



Item: AF: I-2e

AUDIT AND FINANCE COMMITTEE

Wednesday, October 20, 2010

SUBJECT: REVIEW OF AUDITS: REPORT NO. 2010-190 - FLORIDA ATLANTIC UNIVERSITY SCHOOLS, FLORIDA EDUCATION FINANCE PROGRAM (FEFP) FULL-TIME EQUIVALENT (FTE) STUDENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009.

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

The audit of A. D. Henderson University School and the Palm Pointe Educational Research School at Tradition was conducted pursuant to State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2009. 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* issued by the Department of Education.

The audit resulted in two recommendations for improvement for the A. D. Henderson University and five recommendations for the Palm Pointe Educational Research School. These recommendations indicate that management exercise more care and initiate corrective action, as appropriate, to ensure that: (1) students in English for Speakers of Other Languages (ESOL) are properly assessed prior to their ESOL-placement being continued beyond the initial three-year base period; (2) evidence showing required members of an Individual Educational Plan (IEP) Committee meeting are present and accounted for; (3) Exceptional Student Education (ESE) students are reported in accordance to their *Matrix of Services* forms; (4) teachers are properly certified or, if out-of-field, are approved by the Schools' Advisory Board to teach out-of-field; (5) teachers earn the required number of in-service training points in ESOL strategies, pursuant to their in-service training timelines; and (6) the parents of students taught by out-of-field teachers are appropriately notified of the teachers' out-of-field status.

The auditors noted that these noncompliance issues, while indicative of certain control deficiencies, are not considered indicative of material weaknesses in the Schools' internal controls related to the determination and reporting of FTE. The Auditor General opines that the Florida Atlantic University Schools complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2009.

IMPLEMENTATION PLAN/DATE

Not Applicable.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: Report No. 2010-190.

Presented by: Mr. Dennis Crudele, Senior Vice President-Financial Affairs **Phone:** 561-297-3266

FLORIDA ATLANTIC UNIVERSITY SCHOOLS

Florida Education Finance Program (FEFP) Full-Time Equivalent (FTE) Students

For the Fiscal Year Ended
June 30, 2009



STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

ADVISORY BOARD MEMBERS AND EXECUTIVE DIRECTOR

General oversight and guidance is provided to the Schools by their Advisory Board, pursuant to Section 1002.32(8), Florida Statutes. The Board was composed of the following members during the fiscal year ended June 30, 2009:

University Representatives

Barbara Ridener	University Faculty Member
Patricia Hodge	Principal/Director
Deborah Shepherd	Dean's Representative/University Faculty Member
Gina Sands	Elementary Teacher Representative
Rangasamy Ramasamy	University Faculty Member
David Perry	University Faculty Member
Tom Levoli	Secondary Teacher Representative
Iris Bernstein	Staff Representative
Alex Nachlas	Student Representative

Community Representatives

Cynthia Morani
Jerry Alfano
Wayne Barton

Parent Representatives

Maria Gordillo	Parent Representative
Amy Leitner	At-Large Elementary Parent Representative
Randi Boike	At-Large High School Parent Representative
Daphne Smolka	Elementary Parent Representative
Kris Moser	Secondary Parent Representative

Executive Director

Glenn Thomas

The examination was performed by Eric Seldomridge, CPA, and the examination was supervised by J. David Hughes, CPA. Please address inquiries regarding this report to Joseph L. Williams, CPA, Audit Manager, via e-mail at joewilliams@aud.state.fl.us or by telephone at (850) 414-9941.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

Florida Atlantic University Schools
Full-Time Equivalent (FTE) Students
LIST OF ABBREVIATIONS
For the Fiscal Year Ended June 30, 2009

- ELL** – English Language Learner
- ESE** – Exceptional Student Education
- ESOL** – English for Speakers of Other Languages
- FES** – Fluent English Speaker
- IDEA** – Individuals with Disabilities Education Act
- IEP** – Individual Educational Plan
- OJT** – On-the-job Training

Florida Atlantic University Schools
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
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EXECUTIVE SUMMARY

Summary of Attestation Examination

The Florida Atlantic University Schools complied, in all material respects, with State requirements regarding the determination and reporting of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2009.

