

**State of Delaware
Office of Auditor of Accounts**

**Statewide Unit Count
Agreed-Upon Procedures Engagement
MOT Charter School**

School Year 2017 - 2018

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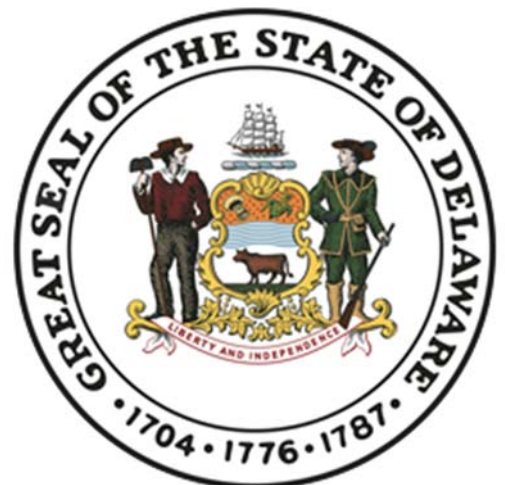


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Abbreviations

AOA	Auditor of Accounts
CRSD	Caesar Rodney School District
CTE	Career and Technical Education
DOE	Department of Education
FSAR	Full Student Attendance Register
IEP	Individualized Education Programs
OMB	Office of Management and Budget



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

The Honorable Dr. Susan Bunting
Secretary of Education
Department of Education
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Mr. Edward B. Southworth, IV
Head of School
MOT Charter School
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We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and MOT Charter School (the Charter School) (the specified parties), related to the Charter School's compliance with 14 Delaware Administrative Code (Del. Admin. C.) §701, 14 Delaware Code (Del. C.) §2702(b), 14 Del. C. §3101(6), 14 Del. C. §1705A(a), and 14 Del. C. §1705A(c) during the 2017 – 2018 School Year. The Charter School's management is responsible for its compliance with those specified requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Procedure 1: For the schools selected, obtain the Full Student Attendance Register (FSAR) and judgmentally select 5% or a maximum of 25 students with sporadic attendance, late enrollment into the school, and withdrawals from the school during the Unit Count period. Include in the sample, as applicable, a selection of students that were granted early admission for Kindergarten. Inspect the FSAR for the "DOEAb" view, as required by the Unit Count Manual.

Results: The Charter School included 1,288 students in their September 30th Unit Count, none of which were admission to Kindergarten; therefore, AOA judgmentally selected 25 students for testing based on sporadic attendance, late enrollment into the school, and withdrawals from the school during the Unit Count period. The Charter School provided the correct "DOEAb" view of the FSAR, as required by the Unit Count Manual.

Procedure 2: Inspect each school's Unit Count Audit File for all necessary supporting documentation, as mandated by 14 Del. Admin. Code §701 and 14 Del. C. §2702(b) and §3101(6), to substantiate inclusion of the sampled students in the school's Unit Count.

Results: Based on the Supporting documentation obtained, all students selected for testing were properly included in the Unit Count. However, the school's Unit Count file was not properly maintained for four students because there was a lack of documentation for excused absences.¹

Procedure 3: Compare the number of students reported on the signed, dated and initialed Needs Based Detail by School report in each selected school's Unit Count Audit File, to the school's final Unit Count submission to the Delaware Department of Education (DOE).

Results: We found no exceptions as a result of applying this procedure.

Maximum Student-Instructor Ratio

Procedure 4: Obtain documentation from the District/Charter Schools selected for the number of students and instructors in each Kindergarten, 1st, 2nd, and 3rd grade classroom as of October 31, 2017. Calculate the student to instructor ratio and confirm that no classroom exceeds 22 students per instructor. [14 Del. C. §1705A(a)]

Results: The Charter School had three third grade classrooms that exceeded the student to instructor ratio.

Procedure 5: Inspect the school's files for all necessary required documentation, as mandated by 14 Del. C. §1705A(c), to allow a classroom to exceed the 22 students per instructor ratio.

