



Washington State Auditor's Office

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Special Report
Alternative Learning Experience
Arlington School District No. 16
Snohomish County

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

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Washington State Auditor

July 20, 2015

Board of Directors
Arlington School District No. 16
Arlington, 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,

JAN M. JUTTE, CPA, CGFM
ACTING 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, 2014 the District received approximately \$27.9 million in combined enrollment and staff mix funding; approximately \$796,416 of this was related to its ALE programs.

We identified areas in which the District could make improvements.

- Stillaguamish Valley School – The program reported 133.93 average annual full-time equivalents (AAFTE). Our audit tested a sample of eight students and found 1.77 FTE under reported and 11.70 FTE over reported. We determine 83.3 percent of students reported in October were over reported due to late progress evaluations in September. The errors were due in part to late approvals of written student learning plans and courses, monthly progress evaluations that were not conducted within time limits, and not reporting students based on hours in written learning plans. We estimate overfunding of \$57,909 for the program.

We recommend:

- Monthly progress evaluations should be conducted and documented within the required time period.
- Written student learning plans should be approved and dated by certificated staff prior to reporting students for funding.
- Students should be reported based on hours documented in their written student learning plans.

The above recommendations were included in our report as a finding.

- Weston High School ALE – The program reported 16.48 average annual full-time equivalents (AAFTE). Procedures performed over this program were limited to considering internal controls the District has in place to assure compliance with reporting requirements.

We recommend written student learning plans should include:

- Estimated weekly hours students will be engaged in learning activities.
- Identification of the certificated HQT responsible for the course.

- Description of timelines and methods for evaluating student progress toward learning goals and objectives of the plan.
- Identification of whether the course meets state and district graduation requirements.

We further recommend the Statement of Understanding include the type of program (ALE vs Home School) the student is enrolled in.

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 two ALE programs, which accounted for 2.9 percent of its total basic student enrollment:

- Weston High School ALE is an online program serving students in grades 9-12. Students are online for most of their courses. Nonresident students represent 5.6 percent of students reported for funding.
- Stillaguamish Valley School is a parent partnership and site-based program serving students in grades K-12. Elementary students are on the District campus two days per week and middle and high school students are on campus three days per week for scheduled courses. Nonresident students represent 37 percent of students reported for funding.

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 Arlington School District No. 16 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 District lacked adequate controls over enrollment reporting for its Stillaguamish Valley High School alternative learning experience program resulting in overfunding of \$57,909.

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 Alternative Learning Experience (ALE) enrollment reporting for state funding.

In the 2013-2014 school year, the District received approximately \$27.9 million in funding based on enrollment and the education and experience of its teachers. Nearly \$796,417 was attributed to reported ALE enrollment. Of this amount, Stillaguamish Valley High School received \$709,391.

District management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of documentation supporting enrollment reporting in ALE. Written student learning plans must be approved by certificated instructors prior to reporting students for funding. Students are reported for funding based on the number of hours they are enrolled. Monthly progress evaluations must be conducted within five days of the end of each month.

Description of Condition

The District did not comply with state regulations for reporting enrollment in its Stillaguamish Valley High School.

Written student learning plans were not approved by a certificated instructor prior to reporting students for funding. Of seven student learning plans, five students were reported a total of seven months before the plans were approved.

Monthly progress reviews were not conducted within required time limits. If not completed by the end of the month being evaluated, they must be completed by the fifth day of the subsequent month. Evaluations for five of six students reported in September, who were also counted in October, were not dated by the fifth day of October. Progress evaluations for five other months were also not

conducted within required time limits. When evaluations are not conducted timely, the students may not be reported in following month.

We also identified 11 months in which students were reported for fewer hours than identified in their written student learning plans and 10 months where they were reported for more hours.

Cause of Condition

District personnel did not adequately monitor the program to assure all elements complied with state regulations for claiming ALE funding.

Effect of Condition

The District reported 123.91 for students in October who had also been reported in September. We determined evaluations were late for 83.33 percent of students tested and project 103.28 students should not have been reported in October, 2013.

We identified additional errors of 6.05 monthly FTE, but did not project these errors to the entire population as they did not appear to be systemic.

