State of Washington
Joint Legislative Audit and Review Committee (JLARC)

Alternative Learning Experience Programs Study

Interim Report 05-6

February 2005

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review, and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

Overview

This is an interim report of a mandated study on Alternative Learning Experience (ALE) programs within the K-12 school system. It provides background information, and presents the results of a survey of school districts on the programs they operate. The major focus of this interim report, however, is on one particular type of ALE program – those that rely on online or digital curriculum. The report contains six recommendations.

This report is a joint effort of the Joint Legislative Audit and Review Committee (JLARC) and the State Auditor's Office (SAO), with JLARC serving as the lead agency. A brief overview of the SAO's work to date is appended to the report as Appendix 3.

Background

Under rules promulgated by the Office of Superintendent of Public Instruction (OSPI), an ALE program is an individualized course of study that is primarily distinguished by off-campus instruction. The intent of this type of program, which can require as little as one hour of face-to-face contact per week, is to give schools flexibility to serve a diverse student population.

There are two generally distinct sets of concerns relating to ALE programs. The first relates primarily to what are called parent-partner programs. These provide educational assistance to families who choose to provide some of their children's education in a home-based setting. Questions relate to issues of funding, quality, and spending practices. These issues will be the primary focus of the final report of this study, which will be completed by June 30, 2005.

This report focuses on the second set of concerns, relating to programs that rely primarily on online or digital curriculum. These came to light through a review the SAO undertook to investigate the concerns noted above. As part of that review, the SAO examined the Federal Way Internet Academy – the largest program of its type in the state – and found a number of instances in which the Academy's program was not in compliance with existing rules.

The issues involved are generally unique to these types of programs. Following the SAO review, the Federal Way program faced the prospect of having its funding disallowed. Other districts operating similar programs could have been similarly affected. However, in the same statute that mandated this study, the Legislature allowed districts operating these types of programs to continue doing so until June 30, 2005. The hope is that this study can help resolve these issues, and that is why this interim report focuses on them.

ALE Programs in Washington

School districts are not required to report on the ALE programs they operate, or the number of students enrolled; thus little information has been available and that is why this study was directed to provide it. JLARC surveyed the state's 296 districts regarding their ALE programs and received responses from 269, accounting for 97 percent of the state's K-12 student population. In total, school districts identified 271 ALE programs, enrolling nearly 19,000 full-time-equivalent (FTE) students.

Digital/Online Programs

Digital and online learning programs include both internet-based instruction as well as other forms of electronic curriculum. Nationwide, there has been rapid growth in these programs, due largely to the flexibility they can provide in terms of time and geography. Among those who can benefit are students who live in remote locations, those who may have health or emotional needs, those who need scheduling flexibility for employment reasons, or those who wish to supplement or accelerate their learning program.

Through our survey, school districts identified 37 ALE programs, enrolling nearly 1,700 students, as relying substantially on internet-based curriculum (which was the focus of our review). There are two main program types. The two largest programs, the Federal Way and Evergreen (Vancouver) Internet Academies are full-scale internet-based programs. The others generally use electronically mediated curriculum or courseware programs such as NovaNet or Plato.

Problem Areas

In its review of the Federal Way Internet Academy, the SAO identified three key problem areas, each of which is examined separately in this report:

➢ <u>Teacher/Student Contact</u>: Current rules require that if a student attends school less than five hours per week on average, he or she must meet one-on-one (face-to-face) with school staff for an average of one hour per week. The rule is problematic since many students live outside the district. Time considerations are also a constraint.

➢ <u>Student Learning Plans</u>: Current rules require that individualized written learning plans be developed for each student. The main problem is that the program relies on course syllabi, which are not "individualized."

➢ <u>Tracking of Student Hours</u>: Current rules require that FTE equivalency be based on the number of hours a student is engaged in learning activities, and thus hours must be documented. The Internet Academy does not track hours; rather it bases justification for funding on completion of assigned work.

This report also examined other broader issues related to these programs, including: 1) program approval and oversight; 2) program and student outcomes; 3) funding; and 4) the lack of a guiding state policy for online programs.

Recommendations

For the three immediate problem areas, the report recommends that OSPI revise its ALE rules so that, for digital/online programs: 1) school districts can waive the requirement for weekly face-to-face contact; 2) course syllabi can be used as part of the required learning plans; and 3) FTE equivalency will be based on the estimated weekly average hours of learning activity identified in the learning plan, assuming satisfactory progress.

Regarding the other issues, the report recommends that digital/online ALE programs be required to be approved by their local school board (Rec. 4) and include a self-evaluation component (Rec. 5), and that school districts be required to report annually to OSPI on their ALE programs (Rec. 6). The report also suggests that if the Legislature wishes to examine other identified issues further, it might consider establishing a task force to do so.

The recommendations all entail having OSPI amend its current ALE rules. If the Legislature prefers, the same ends could be accomplished through statutory changes.

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CHAPTER 1 – BACKGROUND

INTRODUCTION

This is an interim report of a statutorily mandated study on Alternative Learning Experience (ALE) programs within the state's K-12 public school system. It provides general background information on these programs, and presents the results of a survey of school districts regarding the ALE programs they operate. **The major focus of this interim report, however, is on one particular type of ALE program – those that rely on online or digital curriculum.** The reason for this is explained in the information below. The final report of this study will be completed by June 30, 2005.

This study is a joint effort of the Joint Legislative Audit and Review Committee (JLARC) and the State Auditor's Office (SAO), with JLARC serving as the lead agency. The body of this report has been prepared by JLARC staff. Appended to this report as Appendix 3 is a brief overview provided by the SAO that describes the work they have done and are currently doing, including some of their preliminary findings.

STUDY MANDATE

The 2004 Supplemental Operating Budget (Chapter 276, Laws of 2004, Sec. 103) directs JLARC and the State Auditor's Office to conduct a legal and financial review of ALE programs operating under WAC 392-121-182. Topics are to include but not be limited to:

➢ Numbers of students served, variations in program types, and funding patterns for ALE programs, specifically including "digital curriculum and online courses;"

➢ The adequacy of current program rules, regulations, and procedures to safeguard against the misuse of public resources;

➢ Identification of policy and administrative options to address deficiencies; and

➢ The potential fiscal impact of any proposed options for changes to ALE programs.

The mandate requires JLARC to produce an interim report by February 1, 2005, and a final report by June 30, 2005.

WHAT ARE ALTERNATIVE LEARNING EXPERIENCE PROGRAMS?

As governed by WAC 392-121-182, an alternative learning experience (ALE) is an individualized course of study that is primarily distinguished by off-campus instruction, that can be claimed by school districts as a course of study for full basic education funding. The intent of this type of program, which can require as little as one hour of face-to-face contact per week,

is to give school districts flexibility to serve a diverse student population, including students considered to be "at-risk," non-traditional or self-directed learners, distance learners, and students who receive some of their instruction at home (with varying degrees of assistance from school personnel). Although they may serve a similar population, ALE programs are distinct from more "traditional" alternative schools, due primarily to their reliance on off-campus instruction. They are also distinct from totally home-schooled students, who receive instruction at home with no assistance from school personnel.

Although the course of study in an ALE program is, by definition, individualized, there are a few major program model types. These include parent-partner programs, digital learning or internet-based programs, and certain forms of contracted education.

WHAT IS THEIR HISTORY?

ALE programs are a creation of administrative rule rather than statute. The rules are considered fiscal rules, and were promulgated by the Office of the Superintendent of Public Instruction (OSPI) as part of a series of rules on how to apportion state Basic Education funding.

The forerunner of the current rule goes back to at least 1980, and the current rule itself – WAC 392-121-182 – was established in 1988. Although information is somewhat vague, it appears that these provisions were not widely used prior to 1995. In that year, the rule was amended twice. One key change opened the programs up to students in grades K-8, whereas previously they had been limited to high school students. A second major change was modifying the rule to provide that *a portion of the alternative learning experience may be provided by the student's parent(s) or guardian under supervision by school staff.* It is unclear whether this was allowed prior to 1995, but this at least marked the first time that it was explicitly permitted.

A 1999 study on ALE programs, issued by OSPI, noted that the number and scope of ALE programs had expanded rapidly since 1995. The 1999 study found that total FTE enrollment in the programs exceeded 12,000. As discussed in Chapter 2 of this report, current FTE enrollment is nearing 19,000.

Of some note in considering this issue is that at least since 1998, OSPI has openly acknowledged that portions of these rules are inadequate, and it has proposed making a number of fairly significant revisions to them. The rules, however, are considered fiscal rules and they could impact how an FTE student is defined. Statute requires that any revision to the current definition cannot take effect until approved by the House and Senate fiscal committees.[1] OSPI sought approval for its proposed rule changes in 2002, but its request was not acted upon. Our understanding is that the reason for this resulted primarily from concern over the potential fiscal impact of one of the proposed changes.

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[1] RCW 28A.150.260(2)(c).

WHAT ARE SOME OF THE ISSUES AND CONCERNS REGARDING THESE PROGRAMS?

While there can be some overlap, there are two generally distinct sets of concerns relating to ALE programs.

1) **<u>Parent/partner programs.</u>** The first, and arguably the most significant, relates principally to what are known as parent/partner programs. These are programs that provide educational and instructional assistance to families who choose to provide at least some of their children's education in a home-based environment. While the type and level of services provided may vary by program, in all cases school district personnel retain ultimate responsibility for the instruction program. That is what distinguishes these programs from traditional home-schooling.

   In general, questions and concerns related to these programs – which in many cases have been raised by representatives of the home-school community – pertain to issues of funding and program quality. Examples include:

   ➢ The overall appropriateness of school districts receiving full basic education funding for what some view as less than full-time services;

   ➢ Allegations of questionable spending practices in some programs, with examples ranging from using program funds to pay for religious curriculum, to paying for tickets and travel costs for a family to attend a Seattle Mariners' baseball game as part of a "physical education" program; and

   ➢ Allegations that some programs fail to comply with existing regulatory requirements that are intended to assure overall program quality.

   These issues will be the primary focus of the final report of this study, which is due to be completed by June 30, 2005. They are **not**, however, addressed further in the body of this interim report – although some additional information is presented in the State Auditor's overview of its work in this area, which is appended to this report as Appendix 3.

2) **<u>Online or digital curriculum.</u>** The second set of concerns relates to programs that rely primarily on online or digital curriculum. These came to light as a result of the SAO's investigation of the concerns outlined above. As a part of that review, the SAO examined the Federal Way Internet Academy – the largest program of its type in the state – and found a number of instances in which the program was not in compliance with existing ALE rules. Of note is the fact that at the time, the Internet Academy did not consider itself to be an ALE program. The SAO, however, concluded otherwise. (This issue is discussed further in Chapter 3.C.)

   The specific issues involved, and their ramifications, are generally unique to programs that rely on online or digital curriculum. As noted previously, the current ALE rules were last revised in the mid-1990s, prior to the onset of these types of programs. Consequently, in

some cases there are questions as to whether the current ALE rules are appropriate for this type of programming.

As a result of the SAO's review, the Federal Way School District faced the prospect of potentially having funding for its Internet Academy disallowed. Other districts operating similar programs could have been similarly affected. However, in the same budget proviso that mandated this study, the Legislature provided that: *school districts are authorized to operate digital learning curriculum and/or online courses of study under current district procedures and practices until June 30, 2005.*

It is apparent that the Legislature hopes that this study can help to resolve the issues in question. For that reason, this interim report primarily focuses on digital learning programs.

REPORT FORMAT

Chapter 2 of this report presents summary results of a survey JLARC conducted of the state's school districts regarding the ALE programs they operate. This responds to the study directive to provide information on the number of students served and variations in program types. To our knowledge, this information represents the most complete inventory of these programs.

