



# Special Audit Report

## Alternative Learning Experience (ALE) Programs

Summary of legislatively mandated financial audits

April 11, 2018

In 2013, the State Legislature passed ESSB 5946, which requires the Office of the Washington State Auditor to conduct biennial audits of school districts' Alternative Learning Experience (ALE) programs.

In the past four years, we have audited every ALE program in the state that reported more than 10 Average Annual Full Time Equivalent (AAFTE) students. ALE audits examined school districts compliance with state laws and regulations and district policies and procedures related to ALE. Auditors examined 99 percent of the students reported for ALE funding in 433 programs over four years.

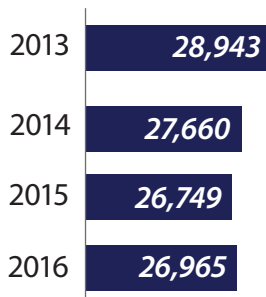
These audits make recommendations to the Office of Superintendent of Public Instruction to help improve program compliance in six persistent problem areas.

Audit reports on the ALE programs in individual school districts are available from the [Schools](#) page of the State Auditor's Office website. Also available online are related ALE performance audits, including a video and a Tableau data presentation, at [www.sao.wa.gov/state/pages/ALEstudy\\_FinalResults](http://www.sao.wa.gov/state/pages/ALEstudy_FinalResults)

Problem areas	Recommendations
Written Student Learning Plans (WSLP) Monthly evaluations of student progress Certificated teacher contact Requirement that ALE lead to a high school diploma	Approve or re-approve all ALE programs in a process similar to that currently required of digital online programs. Programs should: <ul style="list-style-type: none"><li>Align with Washington state standards</li><li>Report how satisfactory progress is measured</li><li>Lead to high school diploma</li></ul>
WSLP; Monthly evaluations of student progress Certificated teacher contact; District releases	Require districts use standard templates developed by OSPI for written student learning plans, student monthly progress reviews and student-instructor contact
Funding tied to signed parental Statement of Understanding	Amend guidance to no longer tie parental signature on the letter of attestation to ALE funding
Requirement that ALE lead to a high school diploma	Develop uniform guidance that clearly defines ALE course types used for reporting, enabling districts to report accurately and consistently

## ALE FTE enrollment student numbers

School fiscal years 2013–2016



Total number of FTEs 110,317

\* Note: We audited every ALE program with more than 10 AAFTEs operating during the four year audit period. Most programs were audited twice, which is why the number audited (433) is higher than the number of individual programs operating in any year.

## Results of four years of accountability audits

School districts received about \$598 million in ALE funding in the school fiscal years 2013 through 2016. In that time, they served more than 110,317 full-time-equivalent (FTE) students in 433 ALE programs.

In the mandated ALE financial audit work performed during the past four years, auditors questioned around \$2.9 million in funding. Overall, school districts have shown significant improvement, with more districts following ALE compliance requirements that drive funding.

### Summary of enrollment audit results, including questioned costs

Statewide audited results for school fiscal years 2013–2016

School fiscal years	Percent of ALE student enrollment audited	Programs audited	Districts audited	Questioned costs
2013	39%	49	20	\$866,877 in 13 districts
2014	60%	174	104	\$889,754 in 55 districts
2015	44%	85	54	\$642,768 in 34 districts
2016	56%	125	73	\$474,871 in 45 districts
<b>Four year totals:</b>		<b>433*</b>	<b>251</b>	<b>\$2,884,270 in 147 districts</b>

Data source: OSPI.

Our audit work concentrated on the areas that are required to qualify a student for ALE funding at the state level. The six problem areas we identified most often over the four years included:

1. Written Student Learning Plans
2. Monthly evaluations of student progress
3. Evidence of student contact with certificated instructor
4. District release for non-resident students
5. Signed parental statements of understanding
6. Requirements that ALE courses lead to a high school diploma

Each is discussed below. In addition, this report addresses the issue of “substantially similar” expenditures, which raised concerns among legislators in 2012 (see page 4).

### 1. Written Student Learning Plans (WSLP)

Every ALE student is required to have a written student learning plan that has been approved by an instructor with a Washington state teaching certificate. It sets the expectation for student participation and is used to allocate funding based on their Full-Time Equivalent (FTE) hours. WSLPs are especially important for ALE programs in which the parent helps design the plan, select the learning materials, and provide the daily instruction. The certificated instructor’s approval indicates the district has taken responsibility for the learning plan, ensuring that it meets all the ALE requirements, as well as any academic goals and requirements defined by the school district.

Written student learning plans must have:

- Beginning and ending dates of plan – A student may only be claimed for funding between the beginning and ending dates identified in the plan.
- Hours the student is expected to participate – FTE claimed for funding is based on the hours identified in the plan.
- Coursework expectations – Clearly defined goals and expectations help to measure satisfactory progress.
- Method of contact with instructor – Students must have contact within 20 school days prior to enrollment count in order to claim ALE funding.

Written student learning plans missing one of these elements resulted in questioned ALE funding.

## **2. Monthly evaluations of student progress**

The progress of students in ALE programs must be evaluated on a monthly basis. Under the current rules, progress for each month (including September) must be conducted by the fifth school day of the following month, and each student must be assessed as making either satisfactory or unsatisfactory progress. If progress is unsatisfactory, the certificated ALE instructor must develop and implement an intervention plan to help the student get back on track within five additional school days.

