



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Special Report

Alternative Learning Experience

Deer Park School District No. 414

Spokane County

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

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Washington State Auditor Troy Kelley

December 11, 2014

Board of Directors
Deer Park School District No. 414
Deer Park, 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

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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, 2013, the District received approximately \$12.4 million in combined enrollment and staff mix funding; approximately \$2.3 million of this was related to its ALE programs.

Deer Park Home Link – The program reported 469.71 average annual full-time equivalents (AAFTE). Our audit tested a sample of seven students without exception. The program correctly reported students at 80 percent or 90 percent funding based on documented contact time, with the exception of one student incorrectly reporting at 90 percent funding for one month. Additionally, the District's written student learning plans did not identify the Highly Qualified Teacher (HQT) responsible for each core academic course as required.

The District was over-funded approximately \$50 based on our testing.

Deer Park Alternative High School Contract-Based – The program reported 37.0 average annual full-time equivalent (AAFTE). 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. Controls in this program were not adequate to assure compliance. We noted the following weaknesses:

- Written student learning plans were lacking required elements.
- Monthly progress reviews did not comply with state laws or regulations over ALE enrollment.
- Student contact logs did not include all required elements.

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 21.33 percent of its total basic student enrollment:

- Deer Park Home Link is a parent-partnership program serving students in grades K-12. Students attend the District campus as an option for many of their courses. This program has operated for 14 years and nonresident students represent 64 percent of students reported for funding. The program reported 95 percent of students at the 90 percent basic education allocation (BEA) funding rate.
- Deer Park Alternative High School Contract-Based is a contract-based program serving students in grades nine through 12 at risk of dropping out of school. Students complete most of their courses while away from the District campus. This program has operated for 15 years and nonresident students represent seven percent of students reported for funding. The program reported 79.7 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 Deer Park School District No. 414 from September 1, 2012 through August 31, 2013.

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.

INFORMATION ABOUT THE DISTRICT

Deer Park School District No. 414 serves approximately 2,440 students in kindergarten through 12th grade in Spokane, Stevens and Pend Oreille counties. The District operates two elementary schools, one middle school, one high school, one alternative high school and one parent partnership program. An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent who oversees the District's daily operations as well as its approximately 235 employees. For fiscal year 2013, the District operated on a general fund budget of approximately \$22.7 million.

Contact information related to this report

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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.

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