The balance of the report is devoted to our review of digital and online learning programs within the context of ALE programs. For ease of reading, it has been divided into four major sub-parts, each representing a different facet of our review:

➢ Chapter 3.A provides a brief overview of digital/online programs, primarily from a national perspective, to help provide context for the ensuing discussion.

➢ Chapter 3.B provides information on digital and online ALE programs in Washington.

➢ Chapter 3.C focuses on three key "problem areas" that are considered to be of most immediate concern to these programs in Washington.

➢ Chapter 3.D examines other problem and/or potential issue areas related to these programs.

Chapters 3.C and 3.D contain recommendations.

As noted, the final report of this study is to be completed by June 30, 2005. That report will examine other types of ALE programs – focusing in particular on parent/partner programs – and will address all remaining study objectives, including: examining the adequacy of current program rules; identifying options to address any deficiencies; and assessing the potential fiscal impact of proposed changes.

CHAPTER 2 – ALTERNATIVE LEARNING EXPERIENCE PROGRAMS IN WASHINGTON

PRELIMINARY SCHOOL DISTRICT SURVEY RESULTS

There is currently no requirement for school districts to separately report to the Office of Superintendent of Public Instruction (OSPI) on the number or type of ALE programs they operate, or the number of students enrolled. As a result, little information has previously been available, and that is presumably the reason this study was directed to provide it.

We conducted an online survey of all 296 school districts within the state, regarding their ALE programs and their views on certain issues related to them. This chapter presents the preliminary results related to the programs themselves. Responses to "opinion-type" questions are not presented here, but will be addressed in full in the final report. Some of these opinion-type questions are addressed, as applicable, in Chapters 3.C and 3.D of this report.

The results are still considered preliminary because we have not yet had an opportunity to fully review the results and check with districts on any identified programs or information that may be potentially questionable. This is an issue because, as the State Auditor's Office found out when it attempted to conduct its own survey approximately two years ago, there can be some confusion among districts as to exactly what is or is not an ALE program.

Survey Response Rate: Including responses gathered through follow-up telephone calls, we received responses from a total of 269 school districts, representing just over 90 percent of the total of 296 districts. The responding districts, however, account for 97 percent of the state's total K-12 student population in the 2003-04 school year.

Survey Results: Figure 1 on the following page presents the results by Educational Service District (ESD). The survey identified 271 separate ALE programs statewide. The estimated 2004-05 headcount for these programs was 21,641; the estimated number of full-time equivalent (FTE) students was 18,953.[2]

To establish "program type," respondents were asked – for each program they identified – to indicate whether the program met the following characteristics:

➢ Generally considered a parent/partner program?
➢ Relies substantially on internet-based curriculum?
➢ Relies substantially on other computer curriculum?
➢ Program operated out of an Alternative School?
➢ Program includes work-based learning?

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[2] In some instances, survey respondents cited a "range" for headcount and FTE numbers; e.g., "50 - 60." In all such cases, we recorded the midpoint of the range. Additionally, survey numbers reported here have been modified very slightly since this report was originally presented to the JLARC Committee.

Figure 1 – Alternative Learning Experience Programs Identified Through School District Survey
By Educational Service District (ESD)

ESD	Counties Included	Non-Duplicated Totals			By Program Type (Categories Are Not Mutually Exclusive) *										
		Total Programs	Est. 2004-05 Headcount	Est. 2004-05 FTEs	Parent/Partner Program		Internet-Based Curriculum		Other Computer-Based Curriculum		Operated Out of Alternative School		Includes Work-Based Learning	
					Prog.	FTEs	Prog.	FTEs	Prog.	FTEs	Prog.	FTEs	Prog.	FTEs
101	Adams (part), Ferry, Lincoln, Pend Oreille, Spokane, Stevens, Whitman	41	2463	2461	17	1305	5	310	2	16	25	1319	11	968
105	Grant (part), Kittitas, Klickitat (part) Yakima	18	795	641	1	15	2	72	5	157	11	370	10	433
112	Clark, Cowlitz, Klickitat (part), Pacific (part), Skamania, Wahkiakum	23	3495	2803	9	1446	6	286	1	6	15	1808	9	829
113	Grays Harbor, Lewis, Mason (part), Pacific (part), Thurston	27	1168	992	13	338	6	152	1	10	13	805	9	574
114	Clallam, Jefferson, Kitsap (part), Mason (part)	22	2224	1942	9	853	0	0	2	119	15	1457	11	1185
121	King, Kitsap (part), Pierce	57	5333	4676	19	1808	10	657	9	567	32	2863	21	2115
123	Adams (part), Asotin, Benton, Columbia, Franklin Garfield, Walla Walla	13	860	745	4	214	2	36	2	117	9	508	4	121
171	Chelan, Douglas, Grant (part), Okanogan	20	960	860	7	310	3	135	3	57	12	620	9	461
189	Island, San Juan, Skagit, Snohomish, Whatcom	50	4344	3833	20	2255	3	38	4	181	31	2516	16	1157
	TOTALS	271	21641	18953	99	8544	37	1686	29	1230	163	12266	100	7843

* See preceding page for complete wording used to describe *Program Type.*

Note that the characteristics/categories are not mutually exclusive – some programs were identified as possessing more than one characteristic. Therefore, the total number of programs and FTE students "by program type" exceed the non-duplicated totals cited above.

As shown in Figure 1, a total of 99 programs – enrolling 8,544 FTE students – were identified as being parent/partner programs. Thirty-seven programs, enrolling 1,686 FTE students, were identified as relying substantially on internet-based curriculum. The largest number of programs (163) and FTE students (12,266) were identified as being in ALE programs that are operated out of an Alternative School.

"At-Risk" and "Out-of-District" Students: We also asked respondents to indicate, for each ALE program identified, the proportion of students considered "at-risk" and from "out-of-district." The results, which represent the median of the individual percentages reported for each program, are shown in Figure 2 below.[3]

Figure 2 – Median Proportion of Students Identified as "At-Risk" and From "Out-of-District" Among Alternative Learning Experience Programs*

Program Type	Median Proportion "At-Risk"		Median Proportion From "Out-of-District"	
Among All Programs (Non-Duplicated Count)	89%	(N = 244)	5%	(N = 243)
Among Parent/Partner Programs	20%	(N = 90)	10%	(N = 89)
Among Programs Relying on Internet Curriculum	80%	(N = 32)	5%	(N = 33)
Among Programs Relying on Other Computer Curriculum	98%	(N = 28)	2%	(N = 28)
Among Programs Housed Within An Alternative School	90%	(N = 153)	8%	(N = 150)
Among Programs Including Work-Based Learning	90%	(N = 95)	8%	(N = 95)

* Based on school district responses to study survey. Program categories are not mutually exclusive. Not all districts provided the requested information for all programs - the median shown is based on the number of responses received for each data element.

It should be noted that "at-risk" is a very ill-defined term. We provided no guidance in our survey, so responses reflect each respondent's own interpretation or definition of the term. As can be seen in Figure 2, most ALE programs report a very high proportion of at-risk students. The major exception is parent/partner programs – the median percentage reported for these programs was only 20 percent.

Most programs do not have a high proportion of students from out of their own districts. The median for all programs is only 5 percent.

CHAPTER DISCUSSION

This chapter responds to that part of the study mandate that directs JLARC to provide information on the number of students served in ALE programs, and variations in program types.

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[3] This method of portraying the results focuses on the percentages reported for each program. It does not, however, take into consideration differences in program size. Thus, a program with 200 students is treated the same as a program with 20 students.

To our knowledge, the information presented here represents the most comprehensive data gathered to date on these programs.

As noted, however, these survey results are still considered preliminary. The final report of this study, which will be completed by June 30, 2005, will present the final results. That report will also include the results of various opinion-type questions that were included in the survey.

CHAPTER 3.A – DIGITAL/ONLINE LEARNING PROGRAMS: A BRIEF OVERVIEW FROM A NATIONAL PERSPECTIVE

DIGITAL/ONLINE LEARNING – A QUICK INTRODUCTION

Digital and online learning programs can encompass a fairly broad range of educational activities. "Digital learning," sometimes referred to as "e-learning," includes instruction and content delivered via various digital technologies, such as online or CD-ROM, or general learning experiences that involve the use of computers. The term "online learning," which is the focus of this report, is more specific in that it generally refers to instruction and content that is delivered primarily via the Internet. Schools that focus on this type of education may be referred to by such terms as internet, online, virtual, or cyber schools.

ADVANTAGES AND DISADVANTAGES

Perhaps the greatest advantage of online learning is the flexibility it can provide, both in terms of time and scheduling, and in terms of geography. Students are not bound by a fixed time schedule, or by where they live. Examples of students who can benefit from such flexibility include those who:

➢ Live in remote locations;

➢ Have health or emotional issues;

➢ Want or need scheduling flexibility for employment or other reasons;

➢ Wish to supplement, enrich, or accelerate their learning program;

➢ Need to recover or earn academic credits;

➢ Are independent learners; and

➢ Otherwise find it difficult to complete their education in more traditional ways.

The national literature notes that online learning has increasingly become an attractive option for home-schooled students who use it to supplement their instruction. The literature also suggests that overall, students drawn to online learning tend to fall into two categories in terms of their prior academic success. Included are both "high-achieving" students who either are seeking courses unavailable at their local schools or a more independent learning environment, and "low-achieving" or "at-risk" students who seek credit recovery, remedial work, or a more independent learning environment.

Another advantage of online education, sometimes overlooked, is that it can also provide some of the same scheduling and geographic flexibility to teachers as it does to students. The disadvantages often associated with online learning tend to be systemic in nature, and relate primarily to questions of overall quality and accountability. Questions related to funding are also

frequently cited, typically in the context of whether online schools should receive the same funding as other schools.

On a more student-oriented level, potential concerns that have been cited include: 1) students miss out on important social interaction opportunities, 2) some types of classes – such as physical education or science "labs" – may not be appropriate for this method of learning, and 3) whether this type of learning may be appropriate for younger learners.

PROGRAM TYPES AND RECENT GROWTH TRENDS

There is considerable diversity in the design, structure, and organizational placement of online programs throughout the country. A recent report issued by the Education Commission of the States placed online schools into five categories, based on their organizational placement:

1) Schools operated by state-level education agencies (in 15 states),

2) Schools operated by local education agencies or school districts (in 18 states, including Washington),

3) Schools operated by colleges or universities (in seven states),

4) Schools operated by regional agencies or consortia (in eight states), and

5) Those operating as charter schools (in 13 states).[4]

A recent Ohio report notes that most programs around the country operate on what it termed a "supplement" model; meaning that the programs are set up to assist and supplement more traditional schools. In these schools, students typically might only take one or two courses in order to supplement their regular instruction program. A smaller number of schools operate under what the report termed a "competitor" model, meaning that students typically enroll full-time, and thus the school competes with traditional public schools.[5]

The same report notes that growth in these programs has been so rapid that the number of programs in each state has been difficult to track. Numerous other reports also cite the rapid growth of online programs, although specific figures are rarely provided. A major study released earlier this year, entitled *Keeping Pace With K-12 Online Learning: A Snapshot of State-Level Policy and Practice*, found that despite the rapid growth in these programs, they still served less than 1 percent of all K-12 students. Yet the report went on to note that because of their rapid growth, they are already having a substantial impact on public education. And because of what it characterized as the linkage of these programs to other trends in public education – such as school choice and home-schooling – the overall impact of online education was viewed as being out of proportion to the number of students currently being served.[6]

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[4] *Cyber Schools*, Education Commission of the States, Arika Long, April 2004.
[5] *The Start-up Costs of Ohio's eCommunity Schools*, Legislative Office of Education Oversight, March 2004.
[6] *Keeping Pace With K-12 Online Learning: A Snapshot of State-Level Policy and Practice*, North Central Regional Educational Laboratory, May 2004.