Not performing a progress review or intervention plan to meet these deadlines resulted in questioned funding.

Progress reviews in programs where a parent of a student is the daily provider of instruction must clearly document and provide evidence that the certificated instructor took responsibility for supervising, monitoring, evaluating and documenting the student's progress as required by statute.

Satisfactory progress must be based on the learning goals and performance objectives defined in the written student learning plan. How satisfactory progress is measured, is defined by each school district and the professional judgement of the certificated teacher. Some stakeholders argue that it is appropriate to allow districts and individual programs to decide what to measure as evidence of student progress and what is considered acceptable progress, based on the program and the needs of the students within their school. However, this can lead to striking disparity from program to program in what constitutes satisfactory progress, making it difficult to assess compliance with state requirements regarding progress.

## **3. Evidence of student contact with certificated instructor**

Students are required to participate in at least one course within the first four days of September and must have two-way contact for an educational purpose within 20 school days prior to count date for the months of October through June. If students have regularly scheduled onsite or online classes, contact may be established through attendance records or logs when the student participates in synchronous digital instruction. Electronic contact may be supported by the actual two-way email or notes of telephone or Skype discussions.

Not retaining documentation to support two way contact resulted in questioned funding.

## **4. District release for non-resident students**

Almost half of the 26,810 students enrolled in ALE courses statewide are enrolled in courses that are delivered by a school outside of the district they live in. When students live in one district and attend school in another, either part-time or full-time, the resident and nonresident districts must coordinate how they report FTE to ensure that no student is counted for more than one FTE in the aggregate. As of March 2014, OSPI required districts to use its Standard Choice Transfer System (SCTS) to record all students who are "choicing out" of their resident district to a nonresident district for the purpose of enrolling in an online school program.

Not retaining documentation that demonstrates a student has been released by their resident district resulted in questioned funding.

## 5. Signed parental Statements of Understanding

Since 2005, state regulations have required that the parents of a prospective ALE student receive a description of the difference between home-based instruction (also called homeschooling) and ALE. The parents must sign a document – the Statement of Understanding, also called the Attestation Letter – confirming that they understand the difference between ALE and homeschooling.

In 2012, state regulations changed requiring the statement to be signed and dated by the parent within three days of their enrollment in an ALE program, but the school may include the student conditionally in enrollment counts for 30 calendar days. The district must dis-enroll the student from the ALE program if it has not received the statement before the end of the conditional enrollment period. This requirement applies to all ALE programs: online, remote and site-based. Although signed statements of understanding are currently tied to ALE funding, districts historically have not lost ALE funding for non-compliance.

Not obtaining a signed and dated statement of understanding resulted in questioned funding.

## 6. Requirements that ALE lead to a high school diploma

High-school level ALE courses must satisfy state laws which require ALE courses be offered for high school credit and lead to a high school diploma; they must also satisfy the State Board of Education’s high school credit and graduation requirements. Districts currently struggle to understand the requirements for ALE course types so they can report them accurately.

Not satisfying state laws requiring high school course of study leading to a diploma resulted in questioned funding.

## ALE Substantially Similar expenditures analysis

In 2012, the Legislature amended regulations regarding “substantially similar experience and services” and redefined them to mean that

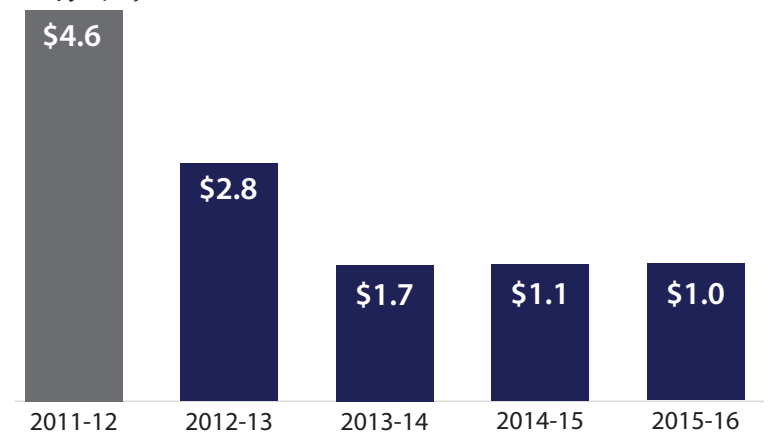
*“...For each purchased or contracted instructional or cocurricular course, lesson, trip or other experience, service or activity identified on an alternative learning experience written student learning plan, there is an identical or similar experience, service or activity made available to students enrolled in the district’s regular instructional program.”*

Districts are required to report details of their substantially similar experience expenditures to OSPI on an annual basis. Reports must include the number of students served and the cost of instruction, including fees paid to non-certificated community-based instructors. Auditors analyzed costs charged to this area over the last four years.

On a statewide basis, substantially similar expenditures decreased by 64 percent between the 2012-2013 and the 2015-2016 school years. However, a review of district expenditures indicates that this reduction may be due in part to districts employing community-based instructors as non-certificated staff. Districts are not required to identify district employee service providers on the Substantially Similar report.

Spending on “substantially similar” experiences dropped by 64% between 2012-13 and 2015-16 school years

*School fiscal years 2011–2016; Dollars in millions*



Source: OSPI.