



Internal Audit
Orange County Public Schools

To: Orange County School Board

Cc: Dr. Maria Vazquez, Superintendent
Amy Envall, General Counsel

From: Linda J. Lindsey, School Board Internal Auditor

Date: May 15, 2023

Re: District Expenditures of IDEA Funding

Background

The School Board is interested to know how IDEA funding is being spent. To respond, we performed a detailed examination of all expenditures of IDEA funding during the first six months of this fiscal year – July 1, 2022 through December 31, 2022. This memo provides detailed information on ESE expenses incurred during this period.

IDEA Grant Background

Purpose of IDEA:

The district provides Exceptional Student Education (ESE) services to students with physical, emotional, behavioral, and learning disabilities and to gifted students. The ESE program includes services provided in the schools and services and support from the district’s ESE staff. The district receives funding for certain costs of its ESE program from the Individuals with Disabilities Education Act (IDEA).

IDEA is a federal grant providing funding for the education of children with disabilities and requires, as a condition for the receipt of such funds, that states and school districts agree to provide a Free Appropriate Public Education (FAPE) to every eligible child. IDEA grants must be used to pay only the excess costs of providing a FAPE to children with disabilities (emphasis added).

District Uses of IDEA Funding:

OCPS uses IDEA grant funds to support children with disabilities in the following ways:

- Contracted services for physical and occupational therapy, hearing interpreters, and mental health counseling;

- Personnel to support classrooms and campuses, including bus monitors when called for in a student’s Individual Education Plan (IEP);
- Purchases of classroom equipment and supplies for new ESE units;
- Purchase and repair of assistive technology equipment for ESE students; and,
- Resource materials and training for teachers, parents, and paraprofessionals working with students with disabilities.

Review and Approval Process for IDEA Expenditures:

Each expenditure paid from IDEA funds must be reviewed and approved by the following persons:

- Executive Director, ESE
- Associate Superintendent, ESE

Expenditures other than personnel are reviewed to determine allowability under the grant by the Senior Director, Federal Programs. New positions and new district-level requests must be approved by the Deputy Superintendent.

IDEA Award to District for FY 2023:

The district received three IDEA 2023 grants with different grant numbers:

- **IDEA23 – F123180** (Reviewed, analyzed, and verified in this engagement)
- IDEA Private – F123181 (Not in scope)
- IDEA Preschool Incentives – F123182 (Not in scope)

IDEA is recorded in a Special Revenue Fund, not the district’s General Fund. IDEA grant funds may be used for both district and school-level expenditures for expenses. Unspent balances of IDEA funds are rolled over and re-allocated in the next fiscal year.

Table 1: IDEA23 Award

Fiscal Year	Grant Allocation	Certified Rollover	# of Ed Paras	# of Program Assistant	# of Behavior Specialist
22/23	\$47,533,768.00	\$8,000,000 (estimated)	53	151	103

Source: Federal Programs and Office of Management Budget

We noted, per *ZH028 Staffing Position Report* as of 2/14/2023, the actual number of positions funded was more than the above estimates at 71, 177, and 114, respectively.

IDEA23 Total Expenditures - \$19,024,857.43 (July 1 – December 31, 2022)

We reviewed analyzed and verified expenditures funded by grant **IDEA23 – F123180** for the period of 7/1/2022 to 12/31/2022 through *SAP – ZF404 Budget Status Summary Report* and *FS10N G/L Account Balance Display Report*. More than **86%** of IDEA expenditures for the period

were for payroll - salaries and benefits (**\$16,367,582.52** – Please see *Table 3*). The remaining 14% of IDEA expenditures were for non-payroll expenditures (**\$2,657,274.91** – Please see *Table 5*).

Table 2 below displays the percentages of total IDEA expenditures by schools and the district, and the breakdown between payroll and non-payroll expenditures. Table 3 shows the details of each payroll and benefit type also broken out between schools and the district.

