

Schedule of Audit Findings and Responses

**Kennewick School District No. 17
Benton County
August 23, 2011**

1. The District's controls over enrollment reporting at Tri-Tech Skills Center are inadequate to ensure accurate enrollment reporting.

Background:

The District's Tri-Tech Skills Center receives basic education and skills center funding from the state based on how many full time students are enrolled and on teacher education and experience. It also receives enhanced skills center funding for vocational students.

Description of Condition

In the 2010 school year, the District received approximately \$79.14 million in combined funding based on its enrollment and the education and experience of its teachers. Approximately \$657,607 was enhanced skills center funding.

We found:

- Skills center students were dismissed early from the morning session to accommodate bus schedules at six of eight participating school districts. The District did not adjust the FTEs it reported to reflect students' actual instructional time and allowable non-instructional and passing time.
- Skills center students did not attend the scheduled 900 weekly minutes in session one. The District assigned work to students to compensate for the missed class time, which requires the District to use an Alternative Learning Experience (ALE) program in order to claim funding.
- The District incorrectly reported basic enrollment FTEs. The Center reported basic education students who:
 - Exceeded the maximum 1.0 FTE.
 - Had full-time equivalency duplicated.
 - Did not attend in the first four school days in September.

Cause of Condition

The District did not have controls to ensure:

- The bus schedules of schools that transport students to the skill center were considered when it calculated and reported student FTEs.

- Student learning plans were in place for students who were not scheduled for 900 weekly minutes.
- It accurately reported students who participated in a basic education program.

Effect of Condition

In fiscal year 2010, the District reported 483.89 annual FTEs for the skills center. We were able to determine the District over-reported 10.57 annual FTEs for basic and skills center enhanced state funding for the 2009-2010 school year. Basic enrollment was over-reported an additional .75 monthly FTE for September 2009 for students who were enrolled in a separate basic education program at the skills center. These errors resulted in the District receiving approximately \$70,249 more in apportionment funding than it should have.

Recommendation

We recommend the District establish and follow controls to ensure:

- Reported FTEs include only actual scheduled instructional class time plus passing time.
- Students released early to accommodate the bus schedule have a written student learning plan as required by ALE guidelines.
- Students who receive basic education within the skills center are accurately reported for funding.

We also recommend the District contact OSPI to determine the amount of funds to be recovered, if any.

District's Response

- *The 2009-2010 enrollment handbook language addresses skills center on the top of page 17 and states:*

Example: *A skills center schedules a block period of 150 minutes of instruction followed by a 30-minute bus ride (passing time under the jurisdiction of school staff) back to the resident school district each day. The total is 180 minutes or $(180 \div 60) = 3$ hours. The district may report 0.6 $(3 \div 5)$ FTE, because there are at least 150 (3×50) minutes of instruction.*

School districts may claim one hour of instruction provided that each hour shall contain at least 50 minutes of instruction. The purpose of recognizing the 50 minutes of instruction is to provide flexibility to school districts as long as the general student body is ultimately under the jurisdiction of the school staff for equivalent of the 60 minute hours for the school day. This flexibility allows districts to schedule 50 minute classes with associated passing time up to 10 minutes. To the extent that a school district does not schedule the full 10 minutes of passing time for each 50 minutes of instruction, the school district may

utilize this unused allowed passing time elsewhere in the school day for other scheduled services to students.

We believe that we have met the intent of the enrollment handbook language which states “The purpose of recognizing the 50 minutes of instruction is to provide flexibility as long as the general student body is ultimately under the jurisdiction of the school staff...”

- 1. We have scheduled a 150 minute instructional block.*
 - 2. All students are enrolled for that 150 minutes block.*
 - 3. All students are responsible for all of the instruction and instructional requirements of that 150 minute block.*
 - 4. The general student body is ultimately under the jurisdiction of the school staff for the instructional time plus passing.*
 - 5. Some students were released 5, 10 or 15 minutes early to accommodate busing schedules.*
 - 6. Our understanding is that FTEs are calculated based on the published instructional time scheduled plus allowable passing time; not on individual average daily attendance.*
- For over 20 years, FTEs have been calculated for students enrolled in the 150 minute instructional block and up to 30 minutes of passing time. Busing conflicts have been addressed to the best of the skills center and sending school districts ability, but the regional concept and actual distance, 2 to 45 miles, from some sending schools to the skills center creates scheduling challenge. The procedure for calculating FTE in 2009-2010 was not different than it had been in prior years.*
 - Although skills centers have not been involved in an enrollment audit recently, Tri-Tech Skills Center enrollment was audited in approximately 1999 and time lost to busing was not addressed as a problem.*
 - This method of calculating FTE's by skills centers appears to be a statewide issue across several or all skills centers, consistent with the lack of clarity in the interpretation of the enrollment handbook.*

We firmly believe we have been operating within the enrollment handbook language in computing District skill center FTE's. If a different approach to the counting of skill center FTE's was going to be directed we would expect notification from OSPI and/or the State Auditor's Office prior to learning of such a change through an audit finding.