CHAPTER 3.B – DIGITAL/ONLINE PROGRAMS IN WASHINGTON

SCOPE OF REVIEW

Because this study focuses on ALE programs, our review of digital/online programs is likewise limited to those that are also ALE programs. This does exclude a large number of programs, including most of those offered through Washington's Digital Learning Commons (DLC), which was funded by the Legislature in 2003 to establish a clearinghouse of online courses and curriculum.[7] The key distinction is that while ALE programs are, by definition, characterized by off-campus instruction, most of the DLC's programs are offered through a traditional school and take place in a classroom setting. Consequently, many of the issues that apply to ALE online and digital programs are not as applicable to these programs

Our review was also limited to those programs that school districts identified as relying substantially on internet-based or other computer curriculum. As previously noted, 269 districts, accounting for 97 percent of all public K-12 school students in the state, responded to our survey.

SURVEY RESULTS

Figure 3 on the following page shows those programs that were identified through our survey as being ones that rely substantially on internet net-based curriculum. In total, 37 programs, operated by 34 separate districts, and accounting for 1,686 FTE students were identified.[8] [9] Though not shown in Figure 3, an additional 22 programs, accounting for 850 FTE students were also identified as relying substantially on "other" (i.e., non internet-based) computer-based curriculum.

Additional findings of note regarding these programs include:

➢ Seven of the programs were also identified as being parent/partner type programs.

➢ More than two-thirds of the programs – 25 of 37 – were identified as having at least one-half of their students characterized as being "at-risk;" and 15 (40 percent) were identified as having at least 90 percent of their students characterized as such. The median among all programs was 80 percent.

➢ Most programs primarily serve students from within their own district. The largest program, the Federal Way Internet Academy, is a major exception, with three-quarters of its students coming from out-of-district.

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[7] Chapter 25, Laws of 2003, Sec. 142.

[8] Two additional programs were initially identified by their school districts as relying substantially on internet-based curriculum. However, after communicating with program personnel, it was determined that they did not meet that criteria, and they were excluded from these results. We did not speak with representatives of all programs, however, and so it is possible that other programs have been inappropriately included in these totals.

[9] Included in these totals is one program, in the Clover Park School District, that was not expected to begin operations until January 2005.

Figure 3 – Alternative Learning Experience Programs
Identified as Relying Substantially on Internet-Based Curriculum
(Listed in Order by Estimated Number of 2004-05 Student FTEs)

School District	Program Name	Grades Offered	Est. 2004-05		Other Program Characteristics			
			Head Count	FTEs	Parent/ Partner Program	In Altern. School	% "At-Risk"	% Out of District
Federal Way	Internet Academy	K-12	353	281	No	Yes	3%	75%
Evergreen	Evergreen Internet Academy	7-12	200	115	No	Yes	100%	21%
Eastmont	Eastmont HS Ext.Day Prgrm	10-12	104	102	No	No	95%	18%
Washougal	Excelsior High School	9-12	120	100	No	Yes	100%	1%
Bethel	Online Academy	11-12	92	88	No	Yes	80%	2%
Wellpinit	Fort Simcoe Alliance	9-12	na/	86	No	Yes	n/a	n/a
West Valley (Spokane)	Learning Opportunities Center	9-12	85	83		Yes	70%	50%
Kent	Transition Program	9-12	80	80	Yes	Yes	100%	0%
Winlock	A.P.O.L.O. High School	6-12	70	70	No	Yes	100%	45%
West Valley (Yakima)	Night School Program	9-12	70	63	No	No	70%	10%
Franklin Pierce	I School	7-12	99	59	No	Yes	50%	17%
Wellpinit	Yakima Alliance Education	9-12	n/a	56	No	No	n/a	n/a
Shelton	Parent Home Partnership	K-12	60	55	Yes	Yes	15%	1%
Clover Park	Clover Park Options	6-12	50	50	No	Yes	90%	5%
Kelso	Loowit High School	9-12	53	47	Yes	Yes	90%	10%
Nine Mile Falls	Phoenix Alternative School	7-12	45	45	No	Yes	80%	20%
Wellpinit	Alliance Education	7-12	n/a	40	Yes	No	n/a	n/a
White River	Distance Learning	9-12	50	35	No	Yes	25%	30%
Quincy	Quincy HTH - Contract Classes	9-12	30	30	Yes	No	75%	1%
North Franklin	Palouse Junction Alternative H.S.	9-12	30	25	No	Yes	100%	10%
Tahoma	Student Support Center	9-12	125	25	No	No	100%	0%
Oak Harbor	Midway High School	9-12	30	25	No	Yes	90%	20%
Yelm	HomeLink	6-12	25	22	Yes	No	15%	5%
Peninsula	Cyber Classroom	9-12	65	19	No	No	0%	0%
White Salmon Val.	ILRN	9-12	22	19	No	Yes	90%	0%
Steilacoom Hist.	Steilacoom Virtual Academy	K-8	n/a	18	No	No	n/a	50%
Kennewick	Tri-Tech	10-12	45	11	No	No	95%	40%
Nooksak Valley	Nova Net	9-12	10	10	No	No	100%	0%
Toppenish	Digital Learning Commons	11-12	9	9	No	No	50%	0%
Stevenson-Carson	Distant Learning Program	9-12	n/a	5	No	No	n/a	n/a
Bellingham	Digital Learning Commons	11-12	10	3	No	No	0%	0%
Warden	NOVA NET	9-12	n/a	3	No	No	100%	100%
Wishkah Valley	Home School Connection	9-12	2	2			0%	100%
Shoreline	Options Program (w/ NovaNET)	9-12	5	2	No	No	75%	0%
Napavine	Napavine Altern. Educ. Prgrm	7-12	3	2	No	Yes	100%	0%
Mossyrock	Mossyrock Alternative Studies	7-12	3	1	No	No	66%	0%
Wahkiakum	WALEC	9-12	0	0	Yes	No	50%	0%
TOTAL			n/a	1731				

Source: Based on responses to school district survey, supplemented in some cases by telephone calls.

PROGRAM TYPES

In general terms, there are two main program types. The two largest programs – the Federal Way Internet Academy and the Evergreen Internet Academy in Vancouver – are what might be termed full-scale internet-based programs, generally comparable to the types of programs discussed under the *Brief Overview From a National Perspective* section of this chapter. Based on our research, these are the only two programs of their type in the state. Both are completely internet-based, most of their curriculum is developed in-house, and their courses are actively taught by a specific teacher. The Federal Way program is by far the larger of the two, and it is also distinguished by the fact that a majority of its students are from other school districts. Figure 4 provides additional information on these two schools.

We conducted site visits and/or interviews with nine of the next ten largest programs, and they operate in a very different manner. All use what might be termed digital, or electronically mediated curriculum programs or courses; programs – such as NovaNet, Plato, Class.com, and A-Plus – that are typically self-contained, self-paced and self-directed. In most cases, it does not appear that there is a teacher that actively teaches the curriculum; rather the teacher functions more as a general resource and facilitator in the event more specific expertise is needed.

There is a fair amount of variability in how these types of programs operate. In several, but not all, the digital curriculum is supplemented by other types of curriculum that may be aligned to meet district-wide learning goals. In some of the programs, students do most of the computer-oriented work at the school site, while in others most of this work is done from home.

Figure 4
Profiles of the Federal Way and Evergreen Internet Academies

A Quick Side-by-Side Comparison

	Federal Way Internet Academy	Evergreen Internet Academy
Year Began	1996	1999
Grades Offered	K-12	7-12
Estimated 2004-05 Headcount	353	200
Estimated 2004-05 FTEs	281	115
% of Students From Out-of-District	75%	21%

Program Overviews

Federal Way Internet Academy (FWIA):   The FWIA operates as a self-supporting program within the Federal Way Public Schools (FWPS). Its 13.5 teachers and five support staff are employees of FWPS and teachers instruct in their endorsed areas. FWIA offers core courses along with several electives. All courses are online and most are asynchronous – available to students twenty-four hours a day, seven days a week. FWIA offers both a school year program that is funded either by enrollment apportionment or tuition and a summer program which is entirely tuition-based. Enrollment for apportionment is reported based upon the number of courses a student takes at FWIA. Out-of-district students attend under a release of attendance from their resident district if they are not paying tuition. (Note: data cited above reflects apportionment enrollment only.)

Courses for students in grades K-12 have been primarily developed by experienced FWIA staff although some third-party course providers are used. Course development is based upon State Standards and the FWPS Course Expectations. All courses are developed, evaluated, piloted, and reviewed within an established framework. FWIA courses are accredited with the Northwest Association of Accredited Schools. FWIA is a major provider of courses for Washington's Digital Learning Commons.

The FWIA does not offer a diploma. Instead, students apply credits earned through the FWIA towards graduation in their resident district. Enrollment breakdown is: grades 9-12 is 75 percent; grades 6-8 is 19 percent; grades K-5 is 6 percent.

Evergreen Internet Academy (EIA): EIA has been operating as an alternative school within the Evergreen School District since 1999. Four full-time teachers and three support staff work at EIA, and are employees of the district. Students are served in either a part-time or full-time capacity. The school does not offer a high school diploma. Instead, students receive diplomas from their resident schools by applying the credits earned at EIA toward graduation.

All EIA core and elective courses are offered online, and have been developed by certificated staff according to state standards and local learning goals, with the exception of mathematics. A math service provides the core math courses which are then enhanced by the staff to meet state and local standards. Students may access courses twenty-four hours a day, seven days a week. During the week, local students are encouraged to work on site in the EIA computer lab, where teachers are available to assist them. Other teacher-student contact is mediated electronically through email or by phone. A unique feature is that all assignments may be submitted for teacher review and feedback as many times as the student chooses prior to being submitted for a grade.

Enrollment at EIA has steadily increased each year. Eighteen percent of students are in grades 7-8, while 82 percent are in grades 9-12.

CHAPTER 3.C – THREE KEY PROBLEM AREAS

INTRODUCTION

This chapter focuses on three key problem areas related to online/digital ALE programs in Washington. These three areas were the primary focus of this review, not only because of their direct applicability, but also because there is a time-sensitive nature to them. This results from a special "reprieve" provided by the 2004 Legislature to the state's school districts, which enabled them to continue to operate digital/online programs under their existing policies until June 30, 2005. This is explained in greater depth in the Background section below.

BACKGROUND

As part of its review of ALE programs, the State Auditor's Office (SAO) examined programs in 25 school districts throughout the state in 2003, including the Federal Way School District. Although Federal Way indicated that it did not consider its Internet Academy to be an ALE program, the SAO included it in its review, and concluded that, in fact, it was an ALE program.

This conclusion was based on the SAO's assessment that there are only two options under which the program could claim Basic Education funding; 1) the standard funding option that is based on what is commonly known as a "seat-time" requirement – meaning students have to be in a supervised instructional setting for a set number of hours per week; or 2) the ALE option.

Because the Internet Academy does not operate under a traditional seat-time model, the only option available to it for claiming Basic Education funding was the ALE option. The SAO review found, however, that the Internet Academy was not in compliance with three key ALE regulatory requirements related to:

1) Ensuring that students either attend school for an average of at least five hours per week, or meet one-on-one with school staff for an average of at least one hour per week;

2) Developing individualized learning plans for each student; and

3) Monitoring the number of hours spent by each student in learning activities.

