



Washington State Auditor's Office

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Special Report

Alternative Learning Experience

Deer Park School District No. 414

Spokane County

For the period September 1, 2014 through August 31, 2015

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Washington State Auditor's Office

August 1, 2016

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,

A handwritten signature in blue ink that reads "Troy X. Kelley".

TROY KELLEY
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, 2015 the District received approximately \$14 million in combined enrollment and staff mix funding; approximately \$2.8 million of this was related to its ALE programs.

However, we identified areas in which the District could make improvements in the Alternative High School Program.

We recommend the District:

- Prepare written student learning plans for each student prior to count date.
- Document progress evaluations for all students on a monthly basis.
- Obtain signed statements from all parents certifying they understand the difference between ALE and home-based instruction prior to counting students.
- Report only students actively participating in the program.

These recommendations were included in our report as a finding.

- Deer Park Alternative High School - The program reported 40 average annual full-time equivalent (AAFTE). Our audit tested a sample of nine students and found 36.0 monthly FTE over reported.
- Deer Park Homelink - The program reported 461.48 average annual full-time equivalent (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 use 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 21.10 percent of its total basic student enrollment:

- Deer Park Alternative High School is an onsite program that serves students in grades 9-12. Students work through classes onsite with direct instruction from teachers. This program has operated over 20 years and nonresident students represent 1.75 percent of students reported for funding.
- Deer Park HomeLink is both an onsite and remote program serving students in grades kindergarten through 12. The program has operated for 16 years and nonresident students represent 63 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 Deer Park School District No. 414 from September 1, 2014 through August 31, 2015.

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

Deer Park School No. 414
Spokane County
September 1, 2014 through August 31, 2015

2015-001 Deer Park School District was over funded \$128,988 in alternative learning experience enrollment in its Alternative High School program due to lack of internal controls.

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 ALE enrollment reporting for state funding.

OSPI rules require the District 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 and students may not be reported in the following month when an evaluation is not conducted. 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, the District may only report the students for the first 30 calendar days enrolled.

Description of Condition

Deer Park Alternative High School is an onsite ALE program for students in grades 9-12. The program reported approximately 40 annual average full-time equivalent (AAFTE). Nonresident students represent 1.75 percent of students reported for funding.

Progress reviews were not completed monthly for each student as required by regulations.

Written student learning plans were not in place on the count dates claimed for three students.

The District did not obtain a signed statement of understanding from parents certifying they understood the difference between ALE and home-based instruction for one student.

Students who were not participating in the ALE program were reported as ALE. Some of these students were actively enrolled in regular basic education classes and had no written student learning plans. These students should have been reported as traditional basic enrollment students rather than ALE. Two students claimed for ALE funding were working on graduation requirements and did not have written student learning plans in place. Because they were not enrolled in basic enrollment classes, time they spent with school staff should have been reported as ancillary services.

Cause of Condition

The District did not have internal controls in place in this program to claim ALE funding including:

- Each student has a written student learning plan in place that covers the count dates reported.
- Progress evaluations are completed on a monthly basis for all students reported.
- Statements of understanding of the difference between ALE and home-based instruction are obtained from parents within 30 days of enrollment.
- Only students who are actively participating in the program are reported for funding.

Effect of Condition

We determined the District over reported 22.41 average annual full time equivalent students in the Alternative High School, resulting in an overfunding of approximately \$128,988.

Recommendation

We recommend the District:

- Prepare written student learning plans for each student prior to count date.
- Document progress evaluations for all students on a monthly basis.

- Obtain signed statements from all parents certifying they understand the difference between ALE and home-based instruction prior to counting students.
- Report only students actively participating in the program.
- Work with OSPI to determine repayment to the state.

District's Response

The district has made the following adjustments to the ALE Contract program: The lead teacher was completing progress evaluations every 30 days, believing that to be the guideline. He now understands that the requirement is monthly and has adjusted his process. Because the program serves our most at-risk students, parent signatures are frequently difficult to get, but students cannot be denied service while waiting for the additional paperwork. In the future, students will be enrolled in the regular program of study until all signatures have been received, before being moved to the Contract program. Additionally, we have provided more staffing in the program to allow more time, we have added administrative support to provide twice-monthly review of files and provide support in attaining needed documentation, and we continue to encourage collaboration with our Home-Link program on learning their methods for keeping complete and accurate student files and enrollment reporting.

Auditor's Remarks

We thank the District for its cooperation and assistance during the audit and acknowledge its commitment to improvements. We will review the status of the recommendations during our next audit.

Applicable Laws and Regulations

Washington Administrative Code 392-121-182, Alternative learning experience requirements, states in part: . . .

(3)(n)“Written student learning plan” means a written plan for learning that includes at least the following elements:

- (i) A beginning and ending date for the student’s alternative learning experience courses;
- (ii) An estimate by a certificated teacher of the average number of hours per school week the student will engage in learning activities to meet the requirements of the written student learning plan.

(6) Alternative learning experience implementation requirements:

(j)(i) A school district that provides one or more alternative learning experiences to a student must provide the parent(s) of the student, prior to the student's enrollment, with a description of the difference between home-based instruction pursuant to chapter 28A.200 RCW and the enrollment option selected by the student. The parent must sign documentation attesting to his or her understanding of the difference. Such documentation must be retained by the district and made available for audit.

(ii) In the event a school district cannot locate a student's parent within three days of a student's request for enrollment in an alternative learning experience, the school district may enroll the student for a conditional period of no longer than thirty calendar days. The student must be disenrolled from the alternative learning experience if the school district does not obtain the documentation required under this subsection before the end of the thirty day conditional enrollment period.

(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.

(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.

(10) Documentation and record retention requirements: School districts and charter schools 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 and charter schools 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 or charter school board 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.

Washington Administrative Code 392-121-107 Definition – Course of Study, states in part: . . .

- (1) Ancillary services – any co-curricular service or activity, any health care service or activity, and other services or activities, for or in which enrolled students are served by appropriate school district staff. The term shall include but not be limited to. . . .

INFORMATION ABOUT THE DISTRICT

Deer Park School District No. 414 serves approximately 2,400 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 250 employees. For fiscal year 2015, the District operated on a general fund budget of over \$25 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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