In response to our pre-exit telephone conference:

- During the 2009-2010 school year, Tri-Tech and the district recognized the challenge associated with the existing bus schedules. Beginning with the 2010-2011 school year, Kennewick School District made a major schedule change at all high schools that allowed for a modification of the bus schedule resulting in all Kennewick students staying at Tri-Tech for the entire 150 minute morning class.*
- Beginning with the 2011-2012 school year, the Kennewick School District shifted all of their schools (K-12) to a later start time that eliminates any loss of minutes due to busing from the PM class schedule.*

- *Tri-Tech administration continues to work with the other cooperative school districts to reduce the minutes lost due to their bus schedules and significant progress has been made.*
- *Tri-Tech will continue to incorporate a documented instructional activity for all students identified to compensate for time lost due to busing. The Skills Center Directors Association is currently working with OSPI to study this process and determine if a documented instructional activity could be used to allow for counting a limited number of minutes lost to busing as instructional minutes. Meetings have taken place with JoLynn Berge and other staff from OSPI on this topic. OSPI has determined that ALE will not work for accounting for instructional time lost to busing.*
- *Procedures have been put into place to eliminate errors in counting students for academic FTE's, i.e. exceeding the 1.0 FTE limit for the Skills Center and/or counting students in September who have not showed up to class by the count day.*

Auditor's Remarks

In response to District comments above:

- *We believe that we have met the intent of state regulation which states "The purpose of recognizing '50 minute hours' is to provide flexibility to school districts which utilize block periods of instruction so long as students are ultimately under the jurisdiction of school staff for the equivalent of 60 minute hours." Further guidance provided by the OSPI enrollment handbook and not referenced by the District states: "The purpose of recognizing the 50 minutes of instruction is to provide flexibility to school districts as long as the general student body is ultimately under the jurisdiction of the school staff". Six of eight schools participating were dismissed early from the morning session, and were not under the jurisdiction of school staff and did not receive 150 minutes of daily instruction as identified in the District schedule.*
- We did not include summer session in the scope of our audit. Therefore, it would not be appropriate to include the summer session student FTEs in our report.
- Skills centers have not been audited for enhanced funding in the past, which was one reason for conducting these audits statewide.

We reaffirm our finding. We appreciate the steps the District has taking to resolve this issue. We will review the condition during our next audit.

We thank District officials for the assistance we received during the audit.

Applicable Laws and Regulations

RCW 28A.245.020 Funding -- Equivalency and apportionment.

Beginning in the 2007-08 school year and thereafter, students attending skill centers shall be funded for all classes at the skill center and the sending districts, up to one and six-tenths full-time equivalents or as determined in the omnibus appropriations act. The office of the superintendent of public instruction shall develop procedures to ensure that the school district and the skill center report no student for more than one and six-tenths full-time equivalent students combining both their high school enrollment and skill center enrollment. Additionally, the office of the superintendent of public instruction shall develop procedures for determining the appropriate share of the full-time equivalent enrollment count between the resident high school and skill center.

WAC 392-121-106, Definition—enrolled student, states in part:

As used in this chapter, “enrolled student” means a person residing in Washington state who:

- (4) Actually participated on a school day during the first four school days of the current school term . . . or on a school day during the current school year on or prior to the date being counted

WAC 392-121-119 Definition -- Enrollment count dates.

As used in this chapter, "enrollment count dates" means the fourth school day of September and the first school day of each of the eight subsequent months of the school year for all school districts including districts which commence basic education programs prior to September 1st

WAC 392-121-122, Definition--full time equivalent student, states in part:

As used in this chapter, “full-time equivalent student” means each enrolled student in the school district as of one of the enrollment count dates for at least the minimum number of hours set forth in subsection (1) of this section inclusive of class periods and normal class change passing time, but exclusive of noon intermissions: Provided, That each hour counted shall contain at least 50 minutes of instruction or supervised study provided by appropriate instructional staff. The purpose of recognizing “50 minute hours” is to provide flexibility to school districts which utilize block periods of instruction so long as students are ultimately under the jurisdiction of school staff for the equivalent of 60 minute hours

- (1) The minimum hours for each grade are as follows:

- (d) Secondary (grades 7 through 12): 25 hours each week

(2) Except as limited by WAC 392-121-136, a student enrolled for less than the minimum hours . . . shall be counted as a partial full-time equivalent student equal to the student's hours of enrollment divided by the minimum hours for the student's grade level

WAC 392-121-136, Limitation of enrollment counts, states in part:

Enrollment counts pursuant to WAC 392-121-106 through 392-121-133 are subject to the following limitations:

(1) Except as provided in (a), (b) and (c) of this subsection, no student . . . shall be counted as more than one full-time equivalent student on any count date or more than one annual average full-time equivalent student in any school year.

(b) Enrollment count limitations apply separately to a student's running start, skills center and high school enrollments.

(c) Subject to (b) of this subsection, a student enrolled in a skill center program during the regular school year may be claimed for up to a combined 1.6 full-time equivalent student.

Each student may be claimed for a maximum of a 1.0 full-time equivalent for the skills center enrollment and a maximum of a 1.0 full-time equivalent for the student's high school enrollment subject to the overall 1.6 FTE maximum.