted in April 2000 and April 1999, respectively.

**INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS**

Chart 2



Quantity of Instructional Materials. Each teacher was asked to indicate the quantity of instructional materials available and the number of students in the classrooms. In addition, the teacher was asked to indicate if the quantity of materials was adequate, and provide any additional comments. Teachers indicated that quantities were not adequate in 70 titles, or about 5 percent of the 1,341 titles identified. Teachers are very individualistic in their preferences concerning instructional materials needs. Some teachers prefer that each student be assigned a textbook, other teachers work with just a classroom set of books or materials, while other teachers prefer to teach solely from a teacher's manual or other materials with the student having no textbook at all. We also noted comments from 8 teachers indicating that, in addition to a textbook for each student, they would like an additional classroom set of textbooks. The rationale given for the extra set of books was to extend the life of the books by

reducing the amount of handling by the students. The students would take one book home for the school year for homework assignments, eliminating wear and tear on the book. Based on our surveys, the quantity of instructional materials generally appeared to be adequate.

Content of Instructional Materials. Section 233.34(2)(a), Florida Statutes, requires each school district to purchase current instructional materials to provide each student with a textbook or other instructional materials as a major tool of instruction in core courses of mathematics, language arts, science, social studies, reading, and literature for grades K-12. A major tool of instruction is defined as a tool with intellectual content that can stand alone to teach the intended outcome.

Our survey disclosed that 141 titles, or approximately 11 percent of the 1,341 titles identified, were considered by the teachers to be inadequate in regards to the materials content. We noted some instances where the content of a title was considered adequate by one teacher and inadequate by another teacher. Fifty-three of the 141 titles noted were considered inadequate due to the materials not covering the requirements of the Sunshine State Standards (SSS) and Florida Comprehensive Assessment Tests (FCAT). These exceptions were noted primarily in the subjects of language arts and social studies, which were included in the Statewide adoption in April 2001.

Since the Legislature adopted the SSS in 1996, not all instructional materials for core courses have been through the Statewide adoption process to ensure that instructional materials on the Statewide adoption listing contain current,

***INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS***

relevant materials inclusive of the SSS. The SSS established the academic standards expected of students based on grade level and subject. Based on the proposed adoption schedule, all core course subject areas will have been through the adoption cycle by 2004. This may have an impact on the decisions made by school districts and schools as to what are the most urgent instructional materials needs, and may have resulted in the use of instructional materials funds to obtain supplemental materials to ensure all Sunshine Skills Standards are currently taught in classrooms.

Age of Instructional Materials. In our surveys, we requested information about the copyright date, purchase date (if known), and physical condition of the instructional materials. Most core subjects on the Statewide adoption system are on a six-year cycle. We determined the age of the instructional materials as of the end of June 2000, based on the copyright date, to identify the extent to which textbooks and instructional materials were not acquired on cycle.

As shown in Chart 3, over 40 percent of the instructional materials surveyed in the Baker and Bradford school districts were over eight years of

