



Washington State Auditor's Office

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Independence • Respect • Integrity

Alternative Learning Experience Programs

Accountability audit, for two-year period September 1, 2011 –
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Results in brief

In 2011-12, school districts reported spending \$124 million on Alternative Learning Experience (ALE) programs. This was the first year districts were required to comply with the new “substantially similar” rules (see **Appendix A** for the text of this rule); 47 school districts reported spending \$4.6 million to provide services to more than 20,000 students. We audited 12 districts that each reported spending more than \$100,000. We found:

- Districts were not offering services or activities similar to those provided to ALE students. Also, districts were not directly monitoring or supervising non-certificated community-based instructors. Our audit questioned more than \$1.5 million spent by 12 school districts.

After the most recent changes to Alternative Learning Programs, we performed assessment audits of the current school year (2012-2013) in 10 districts. We found:

- Districts’ parent-partner programs were not in compliance with the most current regulations. Our audit identified an average error rate of 45 percent within 10 school districts tested.

This report contains the results of our independent accountability audit of ALE.

Recommended improvements

We believe the following recommendations represent an opportunity for School Districts compliance to be improved.

- Use the “Substantially Similar Self Check Compliance Tool” for all activities.
- Provide oversight of all non-certificated community-based instructors.
- Ensure ALE program directors/staff are aware of the most current regulations.
- Conduct periodic reviews of written student learning plans, evaluations and student contact documentation.

About this audit

ALE audits conducted by our Office for the 2010-11 school year at 67 school districts questioned almost \$27 million in enrollment funding and identified a number of issues at most districts. Subsequent to that audit, the Legislature passed Engrossed Substitute House Bill 2065 (see **Appendix B**) requiring school districts that purchase services or activities for students in ALE programs must provide services or activities “substantially similar” to those available to students in their regular schools. In response to ESHB 2065 we conducted this audit to:

- Determine compliance with new “substantially similar” spending requirements.
- Assess how well districts complied with enrollment reporting requirements.

Results

“Substantially similar” spending requirements

In 2011-12, school districts reported spending \$124 million on ALE programs. This was the first year districts were required to comply with the new “substantially similar” rules, and 47 school districts reported spending \$4.6 million (see **Appendix C**) to provide services to more than 20,000 students. Twelve districts each reported spending more than \$100,000. We concentrated our review effort on these districts, which represent almost 80 percent of reported spending.

Our audit questioned more than \$1.5 million of the \$3.6 million spent by the 12 districts for purchased or contracted instructional or cocurricular services or activities during the 2011-12 school year. We questioned them for two primary reasons:

- Students in regular schools were not offered services or activities similar to those provided to ALE students
- The district said that its certificated instructors did not directly monitor and supervise non-certificated, community-based instructors.

Expenditures under the substantially similar designation are generally made to vendors known as community-based instructors. These vendors are not required to possess a Washington state teaching certificate. Washington rules allow the use of non-certificated staff for direct teaching activities. These non-certificated individuals must work under the direct supervision of

a certificated teacher. Because ALE rules also require monthly evaluations of students, we determined that in order to demonstrate oversight, at minimum, the certificated instructor must communicate with the non-certificated instructor monthly to determine student progress.

Districts operating ALE programs may enroll students from anywhere in the state. It is not uncommon for a district’s ALE program to pay community-based instructors to teach students in a town located hundreds of miles away.

Fifty-two percent of all expenditures were made for two subject areas: music and a combination of physical education, health and safety courses. Spending included:

- \$460,000 for piano lessons (34 percent of reported music lessons)
- \$136,000 for gymnastics lessons
- \$109,000 for guitar lessons
- \$100,000 to YMCAs to provide physical education to students in remote districts
- \$61,000 for horseback riding lessons

English, math, reading, science and history made up only about 14 percent of total spending for community-based instruction. Statewide, the average cost per activity, per student was \$226. We noted 270 instances where the amount paid for a single activity exceeded \$1,000 per student.

Questioned costs by subject area	Totals
P.E./Health	\$538,536
Music	\$448,967
Other/Miscellaneous	\$216,125
Dance	\$132,300
Elementary curriculum	\$46,186
Science	\$44,491
Visual arts	\$44,368
English/Language arts/Reading	\$33,502
Theater	\$15,488
Foreign language	\$14,912
Mathematics	\$9,257
History	\$3,328
Civics/Government/Geography	\$0
Economics	\$0
Total questioned expenditures	\$1,547,459
Total expenditures reported	\$3,661,997
Percent questioned	42%

Substantially similar expenditures claimed by district are shown in **Appendix C**.

We recommended school districts:

- Use the “Substantially Similar Self Check Compliance Tool” for all purchased services or activities.
- Provide oversight of all non-certificated community-based instructors.
- Work with the Office of Superintendent of Public Instruction Audit Resolution Department to determine amounts that may be subject to financial recovery.

Enrollment Reporting

In 2012, school districts received approximately \$134 million in state funding for ALE enrollment. The State Auditor’s Office joined with Office of Superintendent of Public Instruction to provide ALE trainings in the schools community. Our expectation was that ALE program staff would have an understanding of the ALE compliance requirements for the 2012-13 school year and increase efforts to meet ALE regulations. We selected 10 districts to assess for compliance in the 2012-13 school year. This audit was an open year, allowing districts the opportunity to make corrections for any compliance issues identified. None of the districts had been reviewed before, and each was operated as a parent-partner program, which our Office has found to have the highest compliance error rates.

The programs selected ranged in size from 75 to almost 1,000 full time equivalent (FTE) students. For the 10 districts, we identified an average error rate of 45 percent, suggesting that districts will need to make significant improvements to avoid future questioned costs.