Noncompliance related to FTE resulted in seven findings. The resulting audit adjustments to the Schools' reported, unweighted FTE totaled to zero and have a potential impact on the Schools' weighted FTE of a negative 2.7353.

Weighted FTE adjustments are presented in our report for illustrative purposes only. They 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 audit adjustments, which is the responsibility of the Department of Education (DOE). However, the gross dollar effect of our FTE audit adjustments may be estimated by multiplying the net weighted FTE audit adjustment by the base student allocation amount. For the Florida Atlantic University Schools, the estimated gross dollar effect of our FTE audit adjustments is a negative \$10,630 (negative 2.7353 times \$3,886.14).

The ultimate resolution of our FTE audit adjustments and the computation of their financial impact is the responsibility of DOE.

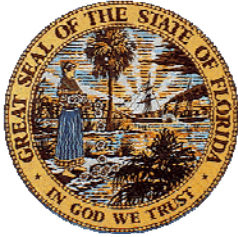
Florida Atlantic University Schools

The Florida Atlantic University Schools (i.e., Alexander D. Henderson University School and Palm Pointe Educational Research School at Tradition) were established pursuant to Section 1002.32, Florida Statutes, as developmental research schools located in Boca Raton and Port St. Lucie, Florida, respectively, and are affiliated with the Florida Atlantic University's College of Education. The Statute specifies that developmental research schools are to provide "a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning" and also states that "The primary goal of a lab school is to enhance instruction and research in . . . specialized subjects [mathematics, science, computer science, and foreign languages] by using the resources available on a state university campus, while also providing an education in nonspecialized subjects."

The Florida Atlantic University Schools offer instruction in Basic education, Exceptional education, and English for Speakers of Other Languages (ESOL) and serve students in kindergarten through twelfth grade. The Schools reported 2,002.72 unweighted full-time equivalent (FTE) students and received approximately \$10.54 million in State funding under the Florida Education Finance Program (FEFP) for those FTE. The primary sources of funding for the Schools are funds from FEFP.

Florida Education Finance Program (FEFP)

Florida school districts, including developmental research schools, receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that available to any similar student notwithstanding geographic differences and varying local economic factors. To provide equalization of educational opportunity in Florida, the FEFP formula recognizes: (1) varying local property tax bases, (2) varying program cost factors, (3) district cost differentials, and (4) differences in per student cost for equivalent educational programs due to sparsity and dispersion of student population. The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an unweighted FTE (full-time equivalent student). For example, one student would be reported as one FTE if the student was enrolled in six classes per day at 50 minutes per class for the full 180-day school year (i.e., six classes at 50 minutes each per day is five hours of class a day or 25 hours per week, which equals one FTE).



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AUDITOR GENERAL STATE OF FLORIDA

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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 FLORIDA ATLANTIC UNIVERSITY SCHOOLS FULL-TIME EQUIVALENT (FTE) STUDENTS

We have examined management's assertion, included in its representation letter dated November 10, 2009, that the Florida Atlantic University Schools complied with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2009. 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* issued by the Department of Education. As discussed in the representation letter, management is responsible for the Schools' compliance with State requirements. Our responsibility is to express an opinion on the Schools' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence about the Schools' compliance with the aforementioned State requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. The legal determination of the Schools' compliance with these requirements is, however, ultimately the responsibility of the Department of Education.

Compliance

In our opinion, the Florida Atlantic University Schools complied, in all material respects, with State requirements governing the determination and reporting of the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) for the fiscal year ended June 30, 2009.

The results of our examination disclosed noncompliance with the aforementioned State requirements mentioned above. We considered this noncompliance in forming our opinion regarding management's assertion and it did not affect our opinion as stated above. All noncompliance disclosed by our examination procedures is discussed in SCHEDULE D. The impact of this noncompliance on the Schools' reported FTE is presented in SCHEDULE A, SCHEDULE B, SCHEDULE C, and SCHEDULE D.

