

**HIGHLANDS COUNTY
DISTRICT SCHOOL BOARD**

Florida Education Finance Program
Full-Time Equivalent Student Enrollment
and
Student Transportation

For the Fiscal Year Ended
June 30, 2017



Sherrill F. Norman, CPA
Auditor General

Board Members and Superintendents

During the 2016-17 fiscal year, Dr. Brenda Longshore served as Superintendent from 11-22-16, Wallace P. Cox served as Superintendent before that date, and the following individuals served as Board members:

| | <u>District No.</u> |
|--|-------------------------|
| Charlene Edwards | 1 |
| Donna Howerton, Chair through 11-21-16 | 2 |
| Jan Shoop, Chair from 11-22-16, Vice Chair through 11-21-16 | 3 |
| William Brantley, II | 4 |
| Jill Compton Twist, Vice Chair from 11-22-16 | 5 |

The team leader was Eric R. Seldomridge, 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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HIGHLANDS COUNTY DISTRICT SCHOOL BOARD
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HIGHLANDS COUNTY DISTRICT SCHOOL BOARD

LIST OF ABBREVIATIONS

| | |
|-------|---|
| CMW | Class Minutes, Weekly |
| DEUSS | Date Entered United States School |
| DIT | Days in Term |
| DOE | Department of Education |
| ELL | English Language Learner |
| ESE | Exceptional Student Education |
| ESOL | English for Speakers of Other Languages |
| ESY | Extended School Year |
| FAC | Florida Administrative Code |
| FEFP | Florida Education Finance Program |
| FTE | Full-Time Equivalent |
| IDEA | Individuals with Disabilities Education Act |
| IEP | Individual Educational Plan |
| OJT | On-the-Job Training |
| PK | Prekindergarten |
| SBE | State Board of Education |

SUMMARY

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 ESOL and ESE Support Levels 4 and 5, the Highlands 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, 2017. Specifically, 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 20 of the 69 students in our ESOL test and 11 of the 35 students in our ESE Support Levels 4 and 5 test.

The District did not report any charter schools; therefore, all our tests relate to District schools other than charter schools and the District's virtual instruction program. Noncompliance related to the reported FTE student enrollment resulted in 18 findings. The resulting proposed net adjustment to the District's reported, unweighted FTE totaled negative .7950 but has a potential impact on the District's weighted FTE of negative 15.3205. Noncompliance related to student transportation resulted in 8 findings and a proposed net adjustment of negative 21 students.

The weighted adjustments to the FTE student enrollment are presented in our report for illustrative purposes only. The weighted adjustments to the FTE student enrollment 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 (DOE). However, the gross dollar effect of our proposed adjustments to the FTE may be estimated by multiplying the proposed net weighted adjustments to the FTE student enrollment by the base student allocation amount. The base student allocation for the fiscal year ended June 30, 2017, was \$4,160.71 per FTE. For the District, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$63,744 (negative 15.3205 times \$4,160.71).

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 DOE.

THE DISTRICT

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Highlands County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Highlands 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. The District had 19 schools, 2 cost centers, and 2 virtual education cost centers serving PK through 12th-grade students. The District did not report any charter schools.

For the fiscal year ended June 30, 2017, State funding totaling \$45.5 million was provided through the FEFP to the District for the District-reported 12,280.35 unweighted FTE as recalibrated. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

| |
|------|
| FEFP |
|------|

FTE Student Enrollment

Florida school districts receive State funding through the FEFP to serve PK 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 on 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 courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses 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.

School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE combines all FTE student enrollment reported for the student by all school districts, including the Florida Virtual School. The DOE 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 by the Department of Juvenile Justice for FTE student enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year. However, if a student only

has FTE student enrollment reported in one survey of the 180-day school year (Survey 2 or Survey 3), the FTE student enrollment reported will be capped at .5000 FTE, even if FTE student enrollment is reported in Survey 1 or Survey 4, with the exception of FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year.

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 classified as a student with a disability under the IDEA, 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 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 \$2.5 million for student transportation as part of the State funding through the FEFP.

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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

Report on Full-Time Equivalent Student Enrollment

We have examined the Highlands County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017. 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 2016-17* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with State requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of the full-time equivalent student enrollment reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

Our examination disclosed material noncompliance with State requirements relating to the classification, assignment, and verification of full-time equivalent student enrollment as reported under the Florida Education Finance Program for students in our English for Speakers of Other Languages and Exceptional Student Education Support Levels 4 and 5 tests 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.

In our opinion, except for the material noncompliance with State requirements described in the preceding paragraph 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 and Exceptional Student Education Support Levels 4 and 5, the Highlands County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses¹ 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 District's compliance with State requirements. 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.

We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements; accordingly, we express no such opinion. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. However, the material noncompliance mentioned

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.

above is indicative of significant deficiencies considered to be material weaknesses in the District's internal controls related to 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 and Exceptional Student Education Support Levels 4 and 5. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE D* and *MANAGEMENT'S RESPONSE*, respectively. The impact of this noncompliance with State requirements on the District's reported full-time equivalent student enrollment 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.

Purpose of this Report

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 American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 11, 2018

SCHEDULE A

POPULATIONS, TEST SELECTION, AND TEST RESULTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Reported FTE Student Enrollment

The funding provided by the FEFP is based on 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. The unweighted FTE represents the FTE prior to the application of the specific cost factor for each program. (See *SCHEDULE B* and NOTE A3., A4., and A5.) For the fiscal year ended June 30, 2017, the Highlands County District School Board (District) reported to the DOE 12,280.35 unweighted FTE as recalibrated at 19 District schools, 2 cost centers, and 2 virtual education cost centers. The District did not report any charter schools.

