



**Washington State Auditor's Office**

**Troy Kelley**

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**Special Report**

**Alternative Learning Experience**

**Toppenish School District No. 202**

**Yakima County**

**For the period September 1, 2013 through August 31, 2014**

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# Washington State Auditor Troy Kelley

April 20, 2015

Board of Directors  
Toppenish School District No. 202  
Toppenish, Washington

## Report on Alternative Learning Experience

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance with alternative learning experience enrollment reporting rules. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In most programs we audited, District operations complied with state laws and regulations and its own policies and procedures regarding alternative learning experience (ALE) enrollment. For the year ending, August 31, 2014 the District received approximately \$21.4 million in combined enrollment and staff mix funding; approximately \$2.7 million of this was related to its ALE programs.

However, we identified areas in which the District could make improvements.

- Skylar Education Academy – The District did not comply with state regulations for reporting ALE enrollment in its Skylar program. District did not follow its policies and procedures. Students enrolled at Skylar did not meet ALE eligibility funding requirements. The program reported 147.4 average annual full-time equivalents (AAFTE). Our audit tested a sample of 10 students and found 73 monthly FTE, or 100 percent of students tested over reported. We estimate overfunding of \$780,738 for this program.

We recommend the District follow its policies and procedures and adequately monitor contracted ALE providers to ensure:

- Written policies authorizing ALE are adopted and annually reviewed, including each ALE program and program provider, and procedures are developed consistent with WAC 392-121-182.
- Written student learning plans contain all required elements.
- Two-way weekly contacts between teacher and students occur and are adequately documented.
- Monthly progress reviews are completed and identify whether student progress was satisfactory or unsatisfactory.
- Statement of Understanding is signed by parents and retained for students under the age of 18.
- Courses earned at Skylar and reported on student transcripts align with the written student learning plan for each student.
- Only high school students, ages 14-20, are reported for funding at Skylar.

These recommendations were included in our report as a finding.

- Northwest Allprep – The program reported 212.97 AAFTE. The audit determined the program met ALE compliance and enrollment reporting requirements, with one exception. Our audited tested a sample of eight students and found a net 1.0 monthly FTE under reported.
  - One running start student could have been reported .80 FTE in September and .20 FTE in October.

We estimate these errors resulted in under funding of \$530 for this program.

- Computer Academy Toppenish (CAT) – The program reported 88.68 AAFTE. Our audit involved performing procedures to obtain evidence about the District’s compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters, with regard to its ALE Program. We found that controls were adequate to assure compliance.
- Eagle Jr/Sr high School – The program reported 95.88 AAFTE. Our audit involved performing procedures to obtain evidence about the District’s compliance with state laws and regulation and its own policies and procedures, and internal controls over such matters, with regard to its ALE Program. We found, through discussion with the District, that students enrolled at Eagle Junior/Senior High School attend class onsite 25 hours per week and attendance is taken. This program should be reported as basic education.

## **About alternative learning experience programs**

ALE programs are a form of basic K-12 public school education in Washington State. While students in traditional basic education attend classes on campus and have face-to-face contact with teachers and other staff, ALE students may spend most, or even all, of their time outside of a regular classroom setting.

Districts may build Internet-based educational programs that enroll students from anywhere in the state. Besides Internet programs, ALE can be accomplished through a contract between a student and district instructors, or through a parent-partner program in which parents participate in the design and teaching of the student’s courses. These programs are different from homeschooling in that students remain part of the public school system and districts claiming funding are responsible for supervision, monitoring, assessing and evaluating the student’s education.

Districts may count ALE students for funding when they report enrollment to the Office of Superintendent of Public Instruction (OSPI). In order to claim ALE students for funding, ALE

programs must satisfy OSPI's requirement for courses of study leading to a high school diploma. Districts must: prepare detailed plans for each student, maintain regular contact with students, and evaluate student progress on a monthly basis. Districts must also keep detailed records to show they have met all of these requirements.

During the period under review, the District operated four ALE programs, which accounted for 14 percent of its total basic student enrollment:

- Northwest Allprep is an online learning program serving student in grades 3-12. The program has operated cooperatively with Toppenish School District for five years and is an OSPI approved provider. Nonresident students represented 100 percent of the program's total enrollment.
- Skylar Education Academy is a private organization that has operated through a contract with Toppenish School District for two years to provide distance learning opportunities for high school age students. Nonresident students represented 98.3 percent of the program's total enrollment.
- Computer Academy Toppenish (CAT) is a program that combines the use of onsite teacher instruction with online learning. The program has operated for seven years and nonresident students represented 22 percent of the program's total enrollment.
- Eagle Junior/Senior High School is a program where students attend class 25 hours per week and meets the guidelines to be reported as a basic enrollment program rather than ALE.

