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AUDIT SERVICES
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Ms. Sherri Ybarra
Superintendent of Public Instruction
Idaho Department of Education
650 West State Street
Boise, Idaho 83720

Dear Superintendent Ybarra:

This final audit report, “Idaho State Department of Education’s Oversight of Online Charter Schools,” presents the results of our audit. The objectives of the audit were to determine whether the Idaho State Department of Education (Idaho) and the two online charter schools we selected for review had adequate oversight to ensure that (1) students received intended services in accordance with Title I, Part A (Title I) of the Elementary and Secondary Education Act of 1965, as amended (ESEA);¹ (2) students received intended services in accordance with Part B of the Individuals with Disabilities Education Act, as amended (IDEA); and (3) schools hired highly qualified teachers (HQT) in accordance with applicable program requirements. Our review covered oversight activities during school years 2011–2012 and 2012–2013 at Idaho, the Idaho Virtual Academy (IDVA), and the Idaho Connections Academy (Inspire).

We found that while Idaho exercised oversight of Title I and IDEA, Part B programs, including provisions of HQT requirements, there were significant issues at Inspire regarding its documentation of service delivery to at-risk students and students with individualized education programs (IEPs), as well as its compliance with HQT requirements. Idaho required the school to take corrective action to address these deficiencies, but we concluded that further actions were required to ensure that the school is meeting its obligations to provide services to students under both Title I and IDEA, Part B.

¹ All ESEA citations in this report are referenced to the provisions in effect during our audit period. The ESEA was amended by the Every Student Succeeds Act on December 10, 2015. The act made a number of changes to ESEA programs, including eliminating Federal highly qualified teacher requirements. Teachers in schools receiving Title I and IDEA, Part B funds now need only to fulfill their State licensing requirements.

Idaho concurred with the finding and recommendations. It stated that as a result of our finding and recommendations, Idaho has implemented corrective actions and made changes to policies, procedures, documentation, and technical assistance to address the recommendations. Idaho comments are summarized at the end of the finding. The full text of Idaho comments to the draft report is included as Attachment 2 to the report.

BACKGROUND

The U.S. Department of Education (Department) administers grant programs that support States and local educational agencies (LEA) to provide services to disadvantaged students and students with disabilities. The two largest formula grant programs to States are Title I and IDEA, Part B, which were funded at \$15.5 billion and \$12.0 billion, respectively, in fiscal year 2017.

Title I

Under Title I, the Department provides financial assistance to States for LEAs and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging State academic standards. For Title I schools with at least 40 percent of students from low-income families, an LEA may consolidate and use Title I funds, along with other Federal, State, and local funds, to operate a “schoolwide program” to upgrade the instructional program for the entire school. The purpose of a schoolwide program is to improve academic achievement throughout a school so that all students, but particularly the lowest achieving students, demonstrate proficiency related to State academic standards. While schools operating schoolwide programs have flexibility in determining how to spend their Title I and other program funds, they all must undertake certain activities, including conducting a comprehensive needs assessment, identifying and committing to specific goals and strategies that address those needs, creating a comprehensive schoolwide plan, conducting an annual review of the effectiveness of the schoolwide program, and revising the plan as necessary to ensure continuous improvement. During annual evaluations, schools use data from the State assessments and other indicators of academic achievement to determine whether the schoolwide program has been effective in addressing major problem areas and increasing student achievement, particularly for the lowest achieving students.

To evaluate whether students received intended Title I services, we reviewed Idaho’s and both schools’ oversight to ensure that the schools were implementing their schoolwide plans as designed, which would include annual evaluations and revisions to their plans as necessary. We focused on documentation related to those additional intervention

services² for at-risk students that the schools stated they would provide in their schoolwide plans.

Idaho awarded almost \$1.8 million of the \$109.4 million in Title I funding that it received in school years 2011 and 2012 to the two schools we reviewed during our audit scope, as shown in Table 1. In carrying out their schoolwide programs, both schools reported spending Title I funds on teacher salaries, benefits, other services, supplies, and materials.