Schools and Students

As part of our examination procedures, we tested the FTE student enrollment reported to the DOE for schools and students for the fiscal year ended June 30, 2017. (See NOTE B.) The population of schools (23) consisted of the total number of brick and mortar schools and cost centers in the District that offered courses as well as the virtual education cost centers in the District that offered virtual instruction in the FEFP-funded programs. The population of students (5,556) consisted of the total number of students in each program at the schools and cost centers in our tests. Our Career Education 9-12 student test data includes only those students who participated in OJT.

We noted the following material noncompliance: 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 20 of the 69 students in our ESOL test² and 11 of the 35 students in our ESE Support Levels 4 and 5 test.³

Our populations and tests of schools and students are summarized as follows:

| <u>Programs</u> | <u>Number of Schools</u> | | <u>Number of Students at Schools Tested</u> | | <u>Students With Exceptions</u> | <u>Recalibrated Unweighted FTE</u> | | <u>Proposed Adjustments</u> |
|----------------------------|--------------------------|-------------|---|-------------|---------------------------------|------------------------------------|-----------------|-----------------------------|
| | <u>Population</u> | <u>Test</u> | <u>Population</u> | <u>Test</u> | | <u>Population</u> | <u>Test</u> | |
| Basic | 22 | 8 | 4,188 | 77 | 0 | 9,165.2400 | 51.2950 | 12.8851 |
| Basic with ESE Services | 21 | 6 | 946 | 52 | 3 | 2,288.9300 | 45.3939 | 3.0336 |
| ESOL | 17 | 5 | 254 | 69 | 20 | 435.1000 | 47.9792 | (11.9251) |
| ESE Support Levels 4 and 5 | 12 | 4 | 46 | 35 | 11 | 36.7100 | 11.9871 | (4.0336) |
| Career Education 9-12 | 3 | 2 | <u>122</u> | <u>60</u> | <u>5</u> | <u>354.3700</u> | <u>13.3756</u> | <u>(.7550)</u> |
| All Programs | 23 | 8 | <u>5,556</u> | <u>293</u> | <u>39</u> | <u>12,280.3500</u> | <u>170.0308</u> | <u>(.7950)</u> |

² For ESOL, the material noncompliance is composed of Findings 2, 3, 4, 6, 9, 10, and 14 on *SCHEDULE D*.

³ For ESE Support Levels 4 and 5, the material noncompliance is composed of Findings 7, 11, 16, 17, and 18 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (294) 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 97 and found exceptions for 2 teachers.

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 student enrollment and the computation of their financial impact is the responsibility of the DOE.

SCHEDULE B

EFFECT OF PROPOSED ADJUSTMENTS ON WEIGHTED FULL-TIME EQUIVALENT STUDENT ENROLLMENT

| <u>No. Program (1)</u> | <u>Proposed Net Adjustment (2)</u> | <u>Cost Factor</u> | <u>Weighted FTE (3)</u> |
|-----------------------------------|------------------------------------|--------------------|-------------------------|
| 101 Basic K-3 | 6.9497 | 1.103 | 7.6655 |
| 102 Basic 4-8 | 1.7210 | 1.000 | 1.7210 |
| 103 Basic 9-12 | 4.2144 | 1.001 | 4.2186 |
| 111 Grades K-3 with ESE Services | 1.4999 | 1.103 | 1.6544 |
| 112 Grades 4-8 with ESE Services | .0000 | 1.000 | .0000 |
| 113 Grades 9-12 with ESE Services | 1.5337 | 1.001 | 1.5352 |
| 130 ESOL | (11.9251) | 1.194 | (14.2386) |
| 254 ESE Support Level 4 | (2.5799) | 3.607 | (9.3057) |
| 255 ESE Support Level 5 | (1.4537) | 5.376 | (7.8151) |
| 300 Career Education 9-12 | (.7550) | 1.001 | (.7558) |
| Total | (.7950) | | (15.3205) |

Notes: (1) See NOTE A7.

(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 DOE. (See NOTE A5.)

SCHEDULE C

PROPOSED ADJUSTMENTS BY SCHOOL FULL-TIME EQUIVALENT STUDENT ENROLLMENT

| <u>No.</u> <u>Program</u> | <u>Proposed Adjustments (1)</u> | | | <u>Balance Forward</u> |
|-----------------------------------|---------------------------------|--------------|--------------|------------------------|
| | <u>#0031</u> | <u>#0101</u> | <u>#0211</u> | |
| 101 Basic K-3 | 1.7003 | 3.5204 | 1.7290 | 6.9497 |
| 102 Basic 4-8 | ..... | 1.7210 | ..... | 1.7210 |
| 103 Basic 9-12 | ..... | ..... | ..... | .0000 |
| 111 Grades K-3 with ESE Services | ..... | ..... | 1.4999 | 1.4999 |
| 112 Grades 4-8 with ESE Services | ..... | ..... | ..... | .0000 |
| 113 Grades 9-12 with ESE Services | ..... | ..... | ..... | .0000 |
| 130 ESOL | (1.7003) | (5.2414) | (1.7290) | (8.6707) |
| 254 ESE Support Level 4 | ..... | ..... | (.4999) | (.4999) |
| 255 ESE Support Level 5 | ..... | ..... | (1.0000) | (1.0000) |
| 300 Career Education 9-12 | <u>.....</u> | <u>.....</u> | <u>.....</u> | <u>.0000</u> |
| Total | <u>.0000</u> | <u>.0000</u> | <u>.0000</u> | <u>.0000</u> |