As a result of the SAO review, the Federal Way School District faced the prospect that funding for the Internet Academy and its 265 student FTEs (2003-04 school year) could be disallowed. However, in the same budget proviso that mandated this study, the Legislature provided that: *school districts are authorized to operate digital learning curriculum and/or online courses of study under current district procedures and practices until June 30, 2005.*

Each of the three key issue areas are examined individually below.

ISSUE 1: TEACHER/STUDENT CONTACT REQUIREMENTS

Findings

Current ALE rules, contained in WAC 392-121-182, require that if a student attends school less than an average of five hours per week, the student must meet one-on-one with school staff for an average of one hour per week (which has generally been interpreted as meaning "face-to-face" contact). Current and former legislative staff indicated that the basic rationale for establishing this rule was that in a traditional high school setting there would be 25 students in a classroom for 25 hours per week, which equates to an average of one hour of student/teacher contact per week. In this way, the two could be considered as being at least roughly comparable.

In its review of the **Federal Way Internet Academy**, the SAO found that while monitoring of student assignment progress was extensive, ongoing, and well documented, the program did not have a requirement that students meet with an instructor for at least one hour per week. Nor did it document one-on-one student/teacher time. As noted earlier, the school district and program indicated they did not consider the Internet Academy to be an ALE program, therefore, they did not feel this rule applied to them.[10] They consider the requirement nearly impossible for them to meet, given that three-quarters of their students live outside their district, with many living more than 100 miles away. Time considerations, as explained below, are also a constraint.

Staff of the **Evergreen Internet Academy** acknowledged that they are also unable to comply with this rule, and will likely have to close if it is not changed. Their rationale is that their teachers already spend an extensive amount of time teaching, reviewing assignments, and interacting with students – primarily through e-mail, but also by telephone – and there simply are not enough hours to allow them to add up to 25 hours per week per teacher for one-on-one contact time.

Four of the ten smaller digital/online programs we contacted indicated that they did comply with this requirement. The issue was not raised directly with the other programs, though none reported it as being a problem area. This may be attributable to the fact that these programs are significantly different than the two Internet Academies in such areas as curriculum, teaching style, and the amount of time spent in the actual program facility.

As noted in Chapter 1 of this report, OSPI has previously proposed revisions to its rules governing ALE programs. On the issue of teacher-student contact, OSPI proposed eliminating the requirement that a student meet one-on-one with school staff for an average of one hour per week (if they attend school less than five hours per week). In its place, OSPI proposed that students be required to have "direct personal contact" with certificated staff "at least weekly" – but with no minimum amount of time required. *Direct personal contact* was defined to include "use of telephone, interactive computer, or interactive video communication." (E-mail communication, however, was not included in the definition of allowable forms of communication.)

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[10]An October 1, 1996, Seattle Times article noted, however, that the district was at that time seeking a "waiver" for the Internet Academy from the requirement for face-to-face meetings. (Article entitled *Home-school programs are lucrative for districts*.)

Our survey asked school districts if they tended to support or oppose changing the contact requirements so they may be satisfied by telephone or electronic means. Of the 234 responses to this question, 58 percent either strongly supported (25 percent), or tended to support (33 percent), this change. Thirty-two percent either strongly opposed (13 percent) or tended to oppose (19 percent) the change. Several respondents added narrative comments; some saying they felt this change would be very beneficial, while others said the change could be detrimental to students. A number of respondents indicated they felt this change could lead to higher enrollments in these types of programs, and thus could have some fiscal impact.

We also asked representatives of various education-oriented associations their informal view on this issue; including the Washington State School Directors' Association, the Washington Association of School Administrators, the Association of Washington School Principals, and the Washington Education Association. Most of the responses sounded a definite note of caution about the prospect of such a change, though none appeared to be either adamantly opposed or in favor. One respondent, however, noted their opinion that the change seemed inappropriate for elementary grade students.

In our review of the national literature, the issue of face-to-face contact did not appear to be one that was frequently addressed. We did find a reference indicating that at least one state – Ohio – requires face-to-face visits. A 2003 report issued by a special study committee created by the Colorado Legislature to examine various issues related to online education noted that "communication" was one of the keys to successful online education, and went on to say:

> *This communication may take place online, via email, discussion boards, or chat rooms, and it may also take place by phone. In some cases these methods of communication at a distance are supplemented by single or periodic face-to-face meetings. Most online programs have specific requirements for teachers to be in touch with their students regularly, and also to respond to student inquiries within a specified short time.*[11]

Conclusions/Discussion

The issue of whether to allow telephonic or electronic communication to substitute for one-on-one, face-to-face contact between teacher and student is a matter of both accountability (how do you know it's really the student doing the work?) and instructional quality. The related issue of *how much* communication to require – in terms of a certain amount of time per week – is similarly significant.

It's difficult to make a blanket determination of whether such a change would be appropriate in all instances, though it likely would be acceptable for some programs. We note, for example, that the State Auditor's Office found that monitoring of student assignment progress in the Federal Way Internet Academy was extensive, ongoing, and well documented; criteria which would seem to meet, at least in part, the spirit of the current regulation requiring face-to-face contact. Numerous other criteria could come into play in determining whether this change would be appropriate for any given program, including such things as the age of the students, the nature

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[11] *Final Report, Colorado Online Education Programs Study Committee*, Education Technology Center, Colorado Department of Education, May 2003.

of the curriculum and perhaps most importantly, the extent of active teacher involvement and one-on-one communication.

The two largest online ALE programs in the state have indicated they would essentially need to close if the existing requirement were not changed. A majority of school districts responding to our survey support this general type of change, and OSPI itself had previously proposed and supported the change. Still, we understand the notes of caution raised by some, and believe the change might not necessarily be appropriate in all instances.

We think a reasonable middle-ground would be to retain the existing requirement as a general matter of course, but provide for a process whereby a local school district could "waive" the requirement for any program it operates if it finds the program meets certain specified criteria. The criteria would be developed by OSPI and enumerated in rule, and presumably would include elements similar to those identified above.

Some survey respondents expressed the view that eliminating the requirement for weekly face-to-face contact could lead to higher enrollments among students who are currently home-schooled, and thus result in additional costs. While the recommended middle-ground approach might not eliminate that potential, it likely would work to limit it somewhat.

RECOMMENDATION 1

> The Office of the Superintendent of Public Instruction (OSPI) should modify its current rule regarding student/teacher contact requirements [WAC 392-121-182 (2) (a) (d)] to provide for a process whereby a local school district can waive the requirement for weekly one-on-one (face-to-face) contact for appropriate online and digital programs if it finds the program meets certain specified criteria, as developed and enumerated in rule by OSPI.

ISSUE 2: INDIVIDUALIZED STUDENT LEARNING PLANS

Findings

Current ALE program rules require that a written alternative learning experience plan be developed for each student. The plan is to be:

> *A written plan of instruction designed to meet the individual needs of the student .[that] shall include, but not be limited to . . .*
>
> a) *A schedule of the duration of the program, including beginning and ending dates;*
>
> b) *A description of the learning activities the student is expected to successfully complete . . . sufficient in detail to guide and advise the student of the expectations;*
>
> c) *A description of the teaching component(s) of the program, including where and when teaching activities will be conducted by school staff;*
>
> d) *A description of the responsibilities of the student including [contact requirements detailed in the preceding sub-section]; and*

> *e) A reasonably accurate estimate of the average number of hours per month that the student will be engaged in learning activities to meet the requirements of the [plan].*

In its review of the Federal Way Internet Academy, the State Auditor's Office (SAO) found that the program was not in compliance with this requirement insofar as separate learning plans were not being individually prepared for each student.[12] The SAO noted, however, that much of the information required to be included in the plans was in fact covered in the course syllabus developed for each class. Other information concerning such issues as student responsibilities, credits, and grading policies was included in the program's application packet that is provided to all students. The SAO noted that these materials, when taken together, could be considered as constituting a learning plan. The problem is that they are not individualized as required by current rule.

Both Federal Way and Evergreen Internet Academy staff note that their curriculum is generally "standards-based," meaning that it has been developed and designed to meet current district and state learning standards rather than individual student needs. Because of this, Federal Way staff oppose the current requirement that learning plans be individualized. OSPI staff indicated this represents a misunderstanding or misinterpretation of what the current requirement means.

OSPI did not address this issue when it previously proposed revisions to its rules governing ALE programs. Their input was sought on this issue, however, in the drafting of legislation that was considered – but not passed – during the 2004 Legislative Session. Second Substitute House Bill 2704 would have enacted various provisions relating to alternative learning experience programs, including the following that reflects the input provided by OSPI and relates to learning plans for students enrolled in online programs:

> *The alternative learning experience programs: . . . (d) must provide each student with an individualized written student learning plan developed with the assistance of and monitored by certificated staff <u>or, for a student enrolled in an online learning program, a description of course objectives monitored by certificated staff</u>"* (underlining added for emphasis).

Conclusions/Discussion

Existing rules related to ALE programs were developed prior to the onset of online educational programs and coursework, and thus, in some instances do not appropriately reflect this type of instruction. The individual course syllabi that programs develop for these online offerings – even though they are not developed individually for each student – would seem to be adequate for addressing most of the content and instructional information that is currently required to be included in the student learning plan. It is unclear, however, whether a course syllabus, by itself, would provide all of the information that is currently required to be included, or would be advisable to include, in such a plan; for example, general information on student expectations and grading polices.

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[12] Evergreen Internet Academy staff note that they do prepare individual learning plans for their students.

While it seems likely, it is also unclear whether individual course syllabi, by themselves or in combination with other program materials, could be construed as meeting the existing requirement that the student learning plan meet "the individual needs of the student." OSPI should provide clarification of these issues in its rules.

At least partially related to this, the current rules do not distinguish between learning plans that are required for part-time and full-time students. Presumably, the information and level of "individualization" desirable for full-time students would be greater than for students who are simply supplementing their regular education by taking one or two online courses. OSPI staff have indicated, for example, that it might be desirable to have a "supervising" or "coordinating" teacher for students enrolled full-time in an online program.

RECOMMENDATION 2

> The Office of Superintendent of Public Instruction (OSPI) should revise its rules regarding ALE programs so that, for appropriate digital and online programs, course syllabi can be used as part of the required learning plan.
>
> In revising its rules to accomplish this, OSPI should also: 1) clarify what additional information, if any, is required for student learning plans in online programs, and 2) determine whether it would be appropriate to require differing levels of information and individualization for student learning plans, depending upon whether a student is enrolled full-time or part-time.

ISSUE 3: TRACKING OF STUDENT HOURS

Findings

Current ALE program rules provide that the full-time equivalency of students enrolled in ALE programs is to be based on the number of hours they are engaged in learning activities pursuant to their alternative learning experience plan.[13] The required number of hours is the same as for "regular" education – the only difference is where those hours are spent.[14] The rules require each program to document all hours spent in planned learning activities, including those spent while not in the presence of school staff. Documentation of these hours is to be based on written statements that are submitted at least monthly by students or their parents/guardians.

In its review of the Federal Way Internet Academy, the State Auditor's Office (SAO) found that the program does not track student hours. Because of this, there is no auditable link between the amount of student participation time in learning activities and the amount of student FTE funding claimed.

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[13] The rules provide that the "estimate" of the number of hours spent in educational activities, contained in the alternative learning experience plan, can be used if it differs by no more than five hours per week from the actual number of hours engaged in such activities during the prior two-month period.

[14] Although the required number of hours for ALE students is the same as for regular students, the ALE requirement can actually be considered more stringent in that it does not provide exceptions for such generally accepted reasons as student illness or family bereavement.