Internal Control Over Compliance

In accordance with attestation standards established by the AICPA and *Government Auditing Standards*, we are required to report significant deficiencies in internal control detected during our examination and identify those considered to be material weaknesses. The purpose of our examination was to express an opinion on the Schools' compliance with State requirements and did not include expressing an opinion on the Schools' related internal controls. Accordingly, we express no such opinion. Due to its limited purpose, our examination would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses.¹ The noncompliance mentioned above, while indicative of certain control deficiencies,¹ is not considered indicative of material weaknesses in the Schools' internal controls related to the determination and reporting of FTE. The findings, populations, samples, and exception totals that pertain to noncompliance are presented in SCHEDULE A and SCHEDULE D.

The Schools' written response to this examination has not been subjected to our examination procedures and, accordingly, we express no opinion on it.

¹ A control deficiency in the entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the aforementioned State requirements such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that material noncompliance will not be prevented or detected by the entity's internal control.

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 AICPA require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the State Board of Education, the Department of Education, and applicable School management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
April 23, 2010

SCHEDULE A

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2009

<u>Description</u> ¹	<u>Number of Schools</u>	<u>% of Pop.</u>	<u>Number of Students (w/Exceptions)</u>	<u>% of Pop. (Sample)</u>	<u>Number of Unweighted FTE</u> ²	<u>% of Pop. (Sample)</u>
1. <u>Basic</u>						
Population ³	2	100.00%	1,809	100.00%	1,763.4700	100.00%
Sample Size ⁴	2	100.00%	25	1.38%	23.4216	1.33%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	2.6851	-
2. <u>Basic with ESE Services</u>						
Population ³	2	100.00%	202	100.00%	184.2800	100.00%
Sample Size ⁴	2	100.00%	12	5.94%	10.0000	5.43%
Students w/Exceptions	-	-	(1)	(8.33%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.5000	-
3. <u>ESOL</u>						
Population ³	2	100.00%	54	100.00%	39.4700	100.00%
Sample Size ⁴	2	100.00%	29	53.70%	20.9484	53.07%
Students w/Exceptions	-	-	(2)	(6.89%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(2.1851)	-
4. <u>ESE Support Levels 4 and 5</u>						
Population ³	1	100.00%	16	100.00%	15.5000	100.00%
Sample Size ⁴	1	100.00%	16	100.00%	15.5000	100.00%
Students w/Exceptions	-	-	(1)	(6.25%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	(1.0000)	-
5. <u>Career Education 9-12</u>						
Population ³	0	0.00%	0	0.00%	.0000	0.00%
Sample Size ⁴	0	0.00%	0	0.00%	.0000	0.00%
Students w/Exceptions	-	-	(0)	(0.00%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-

<u>All Programs</u>						
Population ³	2	100.00%	2,081	100.00%	2,002.7200	100.00%
Sample Size ⁴	2	100.00%	82	3.94%	69.8730	3.49%
Students w/Exceptions	-	-	(4)	(4.88%)	-	-
Net Audit Adjustments ⁵	-	-	-	-	.0000	-

The accompanying notes are an integral part of this schedule.

SCHEDULE A (Continued)

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
POPULATIONS, SAMPLES, AND TEST RESULTS
 For the Fiscal Year Ended June 30, 2009

Description¹	Number of Schools	% of Pop.	Number of Teachers (w/Exceptions)	% of Pop. (Sample)
<u>Teachers</u>				
Population ³	2	100.00%	55	100.00%
Sample Size ⁴	2	100.00%	18	32.73%
Teachers w/Exceptions	-	-	(3)	(16.67%)

¹ See NOTE A6.

² Unweighted full-time equivalent (FTE) students represents FTE prior to the application of the applicable cost factor for each program. (See SCHEDULE B and NOTE A4.)