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

| <u>No.</u> | <u>Brought Forward</u> | <u>Proposed Adjustments (1)</u> | | | <u>Total</u> |
|------------|------------------------|---------------------------------|----------------|----------------|----------------|
| | | <u>#0221</u> | <u>#0231</u> | <u>#9006</u> | |
| 101 | 6.9497 | ..... | ..... | ..... | 6.9497 |
| 102 | 1.7210 | ..... | ..... | ..... | 1.7210 |
| 103 | .0000 | .6840 | 3.5704 | (.0400) | 4.2144 |
| 111 | 1.4999 | ..... | ..... | ..... | 1.4999 |
| 112 | .0000 | ..... | ..... | .0000 | .0000 |
| 113 | .0000 | 2.0000 | (1.0000) | .5337 | 1.5337 |
| 130 | (8.6707) | (.6840) | (2.5704) | ..... | (11.9251) |
| 254 | (.4999) | (2.0000) | ..... | (.0800) | (2.5799) |
| 255 | (1.0000) | ..... | ..... | (.4537) | (1.4537) |
| 300 | <u>.0000</u> | <u>(.0792)</u> | <u>(.6758)</u> | <u>.....</u> | <u>(.7550)</u> |
| Total | <u>.0000</u> | <u>(.0792)</u> | <u>(.6758)</u> | <u>(.0400)</u> | <u>(.7950)</u> |

Note: (1) These proposed net adjustments are for unweighted FTE. (See NOTE A5.)

SCHEDULE D

FINDINGS AND PROPOSED ADJUSTMENTS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

Overview

Highlands County District School Board (District) management is responsible for determining that the FTE student enrollment as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Sections 1011.60, 1011.61, and 1011.62, Florida Statutes; SBE Rules, Chapter 6A-1, FAC; and the *FTE General Instructions 2016-17* issued by the DOE. All noncompliance disclosed by our examination procedures is discussed below and requires management’s attention and action as presented in *SCHEDULE E*.

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Our examination included the July and October 2016 reporting survey periods and the February and June 2017 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2016 reporting survey period, the February 2017 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.

Lake Country Elementary School (#0031)

1. [Ref. 3101] The course schedules for several students were incorrectly reported. The School’s bell schedule supported 1,775 instructional minutes per week and met the minimum reporting of CMW; however, the students’ course schedules reported were not in agreement with the bell schedule. The variances ranged from 150 to 295 CMW. Student course schedules, which are necessary for the recalibration process to work appropriately, should reflect the correct number of CMW established in the School’s bell schedule. Since most of the students were reported at only one school for the entire school year and their reported FTE was recalibrated to 1.0, the variances in CMW did not affect their ultimate funding level. As such, we present this disclosure finding with no proposed adjustment.

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2. [Ref. 3102] The English language proficiency of four ELL students was not assessed and ELL Committees were not convened within 30 school days prior to each student’s DEUSS anniversary date to consider the students’ continued ESOL placements beyond 3 years from each student’s DEUSS. We propose the following adjustment:

| | | |
|---------------|----------|--------------|
| 101 Basic K-3 | 1.7003 | |
| 130 ESOL | (1.7003) | .0000 |
| | | <u>.0000</u> |

Findings

Avon Elementary School (#0101)

3. [Ref. 10102] ELL Committees for six students were not convened by October 1 (five students) or within 30 school days prior to the student's DEUSS anniversary date (one student) to consider the students' continued ESOL placements beyond 3 years from each student's DEUSS. We also noted that the English language proficiency of two of the students was not assessed within 30 school days prior to each student's DEUSS anniversary date. We propose the following adjustment:

| | | |
|---------------|-----------------|-------|
| 101 Basic K-3 | 3.5204 | |
| 102 Basic 4-8 | 1.2958 | |
| 130 ESOL | <u>(4.8162)</u> | .0000 |

4. [Ref. 10103] Documentation was not available to support one student's placement in the ESOL Program. The student was assessed as a Fluent English Speaker; however, the student's competency in Reading and Writing was not assessed and an ELL Committee was not convened to consider the student's ESOL placement. We propose the following adjustment:

| | | |
|---------------|----------------|--------------|
| 102 Basic 4-8 | .4252 | |
| 130 ESOL | <u>(.4252)</u> | .0000 |
| | | <u>.0000</u> |

Lake Placid Elementary School (#0211)

5. [Ref. 21170] One teacher taught Primary Language Arts to a class that included an ELL student but was not properly certified to teach ELL students and was not approved by the School Board to teach such students out of field. We also noted that the parents of the student were not notified of the teacher's out-of-field status. Since the student involved is cited in Finding No. 6 (Ref. 21101), we present this disclosure finding with no proposed adjustment.

.0000

6. [Ref. 21101] ELL Committees for two students were not convened by October 1 or within 30 school days prior to the student's DEUSS anniversary date to consider the students' continued ESOL placements beyond 3 years from each student's DEUSS. We also noted that the English language proficiency of one of the students was not assessed within 30 school days prior to the student's DEUSS anniversary date. We propose the following adjustment:

| | | |
|---------------|-----------------|-------|
| 101 Basic K-3 | 1.3166 | |
| 130 ESOL | <u>(1.3166)</u> | .0000 |

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Lake Placid Elementary School (#0211) (Continued)

7. [Ref. 21102] The *Matrix of Services* forms for three ESE students were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

| | | |
|----------------------------------|-----------------|-------|
| 111 Grades K-3 with ESE Services | 1.4999 | |
| 254 ESE Support Level 4 | (.4999) | |
| 255 ESE Support Level 5 | <u>(1.0000)</u> | .0000 |

8. [Ref. 21171] One teacher did not hold a valid Florida teaching certificate and was not otherwise qualified to teach. We propose the following adjustment:

| | | |
|---------------|----------------|--------------|
| 101 Basic K-3 | .4124 | |
| 130 ESOL | <u>(.4124)</u> | <u>.0000</u> |
| | | <u>.0000</u> |

Sebring High School (#0221)