Table 2: Percentage of IDEA23 Expenditures

IDEA23 Expenditures	By Schools	By District	Total%
Payroll	35%	51%	86%
Non-Payroll	1%	13%	14%
Totals	37%	64%	100%

Source: Internal Audit Analysis

Table 3: Payroll Expenditures

ESE Payroll Expenses - GL #4000 to #4299				
July 1, 2022 through December 31, 2022				
Funded by F123180 - IDEA23				
GL#	GL Name	By Schools	By District	Total
4130000000	Other Cert Instr. Pers.	\$2,802,907.58	\$4,944,268.90	\$7,747,176.48
4160000000	Other Support Personnel.	1,586,714.88	1,027,739.74	2,614,454.62
4230010000	Grp Ins.-Health	945,152.64	935,757.76	1,880,910.40
4210000000	Retirement	542,850.32	859,758.53	1,402,608.85
4220000000	Benefit-Social Security	336,841.95	513,027.51	849,869.46
4110000000	Salaries-Administrators	0.00	777,272.56	777,272.56
4150000000	Teacher Aides	374,540.12	14,449.75	388,989.87
4290000000	Other Personnel Cost	89,354.87	133,907.72	223,262.59
4160010000	Addl Hrs -Oth Support Pers.	9,036.97	203,714.22	212,751.19
4160020000	Overtime-Other Supp. Pers.	1,018.76	119,151.72	120,170.48
4160040000	Other Support Bonus	0.00	59,058.00	59,058.00
4240000000	Worker's Compensation	15,255.59	42,106.98	57,362.57
4250000000	Unemployment Comp.	3,661.11	5,205.35	8,866.46
4230020000	Grp Ins.-Life	2,815.11	4,207.62	7,022.73
4130020000	Add'l Hrs. - Other Instr.	0.00	6,461.80	6,461.80
4150010000	Add'l. Hrs. Teacher Aides	1,427.14	4,090.59	5,517.73
4150040000	Teacher Aide Other Pay	2,985.00	0.00	2,985.00
4150020000	Overtime - Teach Aides	235.28	1,723.95	1,959.23

4120020000	Addn'l Hours-Sch. Tchr.	0.00	595.00	595.00
4120040000	Teacher/Other Pay Bonus	200.00	87.50	287.50
	Total Payroll Exp.	\$6,714,997.32	\$9,652,585.20	\$16,367,582.52
	% of Total IDEA23 Exp.	35.30%	50.74%	86.04%

Source: SAP – ZF404 Budget Status Summary Report

Review, Analysis, and Verification of Payroll – Positions:

Federal regulations over IDEA funding require positions paid for by grant funds serve only students with disabilities. At times, staff members serve both students with disabilities and those without. In these instances, schools pay for part of the position from non-IDEA funds. This is called split-funding. The ESE Executive Director approves all ESE positions, regardless of funding percentage. Here are three examples of why positions may be are split-funded:

- Behavior Specialist 25% paid by school and 75% paid by IDEA. A behavior specialist is proficient in helping maintain a well-supported classroom or program, whether ESE or not. In some schools, the behavior specialist may have a portion of their day (25% in this instance) where they are able to address behavioral needs in non-ESE classrooms. The principal then will request IDEA fund only 75% of the position so the school can use 25% of the behavior specialist’s time addressing issues for students without a disability.
- Psychologist 70% paid by IDEA and 30% paid by the district. This staff member spends the majority of their time addressing students with disabilities or those with a potential disability. Therefore, the IDEA grant can fund that percentage of the position. During the other 30% of the day, the psychologist may address non-ESE student groups. This time then cannot be funded by IDEA and the general budget has to fund the non-ESE contact hours.
- Administrative Secretary Each learning community has an administrative secretary to support its ESE Program Specialist. Support consists of tracking parent meetings, preparing students-with-disabilities monthly reports, and helping monitor items related to students with disabilities. Because they are based in Learning Community offices, some secretaries spend a small amount of time working with Learning Community staff on non-ESE items. The non-ESE time is funded from general funds, not the IDEA grant.