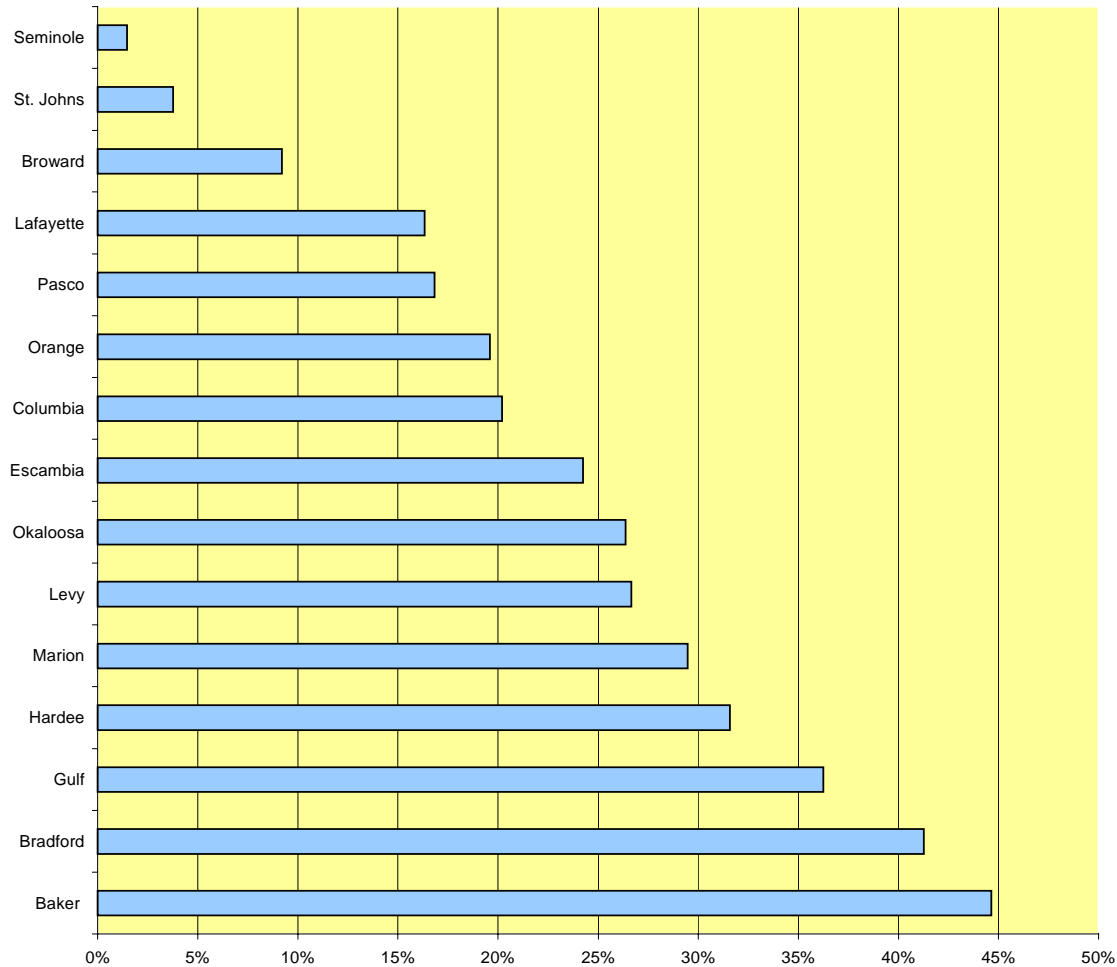
age. This represents a significant number of books beyond the six-year adoption cycle. For example, the surveys disclosed that, out of 126 titles from the Bradford school district, 34 had copyright dates of 1984, 1986, or 1987, none of which represents materials on the current adoption list. Surveys from St. Johns, Broward, and Seminole school districts, by comparison, showed a relatively low number of instructional materials over eight years of age. These districts also showed a relatively large percentage of the materials surveyed to be between one and three years of age, indicating instructional materials are replaced in a timely manner.

Changes in the law, effective July 1, 2001, relative to the purchase of instructional materials, require school districts that intend to purchase State-adopted materials, to do so within the first two years of the adoption and to report to the Department by April 1st their planned purchases. These changes should encourage districts to adopt and purchase State-adopted materials in a more timely manner.

**INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS**

Chart 3

Percentage of Books That Are 8 Years Old or Older



Finding No. 1: District Procedures for Adoption of Instructional Materials

The Department provides for review and adoption of textbooks and other instructional materials, and awards contracts for periods of three to eight years, with contracts for most core courses (reading, literature, language arts, math, science, and social studies) generally awarded for six years. Our inquiry of 15 school districts disclosed significant variances in the procedures

used to select instructional materials. While each of the 15 school districts had procedures to review State-adopted instructional materials, decisions for the actual purchase of instructional materials for 12 of the 15 school districts were made at the school level. From our surveys, we noted a higher number of books over eight years old for school districts where decisions for purchasing were made at the school level. In these school districts, the same grade levels at different schools may use different materials. In

***INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS***

these circumstances, there is an increased risk that students may lose continuity when transferring to different schools within the same school district and, when a new school is opened, instructional materials resources can not be easily reallocated with student populations.