9. [Ref. 22101] The English language proficiency of two ELL students was not assessed within 30 school days prior to each student's DEUSS anniversary date to consider the students' continued ESOL placement beyond 3 years from each student's DEUSS. We propose the following adjustment:

| | | |
|----------------|----------------|-------|
| 103 Basic 9-12 | .2868 | |
| 130 ESOL | <u>(.2868)</u> | .0000 |

10. [Ref. 22102] One ELL student was reported beyond the maximum 6-year period allowed for State funding of ESOL. We propose the following adjustment:

| | | |
|----------------|----------------|-------|
| 103 Basic 9-12 | .3972 | |
| 130 ESOL | <u>(.3972)</u> | .0000 |

11. [Ref. 22103] The *Matrix of Services* forms for three ESE students were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

| | | |
|-----------------------------------|-----------------|-------|
| 113 Grades 9-12 with ESE Services | 2.0000 | |
| 254 ESE Support Level 4 | <u>(2.0000)</u> | .0000 |

12. [Ref. 22104] More work hours were reported than were supported by the timecard for one Career Education 9-12 student who participated in OJT. We propose the following adjustment:

| | | |
|---------------------------|----------------|----------------|
| 300 Career Education 9-12 | <u>(.0792)</u> | <u>(.0792)</u> |
| | | <u>(.0792)</u> |

Findings

Avon Park High School (#0231)

13. [Ref. 23101] The *Educational Plan* for one student was not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

| | | |
|-----------------------------------|-----------------|-------|
| 103 Basic 9-12 | 1.0000 | |
| 113 Grades 9-12 with ESE Services | <u>(1.0000)</u> | .0000 |

14. [Ref. 23102] ELL Committees for four students were not convened by October 1 (one student) or within 30 school days prior to each student’s DEUSS anniversary date (three students) to consider the students’ continued ESOL placements beyond 3 years from each student’s DEUSS. We also noted that the English language proficiency of two of the students was not assessed within 30 school days prior to each student’s DEUSS anniversary date. We propose the following adjustment:

| | | |
|----------------|-----------------|-------|
| 103 Basic 9-12 | 2.5704 | |
| 130 ESOL | <u>(2.5704)</u> | .0000 |

15. [Ref. 23103] The timecards for four Career Education 9-12 students who participated in OJT 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>(.6758)</u> | <u>(.6758)</u> |
| | | <u>(.6758)</u> |

Highlands County Hospital/Homebound Program (#9006)

16. [Ref. 900601] The homebound portion was incorrectly reported on the schedules of three ESE students (two students were in our Basic with ESE Services test and one student was in our ESE Support Levels 4 and 5 test) enrolled in on-campus and in the Hospital and Homebound Program. The homebound instruction for two of the students’ schedules should have been reported in Program No. 255 (ESE Support Level 5) and the *Matrix of Services* form for the other student was not available at the time of our examination and could not be subsequently located and, therefore, the homebound portion of the student’s schedule should have been reported in Program No. 113 (Grades 9-12 with ESE Services). We propose the following adjustment:

| | | |
|-----------------------------------|--------------|-------|
| 103 Basic 9-12 | (.0400) | |
| 112 Grades 4-8 with ESE Services | (.0800) | |
| 113 Grades 9-12 with ESE Services | .0600 | |
| 255 ESE Support Level 5 | <u>.0600</u> | .0000 |

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Highlands County Hospital/Homebound Program (#9006) (Continued)

17. [Ref. 900602] The *Matrix of Services* forms for three ESE students were not available at the time of our examination and could not be subsequently located. We propose the following adjustment:

| | | |
|-----------------------------------|----------------|-------|
| 112 Grades 4-8 with ESE Services | .0800 | |
| 113 Grades 9-12 with ESE Services | .4737 | |
| 254 ESE Support Level 4 | (.0800) | |
| 255 ESE Support Level 5 | <u>(.4737)</u> | .0000 |

18. [Ref. 900603] One ESE student enrolled in the Hospital and Homebound Program was reported for more homebound instructional minutes than was supported by the student's IEP and the homebound teacher's contact logs. We propose the following adjustment:

| | | |
|-------------------------|----------------|----------------|
| 255 ESE Support Level 5 | <u>(.0400)</u> | <u>(.0400)</u> |
| | | <u>(.0400)</u> |

Proposed Net Adjustment

(.7950)

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Highlands County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students' reported course schedule instructional minutes are in agreement with the schools' bell schedules; (2) the English language proficiency of students being considered for continuation of their ESOL placements (beyond the 3-year base period) is timely assessed and ELL Committees are timely convened subsequent to these assessments; (3) documentation is retained to support students' placements in the ESOL Program; (4) ELL students are not reported for more than the 6-year period allowed for State funding of ESOL; (5) schedules for students concurrently enrolled in on-campus and in the Hospital and Homebound Program are reported in the appropriate programs, for the correct number of instructional minutes, and the correct amount of FTE; (6) *Educational Plans* and *Matrix of Services* forms for ESE students are timely prepared and are retained in the students' files; (7) students in Career Education 9-12 who participate in OJT are reported in accordance with timecards that are accurately completed, signed, and retained in readily accessible files; (8) teachers are properly certified or, if teaching out of field, are timely approved by the School Board to teach out of field; and (9) parents are timely notified when their children are assigned to teachers teaching out of field.

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 relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP.