Rather than tracking hours, the Internet Academy instead bases justification for student funding on participation in and completion of assigned work, which is reviewed by program staff. Courses are designed to be based on an 18-week (semester) schedule, and the expectation is that it will take a typical student the standard number of hours each week to complete (i.e., 25 hours for a full-time high school student). If a student completes the work in less time, they most often begin a new course right away. However, if they do not, funding typically does not continue. In other words, if a student completes a course in 14 weeks rather than the expected 18, the school reports that student for funding only for that 14-week period – not the full 18 weeks. Program staff report the rare exception to this would be in a case where a student was taking only a single course. If that student completed the course early, funding would be reported for the entire 18-week period.

Staff from the Evergreen Internet Academy indicated they required their students to maintain a time-log, although they acknowledged they did not always check it regularly. We did not ask other digital programs about whether they tracked student hours.

This issue was addressed by the Office of the Superintendent of Public Instruction (OSPI) in its previously proposed revisions to its ALE rules. The proposal – which would have applied to all ALE programs, and not just digital/online programs – was that FTE equivalency would be based on the estimated weekly average hours of learning activity identified in the learning plan *as long as the student was found to be making satisfactory progress*. If a student was found not to be making satisfactory progress, FTE equivalency in ensuing months would once again begin to be based on the actual number of learning hours, which the program would then have to begin tracking.

It's important to note that this proposal was made in concert with two other proposed changes that have an important bearing on it:

1) Alternative experience learning plans would be required to be developed by *certificated* staff. Thus, the number of hours of learning activity identified in the plan would represent a certificated teacher's professional opinion as to the number of hours necessary to accomplish the specified work.

2) Each ALE student's performance would have to be evaluated by certificated staff at least monthly.

Our survey of school districts asked if they tended to support or oppose the proposal to base FTE equivalency on the estimated weekly hours of learning activity. Of the 237 responses to this question, a strong majority – 68 percent – either strongly supported (30 percent) or tended to support (38 percent) it. Only 17 percent either strongly opposed (3 percent) or tended to oppose (14 percent) it. Districts indicated similarly strong support for the proposal to require that learning plans be developed and monitored by certificated staff.

The Colorado Online Education Program Study Committee report, cited previously, examined the issue of how "student presence" in online programs should be measured for funding purposes. It found that a common model in other states was to use "course equivalents," in which a determination is made as to whether the online course is the equivalent of an in-class

course. These "equivalents" are considered the equivalent of what is known as a "Carnegie Unit," which is a widely accepted, standardized measurement of classroom attendance at the secondary school level that equates to one hour per day each academic year. The Colorado study committee recommended that their state formally adopt this system for measuring student presence in these courses.[15]

Conclusions/Discussion

OSPI's previous proposal to base FTE equivalency on the estimated weekly average hours of learning activity identified in the learning plan offers, in our opinion, a reasonable and appropriate approach to counting student hours in online and digital learning programs. Although OSPI's proposal was to extend this provision to all ALE programs, it seems particularly appropriate for online programs in that they operate under pre-developed course syllabi. It also appears to be generally consistent with the approach recommended in Colorado, which was reported to be a common model used in other states.

The major change from current practice under this proposal is that funding would be tied to an *assumed* number of hours, rather than the actual number of hours. While this is not an insignificant difference, there are two important safeguards built-in to help minimize any potential risk: 1) the assumed number of hours contained in the plan would reflect the professional judgment of a state certificated teacher, and 2) a student would have to continue to make satisfactory progress as determined by a certificated teacher in order for the funding process to continue.

In our view, the proposal outlined above would be appropriate for online programs such as those offered through the Federal Way and Evergreen Internet Academies, where courses are primarily developed by in-house, state certificated teachers. It is much less clear, however, whether it would also be appropriate for other types of digital programs that rely primarily on electronically mediated curriculum programs or courseware such as NovaNet. This is an area where OSPI should provide clarification and guidance.

RECOMMENDATION 3

> OSPI should revise its rules regarding ALE programs so that, for appropriate digital and online programs, FTE equivalency will be based on the estimated weekly average hours of learning activity identified in the learning plan as long as a student is found, through monthly evaluation, to be making satisfactory progress.

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[15] Education Technology Center, Colorado Department of Education, op. cit., pp.7, 56.

CHAPTER 3.D – OTHER ISSUE AREAS

INTRODUCTION

As previously noted, the three problem areas discussed in the last chapter were the primary focus of our review. Yet in doing our review it quickly became apparent – both through interviews and our review of the literature – that there are other significant issues and potential areas of concern that relate to digital/online education in general, not just in Washington but nationwide. Many relate to issues of program quality, accountability, and funding.

In two instances this led us to make specific recommendations. In the others, however, there may not have been sufficient evidence to support a recommendation, or there may have been optional ways to approach an issue, or we felt the issue was potentially beyond the scope of our review. Still, we determined that the issues and information were significant enough to bring to the Legislature's attention since they help show the range of issues as well as the steps some states have taken or considered to address them.

PROGRAM/CURRICULUM REVIEW, APPROVAL AND OVERSIGHT

Findings

As noted in an earlier chapter of this report, there are at least 37 ALE programs that reportedly rely substantially on internet-based curriculum; two are full-scale "Internet Academies," while the others mostly appear to rely on electronically-mediated courseware. Based on our site visits and interviews with 12 of these programs, there appeared to be at least the potential for a wide variation in overall program quality.

The 2003 Colorado report found that nationwide, online curricula "range substantially in terms of quality." Disparity in quality exists whether the curriculum is developed by staff of online programs or purchased from commercial or non-commercial curriculum developers. The report stated:

> *Several issues of instructional design influence the rigor of the courses, including the breadth and depth of the content, how material is presented, the nature and rigor of evaluations, the methods used to engage students in the learning experience, and the kind of work that students are asked to do.[16]*

In Washington, there is no provision in the existing ALE program rules that requires any type of specific review, approval or oversight of online or digital programs. In its previously proposed rule revisions, the Office of Superintendent of Public Instruction (OSPI) proposed a number of measures that would have addressed these items, at least in part. These included:

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[16] Ibid.

➢ Requiring local school board approval of each ALE program and provider to be based on a written program description that includes various specified information;

➢ Requiring that each district designate one or more officials as being responsible for approving specific ALE courses; and

➢ Requiring that the official(s) identified above report annually to the local school board on the programs, including on such items as enrollment and expenditures.

In our survey of local school districts, 55 percent of respondents at least generally supported the proposal requiring local school board approval for each ALE program, compared to 33 percent who opposed it. The proposal to require an annual report to the local school board received a similar level of support, 56 percent to 29 percent.

The comprehensive *Keeping Pace* report issued earlier this year found that, in terms of quality assurance, current state policies nationwide *almost always defer to districts' "local control" in determining the effectiveness of [online] programs – a practice that is consistent with, and extended from, state policy with respect to physical schools.[17]* The report went on to raise a note of caution, however, noting that local districts rarely have the experience required to make such determinations. Some states have implemented, or have at least considered, other options. Minnesota, for example, requires its Department of Education to review and certify online providers. The Colorado study committee recommended the creation of an accreditation system for all online education programs in that state.

Conclusions/Discussion

Online and digital education programs represent a relatively new method of providing educational services, one that is still not well understood. The national literature indicates there can be a wide variety in program and course quality, and it is reasonable to assume that this is also the case among ALE programs in Washington. It therefore seems a legitimate matter of concern that there is currently no review or oversight of these offerings.

OSPI's proposed rule revisions would provide a basic system of review and oversight. As such, we recommend that they be implemented for ALE programs that rely on online or digital curriculum as deemed appropriate by OSPI.[18] In recognition of the note of caution raised about local districts rarely having the experience to make informed decisions about these types of programs, we recommend that OSPI develop appropriate guidelines and criteria to facilitate their review.

This course of action represents, in our opinion, a reasonable and appropriate course of action to address the issue of program review and oversight. As noted, however, some states have implemented or considered a more centralized approach. This is something the Legislature may wish to consider or examine further.

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[17] North Central Regional Educational Laboratory, op. cit., p. 82.
[18] The rules were originally proposed for *all* ALE programs. While they may very well be appropriate for all programs, based on our current review we can only recommend them at this time for these specific types of programs.

RECOMMENDATION 4

OSPI should revise its ALE program rules to require that:

a) Programs relying primarily on online or digital curriculum be approved by the local school board, and that individual courses be approved by a designated school district official; and

b) School districts operating such programs annually provide to their school board a report on the programs, to include such information as deemed appropriate by OSPI.

In addition, as part of the rules or in supplementary materials, OSPI should develop guidelines and criteria designed to facilitate local districts' review of such programs.

PROGRAM AND STUDENT OUTCOMES

Findings

Although the issue of overall quality is a major area of concern related to online programs nationwide, the *Keeping Pace* report noted that:

> *To date, little research has been done to compare outcomes for online students against outcomes for physical school students. As a result, little is known about the quality of online learning.*[19]

Similar to its findings regarding quality assurance, the report found that few states provide specific outcome requirements for online programs. Instead, they rely on local district quality controls, state assessment tests, and self-enforced guidelines established by the individual programs.

In Washington, there are no existing provisions that require any type of evaluation of an ALE program's effectiveness. OSPI's current rules for ALE programs do not address this issue, and it also was not addressed in its previously proposed revisions to those rules. The State Board of Education (SBE) does have a rule specifically directed to "electronically mediated schools or programs" that states that such programs are to be evaluated (WAC 180-50-310), but the wording is such that it appears to refer to a more informal review rather than an objective assessment of effectiveness.

The SBE also requires that each school have what is called a "school improvement plan" that, among other things, is to be "data driven" and include a continuous improvement process.[20] While the rule implicitly promotes the concept of self-evaluation on the part of each school, it does not specifically require it. We reviewed the school improvement plans of both the Federal Way and Evergreen Internet Academies. Evergreen had incorporated some good measures into its plan that could be used for evaluative purposes. The Federal Way Internet Academy's plan, however, was more limited in this regard.

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[19] North Central Regional Educational Laboratory, op. cit., p. 7.
[20] WAC 180-16-220 (2) (b).

The state's standardized student assessment instrument – the Washington State Assessment of Student Learning, or WASL test – could be a highly effective tool for evaluation purposes. ALE programs, however, can present some special evaluative challenges. One is determining how to account for the "degree of ALE-ness" of students, since many are less than full-time. Another is that these programs often serve a high proportion of students who are considered to be "at-risk," and that must be factored in to any evaluation design in terms of interpreting performance results.

There are additional problems that can hinder external evaluations of these programs. WASL data is not available at the program level, and that's what many ALE programs are – "programs," rather than schools. In addition there are no requirements for school districts to report separately on their ALE programs or to identify enrolled students, so simply identifying and then segregating the programs and students can be difficult.

In its previously proposed ALE rule revisions, OSPI included a requirement that school districts report annually to OSPI on their ALE enrollment. Fifty-nine percent of districts we surveyed generally supported this proposal; twenty-one percent opposed. If this proposal were expanded slightly to include information on individual programs, and to identify enrolled students, it would provide valuable information that could be used for evaluation purposes.

Conclusions/Discussion

Currently there are at least 37 ALE programs in the state, accounting for nearly 1,700 FTE students, that either operate online programs directly or rely substantially on a wide variety of internet-based coursework. These programs receive full Basic Education funding, yet there is no system in place to assess their overall effectiveness, or to help determine whether one type of program is more effective than another. Given widespread questions and potential concern over the quality of these programs, we think it would be prudent to require some type of assessment system.

Although this could likely be addressed in a variety of ways, a seemingly reasonable approach would be for OSPI to amend its current ALE rules to require that each program of this type include some type of self-evaluation component designed to measure its effectiveness on a yearly basis. As part of this, OSPI should provide guidance to school districts on appropriate evaluation criteria and/or strategies.