## About the audit

Per RCW 28A.232.010, school districts must receive biennial audits of their ALE program. This report contains the results of our independent audit of ALE enrollment at Toppenish School District No. 202 from September 1, 2013 through August 31, 2014.

Management is responsible for ensuring compliance with applicable ALE requirements. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters, with regard to its ALE program.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of noncompliance.

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **2014-001 The Toppenish School District did not ensure compliance with ALE requirements for students served at Skylar Education Academy, resulting in over-funding of \$780,738.**

#### *Background*

Alternative Learning Experience (ALE) is an individualized course of study that school district's may claim for basic education funding, provided the district complies with state regulations.

The Office of Superintendent of Public Instruction (OSPI) establishes rules and provides instructions on ALE enrollment reporting for state funding.

In the 2013 school year, the District received approximately \$21.4 million based on student enrollment and the education and experience of its teachers. Nearly \$2.7 million was attributed to reported ALE enrollment. Of this amount, Skylar Education Academy received \$780,738

Skylar Education Academy is an accredited school that accepts high school students, ages 14-20. The District has a Services Agreement with Skylar Education Academy for the operation of a distance education program. The agreement indicates Skylar Education Academy will be paid 50 percent of the actual FTE allotment received by Toppenish School District.

#### *Description of Condition*

The District did not comply with state regulations for reporting ALE enrollment in their Skylar program. District did not follow its policies and procedures. Students enrolled at Skylar did not meet ALE eligibility funding requirements. The District did not:

- Adopt and annually review written policies authorizing ALE, including each ALE program and program provider as well as developing procedures consistent with WAC 392-121-182.
- Ensure all required components were in the written student learning plans.
- Maintain documentation to support two-way weekly contacts.
- Provide support that required monthly progress reviews were completed.

- Obtain signed Statements of Understanding within the first 30 days of enrollment in ALE program for students under the age of 18.
- Include in the written student learning plan courses completed and reported on student transcripts as required by statute.
- Report only allowable high school enrollment; non-high enrollment funding was claimed for Skylar students in first through eighth grades.

### ***Cause of Condition***

The District has policies and procedures in place to ensure contract compliance for ALE enrollment funding, however, the controls were not followed when administering the Skylar program. Specifically, the District failed to monitor the contract for administering the Skylar program, allowing the contractor to circumvent contract terms such as supplying course content and tools for student and data management.

### ***Effect of Condition***

By not monitoring contracted ALE the District failed to comply with requirements necessary to claim 100 percent of the students (147.4 annual average full-time equivalents) enrolled in the Skylar Education Academy ALE Program, resulting in overfunding of \$780,738.

### ***Recommendation***

We recommend the District follow their policies and procedures and adequately monitor contracted ALE providers to ensure:

- Written policies authorizing ALE are adopted and annually reviewed, including each ALE program and program provider and procedures are developed consistent with WAC 392-121-182.
- Written student learning plans contain all required elements.
- Two-way weekly contacts between teacher and students occur and are adequately documented.
- Monthly progress reviews are completed and identify whether student progress was satisfactory or unsatisfactory.
- Statement of Understanding is signed by parents and retained for students under the age of 18.



- Courses earned at Skylar and reported on student transcripts align with the written student learning plan for each student.
- Only high school students, ages 14-20, are reported for funding at Skylar.

### ***District's Response***

*Toppenish School District concurs that the district did not adequately monitor the contract with Skylar Educational Academy to ensure compliance with the provisions and laws stipulated in the contract. We have taken corrective action with Skylar academy to correct these issues and ensure future compliance with all legal requirements as outlined in our contract. We have also stopped payment to Skylar for services and will look to Skylar for full restitution for any repayment of funds required as a result of the non-compliance with our contract.*

*We wish to thank the State Auditor's Office collaboratively working with the district this year.*

### ***Auditor's Remarks***

We appreciate the District's response and recognize that the District is committed to ongoing quality improvement and working to improve its internal controls.

We also wish to thank District management for their cooperation and assistance during our audit. We look forward to working with the District on this issue and will follow up on it during the next audit.