REGULATORY CITATIONS

Reporting

Section 1007.271(21), Florida Statutes, *Dual Enrollment Programs*

Section 1011.60, Florida Statutes, *Minimum Requirements of the Florida Education Finance Program*

Section 1011.61, Florida Statutes, *Definitions*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*

SBE Rule 6A-1.0451, FAC, *Florida Education Finance Program Student Membership Surveys*

SBE Rule 6A-1.045111, FAC, *Hourly Equivalent to 180-Day School Year*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2016-17

Attendance

Section 1003.23, Florida Statutes, *Attendance Records and Reports*

SBE Rule 6A-1.044(3) and (6)(c), FAC, *Pupil Attendance Records*

SBE Rule 6A-1.04513, FAC, *Maintaining Auditable FTE Records*

FTE General Instructions 2016-17

Comprehensive Management Information System: Automated Student Attendance Recordkeeping System Handbook

ESOL

Section 1003.56, Florida Statutes, *English Language Instruction for Limited English Proficient Students*

Section 1011.62(1)(g), Florida Statutes, *Education for Speakers of Other Languages*

SBE Rule 6A-6.0901, FAC, *Definitions Which Apply to Programs for English Language Learners*

SBE Rule 6A-6.0902, FAC, *Requirements for Identification, Eligibility, and Programmatic Assessments of English Language Learners*

SBE Rule 6A-6.09021, FAC, *Annual English Language Proficiency Assessment for English Language Learners (ELLs)*

SBE Rule 6A-6.09022, FAC, *Extension of Services in English for Speakers of Other Languages (ESOL) Program*

SBE Rule 6A-6.0903, FAC, *Requirements for Exiting English Language Learners from the English for Speakers of Other Languages Program*

SBE Rule 6A-6.09031, FAC, *Post Reclassification of English Language Learners (ELLs)*

SBE Rule 6A-6.0904, FAC, *Equal Access to Appropriate Instruction for English Language Learners*

Career Education On-The-Job Attendance

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

Career Education On-The-Job Funding Hours

FTE General Instructions 2016-17

Exceptional Education

Section 1003.57, Florida Statutes, *Exceptional Students Instruction*

Section 1011.62, Florida Statutes, *Funds for Operation of Schools*

Section 1011.62(1)(e), Florida Statutes, *Funding Model for Exceptional Student Education Programs*

SBE Rule 6A-6.03028, FAC, *Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities*

SBE Rule 6A-6.03029, FAC, *Development of Individualized Family Support Plans for Children with Disabilities Ages Birth Through Five Years*

SBE Rule 6A-6.0331, FAC, *General Education Intervention Procedures, Evaluation, Determination of Eligibility, Reevaluation and the Provision of Exceptional Student Education Services*

SBE Rule 6A-6.0334, FAC, *Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students*

SBE Rule 6A-6.03411, FAC, *Definitions, ESE Policies and Procedures, and ESE Administrators*

SBE Rule 6A-6.0361, FAC, *Contractual Agreements with Nonpublic Schools and Residential Facilities Matrix of Services Handbook (2015 Edition)*

Teacher Certification

Section 1012.42(2), Florida Statutes, *Teacher Teaching Out-of-Field; Notification Requirements*

Section 1012.55, Florida Statutes, *Positions for Which Certificates Required*
SBE Rule 6A-1.0502, FAC, *Non-certificated Instructional Personnel*
SBE Rule 6A-1.0503, FAC, *Definition of Qualified Instructional Personnel*
SBE Rule 6A-4.001, FAC, *Instructional Personnel Certification*
SBE Rule 6A-6.0907, FAC, *Inservice Requirements for Personnel of Limited English Proficient Students*

Virtual Education

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

Charter Schools

Section 1002.33, Florida Statutes, *Charter Schools*

NOTES TO SCHEDULES

| |
|---|
| <p style="text-align: center;">NOTE A – SUMMARY FULL-TIME EQUIVALENT STUDENT ENROLLMENT</p> |
|---|

A summary discussion of the significant features of the Highlands County District School Board (District), the FEFP, the FTE, and related areas is provided below.

1. The District

The District was established pursuant to Section 1001.30, Florida Statutes, to provide public educational services for the residents of Highlands County, Florida. Those services are provided primarily to PK 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 SBE. The geographic boundaries of the District are those of Highlands 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. The District had 19 schools, 2 cost centers, and 2 virtual education cost centers serving PK through 12th-grade students. The District did not report any charter schools.

For the fiscal year ended June 30, 2017, State funding totaling \$45.5 million was provided through the FEFP to the District for the District-reported 12,280.35 unweighted FTE as recalibrated. The primary sources of funding for the District are funds from the FEFP, local ad valorem taxes, and Federal grants and donations.

2. FEFP

Florida school districts receive State funding through the FEFP to serve PK 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 cost for equivalent educational programs due to sparsity and dispersion of student population.

3. FTE Student Enrollment

The funding provided by the FEFP is based on 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 example, for PK through 3rd grade, 1.0 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, 1.0 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 1.0 FTE if the student was enrolled in six courses per day at 50 minutes per course for the full 180-day school year (i.e., six courses 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.

4. Recalibration of FTE to 1.0

School districts report all FTE student enrollment regardless of the 1.0 FTE cap. The DOE combines all FTE student enrollment reported for the student by all school districts, including the Florida Virtual School. If the combined reported FTE for the student exceeds 1.0 FTE, the DOE recalibrates the reported FTE student enrollment for each student to 1.0 FTE. The FTE student enrollment reported by the Department of Juvenile Justice for FTE student enrollment earned beyond the 180-day school year is not included in the recalibration to 1.0 FTE.

All FTE student enrollment is capped at 1.0 FTE except for the FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year. However, if a student only has FTE student enrollment reported in one survey of the 180-day school year (Survey 2 or Survey 3), the FTE student enrollment reported will be capped at .5000 FTE, even if FTE student enrollment is reported in Survey 1 or Survey 4, with the exception of FTE student enrollment reported by the Department of Juvenile Justice for students beyond the 180-day school year.

5. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the DOE 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 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 1 week. The survey periods for the 2016-17 school year were conducted during and for the following weeks: Survey 1 was performed July 11 through 15, 2016; Survey 2 was performed October 10 through 14, 2016; Survey 3 was performed February 6 through 10, 2017; and Survey 4 was performed June 12 through 16, 2017.

