



Washington State Auditor's Office

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Special Report
Alternative Learning Experience
Evergreen School District No. 114
Clark County

For the period September 1, 2014 through August 31, 2015

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Washington State Auditor's Office

August 29, 2016

Board of Directors
Evergreen School District No. 114
Vancouver, 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

District operations complied with applicable state laws and regulations and its own policies and procedures regarding Alternative Learning Experience (ALE) enrollment. For the year ending August 31, 2015, the District received approximately \$151.3 million in combined enrollment and staff mix funding; approximately \$5.26 million of this was related to its ALE programs.

- iQ Academy – The program reported 511.06 average annual full-time equivalent (AAFTE). Our audit of this program tested 5.84 AAFTE (11 students) and found a net 0.10 AAFTE over-reported. Errors were due to reporting a student after date of withdrawal, reporting student without completing monthly progress review and under-reporting monthly FTE for a part-time student.

We estimate the program was over-funded approximately \$599 based on our testing.

- Evergreen Educational Development (EED) Program at Legacy High School – The program reported 66.2 AAFTE. Our audit of this program tested 6.6 AAFTE (11 students) and determined reviewed selections were properly documented and FTE accurately reported.
- Project/Independent Study Program at Legacy High School – The program reported 179.01 AAFTE. Procedures performed over this program were limited to considering internal controls the District has in place to assure compliance with reporting requirements. Nothing came to our attention to cause us to believe the District did not comply with reporting requirements.
- Flex Academy – The program reported 115.94 AAFTE. Procedures performed over this program were limited to considering internal controls the District has in place to assure compliance with reporting requirements. Nothing came to our attention to cause us to believe the District did not comply with reporting requirements.
- Clark County Vocational Skills Center – The program reported 20.7 AAFTE. Procedures performed over this program were limited to considering internal controls the District has in place to assure compliance with reporting requirements. Nothing came to our attention to cause us to believe the District did not comply with reporting requirements.
- 49th Street Academy – The program reported 19.25 AAFTE. Procedures performed over this program were limited to considering internal controls the District has in place to assure compliance with reporting requirements. Nothing came to our attention to cause us to believe the District did not comply with reporting requirements.

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 six ALE programs, which accounted for 3.5 percent of its total basic student enrollment:

- iQ Academy is an online program serving students in grades 6-12. The District contracts with K-12 Incorporated, a national online education provider, for all course work and management of required ALE documentation. This program has operated for five years and non-resident students represent 77.55 percent of students reported for funding.
- EED Program at Legacy High School is an onsite program serving students in grades 9-12. Students attend on campus two to 15 hours each week. Legacy High School has provided ALE services for 37 years. The EED Program serves only resident students.
- Legacy High School offers both an onsite and remote option for students in grades 9-12. Most students participate in the Project program where students attend scheduled classes on campus four days per week. Students in the Independent Study program work remotely but attend on campus weekly for an hour. This program has operated for 37 years and non-resident students represent 4.2 percent of students reported for funding.
- Flex Academy is a parent partnership program serving students in grades K-8. A district approved internet-based curriculum is provided to all families with optional on campus classes available and taught by district certified teachers. This program has operated for 14 years and non-resident students represent 13.7 percent of students reported for funding.

- Clark County Vocational Skills Center is an online program offering English and Social Studies courses to its students in grades 11-12. The Skills Center's Academics Program is designed to serve students who have a scheduling conflict or need to recover credits to graduate. This program has operated for seven years and non-resident students represent 63.29 percent of students reported for funding.
- 49th Street Academy is an onsite program serving students in grades 9-12. Students attend classes on campus daily with academic curriculum provided using an online learning model.

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 Evergreen School District No. 114 from September 1, 2014 through August 31, 2015.

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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**Evergreen School District No. 114
Clark County
September 1, 2014 through August 31, 2015**

This schedule presents the status of findings reported in prior audit periods.

Audit Period: September 1, 2012 through August 31, 2013	Report Ref. No: 1013651	Finding Ref. No: 2013-001
Finding Caption: The District received basic enrollment funding for students enrolled in an Alternative Learning Experience (ALE) general education development (GED) program that did not offer a course of study leading to a high school diploma resulting in overfunding of approximately \$287,680.		
Background: Our audit found that this program did not meet state funding eligibility requirements established by the Office of Superintendent of Public Instruction (OSPI). The GED program learning plans used for the 2012-13 school year included language specifying the courses offered did not lead to a high school diploma and did not meet graduation requirements established by the school district.		
Status of Corrective Action: <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		
Corrective Action Taken: <i>Issue identified in prior audit has been resolved and all courses currently in GED program are in compliance with requirement to provide courses of study leading to a high school diploma.</i>		

INFORMATION ABOUT THE DISTRICT

Evergreen School District No. 114 serves approximately 26,100 students in kindergarten through 12th grade. Located in Clark County, the District operates 37 schools, including six high schools, six middle schools, 21 elementary schools, the Clark County Vocational Skills Center, the Evergreen Internet Academy, Evergreen Flex Academy and the 49th Street Academy.

An elected, five-member Board of Directors governs the District. The Board appoints management, sets the budget and holds other financial responsibilities. The District operates on a \$303 million annual budget, with staff of approximately 3,300 employees.

Contact information related to this report	
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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.

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.

Contact information for the State Auditor's Office	
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