³ The population shown for the number of students is the total number of students in each program at the schools in our sample. Our Career Education population and sample reflects only those students who participated in OJT. The population shown for full-time equivalent (FTE) students is the total FTE reported in the program shown for the fiscal year ended June 30, 2009. The population shown for teachers is the total number of teachers who taught courses in ESE Support Levels 4 and 5 or Career Education or taught courses to ELL students. (See NOTE A5.)

⁴ See NOTE B.

⁵ Our audit adjustments present the net effects of noncompliance disclosed by our examination procedures, including those related to our tests of teacher certification. Our audit adjustments generally reclassify 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.

The accompanying notes are an integral part of this schedule.

SCHEDULE B

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
EFFECT OF AUDIT ADJUSTMENTS ON WEIGHTED FTE
(For Illustrative Purposes Only)
 For the Fiscal Year Ended June 30, 2009

<u>No. Program</u> ¹	<u>Net Audit Adjustment</u> ²	<u>Cost Factor</u>	<u>Weighted FTE</u> ³
101 Basic K-3	1.9350	1.066	2.0627
102 Basic 4-8	.7501	1.000	.7501
111 Grades K-3 with ESE Services	(.5000)	1.066	(.5330)
112 Grades 4-8 with ESE Services	1.0000	1.000	1.0000
130 ESOL	(2.1851)	1.119	(2.4451)
254 ESE Support Level 4	<u>(1.0000)</u>	3.570	<u>(3.5700)</u>
Total	<u>.0000</u>		<u>(2.7353)</u>

¹ See NOTE A6.

² These adjustments are for unweighted FTE. (See SCHEDULE C.)

³ Weighted FTE adjustments are presented for illustrative purposes only; they 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 audit adjustments. That computation is the responsibility of the Department of Education. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE C

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
AUDIT ADJUSTMENTS BY SCHOOL LOCATION
 For the Fiscal Year Ended June 30, 2009

<u>No. Program</u>	<u>Audit Adjustments¹</u>		
	<u>#0011</u>	<u>#0020</u>	<u>Total</u>
101 Basic K-3	.5000	1.4350	1.9350
102 Basic 4-8	.2501	.5000	.7501
111 Grades K-3 with ESE Services	(.5000)	(.5000)
112 Grades 4-8 with ESE Services	1.0000	1.0000
130 ESOL	(.2501)	(1.9350)	(2.1851)
254 ESE Support Level 4	<u>(1.0000)</u>	<u>(1.0000)</u>
Total	<u>.0000</u>	<u>.0000</u>	<u>.0000</u>

¹ These adjustments are for unweighted FTE. (See NOTE A4.)

The accompanying notes are an integral part of this schedule.

SCHEDULE D

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

Overview

Management is responsible for determining and reporting the number of full-time equivalent (FTE) students under the Florida Education Finance Program (FEFP) in compliance with State requirements. 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* issued by the Department of Education. The Florida Atlantic University Schools complied, in all material respects, with State requirements governing the determination and reporting of FTE for the fiscal year ended June 30, 2009. All noncompliance disclosed by our examination procedures is discussed below and requires management's attention and action, as recommended on page 11.

Findings

**Net Audit
Adjustments
(Unweighted FTE)**

Our examination included the July and October 2008 surveys and the February and June 2009 surveys (see NOTE A5). Unless otherwise specifically stated, the findings and audit adjustments presented herein are for the October 2008 survey or the February 2009 survey or both. Accordingly, our findings do not mention specific surveys unless necessary for a complete understanding of the instances of noncompliance being disclosed.