Results: The Charter School formally voted on November 29, 2017, to approve the waiver allowing Kindergarten through third grade classrooms to exceed the 22 students per instructor ratio.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedures performed on the September 30th Unit Count and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose. However, the report is a matter of public record and its distribution is not limited. The report, as required by statute, will be provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, and Office of Management and Budget.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts
Dover, Delaware
May 10, 2018

¹ Proper documentation for excused absences consists of a doctor note or parent note.

Appendix A – Background Information

AOA selected the following districts and charter schools for the school year 2017 – 2018 Statewide Unit Count Agreed-Upon Procedures engagement:

- Appoquinimink School District
- Campus Community Charter School
- Capital School District
- Delaware Academy of Public Safety and Security
- Laurel School District
- MOT Charter School
- Odyssey Charter School
- Polytech School District
- Seaford School District
- Smyrna School District
- Sussex Academy

Separate reports will be issued for each school district and charter school.

How is Unit Count Performed? (Unit Count Documentation)

The Unit Count process begins at the school district level when a student is enrolled in a district and his or her information is entered into eSchoolPLUS.² The required Unit Count calculations prescribed by 14 Del. C. §1703(a) are preloaded into the system. Once the Unit Count process starts, the following events occur:

- Enrollment³ and student demographic data for each student, including special education data maintained in eSchoolPLUS, is captured twice daily and loaded into Unit Count PLUS which automatically generates enrollment, units, and district-level position allotments.
- All IEP⁴ information entered into IEPPLUS is integrated in eSchoolPLUS as scheduled by the individual district/charter school and then captured twice daily along with enrollment and student demographic data and loaded into Unit Count PLUS.
- Unit Count PLUS calculates occupational-vocational units based on the schedules for students who are enrolled in state-approved Career and Technical Education (CTE) Program courses.⁵

² eSchoolPLUS is a comprehensive student information management application that provides powerful tools for teachers, administrators, parents and students. This application is hosted by PowerSchool.

³ According to Attorney General, Opinion No. 79-1017, dated May 24, 1979, enrollment is defined as “unless there is reason to believe that a pupil’s attendance during the ten-day period (last 10 days of school in September) is fleeting and momentary, his presence in school for all or part of the 10 days effectively “enrolls” him as of the last day of September for the school year.”

⁴ Individualized Education Programs (IEPs) are federally mandated by the Individuals with Disabilities Education Act. An IEP defines the individualized objectives of a child who has been found with a disability, as defined by federal regulations.

⁵ The scheduling component of eSchoolPLUS tracks the number of minutes in each approved CTE class. In addition, the system ensures that those students who are enrolled in both regular and occupational-vocational programs are not double-counted during the Unit Count.

After the Unit Count process is complete, the district/charter school's Unit Count Coordinator is required to submit to the State Unit Count Coordinator by the designated deadline the signed and dated Needs Based Detail by School Report for all schools in their district/charter school and the signed and dated cover letter. Each building administrator is required to generate the eSchoolPLUS FSAR. This report is signed and dated by the building administrators and placed in the school's audit file as the school's verification of student attendance during the last 10 school days of September for students counted in the school's September 30th Unit Count. The Unit Count calculation includes the total pupil enrollment on the last school day in September⁶ and considers various factors such as grade level and, if applicable, the special education needs of the child. The 2017 Unit Count began on Monday, September 18, 2017 and ended on Friday, September 29, 2017.

Students enrolled in a charter school and included in the charter school's Unit Count must be listed on the enrollment roster within Unit Count PLUS. The roster provides the basis for transferring local funds attached to students who are enrolled in and are attending a charter school. Additionally, this roster serves as an audit trail.