Table 1. Title I Funding for the School Years Reviewed (2011–2012 and 2012–2013)

School	2011–2012	2012–2013	Total
IDVA	\$739,775	\$799,951	\$1,539,726
Inspire	\$99,702	\$125,438	\$225,140
Total	\$839,477	\$925,389	\$1,764,866

IDEA, Part B

Under IDEA, Part B, the Department provides financial assistance to States to assist in meeting the excess costs of providing special education and related services to children with disabilities. To be eligible for funding, States must make available a free appropriate public education to all children residing in the State between the ages of 3 and 21, including children with disabilities who have been suspended or expelled from school.³ States must ensure that an individualized education program (IEP) is developed, reviewed, and revised for each eligible child with a disability.⁴ The IEP must include, among other things, a statement of the special education and related services⁵ and supplementary aids and services to be provided to the child, as well as a projected date for the beginning of the services and the anticipated frequency, location, and duration of the services.

To evaluate whether students received intended special education and related services, we reviewed schools' documentation related to providing services included in selected students' IEPs. We focused on student logs and instructor notes to determine whether students received special education services and on provider invoices to determine whether students received related services.

² Intervention services are additional support activities beyond core classroom instruction that help students with learning difficulties attain proficient or advanced levels of academic achievement. Common examples include extra instructional time in reading or math.

³ 34 C.F.R. § 300.101(a).

⁴ An annual IEP meeting is held to review, revise, and update a child's IEP.

⁵ Related services are defined under IDEA as transportation and such developmental, corrective, and other supportive services as are required to assist a child with a disability to benefit from special education. Common examples include counseling, physical and occupational therapy, orientation and mobility services, and speech-language pathology and audiology services.

Idaho awarded just over \$1.1 million of the \$109.9 million in IDEA, Part B funding that it received in fiscal years 2011 and 2012 to the two schools we reviewed during our audit scope, as shown in Table 2.

Table 2. IDEA, Part B Funding for the School Years Reviewed (2011–2012 and 2012–2013)

School			
IDVA	\$447,465	\$491,591	\$939,056
Inspire	\$96,775	\$97,077	\$193,852
Total	\$544,240	\$588,668	\$1,132, 908

Highly Qualified Teachers

During our audit period, States and LEAs were required to ensure that teachers in schools receiving Title I and IDEA, Part B grant funds were “highly qualified” according to the Federal definition of the term⁶ For public charter schools in Idaho, the HQT requirements are set forth in the State charter school law. In Idaho, teachers in both traditional public schools and charter schools are considered highly qualified if they hold a valid Idaho teaching certificate and one of the following:

- an approved out-of-State, content-specific test or letter indicating HQT status from another State;
- an American Board for Certification of Teacher Excellence test or certificate;
- a high, objective, uniform State standard of equation evaluation of 100 points or higher (before July 1, 2008);
- a passing score for one of the Praxis II content areas;⁷
- a National Board for Professional Teaching Standards Certification;
- an undergraduate major or equivalent 30 credit hours in content area; or
- a graduate degree in core subject area or 30 credit hours in content area.

As previously stated in footnote one, the Every Student Succeeds Act eliminated the Federal HQT requirements.

⁶ The law required teachers to have a bachelor's degree and full state certification and to demonstrate content knowledge in the subjects they teach.

⁷ The Praxis II assessments cover different subject areas for teacher certification. Each state requires different combination of Praxis II exams for certification. In many States, these include a content knowledge and a pedagogy exam. Many States use the Praxis II tests as a way to determine highly qualified teachers status under the No Child Left Behind Act.

Idaho

For the 2012–2013 school year, Idaho had seven full-time online charter schools that served K–12 students. As of the 2015–2016 school year, Idaho had eight such schools. Online charter schools—also known as virtual charters or cyber charters—are publicly funded schools of choice that use technology to deliver education to students in their own homes instead of a physical school building. Idaho defines an online charter school as one that delivers full-time instruction primarily using technology via the internet to students at various locations.

In Idaho, accountability for online charter schools is two-fold. The Federal Programs and Special Education departments within the Idaho State Department of Education are responsible for accountability of Federal programs and related provisions.

Idaho State Department of Education

Idaho is responsible for ongoing Federal program monitoring. To fulfill its responsibilities, Idaho conducts on-site and desk monitoring of its 149 LEAs and provides technical assistance on Federal program requirements. Idaho also relies on assurances from the LEAs, including online charter schools, that they have met Federal and State reporting requirements and, if operating schoolwide programs, have completed required annual evaluations of their schoolwide plans.

