

Washington State Auditor's Office
Special Report-Alternative Learning Experience

Central Kitsap School District No. 401
Kitsap County

Audit Period
September 1, 2012 through August 31, 2013

Report No. 1012233

Issue Date
July 21, 2014



Washington State Auditor
Troy Kelley

Independence • Respect • Integrity



Washington State Auditor Troy Kelley

July 21, 2014

Board of Directors
Central Kitsap School District No. 401
Silverdale, Washington

Report on Alternative Learning Experience

We appreciate the opportunity to work in cooperation with your District to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role to advocate for government accountability and transparency and to promote positive change.

Please find attached our report on Central Kitsap School District No. 401's compliance with alternative learning experience enrollment reporting rules. Thank you for working with us to ensure the efficient and effective use of public resources.

Sincerely,

TROY KELLEY
STATE AUDITOR

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Kitsap County
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Audit Summary

Central Kitsap School District No. 401 Kitsap County September 1, 2012 through August 31, 2013

ABOUT THE ALTERNATIVE LEARNING EXPERIENCE

Alternative Learning Experience (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. Beside 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. In 2013 and 2012 the ALE funding provided by OSPI was reduced to 90 percent or 80 percent of the traditional basic education allocation rate based on student-instructor contact time.

ABOUT THE AUDIT

In 2013 the state Legislature passed ESSB 5946, requiring districts to receive biennial audits of their ALE courses. This report contains the results of our independent audit of ALE enrollment at Central Kitsap School District No. 401 from September 1, 2012 through August 31, 2013.

We evaluated internal controls and performed audit procedures on the ALE activities of the District. We also determined whether the District complied with state laws and regulations over ALE enrollment.

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.

During the period under review, the District operated five ALE programs, which accounted for 4.04 percent of its total basic enrollment:

- West-side Alternative High School is a contract-based dropout prevention program serving students in grades 9-12. Students attend the District campus for most of their courses. This program has operated for 25 years and nonresident students represent 14.07 percent of students reported for funding. The program reported 98.22 percent of students at the 90 percent basic education allocation (BEA) funding rate.
- Off Campus is a parent-partnership program serving students in grades K-12. Students attend the District campus as a component of most of their courses. This program has operated for 20 years and nonresident students represent 17.85 percent of students reported for funding. The program reported 97.44 percent of students at the 90 percent BEA funding rate.
- New Frontiers Middle School is a contract-based dropout prevention program serving students in grades 7-9. Students attend the District campus as a component of most of their courses. This program has operated for 20 years and nonresident students represent 11.16 percent of students reported for funding. The program reported 100 percent of students at the 90 percent BEA funding rate.
- East-side Alternative High School is a contract-based dropout prevention program serving students in grades 10-12. Students attend the District campus as a component of most of their courses. This program has operated for 10 years and nonresident students represent 7.96 percent of students reported for funding. The program reported 100 percent of students at the 90 percent BEA funding rate.
- Central Kitsap Online Academy is a digital online dropout prevention program serving students in grades 9-12. Students complete course work offsite. This program has operated for four years and nonresident students represent 5.56 percent of students reported for funding. The program reported 98.4 percent of students at the 90 percent BEA funding rate.

RESULTS

The District complied with state laws and regulations regarding ALE enrollment, except where noted below. For the year ending August 31, 2013, the District received approximately \$56 million in combined enrollment and staff mix funding; approximately \$2.0 million of this was related to its ALE programs.

West-side Alternative High School – The program reported 148.16 average annual full-time equivalents (AAFTE). Our audit tested a sample of eight students and a net under reporting of 13.94 student months. The program correctly reported students at 90 percent or 80 percent funding based on documented contact time. The primary cause of errors included:

- The program correctly identified students it should not have reported in prior months as well as other students not previously counted that should have been reported. Corrections submitted to the District office were input incorrectly resulting in 13.82 FTE over reported and 28.76 FTE under reported.
- One student who had completed all the requirements of his written student learning plan, making him no longer eligible for funding, was counted in the following month.

The District was underfunded approximately \$6,573 based on our testing.

Off Campus – The program reported 157.28 average annual full-time equivalent (AAFTE). Our audit tested a sample of seven students and found no reportable errors. The program correctly reported all students at 80 percent or 90 percent basic education allocation funding based on documented contact time.

New Frontiers Middle School – The program reported 50.0 average annual full-time equivalent (AAFTE). The District's internal controls were adequate to correctly report ALE enrollment. The District also complied with state laws and regulations regarding ALE.

East-side Alternative High School – The program reported 51.5 average annual full-time equivalent (AAFTE). The District's internal controls were adequate to correctly report ALE enrollment. The District also complied with state laws and regulations regarding ALE.

Central Kitsap Online Academy – The program reported 18.7 average annual full-time equivalent (AAFTE). The District's internal controls were adequate to correctly report ALE enrollment. The District also complied with state laws and regulations regarding ALE.

RECOMMENDATIONS

We recommend the District:

- Report only students with a current written student learning plan.
- Develop internal controls to assure corrections to prior enrollment reporting periods are input correctly.
- Work with OSPI to determine resolution of funding adjustments.

Description of the District

**Central Kitsap School District No. 401
Kitsap County
September 1, 2012 through August 31, 2013**

ABOUT THE DISTRICT

Central Kitsap School District No. 401 provides education and related services to approximately 11,006 kindergarten through 12th grade students in Kitsap County. The District has 12 elementary schools, three middle schools, five alternative schools and two high schools.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent to oversee the District's daily operations as well as its approximately 1300 employees. For the year ending August 31, 2013, the District operated on an annual general fund budget of \$113,814,713.

DISTRICT CONTACT INFORMATION

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Website: www.cksd.wednet.edu

AUDIT HISTORY

You can find current and past audit reports for the District on our website, www.sao.wa.gov.



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 as an advocate for government accountability. 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.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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 and fraud, whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

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

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