This evaluation material should then be incorporated as appropriate into the processes provided for in Recommendation 4, specifically:

➢ A summary of the evaluation component should be included in the written program description that is provided to local school members as part of their review process of individual online programs, and

➢ The results of the yearly evaluation should be included in the annual report that is provided to the local school board.

To facilitate evaluation of these and other ALE programs, OSPI should also amend its rules to require school districts to report annually on their number of ALE programs and the students enrolled in them.

RECOMMENDATION 5

OSPI should revise its ALE program rules so that programs relying substantially on internet-based curriculum are required to include some form of self-evaluation component designed to objectively measure its effectiveness. This information should then be incorporated into the processes provided for in Recommendation 4.

RECOMMENDATION 6

OSPI should revise its ALE program rules so that local school districts are required to report to OSPI annually on the number of ALE programs and the number of students enrolled in them.

FUNDING ISSUES

From reviewing the general literature on online education, it is readily apparent that funding is one of the major issues in this area. Questions and/or potential concerns range from what the actual cost of this type of education is, to how and at what level it should be funded, to whether any special provisions or constraints should be imposed. These issues were outside the direct scope of our review so we did not examine them in sufficient depth to draw any conclusions relative to funding of online ALE programs in Washington. Nonetheless, the issues are relevant and potentially significant, and so we provide a brief summary of them here for the Legislature's information.

➢ The major issue related to funding for online schools or programs relates to questions concerning actual costs, yet there appears to be little bottom-line consensus. Some contend that the costs are – or at least presumably should be – less than for traditional schools because there are fewer ancillary costs; specifically, it is not necessary to build and maintain a bricks-and-mortar school building, transportation and food services are not provided, and classes can have higher student/teacher ratios.

At least two major sources, however, indicate that because online education is still relatively new, the actual costs of these programs are still not yet known. The Colorado report noted that *reports from online programs across the country . . . consistently indicate that the cost per student of a high-quality online learning program is the same as or greater than the per student cost of physical school education.*[21] Of possible note, however, is that this finding specifically refers to the costs associated with a "high quality" program.

➢ In terms of how online education is funded, the comprehensive *Keeping Pace* report found that *few states have made policy decisions to fund online students in ways that*

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[21] Education Technology Center, Colorado Department of Education, op. cit., p 7.

differ significantly from funding for students in physical schools.[22] Most such funding is based on seat time rather than some other method developed specifically for online learning.

One exception to this is the Florida Virtual School, which bases funding on *successful* course completion. While at first glance this seems a potentially intriguing concept, the Colorado study offered several cautions, including noting that this type of funding model could create a disincentive for schools to serve at-risk students.

➢ Determining an appropriate per-pupil allocation has been identified as one of the more critical issues facing policy-makers. Although it is somewhat unclear from reviewing the literature, it appears that most states tend to fund online students at the same levels as regular students. The *Keeping Pace* report specifically noted that most states fund such students *at the same rate as students in charter schools, which may be the same or different as students in noncharter public schools*.[23] Some states do fund at a different level, however.

   o In California, all non-classroom based charter schools – including but not limited to online charter schools – receive a base funding level that is 70 percent of the standard funding amount. Programs can apply to the State Board of Education for a higher level of funding, but they must present documentation showing that the higher level is justified.

   o A 2003 article in *Wired News* reported that online schools in Pennsylvania receive 75 percent of the per-student funding;[24]

   o The *Keeping Pace* report notes that online charter schools in Idaho are funded at a "more favorable rate than other public schools in Idaho."

➢ Some states have implemented special provisions to respond to some of the funding challenges that can be associated with online education. Many sources note, for example, that online programs can be very attractive to homeschooling families because they offer the option of public financing for home-based education with little loss of autonomy. The influx of such students, however, can work to raise overall public education costs. To help mitigate such costs, Colorado prohibits online schools from receiving state funding for students who were not enrolled in that state's public schools in the prior year (with exemptions provided for those who can show special need).

Online education programs can also make it easier for students to cross geographical – and thus school district – boundaries, which can raise concerns related to funding. In Minnesota, students taking online courses in their "home" district are funded at 100 percent. If they take courses from outside their district, however, the district providing the courses receives funding at 88 percent while the home district still receives 12 percent.

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[22] North Central Regional Educational Laboratory, op. cit., p.72.
[23] Ibid.
[24] Online Schools Under Scrutiny, Wired News, John Gartner, May 3, 2003.

LACK OF GUIDING STATE POLICY

In Washington, there is no overall guiding state policy regarding online or digital education programs, whether they are ALE programs or not. The *Keeping Pace* report, however, notes that is not unusual. But the report claims that there are dangers in that, particularly in terms of lost opportunity. The following are excerpts from that report.

> *Online education practices are being developed in the absence of clear state-level guidance . . . The operational reality of online education programs has far outpaced the legal and regulatory development in almost all states; as a result, states are applying standards and policies created for physical schools to online programs . . .Because of the general lack of policy aimed at online programs, both state-level agency personnel and online practitioners have significant potential power to interpret how exiting laws apply to online programs. The absence of state-level information and policy clarity, however, has created a vacuum that is being filled by the practitioners, who are creating de facto policy through their practices. [p. 83]*

> *Online education, though still in the early stages of development, holds great promise for helping to meet the needs of many students as it expands and practitioners gain increased experience. But the "ad hoc system of education," which the national Association of State Boards of Education warned about[14], has gathered strong momentum; only a few states – albeit an increasing number of them – are taking action to establish the "firm policy guidance" the association called for. Across the nation, practice and program growth continue to outpace policy development.*

> *. . . [O]nline education in most states is still largely unknown and little understood by state policymakers. If online programs are seen as acting outside the best interests of students, or in an unregulated fashion, the growth of these programs may simply be proscribed rather than developed in beneficial directions; alternatively, online programs may provide yet another tool for undermining the mission and viability of public schools. Before the window of policy opportunity closes, states must move urgently to develop appropriate mechanisms to provide a framework of sustainability and value that will enable online education to flourish and to meet the diverse needs of students. [p. 84]*

CONCLUDING DISCUSSION

This report has focused on online/digital programs within the context of Alternative Learning Experience (ALE programs). The recommendations in this report are intended to address some of the immediate issues facing these programs.

These programs, however, represent just one piece of the larger realm of online education. There are other broader issues that have been identified in this report – relating to matters of program quality, funding and overall policy – that may be appropriate to consider further, and they are

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[14] This reference is to a 2001 report entitled: *Any time, any place, any path, any pace: Taking the lead on e-learning policy.* Specifically, the report noted that: *In the absence of firm policy guidance, the nation is rushing pell-mell toward an ad hoc system of education that exacerbates existing disparities and cannot assure a high standard of education across new models of instruction.*

likely equally applicable to ALE and non-ALE programs alike. If the Legislature wishes to examine any or all of these issues further, it might consider establishing a task force to do so. An advantage of this option is that it could bring together all appropriate parties, including for example, the Office of the Superintendent of Public Instruction, the Digital Learning Commons, and representatives of the state's school districts.

If such a task force were established it could also be directed to consider whether it would be advisable to create a separate section of the Washington Administrative Code (WAC) devoted exclusively to online education. This was an issue that was on the "back burner" throughout this study, but given that our focus was on online/digital ALE programs, we did not examine it from a sufficiently-broad perspective to make an informed decision. The recommendations we've made regarding online/digital ALE programs are appropriate for inclusion in the ALE WACs. There may, however, also be some advantages to having a separate section of WAC devoted to all of online education.

As a final note, the recommendations made in this report all entail having OSPI make various revisions to its rules. The primary rationale for this is that, because as was noted in Chapter 1, ALE programs are a creation of administrative rule rather than statute. Because of this we did not actively examine the possibility of addressing these problem areas through legislation. In each instance, however, it would likely be possible to address the problem statutorily if that were the Legislature's preference.

SUMMARY OF RECOMMENDATIONS

Recommendation 1

The Office of the Superintendent of Public Instruction (OSPI) should modify its current rule regarding student/teacher contact requirements [WAC 392-121-182 (2) (a) (d)] to provide for a process whereby a local school district can waive the requirement for weekly one-on-one (face-to-face) contact for appropriate online and digital programs if it finds the program meets certain specified criteria, as developed and enumerated in rule by OSPI.

Legislation Required:	No
Fiscal Impact:	Uncertain, though not expected to be major
Completion Date:	June 30, 2005

Recommendation 2

The Office of Superintendent of Public Instruction (OSPI) should revise its rules regarding ALE programs so that, for appropriate digital and online programs, course syllabi can be used as part of the required learning plan.

In revising its rules to accomplish this, OSPI should also: 1) clarify what additional information, if any, is required for student learning plans in online programs, and 2) determine whether it would be appropriate to require differing levels of information and individualization for student learning plans, depending upon whether a student is enrolled full-time or part-time.

Legislation Required:	No
Fiscal Impact:	None
Completion Date:	June 30, 2005

Recommendation 3

OSPI should revise its rules regarding ALE programs so that, for appropriate digital and online programs, FTE equivalency will be based on the estimated weekly average hours of learning activity identified in the learning plan as long as a student is found, through monthly evaluation, to be making satisfactory progress.

Legislation Required:	No
Fiscal Impact:	None
Completion Date:	June 30, 2005

Recommendation 4

OSPI should revise its ALE program rules to require that:

> a) *Programs relying primarily on online or digital curriculum be approved by the local school board, and that individual courses be approved by a designated school district official; and*

> b) *School districts operating such programs annually provide to their school board a report on the programs, to include such information as deemed appropriate by OSPI.*

In addition, as part of the rules or in supplementary materials, OSPI should develop guidelines and criteria designed to facilitate local districts' review of such programs.

Legislation Required:	No
Fiscal Impact:	Minimal
Completion Date:	June 30, 2005

Recommendation 5

OSPI should revise its ALE program rules so that programs relying substantially on internet-based curriculum are required to include some form of self-evaluation component designed to objectively measure its effectiveness. This information should then be incorporated into the processes provided for in Recommendation 4.

Legislation Required:	No
Fiscal Impact:	Minimal
Completion Date:	June 30, 2005

Recommendation 6

OSPI should revise its ALE program rules so that local school districts are required to report to OSPI annually on the number of ALE programs and the number of students enrolled in them.

Legislation Required:	No
Fiscal Impact:	Minimal
Completion Date:	June 30, 2005

AGENCY RESPONSE

We have shared this interim report with the Office of Superintendent of Public Instruction (OSPI) and the Office of Financial Management (OFM), and have provided them an opportunity to submit written comments. Their comments had not been received as of this printing, but will be included in the published version of this Interim Report.

ACKNOWLEDGEMENTS

We appreciate the assistance provided by staff of the Office of Superintendent of Public Instruction and the State Auditor's Office. We also appreciate the assistance provided by the different Alternative Learning Experience programs we contacted, and by school districts throughout the state in completing our survey.

Cindi Yates
Legislative Auditor

On February 8, 2005, this report was approved
for distribution by the Joint Legislative Audit
and Review Committee.

Senator Debbie Regala
Chair

APPENDIX 1 – SCOPE AND OBJECTIVES

Alternative Learning Experience Program Study

SCOPE AND OBJECTIVES

SEPTEMBER 2004

STATE OF WASHINGTON

JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

STUDY TEAM

Robert Krell

LEGISLATIVE AUDITOR

CINDI YATES

Joint Legislative Audit & Review Committee
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BACKGROUND

As governed by WAC 392-121-182, an alternative learning experience (ALE) is an individualized course of study that allows off-campus instruction — requiring as little as one hour of face-to-face contact per week — to be claimed by school districts for basic education funding. This course of study provides school districts flexibility to serve a diverse student population, including at-risk students, non-traditional or self-directed learners, parent-partnered students, and distance learners. Although they may serve a similar population, ALE programs are distinct from more "traditional" alternative schools, due primarily to their reliance on off-campus instruction.

