



Office of the Washington State Auditor
Pat McCarthy

Special Report
Alternative Learning Experience
Cheney School District No. 360
Spokane County

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

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Office of the Washington State Auditor
Pat McCarthy

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Board of Directors
Cheney School District No. 360
Cheney, 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

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, 2016 the District received approximately \$27.4 million in combined enrollment and staff mix funding; about \$749,283 of this was related to its ALE programs.

However, we identified areas in which the District could make improvements. We recommend the District prepare written student learning plans that include all elements required to report students for ALE funding. Further, we recommend full time equivalency (FTE) reported for ALE is based on hours identified in the learning plan and the district obtain the Statement of Understanding within thirty days of student enrollment in ALE program.

These recommendations were included in our report as a finding.

- Three Springs Program – The program reported 48.80 annual average full-time equivalent (AAFTE). Our audit of the program tested a sample of eight students and found 3.44 AAFTE over reported. We estimate these errors resulted in \$21,706 overfunding.
- Homeworks – The program reported 69.97 AAFTE. Our audit of the program tested a sample eight students and found .532 AAFTE over reported. Errors were due to reporting FTE for funding beyond the learning plan end date. We estimate these errors resulted in \$3,356 overfunding.

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 2.75 percent of its total basic student enrollment:

- Three Springs is an onsite program that serves students in grades 9-12. The program has operated for 18 years and reported only resident students for funding.
- Homeworks is a remote program that serves students in grades K-8. The program has operated for 13 years and non-resident students represent 21.87 percent of the program's total 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 Cheney School District No. 360 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.

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Cheney School District No. 360
Spokane County
September 1, 2015 through August 31, 2016

2016-001 The District lacked adequate controls over its enrollment reporting for its Three Springs alternative learning experience program, resulting in overfunding of \$21,702.

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 for reporting ALE reporting for state funding.

OSPI rules require the District to identify the number of hours each student will participate in learning activities in 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. Plans must also be signed and dated by certificated staff as evidence of approval. Student progress toward planned goals must be assessed on a monthly basis, and students may not be reported in the following month if an evaluation is not conducted. In addition, districts must obtain a signed Statement of Understanding from each parent certifying they understand the difference between ALE and home-based instruction. Without these signed statements, the district may report the student for only the first 30 calendar days enrolled.

Description of Condition

Three Springs is a site-based program for students in grades nine through 12. The program reported 48.80 annual average full-time equivalent (AAFTE) students. The program has operated for 18 years, and non-resident students represent 21.87 percent of students reported for funding in the ALE program.

We tested eight students for a total of 68 reported monthly enrollments. During our audit, we found the following errors:

- Written student learning plans (WSLP) did not contain all the required components.
- Hours identified in student learning plans did not support reported FTE.
- One student was reported for funding before the WSLP beginning date.
- Monthly progress reviews were missing in 11 instances.
- Student's satisfactory progress determination was missing in three instances.
- Statement of Understanding was missing in one instance.

Cause of Condition

The District did not have internal controls in place to ensure all ALE compliance requirements were met before claiming the students for funding.

Effect of Condition

We determined the District over-reported 3.44 AAFTE students in the Three Springs ALE program, resulting in an overfunding of \$21,702.

Recommendations

We recommend the District:

- Prepare written student learning plans that include all required ALE plan elements for each student before reporting the students for funding.
- Report each student's FTE each month based on hours identified in the learning plan.
- Complete the monthly progress evaluation each month for all students reported for funding.
- State whether student made satisfactory progress each month reported for funding.
- Obtain the Statement of Understanding by the required date.
- Work with OSPI Audit Resolution to determine repayment to the state.

District's Response

- ***“Written student learning plans (WSLP) did not contain all the required components”.*** Our prior digital approach was not effective in ensuring that all required components of the WSLP were included. Each teacher consultant now has a student learning plan binder for each student to ensure that all required components are included.
- ***“Hours identified in student learning plans did not support reported FTE”.*** We will continue to have monthly progress meetings and state if each student is making satisfactory progress. If a student plans to continue at Three Springs, we would then adjust FTE accordingly each month based on hours identified on the student learning plan. If progress is not achieved on the third month, we will present options per ALE law.
- ***“One student was reported for funding before the WSLP's beginning date”.*** This was a clerical error, which occurred when the start date used for enrollment report purposes was not verified properly with the WSLP. Additional training has been provided to clerical staff to prevent future enrollment count errors.
- ***“Monthly progress reviews were missing in 11 instances” & “Student's satisfactory progress determination was missing in three instances”.*** In the transition from a digital record keeping process to a hard copy process, not all of the monthly progress reviews and progress determinations were appropriately transitioned to the student binders. Under the new process, they are being accurately accounted for and tracked appropriately for each student.
- ***“Statement of understanding was missing in one instance”.*** We have improved and streamlined the intake process to include each teacher/consultant as the point person to ensure the statement of understanding is signed and dated before a student enrolls and begins classes in the program.

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

WAC 392-121-182 Alternative learning experience requirements, states in part:

(3) Definitions:

(h) "Satisfactory progress" means a determination made in accordance with subsection (4)(c) that a student's progress toward achieving the specific learning goals and performance objectives specified in the written student learning plan is satisfactory;

(m) "Total weekly time" means the estimated average hours per school week the student will engage in learning activities to meet the requirements of the written student learning plan.

(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. This estimate must consider only the time the student will engage in learning activities necessary to accomplish the learning goals and performance objectives specified in the written student learning plan;

(4) Alternative learning experience program requirements:

(a) Each student participating in an alternative learning experience must have a written student learning plan developed and approved by a certificated teacher that is designed to meet the student's individual educational needs. A certificated teacher must have responsibility and accountability for each course specified in the plan, including supervision and monitoring, and evaluation and documentation of the student's progress.

c) The educational progress of each student enrolled in an alternative learning experience must be evaluated at least once each calendar month of enrollment by a certificated teacher...

The results of each evaluation must be communicated to the student or, if the student is in grades K-8, both the student and the student's parent. Educational progress must be evaluated according to the following requirements:

(iii) In the event that the monthly evaluation is not completed within the calendar month being evaluated, the evaluation must be completed within five school days of the end of the month. Districts must not claim funding for the subsequent month for a student who was not evaluated within that time frame.

(v) Based on the progress evaluation, a certificated teacher must determine and document whether the student is making satisfactory progress reaching the learning goals and performance objectives defined in the written student learning plan.

(6) Alternative learning experience implementation requirements:

(j)(i) A school district that provides alternative learning experience courses or course work 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:

(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.

(iv) Enrollment of part-time students is subject to the provisions of RCW 28A.150.350, and generates a pro rata share of full-time funding.

INFORMATION ABOUT THE DISTRICT

Cheney School District No. 360 serves approximately 4,500 students from kindergarten through 12th grade in Spokane County. The District operates one high school, two middle schools, five elementary schools, Home Works program and an alternative 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 600 employees. For fiscal year 2016, the District operated on an annual budget of approximately \$50 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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