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: (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, Florida Statutes, *K-20 General Provisions*

Chapter 1001, Florida Statutes, *K-20 Governance*

Chapter 1002, Florida Statutes, *Student and Parental Rights and Educational Choices*

Chapter 1003, Florida Statutes, *Public K-12 Education*

Chapter 1006, Florida Statutes, *Support for Learning*

Chapter 1007, Florida Statutes, *Articulation and Access*

Chapter 1010, Florida Statutes, *Financial Matters*

Chapter 1011, Florida Statutes, *Planning and Budgeting*

Chapter 1012, Florida Statutes, *Personnel*

SBE Rules, Chapter 6A-1, FAC, *Finance and Administration*

SBE Rules, Chapter 6A-4, FAC, *Certification*

SBE Rules, Chapter 6A-6, FAC, *Special Programs I*

| |
|--|
| NOTE B – TESTING FTE STUDENT ENROLLMENT |
|--|

Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE student enrollment as reported under the FEFP to the DOE for the fiscal year ended June 30, 2017. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment as reported under the FEFP. The following schools were selected for testing:

| <u>School</u> | <u>Findings</u> |
|--|-----------------|
| 1. Lake Country Elementary School | 1 and 2 |
| 2. Avon Elementary School | 3 and 4 |
| 3. Lake Placid Elementary School | 5 through 8 |
| 4. Sebring High School | 9 through 12 |
| 5. Avon Park High School | 13 through 15 |
| 6. Highlands Virtual Instruction Program | NA |
| 7. Highlands Virtual Franchise | NA |
| 8. Highlands County Hospital/Homebound Program | 16 through 18 |



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

Report on Student Transportation

We have examined the Highlands County District School Board's (District's) compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017. 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 2016-17* issued by the Department of Education.

Management's Responsibility for Compliance

District management is responsible for the District's compliance with the aforementioned State requirements, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, noncompliance due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with State requirements based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the classification, assignment, and verification of student transportation reported by the District under the Florida Education Finance Program complied with State requirements in all material respects.

An examination involves performing procedures to obtain evidence about whether the District complied with State requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for

our opinion. Our examination does not provide a legal determination on the District's compliance with State requirements. The legal determination of the District's compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

An examination by its nature does not include a review of all records and actions of District management and staff and, as a consequence cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency. Because of these limitations and the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Opinion

In our opinion, the Highlands County District School Board complied, in all material respects, with State requirements relating to the classification, assignment, and verification of student transportation reported under the Florida Education Finance Program for the fiscal year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with attestation standards established by *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses⁴ 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 District's compliance with State requirements. 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.

We performed our examination to express an opinion on the District's compliance with State requirements and not for the purpose of expressing an opinion on the District's related internal control over compliance with State requirements; accordingly, we express no such opinion. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and all findings, along with the views of responsible officials, are described in *SCHEDULE G* and *MANAGEMENT'S RESPONSE*, respectively. Because of its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. The impact of this noncompliance with State requirements on the District's reported student transportation 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.

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.

Purpose of this Report

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 American Institute of Certified Public Accountants require us to indicate that the purpose of this report is to provide an opinion on the District's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
December 11, 2018

SCHEDULE F

POPULATIONS, TEST SELECTION, AND TEST RESULTS STUDENT TRANSPORTATION

Any student who is transported by the Highlands County District School Board (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 classified as a student with a disability under the IDEA, 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(2), Florida Statutes. (See NOTE A1.)

As part of our examination procedures, we tested student transportation as reported to the DOE for the fiscal year ended June 30, 2017. (See NOTE B.) The population of vehicles (232) consisted of the total number of vehicles (buses, vans, or passenger cars) reported by the District for all reporting survey periods. For example, a vehicle that transported students during the July and October 2016 and February and June 2017 reporting survey periods would be counted in the population as four vehicles. Similarly, the population of students (11,022) consisted of the total number of funded students reported by the District as having been transported for all reporting survey periods. (See NOTE A2.) The District reported students in the following ridership categories:

| <u>Ridership Category</u> | <u>Number of Funded Students Transported</u> |
|--------------------------------------|--|
| Teenage Parents and Infants | 9 |
| IDEA – PK through Grade 12, Weighted | 857 |
| All Other FEFP Eligible Students | <u>10,156</u> |
| Total | <u>11,022</u> |

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

Our examination results are summarized below:

| <u>Description</u> | <u>Students</u> | |
|---|------------------------|--------------------------------|
| | <u>With Exceptions</u> | <u>Proposed Net Adjustment</u> |
| Our tests included 289 of the 11,022 students reported as being transported by the District. | 27 | (12) |
| In conjunction with our general tests of student transportation we identified certain issues related to 55 additional students. | <u>55</u> | <u>(9)</u> |
| Total | <u>82</u> | <u>(21)</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 DOE.

SCHEDULE G

FINDINGS AND PROPOSED ADJUSTMENTS STUDENT TRANSPORTATION

Overview

Highlands County District School Board (District) management is responsible for determining that student transportation as reported under the FEFP is in compliance with State requirements. These requirements are found primarily in Chapter 1006, Part I, E. and Section 1011.68, Florida Statutes; SBE Rules, Chapter 6A-3, FAC; and the *Student Transportation General Instructions 2016-17* issued by the DOE. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action as presented in *SCHEDULE H*.

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 2016 reporting survey periods and the February and June 2017 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 (e.g., once for the October 2016 reporting survey period and once for the February 2017 reporting survey period) will be presented in our Findings as two test students.