These errors resulted in overfunding of approximately \$57,909.

Recommendation

We recommend:

- Monthly progress evaluations should be conducted and documented within the required time period.
- Written student learning plans should be approved and dated by certificated staff prior to reporting students for funding.
- Students should be reported based on hours documented in their written student learning plans.

District's Response

The Arlington School District will implement corrective actions to comply with Alternative Learning Experience (ALE) state regulation WAC 392-121-182. The following lists the findings identified by WASO for the period September 1, 2013 through August 31, 2014 at the District ALE programs: Stillaguamish Valley School and Weston High School. Included are specific corrective action plans with measureable goals, identification of district personnel accountable for

implementation of the corrective action, strategies developed to attain the stated goal, and a reasonable timeframe during which the corrective action will attain full implementation.

Stillaguamish Valley School

Finding identified by SAO:

The District did not comply with state regulations for reporting enrollment in the following ways:

- 1. Late approvals of Written Student Learning Plans and courses.*
- 2. Monthly progress evaluations that were not conducted within time limits.*
- 3. Not reporting students based on hours in written learning plans.*

Corrective Action Plan:

Goal

Comply with state regulations for reporting enrollment.

Specifically:

- 1. Conduct and document monthly progress evaluations within five days of the month's end.*
- 2. Approve all Written Student Learning Plans (WSLPs) prior to reporting in the first month of a student's enrollment.*
- 3. Report students based on hours listed in their WSLPs.*

Responsible Personnel

Principal, Stillaguamish Valley Learning Center (SVLC)

Strategies

- 1. Principal will assume direct oversight of WSLP supervision, monitoring, evaluation and documentation by certificated teachers.*
- 2. The number of certificated teachers serving as WSLP consultants will decrease from five to three, thus increasing the efficacy of oversight, and decreasing the likelihood of error.*

3. *Training for the WSLP consultants on state regulations governing ALE requirements will be provided by the principal. Particular attention will be given to the timeliness of reporting enrollment each month.*
4. *Ann Gragert, owner of the WINGS electronic WSLP platform used at SVLC will provide training to the principal, the lead secretary and the WSLP consultants. Primary attention will be given to reporting students based on hours in written learning plans and internal procedures for documenting and communicating student learning plan mid-month changes in a timely manner (prior to monthly reporting).*
5. *Regular meetings of all certificated teachers will occur on Fridays of each week to review existing WSLPs and to address questions and concerns of consultants. This series of meetings will continue throughout the year, beginning with an initial training on August 17, 2015.*
6. *Principal will review all WSLPs through the WINGS reporting system weekly on Fridays to look for changes and to monitor compliance by the certificated teachers.*

Timeframe

August 17 to October 1, 2015

Weston High School

Internal controls to assure compliance with reporting requirements identified by SAO:

1. *Estimated weekly hours students will be engaged in learning activities.*
2. *Identification of the certificated HQT responsible for the course.*
3. *Description of timelines and methods for evaluating student progress toward learning goals and objectives of the plan.*
4. *Identification of whether the course meets state and district graduation requirements.*
5. *Statement of Understanding include type of program (ALE vs. Home School) the student is enrolled in.*

Corrective Action Plan:

Goal

Adjust internal controls to assure compliance with reporting requirements identified by SAO.

Responsible Personnel

Principal, Stillaguamish Valley Learning Center (SVLC)

Strategies

- 1. The District will move the online ALE program at Weston High School to SVLC. One purpose of this change is to assure more compliance with knowledgeable oversight.*
- 2. Change the way WSLPs for the online students are documented; from paper to the WINGS platform. This will assure documentation of estimated weekly hours, HQT identification, timelines and methods for evaluating student progress toward learning goals and objectives of the plan, and identification of whether the course meets state and district graduation requirements through the use of CEDARS course codes.*
- 3. All online students will need to enroll in SVLC to participate in the online courses, thus going through the existing admission process that includes a Statement of Understanding that clearly delineates between ALE vs. Home Schooling.*
- 4. Similar to the SVLC corrective actions above, the principal will assume direct oversight of WSLP supervision, monitoring, evaluation and documentation by certificated teachers. The online course certificated teacher will be directly involved in all trainings mentioned in the corrective actions above.*

Timeframe

August 17 to October 1, 2015

Auditor's Remarks

We thank the District for its assistance and cooperation during the audit. We appreciate the District's plan of corrective action and will evaluate program compliance during our next audit.

