



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Special Report

Alternative Learning Experience

Franklin Pierce School District No. 402

Pierce County

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

Published December 11, 2014

Report No. 1013115





Washington State Auditor Troy Kelley

December 11, 2014

Board of Directors
Franklin Pierce School District No. 402
Tacoma, 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

TABLE OF CONTENTS

Audit Summary	4
Schedule Of Audit Findings And Responses	6
Information About The District	14
About The State Auditor’s Office	15

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 \$35.6 million in combined enrollment and staff mix funding; approximately \$976,000 of this was related to its ALE programs.

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

We recommend the District:

- Obtain signed statements from parents that they understand the difference between ALE and home-based instruction for all students enrolled in ALE programs.
- Conduct monthly evaluations for each student every calendar month.
- Work with the Office of Superintendent of Public Instruction to determine repayment to the state.

These recommendations were included in our report as a finding:

- The Gates High School program reported Alternative Learning Experience students for funding without completing required monthly evaluations.

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 audit period from September 1, 2012 through August 31, 2013, the ALE funding provided by OSPI was reduced to 90 percent or 80 percent of the traditional basic education allocation rate based on the District's student-instructor contact time.

During the period under review, the District operated two ALE programs, which accounted for 3.2 percent of its total basic student enrollment:

- **Gates High School:** Gates High School is an onsite ALE program serving students in grades 9-12. Students are onsite five days a week with a minimum of three classes a term. The nonresident students represent 4.9 percent of students reported for funding. The program reported 99.7 percent of students at the 90 percent basic education allocation (BEA) funding rate.
- **New Pathways:** New Pathways is a program that combines the use of onsite teacher instruction with online learning. The nonresident students represent 15.9 percent of student reported for funding. The program reported 90.8 percent of students at the 90 percent BEA funding rate.

About the audit

In 2013 the state Legislature passed ESSB 5946, requiring school districts to receive biennial audits of their ALE program. This report contains the results of our independent audit of ALE enrollment at Franklin Pierce School District No. 402 from September 1, 2012 through August 31, 2013.

Management is responsible for ensuring compliance with applicable ALE requirements. These requirements include 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

- 1. The Franklin Pierce School District reported Alternative Learning Experience students without completing required monthly evaluations resulting in overfunding of approximately \$106,742.**

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 rules and provides instructions on ALE enrollment reporting for state funding.

State regulations require that parents sign a statement of understanding certifying they understand the difference between ALE and home-based instruction. This form must be signed within the first 30 days a student is enrolled in an ALE program or Districts may not count the student for funding.

Districts must also conduct progress evaluations each month to claim ALE students for funding in the following month.

Description of Condition

In the 2013 school year, the District received almost \$35.6 million based on student enrollment and the education and experience of its teachers. Of this amount, its reported ALE enrollment was approximately \$976,000.

The District reported students enrolled in the Gates High School program who were not eligible to be counted for funding. The District did not obtain a statement from one parent certifying that they understand the difference between ALE and home-based instruction. Without the signed statement of understanding the student can be counted, at most, for the first 30 days of enrollment.

ALE rules require districts to conduct progress evaluations at least once each calendar month for each student. Our testing of eight student files, followed by additional audit work found the District did not conduct progress evaluations for any of the students in the program in September or January. When a progress evaluation is not conducted in one month, state regulations for ALE requires that students may not be counted for funding in the following month.

Cause of Condition

The Gates High School Program operates an eight-term schedule. Each term is approximately six weeks long. A monthly evaluation is completed the day following the last day of each term. However, for the months of September and January no evaluations were scheduled or completed.

Effect of Condition

We determined the District over reported 238.60 monthly full-time equivalent students at the 90 percent differentiated funding level, resulting in overfunding of approximately \$106,742.

Recommendation

We recommend the District:

- Conduct monthly evaluations for each student every calendar month.
- Obtain signed statements from parents that they understand the difference between ALE and home-based instruction for all students enrolled in ALE programs.
- Work with OSPI to determine any repayment to the state.

