

FLORIDA VIRTUAL SCHOOL

Florida Education Finance Program
Full-Time Equivalent Student Enrollment

For the Fiscal Year Ended
June 30, 2019



Sherrill F. Norman, CPA
Auditor General

Board Members and President and Chief Executive Officer

During the 2018-19 fiscal year, Dr. Robert L. Porter served as Managing Executive Director until December 16, 2018, and President and Chief Executive Officer from December 17, 2018, to March 21, 2019. Dr. Lady Dhyana Ziegler served as Interim President and Chief Executive Officer from March 27, 2019, and the following individuals served as Members of the Board of Trustees:

	<u>County</u>
Robert Gidel, Chair	Orange
Linda Pellegrini, Vice Chair	Orange
Lady Dhyana Ziegler, Ph.D. to 2/22/19 ^a	Leon
Iris Gonzalez	Pinellas
Robert (Bob) Saltsman to 12/18/18 ^b	Orange
Lee Mandel to 9/12/18 ^c	Broward
Kip Beacham	Seminole

^a Board member resigned on February 22, 2019, and the member position remained vacant through June 30, 2019.

^b Board member resigned on December 18, 2018, and the member position remained vacant through June 30, 2019.

^c Board member resigned on September 12, 2018, and the member position remained vacant through June 30, 2019.

The team leader was Bernice Rivas, Senior Auditor 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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FLORIDA VIRTUAL SCHOOL

LIST OF ABBREVIATIONS

DEUSS	Date Entered United States School
DOE	Department of Education
DJJ	Department of Juvenile Justice
ELL	English Language Learner
ESE	Exceptional Student Education
ESOL	English for Speakers of Other Languages
FAC	Florida Administrative Code
FEFP	Florida Education Finance Program
FTE	Full-Time Equivalent
IEP	Individual Educational Plan
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, the Florida Virtual School (School) complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment, including teacher certification, as reported under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2019. 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 any of the 14 students in our ESOL test.

The School did not report any charter schools; therefore, all our tests relate to the Florida Virtual School (School). Noncompliance related to the reported FTE student enrollment resulted in 10 findings. The resulting proposed net adjustment to the School reported, unweighted FTE totaled negative 4.0584 but has a potential impact on the School's weighted FTE of negative 5.5504.

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, 2019, was \$4,204.42 per FTE. For the School, the estimated gross dollar effect of our proposed adjustments to the reported FTE student enrollment is negative \$23,336 (negative 5.5504 times \$4,204.42).

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.

FLORIDA VIRTUAL SCHOOL

The School was established pursuant to Section 1002.37(1)(a), Florida Statutes, to develop and deliver online and distance learning education. The School mission as stated in Section 1002.37(1)(b), Florida Statutes, is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The Commissioner of Education is responsible for monitoring the School performance and reporting such performance to the State Board of Education and the Legislature.

Section 1002.37(2), Florida Statutes, provides that the School is to be governed by a Board of Trustees (Board) composed of seven members appointed by the Governor to a 4-year staggered terms. The executive officer of the Board is the appointed President and Chief Executive Officer. The School operated six virtual school cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2019, State funding totaling \$191 million was provided through the FEFP to the School for the School-reported 36,242.83 unweighted FTE as recalibrated. The primary sources of funding for the School are funds from the FEFP.

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. The School is funded through the FEFP as a special district. The School reports FTE student credit completions for courses offered to students who are Florida residents to the DOE for funding through the FEFP. 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 (DJJ) 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 DJJ for students beyond the 180-day school year. However, if a student only has FTE student enrollment reported in one FTE membership survey¹ of the 180-day school year (Survey 2 or Survey 3), the FTE

¹ FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of district and school management. See Note A6. for more information on surveys.

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 DJJ for students beyond the 180-day school year.

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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 Florida Virtual School's (School's) compliance with State requirements relating to the classification, assignment, and verification of the full-time equivalent (FTE) student enrollment including teacher certification reported under the Florida Education Finance Program for the fiscal year ended June 30, 2019. 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 2018-19* issued by the Department of Education.

Management's Responsibility for Compliance

School management is responsible for the School'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 School'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 including teacher certification reported by the School 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 School 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 School's compliance with State requirements. The legal determination of the School'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 School 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 noncompliance 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 test 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, the Florida Virtual School complied, in all material respects, with State requirements relating to the classification, assignment, and verification of the full-time equivalent student enrollment including teacher certification reported under the Florida Education Finance Program for the fiscal year ended June 30, 2019.

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 weaknesses² in internal control; fraud and noncompliance with provisions of laws or regulations that have a material effect on the School'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 School'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 School's compliance with State requirements and not for the purpose of expressing an opinion on the School'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 above is indicative of significant deficiencies considered to be material weaknesses in the School's

² 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.

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. 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 School's reported full-time equivalent student enrollment including teacher certification is presented in *SCHEDULES A, B, C, and D*.

The School'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 School's compliance with State requirements. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
April 23, 2020

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, 2019, the Florida Virtual School (School) reported to the DOE 36,242.83 unweighted FTE as recalibrated at six virtual school cost centers. The School 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 the School and students for the fiscal year ended June 30, 2019. (See NOTE B.) The population of the School (six virtual school cost centers) consisted of the total number of virtual school cost centers comprising the School that offered virtual instruction in the FEFP-funded programs. The population of students (198,578) consisted of the total number of students in each program at the virtual school cost centers in our tests.

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 all of the 14 students in our ESOL test.³ None of the students who were reported in Career Education 9-12 student data had participated in On-the-Job Training.

Our populations and tests of virtual school cost centers 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	6	6	197,908	326	14	34,464.2700	166.2852	6.9075
Basic with ESE Services	3	3	636	69	5	583.5300	59.8923	(1.9823)
ESOL	3	3	34	14	14	20.3000	8.9836	(8.9836)
Career Education 9-12	0	0	0	0	0	1,174.7300	.0000	.0000
All Programs	6	6	<u>198,578</u>	<u>409</u>	<u>33</u>	<u>36,242.8300</u>	<u>235.1611</u>	<u>(4.0584)</u>

³ For ESOL, the material noncompliance is composed of Findings 1, 3, and 9 on *SCHEDULE D*.

Teachers

We also tested teacher qualifications as part of our examination procedures. (See NOTE B.) Specifically, the population of teachers (1,808) consisted of the total number of teachers reported under virtual school cost centers in our test who taught courses in Basic, Basic with ESE Services, Career Education 9-12, or taught courses to ELL students. From the population of teachers, we selected 170 and found no exceptions.

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	2.5738	1.108	2.8518
102 Basic 4-8	3.7311	1.000	3.7311
103 Basic 9-12	.6026	1.000	.6026
111 Grades K-3 with ESE Services	(1.0000)	1.108	(1.1080)
112 Grades 4-8 with ESE Services	(.4050)	1.000	(.4050)
113 Grades 9-12 with ESE Services	(.5773)	1.000	(.5773)
130 ESOL	<u>(8.9836)</u>	1.185	<u>(10.6456)</u>
Total	<u>(4.0584)</u>		<u>(5.5504)</u>

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>#0300</u>	<u>#0400</u>	<u>#0500</u>	
101 Basic K-3	4.1576	.....	.....	4.1576
102 Basic 4-8	2.0825	.....	(.5838)	1.4987
103 Basic 9-12	.....	.9362	.....	.9362
111 Grades K-3 with ESE Services	(1.0000)	.....	.....	(1.0000)
112 Grades 4-8 with ESE Services	.....	.....	.....	.0000
113 Grades 9-12 with ESE Services	.....	(.5773)	.....	(.5773)
130 ESOL	<u>(5.2401)</u>	<u>(1.7493)</u>	<u>.....</u>	<u>(6.9894)</u>
Total	<u>.0000</u>	<u>(1.3904)</u>	<u>(.5838)</u>	<u>(1.9742)</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>#0600</u>	<u>#0700</u>	<u>#0801</u>	
101	4.1576	.....	(1.5838)	.....	2.5738
102	1.4987	.....	(.1668)	2.3992	3.7311
103	.9362	(.3336)	.....	.....	.6026
111	(1.0000)	.....	.....	.....	(1.0000)
112	.0000	.....	.....	(.4050)	(.4050)
113	(.5773)	.....	.....	.....	(.5773)
130	<u>(6.9894)</u>	<u>.....</u>	<u>.....</u>	<u>(1.9942)</u>	<u>(8.9836)</u>
Total	<u>(1.9742)</u>	<u>(.3336)</u>	<u>(1.7506)</u>	<u>.0000</u>	<u>(4.0584)</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

Florida Virtual School (School) management is responsible for determining that the FTE student enrollment including teacher certification 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 2018-19* 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*.

Findings

Our examination included the July and October 2018 reporting survey periods and the February and June 2019 reporting survey periods (See NOTE A6.). Unless otherwise specifically stated, the Findings and Proposed Adjustments presented herein are for the October 2018 reporting survey period, the February 2019 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.

**Proposed Net
Adjustments
(Unweighted FTE)**

Florida Virtual School Full-Time K-5 (#0300)

1. [Ref. 30001] Our examination disclosed exceptions for eight students reported in the ESOL Program during the June 2019 reporting survey period. Specifically, one student exceeded the 6-year period allowed for State funding of ESOL and the *ELL Student Plans* for seven students were not completed until May 1, 2019, which was after the October 2018 and February 2019 reporting survey periods had ended, and written parental notifications of their children’s ESOL placements were not available at the time of the examination and could not be subsequently located. In addition, ELL Committees for four of the seven students were not convened by October 1 to consider the students’ continued ESOL placements beyond 3 years from each student’s DEUSS. We propose the following adjustment:

101 Basic K-3	3.1576	
102 Basic 4-8	2.0825	
130 ESOL	<u>(5.2401)</u>	.0000

2. [Ref. 30002] One student was incorrectly reported in Program No. 111 (Grades K-3 with ESE Services) for the June 2019 reporting survey period. School management (*Finding Continues on Next Page*)

Findings

Florida Virtual School Full-Time K-5 (#0300) (Continued)

indicated that the student was not established as disabled under the Individuals with Disabilities Education Act until June 5, 2019, which was after the 2018-19 school year had ended. We propose the following adjustment:

101 Basic K-3	1.0000	
111 Grades K-3 with ESE Services	<u>(1.0000)</u>	<u>.0000</u>
		<u>.0000</u>

Florida Virtual School Full-Time 9-12 (#0400)

3. [Ref. 40001] Our examination disclosed exceptions for three ELL students reported in the ESOL Program. Specifically, *ELL Student Plans* were not completed until May 1, 2019, which was after the October 2018 and February 2019 reporting survey periods had ended and written parental notifications of their children’s ESOL placements were not available at the time of our examination and subsequently could not be located. In addition, ELL Committees were not convened by October 1 to consider two of the three students’ continued ESOL placements beyond 3 years from each student’s DEUSS. We propose the following adjustment:

103 Basic 9-12	1.7493	
130 ESOL	<u>(1.7493)</u>	<u>.0000</u>

4. [Ref. 40002] One Basic student did not receive a passing grade for one course reported in the June 2019 reporting survey period. Consequently, the course was not eligible for FEFP funding. We propose the following adjustment:

103 Basic 9-12	<u>(.0834)</u>	(.0834)
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5. [Ref. 40004] Our examination disclosed that six students involving 11 courses were reported in the October 2018 and February 2019 reporting survey periods as participating in dual enrollment; however, the *FTE General Instructions 2018-19* state “to receive funding, students must successfully complete Florida Virtual School (FLVS) courses.” For our test students, we determined that the courses were not FLVS courses taught by FLVS teachers, rather, they were on-line courses provided by Polk State College under a general articulation agreement providing college credit and high school credit on behalf of the students. Since the courses were not provided by the FLVS, and there was no direct instruction by the FLVS, the FEFP-fundability of these students could not be determined. Accordingly, we propose the following adjustment:

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Florida Virtual School Full-Time 9-12 (#0400) (Continued)

103 Basic 9-12	(.7297)	
113 Grades 9-12 with ESE Services	(.5773)	<u>(1.3070)</u>
		<u>(1.3904)</u>

Florida Virtual School Flex 6-8 (#0500)

6. [Ref. 50001] School records did not evidence that three students' permanent Florida residency was established until after the reporting survey periods had ended. Consequently, the students did not meet eligibility criteria to be reported for FEFP funding. We propose the following adjustment:

102 Basic 4-8	(.5838)	<u>(.5838)</u>
		<u>(.5838)</u>

Florida Virtual School Flex 9-12 (#0600)

7. [Ref. 60001] School records did not evidence that three students were permanent Florida residents during the 2018-19 school year. Consequently, the students did not meet eligibility criteria to be reported for FEFP funding. We propose the following adjustment:

103 Basic 9-12	(.3336)	<u>(.3336)</u>
		<u>(.3336)</u>

Florida Virtual School Flex K-5 (#0700)

8. [Ref. 70001] School records did not evidence that four students were established permanent Florida residents during the 2018-19 school year. Consequently, the students did not meet eligibility criteria to be reported for FEFP funding. We propose the following adjustment:

101 Basic K-3	(1.5838)	
102 Basic 4-8	(.1668)	<u>(1.7506)</u>
		<u>(1.7506)</u>

Florida Virtual School Full-Time 6-8 (#0801)

9. [Ref. 80101] Our examination disclosed exceptions for three ELL students reported in the ESOL Program. Specifically, one student exceeded the 6-year period (*Finding Continues on Next Page*)

**Proposed Net
Adjustments
(Unweighted FTE)**

Findings

Florida Virtual School Full-Time 6-8 (#0801) (Continued)

allowed for State funding of ESOL and, for the other two students, the *ELL Student Plans* were not completed until May 1, 2019, which was after the October 2018 and February 2019 reporting survey periods had ended; written parental notifications of their children’s ESOL placements were either not available at the time of our examination and subsequently could not be located or were not completed until after the reporting survey periods had ended; the English language proficiency was not assessed and ELL Committees were not convened within 30 school days prior to the students’ DEUSS anniversary dates to consider the students’ continued ESOL placements beyond 3 years from each student’s DEUSS. We propose the following adjustment:

102 Basic 4-8	1.9942	
130 ESOL	<u>(1.9942)</u>	.0000

10. [Ref. 80102] School records did not evidence the individuals who participated in the development of an IEP for one student reported in Program No. 112 (Grades 4-8 with ESE Services) for the February 2019 reporting survey period. We propose the following adjustment:

102 Basic 4-8	.4050	
112 Grades 4-8 with ESE Services	<u>(.4050)</u>	.0000
		<u>.0000</u>

Proposed Net Adjustment **(4.0584)**

SCHEDULE E

RECOMMENDATIONS AND REGULATORY CITATIONS FULL-TIME EQUIVALENT STUDENT ENROLLMENT

RECOMMENDATIONS

We recommend that Florida Virtual School (School) management exercise more care and take corrective action, as appropriate, to ensure that: (1) documentation is maintained to support the Florida residency of students reported for FEFP funding; (2) Florida residency of students is established prior to enrollment and completion of virtual courses; (3) students are reported in the correct FEFP Programs; (4) IEPs are timely prepared and the attendance of all required participants for students reported in ESE programs are documented; (5) the English language proficiency of students being considered for continuation of their ESOL placements beyond the initial 3-year base period are assessed by October 1 if the students' DEUSS anniversary dates fall within the first 2 weeks of the school year, or within 30 school days prior to the students' DEUSS anniversary dates, and ELL Committees are timely convened subsequent to these assessments; (6) *ELL Student Plans* are timely prepared and retained in the students' files; (7) parents are timely notified of their children's ESOL placements; (8) ELL students are not reported in the ESOL Program for more than the 6-year period allowed for State funding of ESOL; (9) only virtual instruction courses that are documented as successfully completed with a passing grade or credits earned are reported for FEFP funding, and; (10) only courses provided by and taught by the School's instructors are reported for FEFP funding in accordance with the *FTE General Instructions 2018-19*.

The absence of statements in this report regarding practices and procedures followed by the School 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 School's obligation to comply with all State requirements relating to the classification, assignment, and verification of the FTE student enrollment including teacher certification 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*

FTE General Instructions 2018-19

Attendance

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

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

FTE General Instructions 2018-19

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 2018-19

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 (2017 Edition)*

Teacher Certification

Section 1010.215(1)(c), Florida Statutes, *Educational Funding Accountability*
Section 1012.01(2)(a), Florida Statutes, *Definitions, Classroom Teachers*
Section 1012.42(2), Florida Statutes, *Teacher Teaching Out-of-Field; Notification Requirements*

Section 1012.55, Florida Statutes, *Positions for Which Certificates Required*
Section 1012.56, Florida Statutes, *Educator Certification Requirements*
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-4.0021, FAC, *Florida Teacher Certification Examinations*
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

NOTE A – SUMMARY FULL-TIME EQUIVALENT STUDENT ENROLLMENT

A summary discussion of the significant features of the Florida Virtual School (School), the FEFP, the FTE, and related areas is provided below.

1. The Florida Virtual School (School)

The School was established pursuant to Section 1002.37(1)(a), Florida Statutes, to develop and deliver online and distance learning education. The School mission as stated in Section 1002.37(1)(b), Florida Statutes, is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The Commissioner of Education is responsible for monitoring the School performance and reporting such performance to the State Board of Education and the Legislature.

Section 1002.37(2), Florida Statutes, provides that the School is to be governed by a Board of Trustees (Board) composed of seven members appointed by the Governor to a 4-year staggered terms. The executive officer of the Board is the appointed President and Chief Executive Officer. The School operated six virtual school cost centers serving PK through 12th-grade students.