Early Admission to Kindergarten

A child entering kindergarten must be age 5 on or before August 31st of the respective year. DOE decided that early admission to kindergarten for gifted students should be determined by professional qualified persons and the local district's assessment of the best interest of the child. All districts and charter schools must be able to demonstrate through documentation that these students are "gifted and talented." Documentation as to how these students were determined to be "gifted and talented" should be aligned with 14 Del. C. §3101(6) and the local district's assessment of the best interest of the child under 14 Del. C. §2702(b) and should be included in the district/charter school's Unit Count audit file.

Funding for charter schools is limited to students lawfully enrolled in grades K through 12 as the charter school may be approved to operate. Charter schools shall not include any Pre-K students in their enrollment for Unit Count purposes.⁷

How is Funding Received?

Pursuant to 14 Del. C. 1704(1) the number of units shall be calculated based upon the total enrollment of pupils in each school district and charter school as of the last school day of September. There are three primary state funding types received by public school districts and charter schools as a result of units generated through the September 30th Unit Count. The categories are Division I (Salaries and Benefits), Division II (All-Other Costs and Energy), and Division III (Equalization).

School Funding and Appropriation

Since the Unit Count is not finalized until after the school year begins, DOE performs calculations in June of each year using preliminary values for districts' Division II and Division III, some state fund entitlements, and preliminary values for charter schools operation, to include a portion for state salary, other costs, and health insurance. After certification of the Unit Count by the Secretary of Education, the remaining Division II and Division III funds are transferred to the school district by OMB.

If, after the units are certified, a student is disqualified from the Unit Count through the auditing process, the units will be recalculated without the disqualified student. Another eligible student shall not be substituted for the disqualified student. A student who has been identified as a special education and is

⁶ 14 Del. C. §1704

⁷ 14 Del. Admin. C. §701 (7.0)

receiving special education services that is disqualified from the Unit Count due to irregularities contained within supporting documentation may be included in the regular enrollment category provided the student meets eligibility requirement. Only a student disqualified by the audit process may be reassigned to another unit category. In no event can this adjustment result in a net increase in units for a district.⁸

Out-of-state children whose parent or legal guardian is employed on a full-time basis by any reorganized school district may attend school in the district where the parent or guardian is employed during the period of the parent or guardian's employment upon written approval of the receiving district and payment of tuition if charged by the district. Such children may not be included in the September 30th Unit Count for state funding purposes.⁹

Student dependents of military and civilian Department of Defense personnel who reside in Dover Air Force Base housing who enroll in a district through the Choice program or in a charter school must be reported by the receiving district/charter school to the Caesar Rodney School District (CRSD). Federal funds covering education services for these students would then be transferred by the CRSD to the State to cover state costs associated with their education and to the receiving district to cover local costs.

Maximum Student-Instructor Ratio¹⁰

The ratio of students to instructors in any class in kindergarten or grades 1-3 in a Delaware public school shall not exceed 22 students as of the last school day of October. In calculating such ratio, a classroom instructional aide shall count as equal to half a teacher. This ratio shall only apply to a class within which students are instructed in the core academic subjects of English/Language Arts, mathematics, science, and social studies.¹¹

The local school board may vote to waive the maximum student-instructor ratio at a public meeting noticed for that purpose. Any local school board vote on such a waiver shall occur on or before December 1st of each year, and the notice for such a meeting shall be placed in the local newspaper for two consecutive weeks before the meeting. The notice shall be posted on the door of any school affected for the same time period, a copy shall be sent to the principal, teacher association building representative and Parent Teacher Organization/Parent Teacher Association parent leader of any affected school.¹²

Pursuant to 14 Del. C. §1705A(d), the State Auditor shall, in cooperation with the Department of Education, monitor compliance with this section in the audits of the boards of education of the school districts conducted pursuant to 14 Del. C. §1504.

⁸ 14 Del. Admin. C. 701 Unit Count §8.0

⁹ 14 Del. C. §607(a)

¹⁰ 14 Del. C. §1705A

¹¹ 14 Del. C. §1705A(a)

¹² 14 Del. C. 1705A(c)