For Title I, Idaho’s Federal Programs department conducts ESEA/Consolidated Federal Monitoring visits at each LEA on a 3-year cycle. During these visits, the State verifies that the LEA met Federal program requirements and, if applicable, completed annual schoolwide plan evaluations. For IDEA, Part B, Idaho’s Special Education department operates on a 5-year monitoring cycle designed to identify and track noncompliance. However, according to Idaho’s Special Education Coordinator, the State also reviews 3 percent of (or at least 5) special education files from all 149 LEAs annually, which is about 850 student files.

Idaho Public Charter School Commission

Since 2004, the Idaho Public Charter School Commission (the Commission) has been responsible for authorizing public online charter schools. As the authorizer, the Commission is charged by State law to approve and oversee the performance of charter schools. The Commission’s responsibilities include (1) determining whether an application to start and operate a charter school merits approval and approving the charter school’s performance certificate; (2) conducting ongoing oversight of charter schools to evaluate performance, monitor compliance, and enforce the terms of charter schools’ performance certificates; and (3) revoking or not renewing charter school performance certificates if the school does not meet a minimum of three stars on Idaho’s Five-Star statewide accountability rating system.

Management at the Online Charter Schools

Both IDVA and Inspire are their own LEA, rather than being part of an LEA. They are authorized by the Commission to operate as independent public schools and organized as Idaho nonprofit corporations with charter school performance certificates that allow them to operate in Idaho for 5 years. Both schools' certificates expire in June 2018.

Both schools contracted with education management organizations⁸ to deliver curricular, administrative, technological, and financial services. IDVA contracted with K12, Inc., and Inspire contracted with Connections Education. A board of directors is responsible for governing and overseeing each of the two online charter schools. The boards oversee all administrative, operational, and financial activities but delegate certain responsibilities for day-to-day school functions to school administrators. The administrators at IDVA are employees of the contractor, K12. Inspire's administrators are employees of the board of directors. The school administrators oversee the Title I and IDEA, Part B programs and related HQT requirements.

According to a February 2014 study from the National Charter School Resource Center, "Virtual Schools: Assessing Progress and Accountability," online charter school education can be offered as (1) full-time instruction, in which a student's entire course schedule is taken online via the internet or through the use of technology; (2) supplemental online programs that serve as part of full-time traditional school programs; or (3) blended learning models, which combine online and face-to-face instruction. Both IDVA and Inspire focused on schools offering full-time online instruction. Some challenges noted in the study regarding online charter accountability included (1) a lack of a physical school building for charter-authorizer monitoring practices, such as site visits; (2) special accountability challenges presented by certain types of students, such as highly mobile and over-age, under-credited⁹ students; (3) the need to create new student enrollment, attendance, and engagement tracking because of the use of more flexible student schedules; (4) assessment timing not fitting well with the flexibility of students' schedules that the online charter schools provide; and (5) the roles of teachers and other adults in delivering online course content.

The Department has also recognized the challenges of implementing Federal programs in a virtual environment and issued guidance to clarify grantees' roles and responsibilities. For example, regarding IDEA, Part B, the Department issued a Dear Colleague Letter in August 2016 to clarify some of the critical requirements that apply to virtual schools after having received a number of questions from stakeholders. The Department advised States and LEAs to carefully review their policies and procedures to ensure that they address virtual schools, with a particular focus on monitoring to identify and correct

⁸ An education management organization is a for-profit or nonprofit organization that manages at least one school that receives public funds and operates the public school it manages under the same admissions rules as regular public schools.

⁹ An under-credited student is defined as an at-risk student who is over-age and does not have the appropriate number of credits for their age and intended grade.

noncompliance with IDEA, Part B requirements; timely collection and reporting of data; qualifications of personnel serving children with disabilities; availability of dispute resolution procedures to implement program safeguards; and provisions to ensure the confidentiality of student records. The Department also stated that, given some unique challenges, LEAs should review their States' and their own policies, procedures, and practices to ensure that children with disabilities who attend virtual schools are identified, located, and evaluated. The Department concluded its letter by stating, "The educational rights and protections afforded to children with disabilities and their parents under IDEA must not be diminished or compromised when children with disabilities attend virtual schools that are constituted as LEAs or are public schools of an LEA."

AUDIT RESULTS

We found that Idaho's oversight of the Title I and IDEA, Part B programs was adequate to determine whether services were being provided to students and that teachers were highly qualified, or that deficiencies were identified and corrective actions were required. Specifically, we found that Idaho's Federal Programs and Special Education departments had sufficient policies and procedures for overseeing schools' compliance with Federal program requirements. Idaho also conducted monitoring activities—including visits to IDVA and Inspire—that supported implementation of these policies and procedures.