Alexander D. Henderson University School (#0011)

1. [Ref. 1101] The file for one ESE student did not contain evidence that the student's General Education teacher had participated in the development of the student's IEP. We made the following audit adjustment:

101 Basic K-3	.5000	
111 Grades K-3 with ESE Services	(.5000)	.0000

2. [Ref. 1170] One teacher 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 ELL student concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

		Net Audit Adjustments (Unweighted FTE)
<u>Findings</u>		
<u>Alexander D. Henderson University School (#0011)</u> (Continued)		
102 Basic 4-8	.2501	
130 ESOL	(.2501)	.0000
		.0000
<u>Palm Pointe Educational Research School at Tradition (#0020)</u>		
3. [Ref. 2001] <u>The file for one ELL student did not contain documentation justifying the student's continued ESOL placement for a fifth year. We made the following audit adjustment:</u>		
102 Basic 4-8	.5000	
130 ESOL	(.5000)	.0000
4. [Ref. 2002] <u>One student was reported incorrectly in ESOL. The student was FES and an ELL Committee was not convened to consider the student's ESOL placement. We also noted that the file did not contain documentation to support that the student's parents had been notified of the student's ESOL placement. We made the following audit adjustment:</u>		
101 Basic K-3	.9250	
130 ESOL	(.9250)	.0000
5. [Ref. 2003] <u>One ESE student was not reported in accordance with the student's Matrix of Services forms. We made the following audit adjustment:</u>		
112 Grades 4-8 with ESE Services	1.0000	
254 ESE Support Level 4	(1.0000)	.0000

The accompanying notes are an integral part of this schedule.

SCHEDULE D (Continued)

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
FINDINGS AND AUDIT ADJUSTMENTS
 For the Fiscal Year Ended June 30, 2009

<u>Findings</u>	Net Audit Adjustments (Unweighted FTE)
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Palm Pointe Educational Research School at Tradition (#0020) (Continued)

6. [Ref. 2070] One teacher was appropriately approved by the School Board to teach ELL students out-of-field; however, the parents of the ELL students concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

101 Basic K-3	.2550	
130 ESOL	(.2550)	.0000

7. [Ref. 2071] One teacher 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 ELL student concerned were not notified of the teacher's out-of-field status. We made the following audit adjustment:

101 Basic K-3	.2550	
130 ESOL	(.2550)	.0000
		<u>.0000</u>
		<u>.0000</u>

The accompanying notes are an integral part of this schedule.

SCHEDULE E

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2009

Recommendations

We recommend that management exercise more care and take corrective action, as appropriate, to ensure that: (1) students in ESOL are properly assessed prior to their ESOL-placement being continued beyond the initial three-year base period; (2) evidence showing required members of an IEP Committee meeting are present and accounted for; (3) ESE students are reported in accordance to their *Matrix of Services* forms; (4) teachers are properly certified or, if out-of-field, are approved by the Schools' Advisory Board to teach out-of-field; (5) teachers earn the required number of in-service training points in ESOL strategies, pursuant to their in-service training timelines; and (6) the parents of students taught by out-of-field teachers are appropriately notified of the teachers' out-of-field status.

The absence of statements in this report regarding practices and procedures followed by the Schools 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 Schools' obligation to comply with all State requirements governing FTE and FEFP.

Regulatory Citations**Reporting**

Section 1011.60, F.S.Minimum Requirements of the Florida Education Finance Program
 Section 1011.61, F.S.Definitions
 Section 1011.62, F.S.Funds for Operation of Schools
 Rule 6A-1.0451, F.A.C.FEFP Student Membership Surveys
 Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
 FTE General Instructions 2008-2009

Attendance

Section 1003.23, F.S.Attendance Records and Reports
 Rules 6A-1.044(3) and
 (6)(c), F.A.C.Pupil Attendance Records
 Rule 6A-1.04513, F.A.C.Maintaining Auditable FTE Records
 FTE General Instructions 2008-2009
 Comprehensive Management Information System: Automated Student Attendance Recordkeeping System

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
 For the Fiscal Year Ended June 30, 2009

Regulatory Citations (Continued)English for Speakers of Other Languages (ESOL)

- Section 1003.56, F.S. English Language Instruction for Limited English Proficient Students
- Section 1011.62(1)(g), F.S. Education for Speakers of Other Languages
- Rule 6A-6.0901, F.A.C. Definitions Which Apply to Programs for English Language Learners
- Rule 6A-6.0902, F.A.C. Requirements for Identification, Eligibility, Programmatic and Annual Assessments of English Language Learners
- Rule 6A-6.0904, F.A.C. Equal Access to Appropriate Instruction for English Language Learners