We reviewed and analyzed SAP – ZH133 Employee Data Report and ZH028 Staffing Position Report as of February 14, 2023. On that date, 41 positions were funded in whole or in part from the IDEA23 grant. We verified that these 41 positions are related to the ESE program and approved by the ESE Executive Director. Table 4 below explains the split percentage of ESE positions funded by IDEA23.

Table 4: Positions Funded by IDEA as of February 14, 2023

Approved IDEA-Funded Positions as of February 14, 2023	Number of Positions	Number of Split Positions / Split % Funded by IDEA23	Number of Positions 100% by IDEA23
Administrative Secretary	7	4 / 95	3
Audiologist	5	1 / 50	4
Behavior Analyst, Administrator I	1	–	1
Behavior Specialist	114	9 / 75,87,95	105
Bus Monitor	62	–	62
Curriculum Writing Team	2	–	2
Diagnostic Specialist	12	–	12
Early Intervention, Hourly	16	–	16
Ed Cap Sign Lang Interpreter I	12	2 / 85	10
Ed Cap Sign Lang Interpreter II	3	1 / 15	2
Ed Cap Sign Lang Interpreter III	2	–	2
Ed Interpreter Aide I, Hourly	1	–	1
Ed Para, Ex Ed, C	35	5 / 85,87	30
Ed Para, Pre-K, C	2	–	2
Ed Para, Severely Han, C	33	8 / 85	25
Ed Para, Sign Language, C	1	–	1
Finance Spec II	1	–	1
Help Desk Rep	1	–	1
Language Diagnostician	11	3 / 30,50	8
Mental Health Counselor	1	–	1
Parent Involvement Presenter	12	–	12
Program Asst, Bilingual, Creole, C	1	–	1
Program Asst, Bilingual, Spanish, C	1	–	1
Program Asst, Des, C	13	–	13
Program Asst, ESE Post Hs Empl Spec, C	11	–	11
Program Asst, ESE, C	151	33 / 55,83,85,87,91	118
Program Coord	1	–	1
Program Specialist	15	1 / 80	14
Project Administration	3	–	3

Resource Teacher	43	26 / 50,95	17
School Psychologist	100	97 / 70,85	3
Social Worker	4	3 / 10	1
Speech Therapist, Hourly	1	–	1
Sr Admin-On-Assignment I	1	–	1
Sr Admin. I	7	1 / 50	6
Sr Admin. N	1	–	1
Sr Manager	1	–	1
Staffing Specialist	27	3 / 99	24
Support Services Clerk II	1	–	1
Support Services Clerk III	2	1 / 95	1
Uniformed Security Officer - ESE	5	–	5
Total	723	198	525

Source: SAP – ZH133 Employee Data Report and ZH028 Staffing Position Report

Table 5 below shows the non-payroll expenditures of IDEA funds separately for school and district offices.

Table 5: Non-Payroll Expenditures

ESE Non-Payroll Expenses - GL #4300 to #4999				
July 1, 2022 through December 31, 2022				
Funded by F123180 - IDEA23				
GL#	GL Name	By Schools	By District	Total
4643000000	Cap Computer HW	\$0.00	\$3,480.00	\$3,480.00
4730000000	Dues and Fees	0.00	3,200.00	3,200.00
4330010000	In County Travel	575.76	24,162.40	24,738.16
4792000000	Indirect Cost	0.00	631,269.01	631,269.01
4644000000	NonCap. Computer HW	0.00	15,846.00	15,846.00
4642000000	NonCap. - Furn. & Eqp.	0.00	244.00	244.00
4390030000	Other Svcs. -Chargebacks	0.00	1,433.56	1,433.56
4330020000	Out of County Travel	0.00	1,623.03	1,623.03
4310010000	Prof. & Tech. Services	0.00	1,026,919.38	1,026,919.38
4510000000	Supplies	0.00	1,561.10	1,561.10
4649000000	Technology-NonCap.	0.00	1,215.00	1,215.00
4369000000	Technology-Rentals	0.00	657,894.68	657,894.68
4359000000	Technology-Rep/Maint.	0.00	3,349.81	3,349.81

4519000000	Technology-Supplies	0.00	4,630.39	4,630.39
4394000000	Other District Charter	143,752.31	0.00	143,752.31
4750060000	Substitute Services	135,968.48	0.00	135,968.48
4750060000	Overtime-Others	150.00	0.00	150.00
	Total Non-Payroll Exp.	\$280,446.55	\$2,376,828.36	\$2,657,274.91
	% of Total IDEA23 Exp.	1.47%	12.49%	13.96%

Source: SAP – ZF404 Budget Status Summary Report

Review, Analysis, and Verification of Schools’ Non-Payroll Expenditures:

We reviewed, analyzed, and verified schools’ non-payroll expenditures such as *Other District Charter, Substitute Services, Overtime Others, and In County Travel*.

- We reviewed documentation for reimbursements of **Other District Charter** schools for Behavior Specialists, Behavior Technicians, Behavior Analysts, and Job Coach services, and verified reimbursements were related only to charter ESE services.
- We reviewed *ZH028 Staffing Position Report, FS10N G/L Account Balance Display Report, PA20 Display HR Master Data, and ZH039 Employee Verification Report* to verify **Substitute Services and Overtime-Others.** We verified Substitute Services costs paid from IDEA were only for ESE services with one exception as noted below.
- Fifteen new ESE units were initiated at 14 schools during 7/1/2022 to 12/31/2022. We verified these schools’ non-payroll expenditures and noted they were only for Substitute Services which we verified during our expenses test above.
- We found two minor exceptions in Substitute Services and Overtime Others expenses.
 - A teacher for whom a substitute was provided was not in an ESE position when the Substitute Service occurred. Substitute Service charge was only one time and was \$167.01.
 - A teacher who was paid overtime was not in an ESE position when the overtime was worked. The overtime charge was only one time and totaled \$150.

Data entry errors caused these two service expenses and we notified the ESE Executive Director. We recommend these expenditures be moved from IDEA funds to other funds.

- We reviewed and merged two reports - *ZH028 Staffing Position Report* and *FS10N G/L Account Balance Display (Text Descriptions) Report* and verified that all In County Travel is related to ESE services.

Review, Analysis, and Verification of District Non-Payroll Expenditures:

We reviewed and analyzed *FS10N G/L Account Balance Display Report* and *PA20 Display HR Master Data*, verified all contracts and purchase orders, and randomly selected invoices, and

verified that non-payroll expenditures by the district were related only to ESE services. District-level non-payroll expenditures include (Details in *Table 5*):

- **Professional & Technical Services** e.g. Behavior Therapists, Licensed Nurses
- **Supplies** e.g. Thermal Lamination Pouches, Padded Strap, Spanish Test Kit
- **Technology Rentals** e.g. Reading Writing Tools, Communication Tools
- **Technology Supplies** e.g. iPad Case, Adapter, Headset
- **Technology Repair Maintenance** e.g. Repairs of iPad and other devices
- **Technology Non-Capital** e.g. Tracker Pro 2, Step by Step Communicator
- **Capital Computer Hardware** e.g. Assistive Technology Devices
- **Non-Capital Computer Hardware** e.g. Personalized Mini iPad and WIFI
- **Non-Capital Furniture and Fixture** e.g. Assistive Technology Devices
- **Dues and Fees** e.g. Crisis Prevention Institute Membership
- **Out of County Travel** e.g. Medicaid Conference, Prof. Crisis Mgt. Course
- **In County Travel** e.g. Compliance Visits, School to District, Various in County
- **Other Serviceable Charges** e.g. Printing, Copies

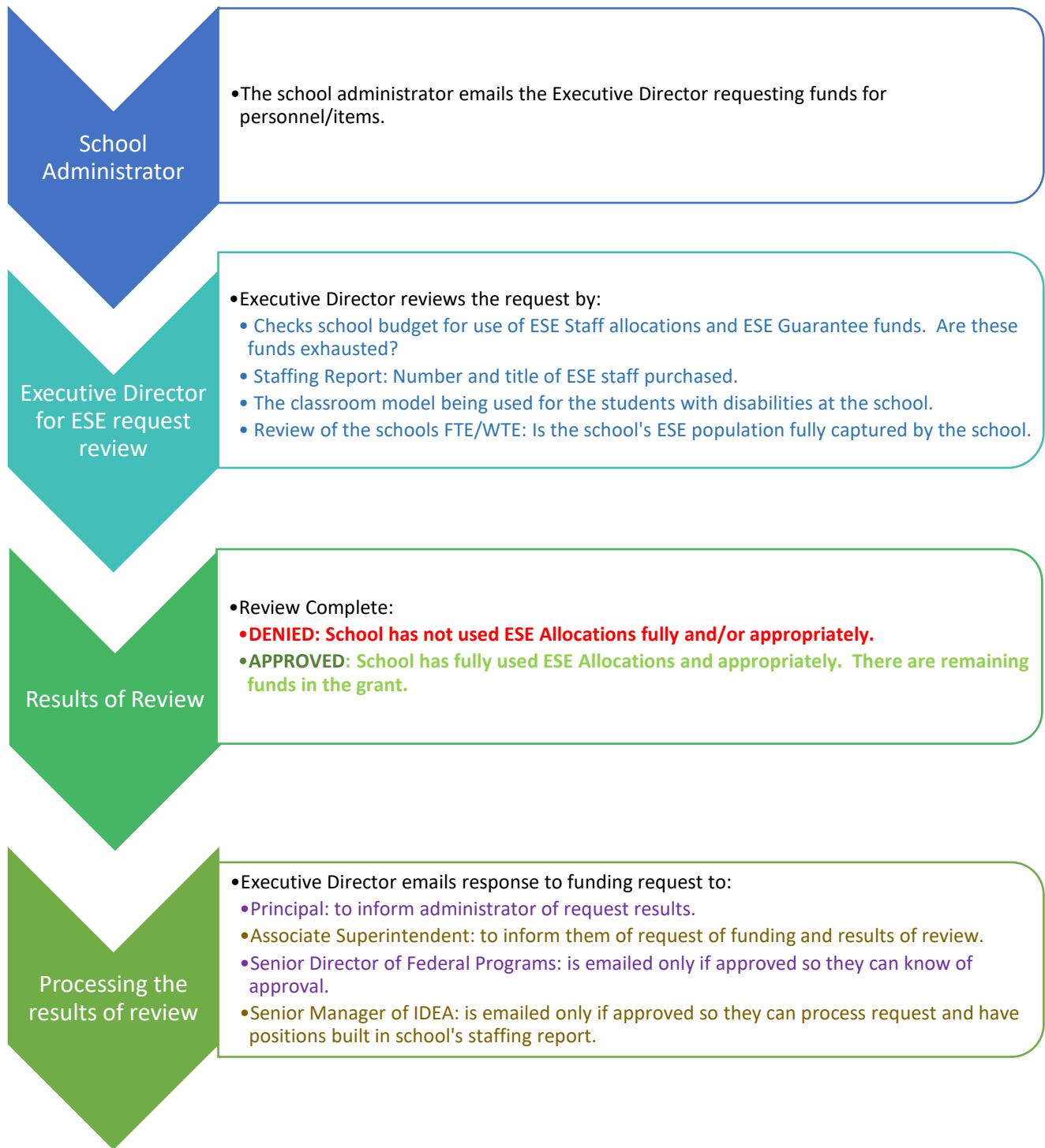
We verified indirect costs were allocated at the amount approved by the Florida Department of Education for FY 23, which is 3.61% of direct costs.

Conclusion:

Based on our review, analyses, and verification of ESE expenditures for the period from July 1, 2022 through December 31, 2022, all except \$317.01 of \$19,024,857.43 expenditures funded from the IDEA23 – #F123180 grant were for ESE services. We recommended journal entry adjustments to remove the non-ESE expenses from the IDEA grant fund.

Exhibit I

School Requesting IDEA Funding for Personnel and Items



ESE Department Requesting IDEA Funding