1. [Ref. 51] Our general tests disclosed that 56 PK students (7 students were in our test) reported in the IDEA-PK through Grade 12, Weighted ridership category were incorrectly reported. The IEPs for 52 students did not indicate that the students met at least one of the five criteria required for weighted classification but were eligible for reporting in the All Other FEFP Eligible Students ridership category and 4 students were not marked as riding the bus during the applicable survey period and were not otherwise eligible for State transportation funding. In addition, four of the students were reported for an incorrect number of DIT. The students were reported for 90 and 18 DIT rather than 18 and 36 DIT, respectively, in accordance with the schools' instructional calendars. We propose the following adjustments:

October 2016 Survey

90 Days in Term

IDEA - PK through Grade 12, Weighted (3)

36 Days in Term

IDEA - PK through Grade 12, Weighted (1)

All Other FEFP Eligible Students 1

| <u>Findings</u> | | <u>Students Transported Proposed Net Adjustments</u> |
|---|------------|--|
| <u>18 Days in Term</u> | | |
| IDEA - PK through Grade 12, Weighted | (20) | |
| All Other FEFP Eligible Students | 20 | |
| February 2017 Survey | | |
| <u>36 Days in Term</u> | | |
| All Other FEFP Eligible Students | 1 | |
| <u>18 Days in Term</u> | | |
| IDEA - PK through Grade 12, Weighted | (32) | |
| All Other FEFP Eligible Students | <u>30</u> | (4) |
| 2. [Ref. 52] Our general tests disclosed that two students were not eligible to be reported for State transportation funding. The students were enrolled in credit recovery courses or were attending a reading camp, which are programs that were not eligible for State transportation funding in the summer reporting survey periods. We propose the following adjustment: | | |
| June 2017 Survey | | |
| <u>20 Days in Term</u> | | |
| IDEA - PK through Grade 12, Weighted | <u>(2)</u> | (2) |
| 3. [Ref. 53] Nine 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 weighted classification; however, eight of the students’ IEPs indicated the need for transportation services and were otherwise eligible for reporting in All Other FEFP Eligible Students ridership category. The other student was not otherwise eligible for State transportation funding. We propose the following adjustments: | | |
| July 2016 Survey | | |
| <u>8 Days in Term</u> | | |
| IDEA - PK through Grade 12, Weighted | (1) | |
| All Other FEFP Eligible Students | 1 | |
| October 2016 Survey | | |
| <u>90 Days in Term</u> | | |
| IDEA - PK through Grade 12, Weighted | (3) | |
| All Other FEFP Eligible Students | 3 | |

**Students
Transported
Proposed Net
Adjustments**

Findings

February 2017 Survey

90 Days in Term

| | | |
|--------------------------------------|----------|-----|
| IDEA - PK through Grade 12, Weighted | (5) | |
| All Other FEFP Eligible Students | <u>4</u> | (1) |

4. [Ref. 54] One student in our test was incorrectly reported for State transportation funding. The student's IEP did not specify the need for ESY services. We propose the following adjustment:

June 2017 Survey

8 Days in Term

| | | |
|--------------------------------------|------------|-----|
| IDEA - PK through Grade 12, Weighted | <u>(1)</u> | (1) |
|--------------------------------------|------------|-----|

5. [Ref. 55] One student in our test was not marked as riding the bus during the reporting survey period; consequently, the student was not eligible to be reported for State transportation funding. We propose the following adjustment:

October 2016 Survey

90 Days in Term

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

6. [Ref. 56] Eight students in our test were incorrectly reported in the All Other FEFP Eligible Students ridership category. The students lived less than 2 miles from their assigned schools and were not otherwise eligible for State transportation funding. We propose the following adjustments:

October 2016 Survey

90 Days in Term

| | | |
|----------------------------------|-----|--|
| All Other FEFP Eligible Students | (4) | |
|----------------------------------|-----|--|

February 2017 Survey

90 Days in Term

| | | |
|----------------------------------|------------|-----|
| All Other FEFP Eligible Students | <u>(4)</u> | (8) |
|----------------------------------|------------|-----|

7. [Ref. 57] One student in our test was incorrectly reported in the Teenage Parents and Infants ridership category. The student was not enrolled in a Teenage Parent Program; however, the student lived 2 miles or more from the student's assigned school and was eligible for reporting in the All Other FEFP Eligible Students ridership category. We propose the following adjustment:

| <u>Findings</u> | | <u>Students Transported Proposed Net Adjustments</u> |
|--|------------|--|
| October 2016 Survey | | |
| <u>90 Days in Term</u> | | |
| Teenage Parents and Infants | (1) | |
| All Other FEFP Eligible Students | <u>1</u> | 0 |
| 8. [Ref. 58] Our general tests disclosed that four students were home-schooled during the reporting survey period and were not receiving transportation services. We propose the following adjustment: | | |
| February 2017 Survey | | |
| <u>90 Days in Term</u> | | |
| All Other FEFP Eligible Students | <u>(4)</u> | <u>(4)</u> |
| Proposed Net Adjustment | | <u>(21)</u> |

SCHEDULE H

RECOMMENDATIONS AND REGULATORY CITATIONS STUDENT TRANSPORTATION

RECOMMENDATIONS

We recommend that Highlands County District School Board (District) management exercise more care and take corrective action, as appropriate, to ensure that: (1) students are reported in the correct ridership category based on their grade level and eligibility criteria, and documentation is maintained on file to support that reporting; (2) students reported in IDEA-PK through Grade 12, Weighted ridership category are documented as having met one of the five criteria required for reporting in a weighted ridership category as noted on the students' IEPs; (3) the distance from home to school is verified prior to students being reported in the All Other FEFP Eligible Students ridership category; (4) only those students who are in membership and are documented as having been transported at least 1 day during the reporting survey period are reported for State transportation funding; (5) the number of DIT is accurately reported; and (6) only ESE students whose IEPs authorize ESY services or students attending nonresidential Department of Juvenile Justice Programs are reported during the summer reporting survey periods.