Exceptional Education

- Section 1003.57, F.S. Exceptional Students Instruction
- Section 1011.62, F.S. Funds for Operation of Schools
- Section 1011.62(1)(e), F.S. Funding Model for Exceptional Student Education Programs
- Rule 6A-6.03028, F.A.C. Provision of Free Appropriate Public Education (FAPE) and Development of Individual Educational Plans for Students with Disabilities
- Rule 6A-6.03029, F.A.C. Development of Family Support Plans for Children with Disabilities Ages Birth Through Five Years
- Rule 6A-6.0312, F.A.C. Course Modifications for Exceptional Students
- Rule 6A-6.0331, F.A.C. General Education Intervention Procedures, Identification, Evaluation, Reevaluation and the Initial Provision of Exceptional Education Services
- Rule 6A-6.0334, F.A.C. Individual Educational Plans (IEPs) and Educational Plans (EPs) for Transferring Exceptional Students
- Rule 6A-6.03411, F.A.C. Definitions, ESE Policies and Procedures, and ESE Administrators

The accompanying notes are an integral part of this schedule.

SCHEDULE E (Continued)

Florida Atlantic University Schools
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
RECOMMENDATIONS AND REGULATORY CITATIONS
For the Fiscal Year Ended June 30, 2009

Regulatory Citations (Continued)Teacher Certification

Section 1003.56, F.S.English Language Instruction for Limited English Proficient Students

Section 1011.62(1)(g), F.S.Education for Speakers of Other Languages

Section 1012.42(2), F.S.Teacher Teaching Out-of-Field; Notification Requirements

Section 1012.55, F.S.Positions for Which Certificates Required

Rule 6A-1.0502, F.A.C.Non-certificated Instructional Personnel

Rule 6A-1.0503, F.A.C.Definition of Qualified Instructional Personnel

Rule 6A-4.001, F.A.C.Instructional Personnel Certification

Rule 6A-6.0907, F.A.C.Inservice Requirements for Personnel of Limited English Proficient Students

The accompanying notes are an integral part of this schedule.

Florida Atlantic University Schools
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY

A summary discussion of the significant features of the Schools, FEFP, FTE, and related areas follows:

1. Florida Atlantic University Schools

The Florida Atlantic University Schools (i.e., Alexander D. Henderson University School and Palm Pointe Educational Research School at Tradition) were established pursuant to Section 1002.32, Florida Statutes, as developmental research schools located in Boca Raton and Port St. Lucie, Florida, respectively, and are affiliated with the Florida Atlantic University's College of Education. The Statute specifies that developmental research schools are to provide "a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning" and also states that "The primary goal of a lab school is to enhance instruction and research in . . . specialized subjects [mathematics, science, computer science, and foreign languages] by using the resources available on a state university campus, while also providing an education in nonspecialized subjects."

The Florida Atlantic University Schools offers instruction in Basic education, Exceptional education, and English for Speakers of Other Languages (ESOL) and serves students in kindergarten through twelfth grade. The Schools reported 2,002.72 unweighted full-time equivalent (FTE) students and received approximately \$10.54 million in State funding under the Florida Education Finance Program (FEFP) for those FTE. The primary sources of funding for the Schools are funds from FEFP.

2. Florida Education Finance Program (FEFP)

Florida school districts, including developmental research schools, receive State funding through FEFP, which was established by the Florida Legislature in 1973 to guarantee to each student in the Florida public school system the availability of an educational environment appropriate to his educational needs which is substantially equal to that 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.

Florida Atlantic University Schools
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY (Continued)

3. Full-Time Equivalent (FTE) Students

The funding provided by FEFP is based upon the numbers of individual students participating in particular educational programs. A numerical value is assigned to each student according to the student's hours and days of attendance in those programs. The individual student thus becomes equated to a numerical value known as an FTE. For example, for kindergarten through third grade, one 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 four through twelve, one FTE is defined as one student in membership in a program or a group of programs for 25 hours per week for 180 days.