Three of the 15 school districts reviewed appeared to have the most efficient and effective systems for the identification and purchase of instructional materials. These school districts were Broward, St. Johns, and Seminole. Each of these school districts generally requires schools to use instructional materials adopted on a districtwide basis, with use of nonadopted materials requiring the approval of the district's Instructional Materials Administrator. Seminole school district has written policies that state that the district will follow the Department's adoption cycle. Once a subject area has been adopted, the newly adopted materials are purchased for all students in the district plus an additional ten percent for growth and replacement. Instructional materials are distributed to schools based on the number of students, with the remaining materials stored in the district's warehouse until needed. Since adopting these procedures, the Seminole school district has not experienced any significant surplus of textbooks or other instructional materials when there is a subsequent adoption. Using this method, all students use the same grade level materials districtwide. When students move from one school to another, they continue using the same instructional materials. Likewise, when a new school opens, books and instructional materials can be shifted from existing schools for student populations

transferred, and eliminate the need to purchase all new materials. Under the Seminole school district's policies, a school may request a waiver from the districtwide adopted materials. However, if obtained, the school is responsible for any price increase from other funds budgeted to the school, and the school may not change materials until the next scheduled adoption for that subject.

We recommend all school districts review and compare their procedures to those used by the Seminole school district, and consider revisions that would provide for a more efficient use of instructional materials resources.

Department's Response

Although the Florida Legislature has increased district funding for instructional materials by over 180 percent in the past ten years, we still have school districts with outdated and inadequate instructional materials. Hopefully, the report findings will encourage districts to consider more thoughtfully the manner in which they manage their instructional materials expenditures.

Finding No. 2: Communication of Instructional Materials to Parents

Section 233.46(1), Florida Statutes, states that the duties and responsibilities of school principals for instructional materials management and care include, in part, to effectively communicate to parents the manner in which instructional materials are used to implement the curricular objectives of the school. Principals at all schools we reviewed indicated that they felt they had met the requirement of this Statute. The methods used to communicate this information varied

**INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS**

from school to school, even within the same school district. The methods of communication cited by the principals included various meetings which parents are invited to attend, such as school advisory council meetings and school open house where parents are invited to visit classrooms and view the instructional process. Some schools elected to send a synopsis of the School Improvement Plan home to parents to describe the instructional materials and methods used.

Principals who elect to communicate the instructional materials used through school open-house meetings or school advisory council meetings may be communicating only to parents that attend. Parents who do not attend these meetings may not have information regarding instructional materials effectively communicated to them. Without clear guidance from either the Florida Statutes or the Department as to what constitutes adequate communication, such communication with the parents will continue to be inconsistent.

We recommend that the Department provide guidance to the districts regarding reasonable methods for accomplishing the required effective communication with parents.

Department's Response

The Department agrees that better communication is needed between parents and local schools in terms of how funds are allocated and how instructional materials are selected for purchase. Although this is specifically addressed in Section 230.23(7), Florida Statutes, staff will consult with school districts and consider more effective methods of communication.

Finding No. 3: Reporting Instructional Materials Data to the Department

To determine the level of utilization of instructional materials funding, we obtained and analyzed data collected by the Department from the school districts' annual financial reports. This data included the amount of instructional materials appropriation received, expended, and carried forward by school districts for the fiscal years 1997-98, 1998-99, and 1999-2000. We summarized, by school district, the amount of the instructional materials appropriation and the amount of unexpended funds, and determined the percent of the current year's appropriation that was unexpended for each fiscal year. As shown in Table 1, three of the school districts we reviewed reported spending over 90 percent of their instructional materials funds, while two other school districts reported carryovers of 89 and 125 percent of these funds, respectively, at June 30, 2000.