District's Response

Franklin Pierce Schools respectfully disagrees and responds to the finding of the SAO states in the Description of Condition:

“Franklin Pierce School District reported students in the Gates High School program in October and February who were not eligible to be counted for funding. ALE rules in WAC 392-121-182 require districts to conduct progress evaluation at least once each calendar month of enrollment to determine satisfactory or unsatisfactory progress for each student. Our testing of eight students found the District did not conduct progress evaluations for any of the students in the program in September or January. Under the rules, when a progress evaluation is not conducted in one month, the students may not be counted for funding in the following month.”

Did GATES High School conduct progress evaluation for all students in the program in September and January?

YES.

Using the WAC Archives,

<http://www.leg.wa.gov/CodeReviser/WACArchive/Pages/default.aspx>

Section 4(c) describes the monthly evaluation and that it must be done each calendar month and be based on the learning goals and objectives defined in the Written Student Learning Plan (WSLP).

GATES High School operates on an 8 term schedule. Each term has a corresponding WSLP. A new WSLP is issued at the start of each term and then reviewed at the end of each term. The school term calendar does not align with a monthly calendar, hence, we use a second method for evaluating learning goals, and performance objectives. Learning goals and performance objectives are evaluated two different ways. 1) The WSLP, and 2) Project Pass. Referring to the Special Report for Alternative Learning Experience the SAO finding says: “Our testing of eight students found the District did not conduct progress evaluations for any of the students in the program in September or January.”

GATES High School, does in fact conduct progress evaluations twice per week for every student enrolled. This protocol is referred to as “Project Pass” and states:

Project pass is to be used to assist and monitor (evaluate) students’ success and progress on a bi-weekly basis; during Check and Connect. It will provide extra time and attention to each area of curriculum that a student struggles with in addition to providing staff with one on one or small-group communication with students who need assistance in their content area.

- Teachers will receive a list in their box every Tuesday and Thursday morning of students on their Check & Connect roster who are not passing or are not earning credit in a particular class or classes.*
- Along with this list, they will receive a ‘pass’ (or passes) for each student on the list. On the back of the pass will be the teacher name where the student should be going during ‘Project Pass.’*
- Students are to be in a class for which they are given a pass for or in their own Check & Connect classroom.*

Our interpretation follows the logic that the bi-weekly monitoring of student progress which supports their WSLP is sufficient and actually exceeds meeting the requirement which states: ...evaluated at least once each calendar month of enrollment by a certificated teacher and the results of each evaluation must be communicated to the student

Further, our interpretation follows the logic that communicating and meeting face to face with the student two times per week regarding their progress per their WSLP exceeds the requirements set forth in the rules. When this was explained to our auditor, the response

was that the “documentation for the month of September and January **were not the same as the other months**”. The rule does not indicate that the method for evaluating and communicating student progress must be consistent month-to-month.

All GATES progress evaluation, meets the following rules:

- (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 progress evaluation conducted by a certificated teacher must include direct personal contact with the student. 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.

At GATES, progress is based on learning goals and performance objectives per the Written Student Learning Plan;

At GATES, progress evaluation is conducted by a certificated teacher and includes direct personal contact with the student.

At GATES, progress is formally evaluated and communicated per the rules in two ways:

1. Bi-Weekly through Project Pass
2. At the end of every term on the front page of their WSLP

When working with high risk students who are disengaged from learning and often times are significantly deficit in credits and academic skills, it is critical that student evaluation be conducted and reported more than monthly as the rules require. GATES Alternative High School has met the letter of the law in meeting the requirements for monthly evaluation, documentation, and communication of student progress per the Written Student Learning Plan. The district did not “over report 238.60 monthly full-time equivalent students at the 90% differentiated funding level” and the district should not be responsible to repay \$106,742. In fact, the school has gone above and beyond the letter of the law to provide more opportunities for progress evaluation by providing both evaluation bi-weekly and intervention time with a certificated teacher.

