



Washington State Auditor's Office

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Special Report
Alternative Learning Experience
Seattle School District No. 1
King County

For the period September 1, 2012 through August 31, 2013

Published June 30, 2016

Report No. 1014665





Washington State Auditor's Office

June 30, 2016

Board of Directors
Seattle School District No. 1
Seattle, 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 areas 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, 2013 the District received approximately \$241.6 million in combined enrollment and staff mix funding; approximately \$3.6 million of this was related to its ALE programs.

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

- Interagency Academy – The program reported 454.99 average annual full-time equivalents (AAFTE). Our audit tested a sample of 10 students and found 14.58 monthly FTE, or 18.69 percent of students tested over reported. We estimate this resulted in over funding of \$388,784 for this program.

We recommended the District:

- Prepare written student learning plans (WSLP) for each student that include beginning and ending dates within the enrollment reporting period.
- Identify the number of hours each student is expected to participate in learning activities in written student learning plans.
- Document progress evaluations for all students on a monthly basis.
- Obtain signed statements from all parents certifying they understand the difference between ALE and home-based instruction prior to counting students.
- Report only students actively participating in the program.
- Work with the Office of Superintendent of Public Instruction (OSPI) to determine repayment to the state.

These recommendations were included in our report as a finding.

- Cascade Parent Partnership Program – The program reported 140.56 AAFTE. Our audit tested a sample of seven students and found a net 0.8 monthly FTE over reported.
 - One student was counted for less time than included in his learning plan for five months amounting to 0.10 under reported.
 - One student was reported for more hours than included in his learning plan for three months resulting in 0.90 monthly FTE under reported.

- Monthly evaluations are not being conducted for onsite courses included as part of the students' WSLP.

We estimate these errors resulted in over funding of \$366 for this program.

- NOVA High School – The program reported 194.38 AAFTE. Our audit tested a sample of 11 students and found 1.32 monthly FTE over reported. Our testing identified the following errors:
 - The program reported one student for more hours than were identified in the student's WSLP resulting in 1.32 monthly FTE over reported.
 - The high school became a basic education program in February 2013 but continued to report its FTE enrollment as ALE for that month. 329.56 FTE were reported as ALE with 10 percent reduction in funding but should have been reported as regular basic enrollment with no reduction of funding.

We estimate these errors resulted in under funding of \$16,135 for this program.

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 three ALE programs, which accounted for 1.7 percent of its total basic student enrollment:

- NOVA High School is a contract-based dropout prevention program serving students in grades 9-12. Students are on the campus for most of their courses. The non-resident students represent 3.1 percent of students reported for funding. The program reported 100 percent of students at the 90 percent Basic Enrollment Allocation (BEA) funding rate. The program changed to regular basic enrollment in February 2014 and is no longer an ALE program.
- Cascade Parent Partnership Program is a parent-partnership program serving students in grades K-12. Students attend onsite and/or offsite classes. Non-resident students represent 8.8 percent of students reported for funding. The program reported 94 percent of students at the 90 percent BEA funding rate.
- Interagency Academy is a contract-based dropout prevention program serving students in grades 6-12. Students are on the District campus for most of their courses. Non-resident students represent 1.9 percent of students reported for funding. The program reported 100 percent of students at the 90 percent BEA funding rate.

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 Seattle School District No. 1 from September 1, 2012 through August 31, 2013.

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

2013-001 Seattle School District was over funded \$388,784 in alternative learning experience enrollment in its Interagency program due to a lack of internal controls.

Background

Alternative learning experience (ALE) is an individualized course of study that school districts may claim for basic education funding provided the district complies with state regulations.

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

OSPI rules require districts to identify the number of hours each student will be engaged in learning activities within each written student learning plan. The hours identified in the plans are used as the basis to report students for funding. Plans must identify beginning and ending dates and students may not be claimed for funding outside of those dates. Student progress toward planned goals must be assessed on a monthly basis. In addition, districts must obtain a signed statement from each parent certifying they understand the difference between ALE and home-based instruction. Without these signed statements, districts may only report the students for the first 30 calendar days enrolled.

Description of Condition

Interagency is a dropout prevention ALE program for at-risk students in sixth through 12th grades. The program reported approximately 455 annual average full-time equivalent (AAFTE) at its 11 locations. Students are scheduled to attend both onsite and online classes. Nonresident students represent 1.9 percent of students reported for funding.

None of the written student learning plans contained the estimated hours of learning each student was expected to participate in each week. Funding is based on the hours identified in the plan. Beginning and ending dates of plans, for three students, did not include all of the months students were claimed for funding and none of the plans included ending dates.

The District did not obtain a signed statement of understandings from parents certifying they understood the difference between ALE and home-based instruction for any students claimed for ALE funding.

Two students claimed for funding were incarcerated a total of six months and records did not support their participation in the program during that time.

A required monthly evaluation for one student was not documented, as required by state regulations.

Cause of Condition

The District did not have internal controls in place in this program to claim ALE funding including:

- Each student has a written student learning plan in place that covers the school year reported.
- Learning plans include all required elements including beginning and ending dates and the number of hours each student is expected to participate in learning activities per week.
- Progress evaluations are completed on a monthly basis for all students reported.
- Statements of understanding of the difference between ALE and home-based instruction are obtained from parents within 30 days of enrollment.
- Only students who are actively participating in the program are reported for funding.

Effect of Condition

We determined the District over reported 85.05 average annual full time equivalent students in the Interagency program, resulting in an overfunding of approximately \$388,784.

Recommendation

We recommend the District:

- Prepare written student learning plans for each student that include beginning and ending dates within the enrollment reporting period.
- Identify the number of hours each student is expected to participate in learning activities in written student learning plans.
- Document progress evaluations for all students on a monthly basis.

- Obtain signed statements from all parents certifying they understand the difference between ALE and home-based instruction prior to counting students.
- Report only students actively participating in the program.
- Work with OSPI to determine repayment to the state.

District's Response

The District has implemented the recommendations noted in the Alternative Learning Experience Special Report. Effective with SY 15-16 the District made the following procedural changes:

- 1. Written student learning plans are prepared for each student. The WSLP's include beginning and ending dates within the enrollment reporting period.*
- 2. The WSLP will identify the number of hours each student is expected to participate in learning activities.*
- 3. Progress evaluations for all students will be documented on a monthly basis. FTE reporting will be adjusted as required for students incarcerated during the enrollment period.*
- 4. The District will obtain a signed statement from parents/guardians to certify they understand the difference between ALE and home-based instruction. If the statement is not obtained within the first 30 school days, the student cannot be counted in the months that follow.*
- 5. The District appreciates the opportunity to review the audit results with OSPI audit resolution.*

Auditor's Remarks

We would like to thank the District for its assistance and cooperation during the audit.

Applicable Laws and Regulations

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

(3)(n) "Written student learning plan" means a written plan for learning that is developed and approved by a certificated teacher and defines the requirements of an individual student's alternative

learning experience. The written student learning plan must include at least the following elements:

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

(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.

(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.

(7) Enrollment reporting procedures: Effective the 2011-12 school year, the full-time equivalency of students enrolled in an alternative learning experience must be determined as follows:

(a) The school district must use the definition of full-time equivalent student in WAC 392-121-122 and the number of hours the student is expected to engage in learning activities as follows:

(i) On the first enrollment count date on or after the start date specified in the written student learning plan, subject

to documented evidence of student participation as required by WAC 392-121-106(4), the student's full-time equivalent must be based on the estimated average weekly hours of learning activity described in the student's written student learning plan.

(ii) On any subsequent monthly count date, the student's full-time equivalent must be based on the estimated average weekly hours of learning activity described in the written student learning plan if:

(A) The student's progress evaluation conducted in the prior calendar month pursuant to subsection (4)(c) of this section indicates satisfactory progress; or

(B) The student's progress evaluation conducted in the prior calendar month pursuant to subsection (4)(c) of this section indicates a lack of satisfactory progress, and an intervention plan designed to improve student progress has been developed, documented, and implemented within five school days of the date of the prior month's progress evaluation.

(iii) On any subsequent monthly count date if an intervention plan has not been developed, documented, and implemented within five days of the prior month's progress evaluation, the student's full-time equivalent must not be included by the school district in the enrollment count for the month of the evaluation that showed the lack of satisfactory progress.

INFORMATION ABOUT THE DISTRICT

Seattle School District No. 1 serves more than 48,000 students and operates 12 high schools, 10 middle schools, 60 elementary schools, 10 kindergarten through eighth grade schools and six alternative schools and special programs.

District activities are monitored by an elected, seven-member Board of Directors. The Board oversees the governance of the District and appoints a Superintendent to oversee District operations. The District had an operating budget of \$591 million for the 2012-2013 school year.

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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.

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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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