



**Office of the Washington State Auditor**  
**Pat McCarthy**

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

**For the period September 1, 2015 through August 31, 2016**

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**Report No. 1018915**





**Office of the Washington State Auditor**  
**Pat McCarthy**

April 17, 2017

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,

Pat McCarthy  
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, 2016, the District received approximately \$320 million in combined enrollment and staff mix funding; approximately \$3.6 million of this was related to its ALE programs.

- Interagency Academy – The program reported 448.57 average annual full-time equivalent (AAFTE). Our audit of this program tested a sample of nine students and found 0.1 AAFTE over reported. Errors were due to FTE errors related to Written Student Learning Plan approval dates.

We estimate these errors resulted in \$631 in over funding.

- Cascade Parent Partnership Program - The program reported 126.36 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 two ALE programs, which accounted for 1.14 percent of its total basic student enrollment:

- Interagency Academy Program is a site-based and online program serving 448.57 student AAFTE in typically in grades 9-12. Students are on the District campus for most of their courses. The program has 1.05 percent non-resident student enrollment.
- Cascade Parent Partnership Program is a site-based program serving 126.36 student AAFTE in grades K-11. Students are on the District campus for most of their courses. The program has 3.07 percent non-resident student enrollment.

## 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, 2015 through August 31, 2016.

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**

**Seattle School District No. 1  
King County  
September 1, 2015 through August 31, 2016**

This schedule presents the status of findings reported in prior audit periods. The status listed below is the representation of Seattle School District No. 1. The State Auditor’s Office has reviewed the status as presented by the District.

<b>Audit Period:</b> September 1, 2012 through August 31, 2013	<b>Report Ref. No:</b> 1014665	<b>Finding Ref. No:</b> 2013-001
<b>Finding Caption:</b> Seattle School District was over funded \$388,784 in alternative learning experience enrollment in its Interagency program due to a lack of internal controls.		
<b>Background:</b> 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.		
<b>Status of Corrective Action:</b> <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		
<b>Corrective Action Taken:</b> <i>Documents were modified to include all required elements of WAC 392-121-182. Incarcerated students are not claimed for FTE.</i>		

## INFORMATION ABOUT THE DISTRICT

Seattle School District No. 1 serves more than 52,000 students and operates 10 high schools, 10 middle schools, 59 elementary schools, 11 kindergarten through eighth grade schools (K-8), 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 the District's operations. The District had General Fund budget of \$710.6 million for the 2015-2016 school year.

### Contact information related to this report

Address:	Seattle School District No. 1 P.O. Box 34165 Seattle, WA 98124-1165
Contact:	Amy Fleming, Director, Accounting
Phone:	(206) 252-0274
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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.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
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