In the Audit Findings Report, the Cause of Condition states:

“The GATES High School Program operates an eight term schedule. Each term is approximately six weeks long. The day following the last day of each term a monthly evaluation is completed. However, for the months of September and January **no evaluations were scheduled or completed.”**

Were evaluations scheduled or completed for the months of September or January?

YES. GATES did in fact conduct evaluations for the months of September and January. Project Pass protocol was followed completely two times per week for the months of September and January which meets the rules as addressed above.

Resolution:

Per the suggestion of our auditor, we will make sure there is a “piece of paper” in the student records that is consistent from month to month to reduce confusion in the case of an audit. We will also continue to conduct bi-weekly evaluations and provide interventions as we find this to be more effective and helpful for students. Since the implementation of our bi-weekly evaluation (Project Pass) we have experienced an increase in average credits earned and an increase in student passing rates. Further, more of our students are passing state assessments and in 2013 we graduated 78 students, which is our highest number to date. We believe it would be negligent to ask the district to repay funds claimed for student instruction for the month of September and January for the 2013 school year, as clearly, our outcomes, documentation and process are not only in compliance with the ALE rules, but are also effective.

Archived WAC 392-121-182.

(4) Alternative learning experience program requirements:

(a) Each student participating in an alternative learning experience must have a written student learning plan developed 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.

(b) Each student enrolled in an alternative learning experience must have one of the following methods of contact:

(i) Direct personal 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; or

(ii) In-person instructional contact according to the following time requirements:

(A) Fifteen minutes per school week for students whose learning plan includes an estimate of five hours per school week or less;

(B) Thirty minutes per school week for students whose learning plan includes an estimate of more than five hours per week but less than sixteen hours per week; and

(C) One hour for students whose learning plan includes an estimate of more than fifteen hours per week; or

(iii) For students whose written student learning plan includes only online courses as defined by RCW 28A.250.-010, synchronous digital instructional contact according to the following time requirements:

(A) Fifteen minutes per school week for students whose learning plan includes an estimate of five hours per school week or less;

(B) Thirty minutes per school week for students whose learning plan includes an estimate of more than five hours per week but less than sixteen hours per week; and

(C) One hour for students whose learning plan includes an estimate of more than fifteen hours per week.

(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 and 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. 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 progress evaluation conducted by a certificated teacher must include direct personal contact with the student. 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.

(iii) 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.

(iv) If it is determined that the student failed to make satisfactory progress or that the student failed to follow the written student learning plan, an intervention plan must be developed for the student. An intervention plan is not required if the evaluation is delivered within the last five school days of the school year.

(v) If after no more than three consecutive calendar months in which it is determined the student is not making satisfactory progress despite documented intervention efforts, a course of study designed to more appropriately meet the student's educational needs must be developed and implemented by a certificated teacher in conjunction with the student and where possible, the student's parent. This may include removal of the student from the alternative learning experience and enrollment of the student in another educational program offered by the school district.

Auditor's Remarks

We recognize the district has a policy in place to monitor student progress, but without documentation to support progress evaluations are occurring at least once each calendar month as required by state regulations we must question funding. We thank the District for its cooperation and assistance during the audit and reaffirm our position. We will review the status of this issue during our next audit.

Applicable Laws and Regulations

WAC 392-121-182 Alternative learning experience requirements.

(4) (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 and 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.

(6)(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 disenrolled 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)(a)(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

INFORMATION ABOUT THE DISTRICT

Franklin Pierce School District No. 402, located in Pierce County, provides educational services to students in prekindergarten through 12th grade. The District has two high schools, two middle schools, eight elementary schools and three alternative high/middle schools. The District's 950 employees serve approximately 7,900 students.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent to oversee the District's daily operations. The District operated on an annual general fund budget of approximately \$74 million in 2010-2011, \$71 million in 2011-2012, and \$75 million in 2012-2013.

Contact information related to this report

Address:	Franklin Pierce School District No. 402 315 S. 129th Street Tacoma, WA 98444
Contact:	Ted Kilcup, Executive Director of Business and Operations
Phone:	(253) 298-3003
Website:	www.fp.k12.wa.us

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	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov