

**Washington State Auditor's Office**  
**Special Report – Alternative Learning Experience**

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**Monroe School District No. 103**  
**Snohomish County**

Audit Period  
**September 1, 2012 through August 31, 2013**

**Report No. 1012046**

Issue Date  
**June 9, 2014**



**Washington State Auditor**  
**Troy Kelley**

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## Washington State Auditor Troy Kelley

June 9, 2014

Board of Directors  
Monroe School District No. 103  
Monroe, 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 Monroe School District No. 103'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

<b>Table of Contents</b>
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**Monroe School District No. 103**  
**Snohomish County**  
**September 1, 2012 through August 31, 2013**

Audit Summary .....	1
Description of the District.....	4

# **Audit Summary**

## **Monroe School District No. 103 Snohomish 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, 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 2012 and 2013 the ALE funding provided by OSPI was reduced to 80 percent or 90 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 Monroe School District No. 103 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 three ALE programs, which accounted for 19.6 percent of its total basic enrollment:

- Leaders-in-Learning 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 14 years and non-resident students represent 11 percent of students reported for funding. The program reported 88.5 percent of students at the 90 percent basic education allocation (BEA) funding rate.
- Sky Valley Education Center 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 16 years and non-resident students represent 48 percent of students reported for funding. The program reported 96 percent of students at the 90 percent BEA funding rate.
- Washington Virtual Academies (WAVA) is an online program serving students in grades 9-12. The District contracts with K-12 Incorporated, a national online education provider, for all coursework and all ALE documentation tracking. This program has operated for six years and non-resident students represent 97 percent of students reported for funding. The program reported 40 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 \$35.5 million in combined enrollment and staff mix funding; approximately \$5.6 million of this was related to its ALE programs.

Leaders-in-Learning – The program reported 105.46 average annual full-time equivalents (AAFTE). Our audit tested a sample of seven students and found 3.94 student months over reported. The program correctly reported students at 80 percent or 90 percent funding based on documented contact time. The primary cause of errors included:

- One student did not meet with his teacher for monthly progress evaluations for two months.
- One student did not have contact with his teacher during one of the first four school days in September.
- Two students enrolled in Running Start were reported in excess of a maximum 1.20 combined basic and Running Start FTE.

The District was overfunded approximately \$1,800 based on our testing.

Sky Valley Education Center – The program reported 744.09 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.

Washington Virtual Academy Monroe – The program reported 479.74 average annual full-time equivalent (AAFTE). Our audit tested a sample of seven students and found two student months under reported. The program correctly reported students at 80 percent or 90 percent funding based on documented contact time. Errors were due to:

- The District did not report two students for one month who were eligible to be counted for 90 percent funding.

The District was underfunded approximately \$900 based on our testing.

## ***RECOMMENDATIONS***

We recommend the District:

- Document communication of monthly progress reviews with all students.
- Report students in September only when they have participated in one of the first four days of school.
- Report no more than 1.20 combined FTE for students enrolled in both ALE and Running Start programs.
- Work with OSPI to determine resolution of funding adjustments.

## **Description of the District**

**Monroe School District No. 103  
Snohomish County  
September 1, 2012 through August 31, 2013**

### ***ABOUT THE DISTRICT***

Monroe School District No. 103 provides education and related services to approximately 7,300 preschool through 12th grade students in Snohomish County. The District has five elementary schools, two middle schools, three alternative schools and one high school.

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 556 employees. For the year ending August 31, 2013, the District operated on an annual general fund budget of \$64,160,700.

### ***DISTRICT CONTACT INFORMATION***

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Phone: (360) 804-2500

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### ***AUDIT HISTORY***

You can find current and past audit reports for the District on our website, [www.sao.wa.gov](http://www.sao.wa.gov).



## **ABOUT THE STATE AUDITOR'S OFFICE**

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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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