The primary causes of questioned costs can be broken into five categories:

1. *Missing or inadequate monthly progress reviews.* This was the most common cause of errors. Progress reviews must be completed by the districts and communicated with students on a monthly basis.
2. *Missing Written Student Learning Plan (WSLP) approvals.* These plans must be approved by a Washington state certificated instructor before students may be counted for funding.

3. *Missing district releases.* When a student resides in one district and attends school in another, the non-resident district must obtain a signed written release from the resident district before the non-resident district is allowed to claim the student for funding.
4. *Absences of 20 consecutive days.* Students must have contact with the district every 20 school days to continue to be counted for funding.
5. *Missing Statement of Understanding,* also known as a Letter of Attestation. Districts must have an acknowledgement form signed by the ALE parent or guardian stating that he or she understands the difference between an ALE program and homeschooling.

We recommended school districts:

- ALE program directors and staff responsible for reporting enrollment attend training provided by the Office of Superintendent of Public Instruction annually to assure they are aware of the most current regulations.
- ALE program directors or district internal audit staff conducts periodic reviews of written student learning plans, monthly evaluations and student contact documentation for completeness and compliance with requirements.

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Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws. We look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools. In addition, we conduct performance audits of state agencies and local governments, and fraud, whistleblower and citizen hotline investigations.

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Appendix A: Alternative Learning Experience State Requirements

Washington Administrative Code (WAC) [392-121-182](#), states, in part:

(3) Definitions: For the purposes of this section the following definitions apply:

(g) “Substantially similar experiences and services” means 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:

(i) At a similar grade level;

(ii) At a similar level of frequency, intensity, and duration including, but not limited to, consideration of individual versus group instruction;

(iii) At a similar level of cost to the student with regard to any related club, group, or association memberships; admission, enrollment, registration, rental or other participation fees; or any other expense associated with the experience or service;

(iv) In accordance with district adopted content standards or state defined grade level standards; and

(v) That is supervised, monitored, assessed, evaluated, and documented by a certificated teacher.

(6) Alternative learning experience implementation requirements:

(i) School districts are prohibited from purchasing or contracting for instructional or cocurricular experiences and services that are included in an alternative learning experience written student learning plan including, but not limited to, lessons, trips, and other activities, unless substantially similar experiences or services are also made available to students enrolled in the district’s regular instructional program. This prohibition extends to a district’s contracted providers of alternative learning experience programs, and each district shall be responsible for monitoring the compliance of its contracted providers. However, nothing in this subsection prohibits school districts from contracting with online providers pursuant to chapter [28A.250 RCW](#).

(11) Reporting requirements:

(b) Each school district offering alternative learning experiences must submit an annual report to the superintendent of public instruction detailing the costs and purposes of any expenditure made pursuant to subsection (6)(i) of this section, along with the substantially similar experiences or services made available to students enrolled in the district’s regular instructional program.

Appendix B: Excerpt from Engrossed Substitute House Bill 2065

School districts may not purchase or contract for instructional or co-curricular experiences and services that are included in an alternative learning experience written student learning plan, including but not limited to lessons, trips, and other activities, unless substantially similar experiences and services are available to students enrolled in the district's regular instructional program. School districts that purchase or contract for such experiences and services for students enrolled in an alternative learning experience program must submit an annual report to the office of the superintendent of public instruction detailing the costs and purposes of the expenditures. These requirements extend to contracted providers of alternative learning experience programs, and each district shall be responsible for monitoring the compliance of its providers with these requirements. However, nothing in this section shall prohibit school districts from contracting with online providers approved by the office of the superintendent of public instruction pursuant to chapter [28A.250 RCW](#).

Appendix C: ALE “substantially similar” spending reported by school district

Ranked by the percent of ALE “substantially similar” spending across all districts

School District name	Expenditures	Percent total
Valley	\$705,087	15%
Meridian	\$646,196	14%
Monroe	\$490,208	11%
Colville	\$371,178	8%
Quilcene	\$346,942	8%
Oak Harbor	\$207,059	4%
Orcas Island	\$177,052	4%
Edmonds	\$172,342	4%
East Valley (Spokane)	\$171,898	4%
Naselle-Grays River Valley	\$145,290	3%
Orient	\$125,923	3%
Crescent	\$102,821	2%
Richland	\$99,941	2%
Raymond	\$88,612	2%
Sultan	\$78,359	2%
Blaine	\$74,473	2%
Loon Lake	\$67,028	1%
Toledo	\$65,860	1%
Lake Washington	\$58,371	1%
Stevenson-Carson	\$56,328	1%
Northport	\$55,693	1%
Kennewick	\$51,874	1%
Mount Baker	\$50,288	1%
Onalaska	\$39,097	1%
Freeman	\$28,406	1%
Walla Walla	\$25,406	1%

School District name	Expenditures	Percent total
Lynden	\$19,637	0%
Vashon Island	\$14,314	0%
Spokane	\$12,369	0%
Everett	\$10,988	0%
Cheney	\$10,577	0%
Renton	\$9,185	0%
Methow Valley	\$8,374	0%
Chewelah	\$6,651	0%
Deer Park	\$5,928	0%
Eastmont	\$4,138	0%
North Kitsap	\$4,130	0%
Central Valley	\$2,900	0%
Chimacum	\$2,337	0%
Toutle Lake	\$2,163	0%
Riverside	\$2,099	0%
Inchelium	\$1,045	0%
Port Townsend	\$1,035	0%
Selah	\$811	0%
South Whidbey	\$750	0%
Kettle Falls	\$704	0%
Shoreline	\$180	0%
Total	\$4,622,046	100%