### ***Applicable Laws and Regulations***

Washington Administrative Code 392-121-182, Alternative learning experience requirements, states in part:

(3)(d) "Direct personal contact" means a one-to-one meeting between a certificated teacher and the student, or, where appropriate, between the certificated teacher, the student, and the student's parent. Direct personal contact can be accomplished in person or through the use of telephone, e-mail, instant messaging, interactive video communication, or other means of digital communication. Direct personal contact:

- (i) Must be for the purposes of instruction, review of assignments, testing, evaluation of student progress, or other learning activities or requirements identified in the written student learning plan;

(ii) Must be related to an alternative learning experience course or course work identified in the written student learning plan; and

(iii) Must at minimum include a two-way exchange of information between a certificated teacher and the student. All required direct personal contact must be documented.

(e) "In-person instructional contact" means face-to-face contact between a certificated teacher and the student in a classroom environment. In-person instructional contact may be accomplished in a group setting between the teacher and multiple students. The in-person instructional contact must be:

(i) For the purposes of actual instruction, review of assignments, testing, evaluation of student progress, or other learning activities or requirements identified in the written student learning plan; and

(ii) Related to an alternative learning experience course identified in the written student learning plan.

(h) "Satisfactory progress" means a determination made in accordance with subsection (4)(c) that a student's progress toward achieving the specific learning goals and performance objectives specified in the written student learning plan is satisfactory;

(n) "Written student learning plan" means a written plan for learning that includes at least the following elements:

(i) A beginning and ending date for the student's alternative learning experience courses;

(ii) An estimate by a certificated teacher of the average number of hours per school week the student will engage in learning activities to meet the requirements of the written student learning plan. This estimate must consider only the time the student will engage in learning activities necessary to accomplish the learning goals and performance objectives specified in the written student learning plan;

(iii) For online courses and remote courses, a description of how weekly contact requirements will be fulfilled;

(iv) A description of each alternative learning experience course or course work included as part of the learning plan, including specific learning goals, performance objectives, and learning activities for each course, written in a manner that facilitates monthly evaluation of student progress. This requirement may be met through the use of individual course syllabi or other similarly detailed descriptions of learning requirements. The description must clearly identify the requirements a student must meet to successfully complete the course or course work. Courses or course work must be identified using course names, codes, and designators specified in the most recent *Comprehensive Education Data and Research System* data manual published by the office of superintendent of public instruction;

(v) Identification of the certificated teacher responsible for each course or course work included as part of the plan;

(vi) Identification of all instructional materials that will be used to complete the learning plan; and

(vii) A description of the timelines and methods for evaluating student progress toward the learning goals and performance objectives specified in the learning plan;

(viii) Identification of whether each alternative learning experience course or course work meets one or more of the state essential academic learning requirements or grade-level expectations and any other academic goals, objectives, and learning requirements defined by the school district.

**(4) Alternative learning experience program requirements:**

(a) Each student participating in an alternative learning experience must have a written student learning plan developed and approved by a certificated teacher that is designed to meet the student's individual educational needs. A certificated teacher must have responsibility and accountability for each course specified in the plan, including supervision and monitoring, and evaluation and documentation of the student's progress. The written

student learning plan may be developed with assistance from the student, the student's parents, or other interested parties. For students whose written student learning plan includes only online courses, the written student learning plan may be developed and approved by a certificated teacher or a school-based support staff.

(b) Each student enrolled in an alternative learning experience must have one of the following methods of contact with a certificated teacher at least once a school week until the student completes all course objectives or otherwise meets the requirements of the learning plan:

(i) Direct personal contact; or

(ii) In-person instructional contact; or

(iii) Synchronous digital instructional contact.

(c) The educational progress of each student enrolled in an alternative learning experience must be evaluated at least once each calendar month of enrollment by a certificated teacher or, for students whose written student learning plans include only online classes, school-based support staff in accordance with this section. The results of each evaluation must be communicated to the student or, if the student is in grades K-8, both the student and the student's parent. For students whose written student learning plan includes only online courses, a school-based support staff may communicate the progress evaluation to the student. Educational progress must be evaluated according to the following requirements:

(i) Each student's educational progress evaluation must be based on the learning goals and performance objectives defined in the written student learning plan.

(ii) The evaluation of satisfactory progress must be conducted in a manner consistent with school district student evaluation or grading procedures, and be based on the professional judgment of a certificated teacher.