In our testing, 10 of the 15 school districts reported carryovers of instructional materials funds of more than 30 percent at June 30, 2000. Our inquiry disclosed several reasons for the carryovers. One district reported that it felt it was prudent management to carryforward 10 percent of the appropriation to cover unforeseen shortfalls based on FTE projections. Two districts indicated that part of the amount reported as a carryover actually represented instructional materials purchased, but held in inventory and not issued as of June 30, 2000. Six districts reported that funds were carried forward to accumulate sufficient funds for a large future districtwide adoption for reading/language arts materials in the 2001-02

**INSTRUCTIONAL MATERIALS FUNDING
FOR DISTRICT SCHOOL BOARDS**

fiscal year. When districts utilize different methods to account for and report the use of instructional materials funds, the information reported to the Department is not comparable for purposes of monitoring the districts' utilization of these funds.

We recommend that the Department provide additional guidance to the school districts to ensure that the reporting of the use of instructional materials funding is comparable and consistent. This information would then be more useful in determining school districts' utilization of the instructional materials resources.

Department's Response

Department staff will be asked to research and implement adjustments to reporting procedures by district finance officers.

Other Considerations

This report does not consider the administration of instructional materials funds in school districts that have been granted charter district status pursuant to Section 228.058, Florida Statutes. Nor does this report consider whether

instructional materials needs are being met in schools authorized to participate in a school deregulation project pursuant to Section 228.0565, Florida Statutes. In addition, 3 of the 15 districts included in our audit had been granted waivers from the requirements of Chapter 233, Florida Statutes.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

William O. Monroe

William O. Monroe, CPA

AUDITEE RESPONSE

In a letter dated October 29, 2001, the Commissioner of Education generally concurred with our audit findings. For a more comprehensive understanding of the Commissioner's responses to the findings and recommendations contained in this report, please see the Auditor General's Web site, where the response may be viewed in its entirety.

To promote accountability in government and improvement in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of district school boards. This operational audit was made in accordance with applicable Government Auditing Standards issued by the Comptroller General of the United States. This audit was conducted by Cheryl B. Pueschel, CPA, and supervised by Robert L. Kuitert, CPA. Please address inquiries regarding this report to David W. Martin, CPA, Audit Manager, via e-mail at davidmartin@aud.state.fl.us or by telephone at (850) 487-9039.

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

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Table 1

**ANALYSIS OF UNENCUMBERED INSTRUCTIONAL MATERIALS APPROPRIATIONS
FOR THE 1997-98, 1998-99, and 1999-2000 FISCAL YEARS**

Source of data: Florida Department Of Education Financial Data Base of State Categorical Programs Data
(Based on data reported to the Department by the districts on their annual financial report.)