Applicable Laws and Regulation

WAC 392-121-182 states in part:

(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.

(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.

(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 subsequent month's enrollment count.

(iv) Enrollment of part-time students is subject to the provisions of RCW 28A.150.350, and generates a pro rata share of full-time funding.

(b) The enrollment count must exclude students meeting the definition of enrollment exclusions in WAC 392-121-108 or students who have not had contact with a certificated teacher for twenty consecutive school days. Any such student must not be counted as an enrolled student until the student has met with a certificated teacher and resumed participation in their alternative learning experience or is participating in another course of study as defined in WAC 392-121-107;

(c) The enrollment count must exclude students who are not residents of Washington state as defined by WAC 392-137-115;

(d) The enrollment count must exclude students who as of the enrollment count date have completed the requirements of the written student learning plan prior to ending date specified in the plan and who have not had a new written student learning plan established with a new beginning and ending date that encompasses the count date;

(e) For alternative learning experience programs that end prior to June 1st, the June enrollment count date may be the last school day in May and include students whose written

student learning plan includes an ending date that is the last school day in May.

(f) Graduating alternative learning experience students whose last school day is in May may be included in the June enrollment count if the following conditions are met:

(i) The alternative learning experience program calendar identifies that the last day of school for the graduating students is in May.

(ii) The students' written student learning plan includes an end date that is the last day of school for graduating students in May.

(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.

WAC 392-121-122 defines the hours required for a full time student:

As used in this chapter, "full-time equivalent student" means each enrolled student in the school district as of one of the enrollment count dates for at least the minimum number of hours set forth in subsection (1) of this section, inclusive of class periods and normal class change passing time, but exclusive of meal intermissions: Provided, That each hour counted shall contain at least 50 minutes of instruction or supervised study provided by appropriate instructional staff. The purpose of recognizing "50 minute hours" is to provide flexibility to school districts which utilize block periods of instruction so long as students are ultimately under the jurisdiction of school staff for the equivalent of 60 minute hours: Provided further, That the hours set forth below shall be construed as annual average hours for the purposes of compliance with this chapter.

(1) The minimum hours for each grade are as follows:

- (a) Kindergarten: 20 hours each week, or 4 hours (240 minutes) for each scheduled school day;
- (b) Primary (grades 1 through 3): 20 hours each week, or 4 hours (240 minutes) each scheduled school day;
- (c) Elementary (grades 4 through 6): 25 hours each week, or 5 hours (300 minutes) each scheduled school day;
- (d) Secondary (grades 7 through 12): 25 hours each week, or 5 hours (300 minutes) each scheduled school day.

(2) Except as limited by WAC 392-121-136, a student enrolled for less than the minimum hours shown in subsection (1) of this section shall be counted as a partial full-time equivalent student equal to the student's hours of enrollment divided by the minimum hours for the student's grade level set forth in subsection (1) of this section.

(3) The full-time equivalent of a student's running start enrollment pursuant to RCW 28A.600.300 through 28A.600.400 shall be determined pursuant to chapter 392-169 WAC. If a running start student is enrolled both in high school courses provided by the school district and in running start courses provided by the college, the high school full-time equivalent and the running start full-time equivalent shall be determined separately.

(4) The full-time equivalent of University of Washington transition school students shall be determined pursuant to chapter 392-120 WAC.

(5) The full-time equivalent of a student's alternative learning experience shall be determined pursuant to WAC 392-121-182.

INFORMATION ABOUT THE DISTRICT

Arlington School District No. 16 provides education services to students in preschool through 12th grade. The District's service area includes the city of Arlington and neighboring unincorporated portions of Snohomish County. The District serves nearly 5,400 students with a staff of approximately 266 certificated, 170 classified and 20 administrative employees. The District operates two high schools, including one alternative high school, two middle schools, five elementary schools and one K-12 school.

An elected, five-member Board of Directors governs the District. For the period under audit, the District's expenditures for the general fund were \$45,505,194.

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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.

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