For the fiscal year ended June 30, 2019, State funding totaling \$191 million was provided through the FEFP to the School for the School-reported 36,242.83 unweighted FTE as recalibrated. The primary sources of funding for the School are funds from the FEFP.

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. The School is funded through the FEFP as a special district. The School reports FTE student credit completions for courses offered to students who are Florida residents to the DOE for funding through the FEFP. 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 DJJ 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 DJJ 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 DJJ 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 Surveys

The FTE is determined and reported during the school year by means of four FTE membership surveys that are conducted under the direction of district and school management. Each survey is a determination of the FTE membership for a period of 1 week. The surveys for the 2018-19 school year were conducted during and for the following weeks: Survey 1 was performed July 9 through 13, 2018; Survey 2 was performed October 8 through 12, 2018; Survey 3 was performed February 4 through 8, 2019; and Survey 4 was performed June 10 through 14, 2019.

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
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Our examination procedures for testing provided for the selection of schools, students, and teachers using judgmental methods for testing the FTE student enrollment including teacher certification as reported under the FEFP to the DOE for the fiscal year ended June 30, 2019. Our testing process was designed to facilitate the performance of appropriate examination procedures to test the School's compliance with State requirements relating to the classification, assignment, and verification of the FTE student enrollment including teacher certification as reported under the FEFP. The following schools were selected for testing:

<u>School</u>	<u>Findings</u>
1. Florida Virtual School Full-Time K-5	1 and 2
2. Florida Virtual School Full-Time 9-12	3 through 5
3. Florida Virtual School Flex 6-8	6
4. Florida Virtual School Flex 9-12	7
5. Florida Virtual School Flex K-5	8
6. Florida Virtual School Full-Time 6-8	9 and 10

MANAGEMENT'S RESPONSE

FLORIDA VIRTUAL SCHOOL

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April 23, 2020

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

Attn: David Hughes

Dear Ms. Norman:

Attached you will find responses to the audit findings for the FEFP FTE report for the fiscal year ending June 30, 2019.

Please do not hesitate to contact me if you have any questions regarding the documentation FLVS has provided.

Thank you for your professionalism and assurance during this process. FLVS leadership and the Board of Trustees are committed to assuring the elimination of exceptions going forward.

Sincerely,



Louis J. Algaze, Ph.D.
President and CEO
Florida Virtual School



Florida Virtual School (FLVS)

2145 Metrocenter Blvd.

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www.flvs.net

ATTACHMENT: RESPONSE TO AUDIT FINDINGS

ESE Process Improvements (#30002, #80102)

FLVS concurs with the FTE audit findings for FY 2018-2019 regarding the ESE processes. To ensure proper IEP documentation. FLVS administration will monitor, communicate and report documentation within the correct survey period.

In addition, FLVS ESE Administrators will ensure that meeting participates are noted on any amendments that include an actual IEP team meeting and that staff signatures are preferred as applicable.

FLVS is no longer partnering with Connections Academy. FLVS administration have taken steps to train staff to ensure that all IEP records are uploaded into our own FLVS technology database.

ESOL Process Improvements (#80101, #30001, #40001)

FLVS concurs with the FTE audit findings for FY 2018-2019 regarding the ESOL processes. FLVS administration will monitor, update procedures to ensure compliance within the Florida Consent Decree and the District ELL Plan. FLVS has trained the appropriate personnel and have established procedures to ensure that the courses are properly coded and reported in the applicable ESOL Program and signatures are appropriately applied. ELL student plans will be monitored to ensure compliance.

Eligible FLVS Virtual Courses (#40002)

FLVS concurs with the FTE audit finding for FY 2018-2019 regarding Eligible FLVS Virtual Courses. Only FLVS virtual courses completed by passing grade and applicable course credit are reported for FEFP funding. Working with staff administrators to establish appropriate procedures and training to ensure that the student coding is accurate in claiming FTE for grade by exam.

Dual Enrollment Course Reporting (#40004)

FLVS concurs with the FTE audit findings for FY 2018-2019. FLVS administration will monitor, update procedures to ensure compliance. FLVS will engage in discussion and clarification with the Department of Education related to dual enrollment.

Florida Residency Process Improvements (#50001, #60001, #70001)

FLVS concurs with the FTE audit findings for FY 2018-19. In the beginning of 2019/20 school year, FLVS implemented registration improvements to address the Florida Residency findings, however, after further analysis, this improvement was not fully effective to legally confirm residency. As a result, FLVS will be exploring other options to ensure that students entering FLVS have the proper Florida Residency documentation prior to registration and to ensure compliance with Florida Statutes.

Audit Response for AG for FTE 2018-19