Although the course of study in an ALE program is, by definition, individualized, there are a few major program model types. These include parent-partner programs, digital learning or internet based programs, and certain forms of contracted education. Although school districts are not required to report their number of ALE students, a recent survey by the State Auditor's Office (SAO) indicates there are as many as 22,000 students, accounting for nearly $90 million in basic education funding annually.

The Legislature has indicated concern over the adequacy of existing program rules to guard against the possible misuse of public resources. Other issues include the appropriateness of current requirements for operating digital learning programs and questions concerning the fiscal impact of potential changes to ALE program rules.

The State Auditor's Office recently completed an initial review of ALE programs in 25 school districts. It identified numerous problems related to compliance with, and a basic understanding of, current program rules. Based partially on those findings, as well as this current study mandate, the SAO is continuing its examination of these programs.

MANDATE

The 2004 Supplemental Budget (Chapter 276, Laws of 2004) directs JLARC and the State Auditor's Office to conduct a legal and financial review of Alternative Learning Experience Programs. JLARC is specifically designated as the "lead agency." Topics are to include but not be limited to: numbers of students served and variations in program types; the adequacy of current program rules and procedures to safeguard against the misuse of public resources; identification of options to address deficiencies; and the potential fiscal impact of any proposed options for changes to ALE programs.

STUDY SCOPE

Consistent with the statutory mandate, this study will examine alternative learning experience programs under WAC 392-121-182, focusing in particular on the issues specified in the mandate and detailed in the proposed study objectives.

STUDY OBJECTIVES

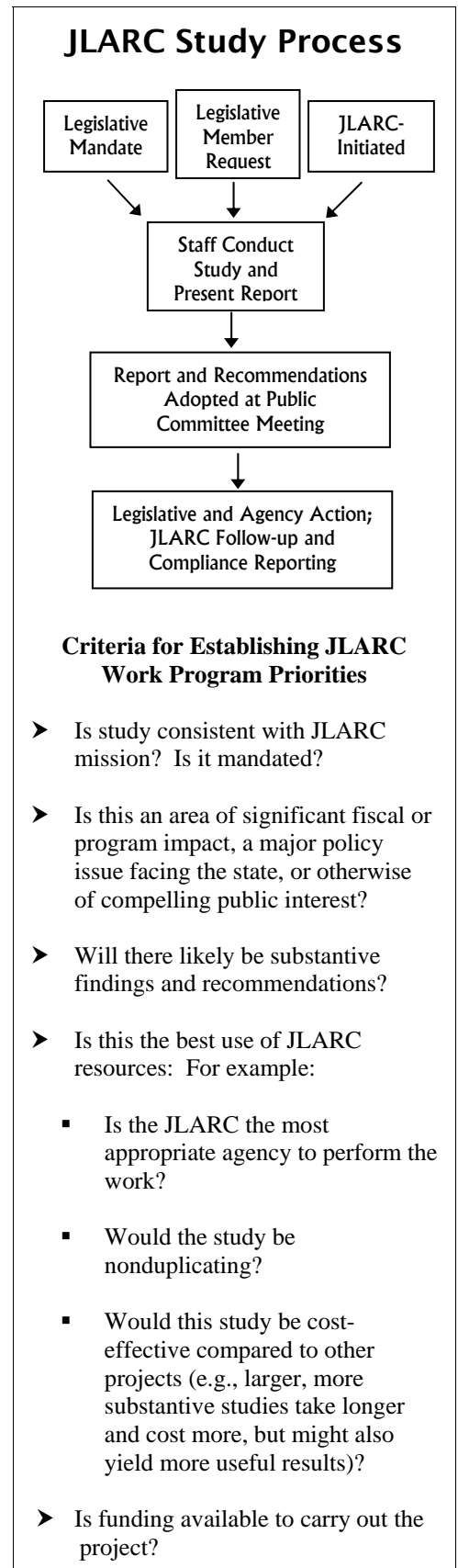Consistent with the study mandate, the following objectives have been established for this study.

1) Identify the numbers of students served, variations in program types, and funding patterns for Alternative Learning Experience (ALE) programs operated by the state's public school districts under WAC 392-121-182.

2) Identify problem areas related to operation of ALE programs, including any potentially involving the misuse of public resources.

3) Assess the adequacy of existing rules, regulations, and procedures to safeguard against problem areas identified in Objective 2.

4) Identify policy and administrative options to address and correct identified problem areas.

5) Assess the potential fiscal impact of proposed options for changes to ALE program rules.

Timeframe for the Study

The study mandate requires JLARC to provide an interim report by February 1, 2005, and a final report by July 1, 2005, to the appropriate policy committees of the Legislature.

JLARC Staff Contact for the Study

Robert Krell   (360) 786-5182   krell.robert@leg.wa.gov

JLARC Study Process

Legislative Mandate → Legislative Member Request → JLARC-Initiated

↓

Staff Conduct Study and Present Report

↓

Report and Recommendations Adopted at Public Committee Meeting

↓

Legislative and Agency Action; JLARC Follow-up and Compliance Reporting

Criteria for Establishing JLARC Work Program Priorities

➤ Is study consistent with JLARC mission? Is it mandated?

➤ Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?

➤ Will there likely be substantive findings and recommendations?

➤ Is this the best use of JLARC resources: For example:

  ▪ Is the JLARC the most appropriate agency to perform the work?

  ▪ Would the study be nonduplicating?

  ▪ Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?

➤ Is funding available to carry out the project?

APPENDIX 2 – AGENCY RESPONSES

- Office of Superintendent of Public Instruction

- Office of Financial Management

February 7, 2005

Ms. Cindi Yates, Legislative Auditor
Joint Legislative Audit and Review Committee
506 16th Avenue SE
Olympia, WA 98504-0910

Dear Ms. Yates:

Thank you for the opportunity to respond to the Alternative Learning Experience Programs Study. As you know, ALE programs offer an important and flexible way for school districts to provide services to meet the diverse learning needs of students. Our agency position on your recommendations is as follows:

RECOMMENDATION	AGENCY POSITION	COMMENTS
Rec. 1	Concur	OSPI has previously proposed modifications to these rules that would have eliminated the requirement that this weekly contact be face-to face.
Rec. 2	Concur	OSPI asserts that a learning plan is the central tool that ensures a quality educational experience for students in on-line programs. Accordingly, students must have clear direction of what is expected of them and how they will meet these requirements.
Rec. 3	Concur	This recommendation is consistent with OSPI's previously proposed modifications to these rules.
Rec. 4	Concur	This recommendation is consistent with OSPI's previously proposed modifications to these rules.
Rec. 5	Concur	The Superintendent believes that all public schools and programs should be actively engaged in a process of continuous improvement.
Rec. 6	Concur	This recommendation is consistent with OSPI's previously proposed modifications to these rules.

Thank you again for the opportunity to make comments. As you see, OSPI endorses the suggested changes in your report. However, Superintendent Bergeson believes that the change your report recommends must be applied to all ALE programs.

Efforts to separate on-line ALE programs from their non-technology based counterparts create a dividing line where one does not exist. The primary difference between ALE and the traditional classroom-based program is that state-funded public education occurs primarily "away from school." Whether this public education is delivered with a computer or a textbook does not diminish the need for new rules. Many students engaged in these programs use computers, textbooks, and other media to complete the tasks outlined in their learning plan.

OSPI is concerned that the report does not address the issue of part-time enrollment. This is a central issue to many ALE stakeholders and others, whether or not the program is being delivered in an "on-line" format.

Therefore, we intend to move forward with the recommended rule changes in a manner that will accommodate the needs of on-line programs, in addition to all ALE programs, and that will allow for appropriate part-time enrollment.

We look forward to the support and cooperation of JLARC and the as we move forward with these crucial changes.

OSPI appreciates the JLARC's work on this report and would particularly like to recognize the efforts of Rob Krell to effectively translate the complexities of this very unique program area.

Sincerely,

Dr. Terry Bergeson
State Superintendent
of Public Instruction

cc: Robert Krell
        Victor Moore
        Judy Hartmann
        Julie Salvi

February 7, 2004

TO: Cindi Yates, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Victor Moore, Director

SUBJECT: **ALTERNATIVE LEARNING EXPERIENCE STUDY - INTERIM REPORT**

Thank you for providing the Office of Financial Management (OFM) the opportunity to review JLARC's interim report on the Alternative Learning Experience (ALE) Programs Study.

In general, OFM concurs with the recommendations identified in this interim report to make accommodations for digital and online learning programs in the state rules governing ALE programs. As noted in the report, there is no overall guiding state policy regarding online or digital learning. Because of existing statutory provisions applicable to at least one of the recommendations, the Legislature may choose to address the issues identified in this report through statutory change rather than relying on administrative rule changes. This could further define a state level policy for digital and online learning. In doing so, the Legislature may wish to create a program specifically to address online or digital learning programs separate from the parent-partner or other ALE programs.

The interim report from the State Auditor's Office raises significant and alarming issues regarding the parent-partner ALE programs that must be addressed. I look forward to JLARC's final report, which will recommend program changes to resolve the issues in the Auditor's report.

OFM's responses to the specific recommendations in your interim report are as follows:

Recommendation	Agency Position	Comments
1. The Office of the Superintendent of Public Instruction (OSPI) should modify its current rule regarding student/teacher contact requirements [WAC 392-121-182 (2)(a)(d)] to provide for a process whereby a local school district can waive the requirement for weekly one-on-one (face-to-face) contact for appropriate online and digital learning programs if it finds the program meets certain specified criteria, as developed and enumerated in rule by OSPI.	Partially concur	OFM agrees that a waiver process should be established for appropriate online and digital learning programs. For consistency in implementation, the state may have an interest in establishing OSPI as the approval entity. Districts would request a waiver from OSPI, including information such as a program description, the reason for the waiver request, and the number of students affected.
2. OSPI should revise its rules regarding ALE programs so that, for appropriate digital	Concur	OFM concurs that OSPI should revise rules for appropriate digital and online

and online learning programs, course syllabi can be used as part of the required learning plan. In revising its rules to accomplish this, OSPI should also clarify 1) what additional information, if any, is required for student learning plans in online programs, and 2) determine whether it would be appropriate to require differing levels of information and individualization for student learning plans, depending on whether a student is enrolled full-time or part-time.		learning programs.
3. OSPI should revise its rules regarding ALE programs so that, for appropriate digital and online programs, FTE equivalency will be based on the estimated weekly average hours of learning activity identified in the learning plan as long as a student is found, through monthly evaluation, to be making satisfactory progress.	Partially concur	OFM concurs with this recommendation. However, as noted in the report, rules that impact how an FTE is defined cannot take effect until approved by the House and Senate fiscal committees. OFM recommends OSPI work with these committees to obtain approval for this rule change.
4. OSPI should revise its ALE program rules to require that: a) programs relying primarily on online or digital curriculum be approved by the local school board, and that individual courses be approved by a designated school district official; and b) school districts operating such programs annually provide to their school board a report on the programs, to include such information as deemed appropriate by OSPI. In addition, as part of the rules or in supplementary materials, OSPI should develop guidelines and criteria designed to facilitate local district's review of such programs.	Concur	OFM concurs that OSPI should revise rules for digital and online learning programs.
5. OSPI should revise its ALE program rules so that programs relying substantially on internet-based curriculum are required to include some form of self-evaluation component designed to objectively measure its effectiveness. This information should then be incorporated into the progress provided for in Recommendation 4.	Concur	Internet-based curriculum is relatively new with reportedly wide variation in program quality and content. It makes sense to have this evaluation for a new and evolving educational program.
6. OSPI should revise its ALE rules so that local school districts are required to report to OSPI annually on the number of ALE programs and the number of students enrolled in them.	Concur	It will be informative for state policy discussions to have better data on the number of programs and students served. It also could be useful to have more information reported on the type of programs offered.