However, we also found that one of the two schools reviewed—Inspire—had significant weaknesses regarding its documentation of service delivery to at-risk students and students with IEPs, as well as its compliance with HQT requirements. Our conclusion on the adequacy of Idaho's oversight was due, in part, to the fact that it identified similar weaknesses at Inspire during monitoring visits by its Federal Programs and Special Education departments. Idaho required that the school take corrective actions to address these deficiencies, but we note that Idaho needs to improve its process for following up on the implementation of required corrective actions.

In its comments on the draft report, Idaho concurred with our finding and recommendations and provided documentation of corrective actions that it has taken to address our recommendations. We summarize Idaho's comments at the end of the finding and include the full text of its comments as Attachment 2. Because of the number and length of attachments included as part of Idaho's comments, we have not included them here. Copies of the attachments are available on request.

FINDING – Idaho Needs to Ensure Full and Prompt Implementation of Corrective Actions and Improve its Federal Program Oversight Efforts

We found that Idaho’s monitoring of the Title I and IDEA, Part B programs—including related HQT provisions—was generally effective in identifying instances of noncompliance with the program requirements. This included the discovery of weaknesses regarding documentation of the delivery of intended services as described in the schoolwide plans and in students’ IEPs, and HQT designations. Idaho found significant issues at Inspire, where we found nearly identical issues; we concluded that further actions are required to ensure that the school is meeting its obligations to provide services to students under both Title I and IDEA, Part B. Idaho needs to improve its oversight and focus its efforts to assure corrective actions are implemented to improve schools’ administration of Federal programs.

Intervention Services Under Title I

Idaho

Idaho generally had sufficient oversight to determine whether students received Title I intervention services as described in their schoolwide plans, or that deficiencies were identified and corrective actions were required. Idaho monitors LEAs every 3 years using a monitoring tool that it developed that includes key statutory and regulatory program requirements. Using this tool, Idaho reviewed each school’s schoolwide program during this monitoring cycle—IDVA’s in 2012–2013 and Inspire’s in 2011–2012 and again in 2013–2014. Key indicators were reviewed to ensure that schools had, among other things, (1) schoolwide reform strategies incorporated in the overall instructional program, (2) instruction by HQTs, and (3) additional activities to ensure that students who experience difficulty attaining proficient or advanced levels of academic achievement were identified timely and provided with sufficient support.

To determine whether the schoolwide program has been evaluated, State monitors reviewed the annual evaluation to see who was involved in the program evaluation; identified data from which information was gathered and analyzed for evaluating the effectiveness of the schoolwide program; and reviewed evidence from meetings, including any dated agendas and attendance logs. Idaho also required schools operating schoolwide programs to provide an annual assurance that they had completed their schoolwide program evaluation. According to Idaho officials, the monitoring protocol was not adjusted for reviews of online charter schools because online charter schools are considered the same as public brick-and-mortar schools.

When it monitored the school in 2013–2014 for the 2012–2013 school year, Idaho found that Inspire did not complete its annual schoolwide program evaluation. Idaho also found that the school could not provide evidence that its schoolwide program adequately

reflected the components of a schoolwide program as described under Federal law. One such component is implementation of additional support activities (intervention services) for students who experience difficulty attaining proficient or advanced levels of academic achievement. The State required Inspire to develop an action plan to correct deficiencies in the administration of its schoolwide program, and Inspire made revisions to address the findings, as discussed in further detail below.

IDVA

We found that IDVA evaluated its schoolwide plan in 2011–2012 and 2012–2013, in accordance with Federal requirements. IDVA’s schoolwide plan contained reform strategies for its overall instructional program, provided for instruction by HQTs, included engagement with parents, required offering additional academic support for students when needed, and discussed implementation of student transition programs. IDVA evaluated students for Title I intervention services on an ongoing basis. IDVA also established an alternative high school for at-risk youths in the 2012–2013 school year, where it offered recovery courses to high school students who needed additional academic services.

We found sufficient documentation to support that IDVA provided the Title I intervention services required in its schoolwide plan. We reviewed a sample of 28 student files, of which 22 were identified as needing Title I intervention services—12 students from the 2011–2012 school year and 10 from the 2012–2013 school year.¹⁰ We confirmed that all 22 students received services. In support of the services provided, IDVA’s documentation included the intervention list identifying at-risk students in need of additional services to meet academic standards, login histories, and teacher progress reports.