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 relating to the classification, assignment, and verification of student transportation as reported under the FEFP.

REGULATORY CITATIONS

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

SBE Rules, Chapter 6A-3, FAC, *Transportation*

Student Transportation General Instructions 2016-17

NOTES TO SCHEDULES

NOTE A - SUMMARY STUDENT TRANSPORTATION

A summary discussion of the significant features of the Highlands County District School Board (District) student transportation and related areas is provided below.

1. Student Eligibility

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 classified as a student with a disability under the IDEA, 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(2), Florida Statutes.

2. Transportation in Highlands County

For the fiscal year ended June 30, 2017, the District received \$2.5 million for student transportation as part of the State funding through the FEFP. The District's student transportation reported by survey period was as follows:

| <u>Survey Period</u> | <u>Number of Vehicles</u> | <u>Number of Funded Students</u> | <u>Number of Courtesy Riders</u> |
|----------------------|---------------------------|----------------------------------|----------------------------------|
| July 2016 | 29 | 86 | 346 |
| October 2016 | 88 | 5,418 | 243 |
| February 2017 | 88 | 5,440 | 274 |
| June 2017 | <u>27</u> | <u>78</u> | <u>335</u> |
| Totals | <u>232</u> | <u>11,022</u> | <u>1,198</u> |

3. Statutes and Rules

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

Section 1002.33, Florida Statutes, *Charter Schools*

Chapter 1006, Part I, E., Florida Statutes, *Transportation of Public K-12 Students*

Section 1011.68, Florida Statutes, *Funds for Student Transportation*

SBE Rules, 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 student transportation as reported to the DOE for the fiscal year ended June 30, 2017. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the District's compliance with State requirements relating to the classification, assignment, and verification of student transportation as reported under the FEFP.



The School Board of Highlands County

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Chairperson

Donna Howerton
Vice Chairperson

Jill Compton Twist

Isaac Durrance

Jan Shoop

December 11, 2018

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

Dear Ms. Norman:

Please see listed below the School Board of Highlands County's responses to auditors' findings in the 2016-17 FTE Audit:

1. Finding (Ref. 3101) Students Reported Course Schedule Instruction Minutes are in Agreement with the Bell Schedule.

The District will review its procedures to ensure the student's instructional minutes agree with the established bell schedule.

Corrective Action:

Edit reports will be prepared, which will document discrepancies between the bell schedule and the student schedule.

Completion Date: December 2018

2. Finding (Ref. 3102, 10102, 10103, 21101, 22101, 22102, 23102) The English language proficiency for ELL students was not assessed, and ELL committees were not convened within 30 days prior to each student's DEUSS anniversary date to consider the student's continued ESOL placement beyond 3 years.

The District will review its procedures to ensure ELL students are assessed prior to continued placement in the ESOL program.

Corrective Action:

Additional training will be given to appropriate staff to ensure that all necessary documentation is maintained for placement of students in the ESOL program and for continued services beyond three years, not to exceed a six-year period, which is allowed for ESOL funding. Edit reports will be provided on a regular basis documenting date entered U.S. schools (DEUS) of ESOL students.

Completion Date: December 2018

**“A fully accredited school system”
Southern Association of Colleges and Schools
Equal Opportunity Employer**

3. Finding (Ref. 900601, 900603) Schedules for students were incorrectly reported in the Hospital/Homebound Program.

The District will review its procedures to ensure the students are reported in the appropriate program and minutes served.

Corrective Action:

Additional staff will be assigned to complete a matrix on every student entering hospital/homebound.

Completion Date: December 2018

4. Finding (Ref. 21102, 22103, 23101, 900602) Educational Plans and Matrix of Services forms for ESE students were not timely prepared or retained in the students' file.

The District will review its procedures to ensure that the matrix of service forms are prepared on a timely basis and retained in the student's file. While the matrix of service form was not retained for the following findings (Ref. 22103), the ESE services were provided consistent with the preceding year and the following year.

Corrective Action:

Additional Training will be given to appropriate staff, and the program staffing specialist will review all IEP's of every student eligible for weighted funding.

Completion Date: December 2018

5. Finding (Ref. 22104, 23103) Time cards for students in the OJT program were incorrectly reported or not retained.

The District will review its procedures to ensure that time cards in the OJT program are accurately reported and retained.

Corrective Action:

Teachers assigned to OJT students will retain and audit time cards for the correct number of hours worked.

Completion Date: December 2018

6. Finding (Ref. 21170, 21171) Teachers were not properly certified, and parents were not notified of teachers teaching out of field.

The District will review its procedures to ensure that parents are notified of teachers teaching out of field and approved by the Board.

Corrective Action:

Edit reports will be provided to identify ELL students who are placed in classrooms with teachers out of field to provide information necessary to communicate to the parents and the Board for approval.

Completion Date: December 2018

Transportation

1. Finding (Ref. 51, 53) The students' IEPs did not indicate that the students met at least one of the five criteria for weighted classification.

The IEP did contain the correct category; however, information included in the IEP to justify the classification was not also included in the explanation.

Corrective Action:

Additional training will be provided to staff to insure the correct category and explanation is included on the IEP for transportation services.

Completion Date: December 2018

2. Finding (Ref. 52, 54, 55, 56, 57, 58) Students were incorrectly reported for State transportation funding.

Corrective Action:

The District will purchase student-tracking software, which will allow us to report accurately students in correct category for State transportation funding.

Completion Date: March 2018

We wish to thank your office for the professionalism and courtesy shown by your staff during the audit. We are confident that the District will benefit from this review.

Sincerely,



Dr. Brenda Longshore
Superintendent of Schools

BL:cw