



Washington State Auditor's Office

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Special Report
Alternative Learning Experience
Spokane School District No. 81
Spokane County

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

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Washington State Auditor

June 8, 2015

Board of Directors
Spokane School District No. 81
Spokane, 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

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, 2014 the District received approximately \$161.8 million in combined enrollment and staff mix funding; approximately \$4.38 million of this was related to its ALE programs.

- The Enrichment Cooperative – The program reported 367.41 average annual full-time equivalents (AAFTE). Our audit tested a sample of seven students and found the program had adequate procedures to ensure enrollment was accurately reported and ALE compliance requirements were met. There were no errors identified in the audited selection.
- On Track Academy – The program reported 274.69 AAFTE. Our audit tested a sample of eight students and found the program had adequate procedures to ensure enrollment was accurately reported and ALE compliance requirements were met. There were no enrollment reporting errors identified in the audited selection.
- Community School – The program reported 112.48 AAFTE. Our audit tested a sample of seven student files and found 2.40 monthly FTE over reported. Our testing found the following errors:
 - Plan hours for a student had been reduced, but reported FTE did not reflect the updated plan hours resulting in 1.60 monthly FTE over reported.
 - FTE was not adjusted for courses completed prior to the next count month resulting in .60 monthly FTE over reported.
 - Monthly progress review was not completed within five days of the following month as required resulting in .20 monthly FTE over reported.

We estimate these errors resulted in overfunding of \$1,271 for this program.

- Spokane Virtual Learning – The program reported 48.08 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. We found that controls were adequate to assure compliance.

- CHOICE – The program reported 25.45 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. We found that controls were adequate to assure compliance.

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

- The Enrichment Cooperative is a parent-partnership program providing both core and enrichment curriculum for students in grades K-8. Additionally, students in grades 9-12 can access a range of classes for credit toward a high school diploma. The program offers over 200 courses to students on campus to support and enrich student learning. This program was established in 2002 and nonresident student represent 21.1 percent of the program’s total enrollment.
- On-Track Academy is a credit completion program located on the Spokane Skills Center campus. The program provides personalized learning opportunities primarily for students in grades 10-12 who may or may not be behind in credits toward graduation. A look at

career options and paths to college or training after graduation is an additional focus of the program. This program has operated for six years and nonresident students represent 7.4 percent of the program's total enrollment.

- Community School is a choice school serving only district resident students in grades 9-12. The program offers three distinct programs to students – project-based learning, credit completion and contract-based learning. This program operated for three years as an ALE model, but transitioned to a traditional basic program in September 2014.
- Spokane Virtual Learning is an internet-based educational program that provides instructor-led, asynchronous online classes for only district resident students in grades 7-12. SVL students are generally enrolled in only 1-3 online classes, with the rest of their courses at their brick-and-mortar middle or high school. The program has operated for nine years.
- CHOICE school provided credit completion or contract-based learning for choice students in grades 9-12. This program served only district resident students in a half-day on campus model. Students met learning plan hours combining on campus attendance with independent learning off campus. This program operated three years as an ALE program, but transitioned to a traditional basic program in September 2014.

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 Spokane School District No. 81 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.

INFORMATION ABOUT THE DISTRICT

Spokane School District No. 81 serves approximately 29,000 students in kindergarten through 12th grade in Spokane County. The District has 34 elementary schools, six middle schools, six high schools, a vocational skills center and a number of special programs. The District also provides online courses for middle and high school students through Spokane Virtual Learning.

An elected, five-member Board of Directors governs the District. The Board appoints a Superintendent who is responsible for the daily operations as well as its 3,226 employees. For fiscal year 2014, the District operated on an annual general fund budget of approximately \$329 million.

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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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