Inspire

We found that Inspire did not evaluate its schoolwide plan in 2012–2013, in accordance with Federal requirements, despite providing to Idaho an assurance that it had done so. We also found no evidence that Inspire followed Idaho guidance on schoolwide program planning and intervention services. Specifically, we did not find sufficient documentation to support that Inspire provided the Title I intervention services required in its schoolwide plan. We reviewed a sample of 32 student files—15 from the 2011–2012 school year and 17 from the 2012–2013 school year—and could not confirm that any of these students received services. Inspire’s schoolwide plan identified specific interventions that Inspire stated it would provide to at-risk students to increase academic achievement. However, Inspire could not provide sufficient documentation to support that it provided such services. Inspire had a learning management system designed to record intervention services and student histories, but officials stated that the school did

¹⁰ Six students in our sample did not receive services for valid reasons—four because of truancy issues and two because they had already graduated or were attending the school to obtain work credit only.

not record and track specific student interventions during the 2011–2012 or 2012–2013 school years. They used the system to track only attendance. Inspire explained that student interventions were recorded in each individual student’s log, but not in any systematic manner, and that printing the volume of logs that would be necessary to support the provision of Title I intervention services would be an unmanageable task, even at an aggregate level.

We noted that Inspire took steps to improve the administration of its schoolwide program following Idaho’s monitoring visit in 2013–2014. Inspire implemented a new intervention process that year that integrated academic instruction with behavioral supports and included ongoing progress monitoring.

Section 1114 of the ESEA describes schoolwide program requirements. The implementing regulation at Title 34 Code of Federal Regulations (C.F.R) § 200.26 (c)(1) specifies that schools operating a schoolwide program must (1) annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State’s annual assessments and other indicators of academic achievement; (2) determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State’s academic standards, particularly for those students who had been furthest from achieving the standards; and (3) revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program. The Department’s March 2006 nonregulatory guidance on “Designing Schoolwide Programs” notes that one of the purposes of the annual review of the schoolwide program is to ensure that the program described in the schoolwide plan is being implemented as designed.

According to 34 C.F.R. § 80.40, which was applicable during our audit period, grantees were required to monitor grant and subgrant-supported activities and performance goals to ensure compliance with applicable Federal requirements. The Department has since adopted the Office of Management and Budget’s “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” which states at 2 C.F.R. § 200.331 that all pass-through entities must monitor the activities of subrecipients as necessary to ensure that subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved. Pass-through entities must also consider imposing specific subaward conditions on subrecipients or taking enforcement actions against noncompliant subrecipients if appropriate. Regarding internal control, 2 C.F.R. § 200.303 states that non-Federal entities must establish and maintain effective internal control over their Federal awards that provides reasonable assurance that they are managing the awards in compliance with Federal statutes, regulations, and the terms and conditions of the awards. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government,” issued by the Comptroller General of the United States, or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Special Education and Related Services Under IDEA, Part B

Idaho

We found that Idaho provided adequate oversight of IDEA, Part B implementation by monitoring LEAs through file reviews and onsite followup visits for areas of noncompliance, consistent with the law and the Department's Office of Special Education Programs' requirements for reporting. In March and April 2013, Idaho's Special Education department conducted file reviews at all of its LEAs using its Individual Student IEP General File Review checklist, which contained 17 compliance indicators. Reviewers entered all identified instances of noncompliance in the Special Education department's compliance tracking tool. In May 2013, the Special Education department's quality assurance and reporting coordinator issued letters to LEAs specifying findings of noncompliance that needed to be addressed within 1 year.

The Special Education department identified 8 findings of noncompliance at IDVA and 16 findings of noncompliance at Inspire. IDVA resolved all 8 of its findings of noncompliance by May 14, 2014, within the 1-year period. Inspire was working to resolve its 16 findings of noncompliance when a complaint alleging a failure to provide free and appropriate education to students was filed against the school in February 2014. Idaho completed an investigation of the complaint, and gave Inspire 1 year to resolve all of its outstanding findings of noncompliance and complaint-related issues. Idaho also provided an approved trainer to Inspire to provide training to the school's administrators and teaching staff. The training included instruction on a variety of issues, including developing proper compliant IEPs, measuring and documenting student progress toward IEP goals, timeliness for evaluation and eligibility, timely implementation of IEPs, and determining who should attend IEP meetings. Training was completed by October 2014, and Inspire submitted agendas and sign-in sheets to Idaho.