	1997-98			1998-99			1999-2000		
	Allocation	Unencumbered (1)	Percentage Not Spent	Allocation	Unencumbered (1)	Percentage Not Spent	Allocation	Unencumbered (1)	Percentage Not Spent
Baker	\$ 292,702.00	\$ 198,920.25	67.96%	\$ 329,249.00	\$ 210,691.45	63.99%	\$ 338,614.00	\$ 174,099.77	51.42%
Bradford	250,032.00	97,802.72	39.12%	277,128.00	74,841.42	27.01%	294,615.00	18,231.89	6.19%
Broward	14,327,127.00	1,017,717.98	7.10%	17,212,186.00	1,636,713.98	9.51%	18,943,659.00	3,190,662.30	16.84%
Columbia	590,624.00	246,365.16	41.71%	675,805.00	355,065.07	52.54%	650,111.00	340,350.54	52.35%
Escambia	2,838,491.00	2,018,813.50	71.12%	3,153,303.00	2,108,951.50	66.88%	3,186,504.50	2,851,214.58	89.48%
Gulf	145,415.00	82,327.49	56.62%	161,918.00	94,200.82	58.18%	160,519.00	116,877.73	72.81%
Hardee	325,038.00	273,632.75	84.18%	345,297.00	254,794.83	73.79%	359,051.00	278,759.58	77.64%
Lafayette	62,170.00	31,000.17	49.86%	73,234.00	27,687.81	37.81%	73,630.00	52,088.87	70.74%
Levy	371,180.00	49,580.88	13.36%	461,928.00	108,978.83	23.59%	451,447.00	126,362.39	27.99%
Marion	2,302,384.00	2,087,448.77	90.66%	2,720,761.00	2,794,407.77	102.71%	2,677,753.00	3,365,706.74	125.69%
Okaloosa	1,878,416.00	822,146.75	43.77%	2,144,499.00	844,955.14	39.40%	2,342,973.00	1,414,728.82	60.38%
Orange	8,499,872.00	4,142,611.75	48.74%	10,612,408.00	3,148,401.81	29.67%	11,474,382.00	7,048,140.45	61.43%
Pasco	2,810,653.00	1,208,962.19	43.01%	3,409,016.00	1,433,838.61	42.06%	3,654,048.00	2,169,348.70	59.37%
St. Johns	1,259,619.00	-	0.00%	1,378,722.00	-	0.00%	1,414,620.00	-	0.00%
Seminole	3,631,131.00	36,590.52	1.01%	4,375,553.00	414,113.06	9.46%	4,311,214.00	258,132.52	5.99%

Note:

(1) Includes carryover funds from previous fiscal year(s).





FLORIDA DEPARTMENT OF EDUCATION

CHARLIE CRIST
COMMISSIONER

October 29, 2001

Mr. William O. Monroe, CPA
Auditor General
State of Florida
G74 Claude Pepper Building
Tallahassee, Florida 32399

RE: Preliminary Audit Findings on Instructional Materials Funding, July 1999 to March 2001

Dear Mr. Monroe:

Thank you for the opportunity to respond to the preliminary audit findings and recommendations of Instructional Materials Funding for District School Boards.

Although the Florida Legislature has increased district funding for instructional materials by over 180% in the past ten years, we still have school districts with outdated and inadequate instructional materials. Hopefully, the report findings will encourage districts to consider more thoughtfully the manner in which they manage their instructional materials expenditures.

The Department of Education agrees that better communication is needed between parents and local schools in terms of how funds are allocated and how instructional materials are selected for purchase. Although this is specifically addressed in 230.23 (7), Florida Statutes, staff will consult with school districts and consider more effective methods of communication.

FLORIDA ATLANTIC UNIVERSITY TOWER
220 S.E. 2ND AVENUE, #726
FT. LAUDERDALE, FLORIDA 33301
(954) 762-5322
Fax (954) 762-5197

THE CAPITOL
PLAZA LEVEL 08
TALLAHASSEE, FLORIDA 32399-0400
(850) 487-1785 • SC 277-1785
Fax (850) 413-0378 • SC 993-0378

<http://www.firn.edu/doe>

UNIVERSITY OF SOUTH FLORIDA, ST. PETERSBURG CAMPUS
POY 248, 140 7TH AVENUE SOUTH
ST. PETERSBURG, FLORIDA 33701
(727) 553-3730
Fax (727) 553-1033

Page Two
October 29, 2001
Mr. William O. Monroe, CPA

The audit findings also uncovered possible discrepancies in terms of how individual districts report expenditures and carry-forward of funds. Department staff will be asked to research and implement adjustments to reporting procedures by district finance officers.

Several statutory changes were enacted during the 1999 Legislative session to require school districts to purchase current and adequate materials aligned to Sunshine State Standards and to purchase within the first two years of the adoption cycle. As indicated in the audit report, this is much more likely to occur when district policies are in place and adhered to by all individual schools.

Hopefully, the findings contained in the audit report will be distributed to appropriate policy makers and used in future funding considerations for instructional materials.

Sincerely,

A handwritten signature in black ink that reads "Charlie Crist". The signature is written in a cursive, flowing style with a large initial "C".

Charlie Crist