4. Calculation of FEFP Funds

The amount of State and local FEFP funds is calculated by the Department of Education 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 this product 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.

5. FTE Surveys

FTE is determined and reported during the school year by means of four FTE membership surveys, which are conducted under the direction of the Schools' management. Each survey is a sampling of FTE membership for a period of one week. The surveys for the 2008-09 school year were conducted during and for the following weeks: survey one was performed for July 14 through 18, 2008; survey two was performed for October 13 through 17, 2008; survey three was performed for February 9 through 13, 2009; and survey four was performed for June 8 through 12, 2009.

Florida Atlantic University Schools
 Florida Education Finance Program (FEFP)
 Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
 For the Fiscal Year Ended June 30, 2009

NOTE A - SUMMARY (Continued)

6. Educational Programs

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 as follows: (1) Basic, (2) ESOL, (3) ESE, and (4) Career Education 9-12.

7. Statutes and Rules

The following statutes and rules are of significance to the administration of Florida public education:

Chapter 1000, F.S.	K-20 General Provisions
Chapter 1001, F.S.	K-20 Governance
Chapter 1002, F.S.	Student and Parental Rights and Educational Choices
Chapter 1003, F.S.	Public K-12 Education
Chapter 1006, F.S.	Support for Learning
Chapter 1007, F.S.	Articulation and Access
Chapter 1010, F.S.	Financial Matters
Chapter 1011, F.S.	Planning and Budgeting
Chapter 1012, F.S.	Personnel
Chapter 6A-1, F.A.C.	Finance and Administration
Chapter 6A-4, F.A.C.	Certification
Chapter 6A-6, F.A.C.	Special Programs I

NOTE B - SAMPLING

Our examination procedures provided for the selection of samples of students and teachers, using statistical and judgmental methods, for testing FTE reported to the Department of Education for the fiscal year ended June 30, 2009. Our sampling process was designed to facilitate the performance of appropriate examination procedures to test the Schools' compliance with State requirements governing FTE and FEFP. Our tests included the Schools' two sites, as follows:

Florida Atlantic University Schools
Florida Education Finance Program (FEFP)
Full-Time Equivalent (FTE) Students
NOTES TO SCHEDULES
For the Fiscal Year Ended June 30, 2009

NOTE B – SAMPLING (Continued)

<u>School Name/Description</u>	<u>Finding Number(s)</u>
1. Alexander D. Henderson University School (in Boca Raton)	1 and 2
2. Palm Pointe Research School at Tradition (in Port St. Lucie)	3 through 7

**EXHIBIT A
MANAGEMENT'S RESPONSE**



A.D Henderson University School
FAU High School
Florida Institute for the Advancement of Teaching
Karen Slattery ERCCD
Palm Pointe Research Center @ Tradition
Pine Jog Environmental Center
777 Glades Rd.
Boca Raton, FL 33431
Tel: (561) 297-0061
Fax: (561) 297-3613

April 22, 2010

David W. Martin
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

We have reviewed the audit report of March 11, 2010 and concur with the findings for the period July 1, 2008 – June 30 2009.

Management has discussed the issues identified in the report, reviewed internal procedures and external communications with teachers and others involved, and will exercise additional attention in the future to the concerns cited in this audit. Items specifically addressed as a result of this audit are: (1) issues related to the proper assessment and placement of ESOL students beyond the three year base period, (2) documentation of proper attendance by all required participants in an IEP meeting, (3) ESE students properly reported on the Matrix of Services forms, (4) teachers are either certified correctly or have been approved by the school Advisory Body to teach out of field, (5) teachers earn the proper number of in-service training points for ESOL strategies according to their individual professional development plans, and (6) the parents of students who are taught by out of field teachers are properly notified.

We appreciate the audit process and will continue to improve our attention to these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Thomas", written in a cursive style.

Glenn Thomas
Assistant Dean, PK-12 Schools and Educational Programs
College of Education, Florida Atlantic University

Cc. Dr. Valerie J. Bristor
Dean