(iii) In the event that the monthly evaluation is not completed within the calendar month being evaluated, the evaluation must be completed within five school days of the end of the month. Districts must not claim funding for the subsequent month for a student who was not evaluated within that time frame.

(iv) The progress evaluation conducted by a certificated teacher must include direct personal contact with the student with the following exceptions:

(A) After an initial month of satisfactory progress, in subsequent months where progress continues to be satisfactory the evaluation may be communicated to the student without direct personal contact.

(B) Direct personal contact is not required as a part of the evaluation conducted in the final month of the school year if the evaluation takes the form of the delivery of final grades to the student.

(v) Based on the progress evaluation, a certificated teacher must determine and document whether the student is making satisfactory progress reaching the learning goals and performance objectives defined in the written student learning plan.

(q) High school alternative learning experience courses must be offered for high school credit. Courses offering credit or alternative learning experience programs issuing a high school diploma must satisfy the state board of education's high school credit and graduation requirements as provided in chapter 180-51 WAC.

(g) School districts claiming alternative learning experiences students for funding for nonresident students must document the district of the student's physical residence, and shall establish procedures that address, at a minimum, the coordination of student counting for state

funding so that no student is counted for more than one full-time equivalent in the aggregate including, but not limited to:

(i) When a resident district and one or more nonresident district(s) will each be claiming basic education funding for a student in the same month or months, the districts shall execute a written agreement that at minimum identifies the maximum aggregate basic education funding each district may claim for the duration of the agreement. A nonresident district may not claim funding for a student until after the effective date of the agreement.

(ii) When a district is providing alternative learning experiences to nonresident students under the school choice enrollment provisions of RCW 28A.225.200 through 28A.225.230 and chapter 392-137 WAC the district may not claim funding for the student until after the release date documented by the resident district.

**(10) Documentation and record retention requirements:** School districts claiming state funding for alternative learning experiences must retain all documentation required in this section in accordance with established records retention schedules and must make such documentation available upon request for purposes of state monitoring and audit. School districts must maintain the following written documentation:

(a) School board policy for alternative learning experiences pursuant to this section;

(b) Annual reports to the school district board of directors as required by subsection (5) of this section;

(c) Monthly and annual reports to the superintendent of public instruction as required by subsection (9) of this section;

(d) The written student learning plans required by subsection (4) of this section;

(e) Evidence of weekly contact required by subsection (4) of this section.

(i) For students participating in regularly scheduled classes, including in-person instructional contact and synchronous digital instructional contact, evidence may include classroom attendance records.

(ii) For students who are not participating in regularly scheduled classes, evidence of contact must include the date of the contact, the method of communication by which the contact was accomplished, and documentation to support the subject of the communication.

(f) Student progress evaluations and intervention plans required by subsection (4) of this section;

(g) The results of any assessments required by subsection (9) of this section;

(h) Student enrollment detail substantiating full-time equivalent enrollment reported to the state; and

(i) Signed parent enrollment disclosure documents required by subsection (6)(j) of this section.

(6) Alternative learning experience implementation requirements:

(j)(i) A school district that provides one or more alternative learning experiences to a student must provide the parent(s) of the student, prior to the student's enrollment, with a description of the difference between home-based instruction pursuant to chapter 28A.200 RCW and the enrollment option selected by the student. The parent must sign documentation attesting to his or her understanding of the difference. Such documentation must be retained by the district and made available for audit.

(ii) In the event a school district cannot locate a student's parent within three days of a student's request for enrollment in an alternative learning experience, the school district may enroll the student for a conditional period of no longer than thirty calendar days. The student must be dis-

enrolled from the alternative learning experience if the school district does not obtain the documentation required under this subsection before the end of the thirty day conditional enrollment period.



## INFORMATION ABOUT THE DISTRICT

Toppenish School District No. 202 provides educational services to approximately 3,600 students in kindergarten through 12th grade in Yakima County. Services include a full range of school programs including basic elementary, middle school, high school, vocational education, alternative schools, bilingual education, pupil transportation, food services, special education and numerous special programs for remedial and enriched education.

The District is governed by an elected, five-member Board of Directors. The Board appoints a Superintendent to oversee the District's daily operations as well as its 450 employees. For the years under audit, the District had annual operating budgets of approximately \$40 million.

### Contact information related to this report

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Contact:	David Andrews, Business Manager
Website:	<a href="http://www.toppenish.wednet.edu">www.toppenish.wednet.edu</a>

### Audit history

You can find current and past audit reports for the District at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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