APPENDIX 3 – STATE AUDITOR'S OFFICE INTERIM REPORT

As directed by statute, this study is a joint effort of the Joint Legislative Audit and Review Committee (JLARC) and the State Auditor's Office (SAO). A status update prepared by the SAO on its work to date in this area is presented in the pages that follow.

JLARC's work to date, which is reflected in the body of this Interim Report, has been focused both on gathering broad-based information related to ALE programs in general, and on those ALE programs that rely on digital and online curriculum. As explained in Chapter 1, the reason for this is that the issues surrounding these programs were considered more "time-sensitive."
As will be seen in reviewing the SAO's status update, a good portion of its work to date has focused on a different type of ALE program, known as parent/partner programs. JLARC has not yet begun its full investigation into these programs and the rules that govern them; they will, however, be the focus of JLARC's work over the next several months. JLARC will rely heavily on the findings of the SAO in this area.

Consistent with the study mandate, JLARC's work will focus on assessing the adequacy of current ALE rules, regulations and procedures to guard against any misuse of public resources, and on identifying administrative and policy options to correct any problem areas. JLARC will also assess the potential fiscal impacts of any proposed changes to ALE program rules.

State Auditor's Office – School Programs Update
January 17, 2005

Alternative Learning Experience Programs

At the request of the Legislature, and in conjunction with the Joint Legislative Audit and Review Committee, the State Auditor's Office is conducting a study of alternative learning programs (ALE) in the state's kindergarten through grade 12 public school system.

The study will examine ALE programs under Washington Administrative Code 392-121-182. The focus will be on identifying concerns related to ALE programs, including any potential misuse of public resources.

Fiscal Year 2003

Examinations of alternative learning experience programs were conducted in 25 school districts for fiscal year 2003. These districts represented approximately 25 percent of state funding for ALE programs. The following conclusions were drawn:

- 12 percent of the districts lacked a policy authorizing operation of an ALE program.
- 40 percent of the districts did not have a process to approve curriculum taught by parents.
- More than 50 percent lacked adequate records to support the number of students reported.
- 60 percent lacked documentation supporting weekly meetings with qualified school staff.
- More than 50 percent lacked evidence of required periodic student progress reviews.

Fiscal Year 2004

We plan to audit ALE activities in 24 additional school districts for fiscal year 2004. Each operates a "parent-partnered" program and seven appear to operate digital learning programs. The areas being covered are:

- District policy authorizing operation of an ALE program.
- Student learning plans that drive reporting of the number of students.
- Testing of 5 percent to 100 percent of reported students in District ALE programs.
- Evidence supporting the hours of learning activity eligible for full-time equivalency (FTE) of ALE students.
- Compliance with either the minimum student-to-teacher ratio or 70 percent of ALE funds spent.
- Goods and services ALE funds support, including reimbursements to parents.

Work in seven of the 24 districts is nearly completed. We have seen conditions similar to those we found last year. Specifically:

- Inconsistency in operation of multiple programs within a school district. Each ALE program within a school district is operated independently. One program might be considered an example of best practices while the other programs fail to meet state rules.
- Disregard of differences in rules driving enrollment of ALE students from enrollment of regular basic education students.
- Questionable documentation of independent study hours by students.

Preliminary results of the work we have started are detailed on Attachment A.

Internet-Based Programs

School districts have been authorized by the Legislature to operate digital learning curriculum and/or online courses of study under current district procedures and practices until June 30, 2005. Therefore, audits of these programs will identify each district's current procedures and practices and whether they are being followed.

Fieldwork on one digital learning program has been completed. This program was attempting to follow the rules, but failed to maintain adequate records of students' time spent inside and outside the classroom.

In approximately half of the records examined, we found students did not meet planned hours and districts did not adjust for actual hours.

This school district has a policy, which outlines state rules, authorizing operation of ALE programs. Of the five ALE programs operating in the district, an instructor for only one of the programs had read or was aware of the district's policy.

Parent-Partnered Programs

These programs operate under ALE rules. Students are enrolled, typically as one full-time equivalency, in the public school system. Parents are authorized to provide or supervise a portion of the student's alternative learning experience. Within many school districts offering these programs, parents are reimbursed by the school district for purchases related to the student's educational experience.

Consistent with other ALE programs, rules require these students to attend school an average of five hours a week or at minimum, an average of one hour a week of one-on-one time with qualified school staff.

The primary focus of the Office's ALE audits for 2004 is on parent-partnered programs. Results for the 2003 audits indicate these programs have the highest risk for non-compliance with state rules. Additionally, the Office has received numerous concerns expressed by citizens regarding the use of public funds in operation of these programs.

Variations in Programs

State rules allow for flexibility in the types of programs that constitute an alternative learning experience. The Office has found a variety of "educational experiences" being offered that are reported as part of student's learning activity.

In some instances, we question whether certain activities constitute the defined "course of study" or may contribute to the number of hours students spend in educational activities.

One of the school districts under audit includes participation in an outside federal Job Corps program as part of the hours necessary for a full-time student. The federal program is operated independently from the school district with non-certificated staff. State laws, rules and regulations define what may be considered a course of study and the related approvals needed for course content. At this time, it does not appear the Job Corps program may be included as part of students' alternative learning experience.

Preliminary Recommendations

1. Separately identify and report hours for ALE students. Until the State Auditor's Office conducted its limited survey in 2003, the size and diversity of these programs was unknown. During the audits of fiscal year 2003, we noted a number of school districts could not easily identify who or how many students were participating in ALE programs.

2. Standardize a template for reporting on individual plans to assist districts in tracking what to report regarding students in the program, documentation to retain as support and timelines for required periodic reviews. Throughout each of the ALE audits conducted last year and audits under way, the Office has found a wide range of interpretations of what constitutes an individual student learning plan and the required elements. This differs between and within school districts. In every school district we have audited an ALE program(s), a desire for more guidance has been expressed.

3. Consider the value of the rule requiring a minimum student–to-teacher ratio or 70 percent of ALE funds to be spent. It appears some school districts are broadening their definition of allowable expenditures for parent-partnered programs in an attempt to meet the 70 percent expenditure rule. As a result, we found a disparity between "educational" opportunities for ALE students versus other district enrolled students. ALE students are offered ski/snowboard lessons, hayrides, theme park trips, out of state trips and jet boat tours. Regularly enrolled basic education students are not offered similar opportunities.

4. Clarify the responsibility of school districts to approve curriculum taught to all its enrolled students. We have found that in most parent-partnered programs, it is left up to parents to choose a curriculum. We have found at least one school district in which parents were reimbursed for purchasing and teaching religious material. Additionally, school staff who oversee ALE programs have stated they have limited or no involvement in choosing curricular material for these students.

5. Consider an ALE program approval process similar to that for vocational education programs. More then 260 ALE programs are operating across the state. In many instances, the individual charged with creating and operating the program lacks a solid understanding of how to apply state rules and what truly qualifies as an ALE program and what activities may be counted as educational for the purposes of reporting. Guidance from the state could help promote successful operation of ALE programs and greater accountability.

Preliminary Results of 2004 ALE Audits – State Auditor's Office

School District A

- Poor controls over ALE expenditures from the district's parent-partnered program resulting in budget overages of 20 percent to 30 percent.
- The District does not maintain an inventory of assets purchased by ALE programs. It was noted that a $2,200 printer and $1,000 in furniture is kept at the director of ALE's house, where classes are conducted. The director is a private citizen volunteer.
- The District did not spend 70 percent of ALE funds on basic instruction, as required.
- Unallowable charges against ALE funds for transportation and facility site improvements. Other questionable charges are:

  - $3,700 for purchase of computer equipment was reimbursed to a parent. The purchase included three computer monitors for two students. These students did not enroll for the 2004/05 school year and the equipment has not been returned to the district.
  - $426 airfare to San Diego for the instructor and one student – purpose unknown.
  - $4,700 for ski lessons, lift passes and equipment rentals
  - $1,500 to repair sewer line of a church where ALE classes are held.
  - $4,800 to widen stairs at the same church.
  - $25,000 for a sport utility vehicle.
  - $600 paid for an individual to provide instruction on database management to the volunteer person administering the ALE program.

School District B

- District operates a "HomeLink" parent-partnered program.
- District is not meeting required student evaluation dates.
- Lacks documentation to support 39 reported students.
- Students are reported after they have dropped out of the program.
- Documentation by students report participation in workshops when their names are not on the workshop attendance sheets.
- The District did not spend 70 percent of ALE funds on basic instruction, as required.
- Religious textbooks were used by the parents of students in the HomeLink parent-partnered program.
- ALE funds spent on the following:

  - $345 for a hayride and pizza party
  - $1,600 for 68 passes to a theme park and meals
  - $8,800 for ski/snowboard lessons, rental and lift tickets
  - $581 for hotel accommodations
  - $2,700 for a jet boat tour and lunch for 84 individuals

School District C

Documentation could not be found to support 20 student hours.

School District D

This school district operates five ALE programs. One is an example of best practices; the others fail to comply with state rules for enrollment reporting and record retention.

- **Program 1** (Teen Parent) – The district tracks the number of actual hours per week the student attends on-site, however, relies on estimated hours to support outside class independent study time. Of 51 students tested we have questioned 67 percent of what was reported for state funding.

- **Program 2** (Internet) – Results show lack of documentation to support hours in 50 percent of the hours reported. We identified little required contact time occurring between students and staff.

- **Program 3** – This is a 20-hour a week regular basic education program. However, the district reported students as full-time. Students scheduled for less then 25 hours a week are part-time.

- **Program 4** (Contract Based) – Documentation needed to conduct the audit was not retained for all students selected in fiscal year 2003-04. The district is attempting to locate records to support student time spent in educational activities.

- **Program 5** – This is a model program. Student schedules are documented with their hours on-site and independent study time. The instructor reconciles the estimated hours reported to the month end actual hours.

School District E

This district operates three ALE programs.

- For the district's largest ALE program, enrollment reported was based on scheduled class time with allowances given for absences, rather than actual hours of participation in educational activity.
- Students maintained homework logs for each week to support independent study. Many logs are missing from student files.
- Inconsistencies appear in some student records. For example, one student reported 78 hours of study time plus 13 hours of classroom time in one week.
- One student's homework log reported 26 hours of study time for one day. The teacher signed off as accepting this time.
- A couple of students have homework logs that cover the same time period, but report a different amount of time reported and sometimes different handwriting.

- Hours on some of the student homework logs were not added up correctly. One totaled five hours more then the detail supported. Instructors signed off on incorrect totals.
- School district's internal records did not agree. Auditor found discrepancies between district's student withdrawal records and attendance records. Accuracy of both has been questioned.

School District F

We have just begun the audit of this district's ALE programs. It appears at least one of the district's ALE programs lacks adequate support for one-third of reported enrollment.

School District G

District operates a HomeLink parent-partnered program. There were an average of 262 student FTE reported for the 2004 school year.

The district has stated that approximately 99 percent of the families in the program are using a religious based curriculum. We are not able to isolate the amount of time spent on religious studies that was reported for FTE purposes. The families are not reimbursed for the purchase of religious texts, but they are allowed to use them at their discretion.