IDVA

We found that IDVA was generally able to provide sufficient documentation to support that it provided special education and related services in accordance with IDEA, Part B, and that students received such services. We found issues with only 3 of the 27 students in our sample. Specifically, supporting documentation was missing for 1 of the 27 students in our sample. IDVA could not provide any service reports for the student because the student's teacher resigned and permanently deleted all information from the teacher's computer. Two students who transferred to IDVA with IEPs that expired shortly after they arrived did not receive special education and related services. IDVA did not provide comparable services to the students upon transfer and did not timely reevaluate or develop new IEPs for the students. One of the two students received no services for 5 months; the other student received no services for 2 years.

We found that IDVA generally followed State and internal policy and procedures for providing special education and related services. The school's special education staff

provided special education services such as reading or writing instruction and documented the services with records that listed instructor login, service/class description, and student login. Third parties provided related services such as speech therapy or occupational therapy and documented through invoices. For virtual special education instruction, teachers instructed individual students through chat room sessions that used webcams to ensure student engagement. When a student missed a service session, the staff contacted parents to coordinate a make-up session and documented attempts to provide the service. Live service sessions were tracked and logged in the school's electronic system. Hardcopy records, such as service invoices from third-party providers, were scanned and then shredded. Teachers reviewed student records annually to verify that all the special education records were maintained.

For the 2013–2014 school year, IDVA implemented new procedures that include monthly data conferencing with all IEP teachers and a requirement that teachers turn in monthly progress monitoring reports for their assigned students. In addition, under IDVA's new procedures, the special education administrator is required to (1) review the monthly teacher monitoring reports to ensure the teachers are working through the IEP goals as required and (2) observe teachers providing services during live online sessions.

Inspire

We found that Inspire did not have sufficient documentation to support that it provided special education and related services in accordance with IDEA, Part B for 13 (52 percent) of the 25 students in our sample. For 8 of the 25 students in our sample, Inspire did not provide documentation of student login histories or sufficient documentation that the school attempted to provide required services. For 4 of the 25 students, Inspire did not provide sufficient documentation that services were provided according to the frequency and duration required by the students' IEPs. For one student in our sample, Inspire did not have documentation confirming that it developed a new IEP or subsequently provided special education and related services when the student transferred into the school with an expired IEP.

Inspire's education management organization also identified issues with its special education program when it conducted an internal review in March 2012 for the 2011–2012 school year. The internal review identified significant deficiencies, including concerns regarding special education leadership, instructional leadership, communication, data management, time management, and personnel management. The education management organization concluded that the special education program needed leadership and reorganization for the 2012–2013 school year, and offered to work with Inspire to design and improve its special education program. Inspire hired a new special education director for the 2013–2014 school year.

Inspire was also required to complete a corrective action plan in response to Idaho's findings and subsequent investigation of a complaint filed against the school in February 2014. As part of the corrective actions undertaken, Inspire's board formally adopted the

Idaho Special Education Manual; Inspire's administrators and teaching staff completed trainings required by Idaho and submitted supporting documentation in the form of agendas and sign-in sheets; and Inspire provided Idaho with a detailed description of its continuum of services. Inspire completed its corrective actions on October 31, 2014.

To comply with IDEA, Part B, an LEA must ensure that

- a reevaluation of each child with a disability must occur at least once every 3 years, unless the parent and the LEA agree that a reevaluation is unnecessary (34 C.F.R § 300.303(b)(2));
- as soon as possible following development of the IEP, special education and related services are made available to the child in accordance with the child's IEP (34 C.F.R § 300.323(c)(2);
- the IEP team reviews the child's IEP periodically, but not less than annually, to determine whether the annual goals for the child are being achieved, and revises the IEP, as appropriate (34 C.F.R § 300.324(b)(1)); and
- It continues comparable services for a child with a disability transferring from another school during the school year with an existing IEP until it adopts the previous IEP or develops and implements a new IEP (34 C.F.R § 300.323(e) and (f)).

According to 34 C.F.R § 300.600(a) and (b)(2), the State must monitor the implementation of Part B under IDEA. The primary focus of the State's monitoring activities must be on ensuring that LEAs meet the program requirements under Part B, with a particular emphasis on those requirements that are most closely related to improving educational results for children with disabilities. According to 34 C.F.R § 300.600(e), in exercising its monitoring responsibilities, the State must ensure that when it identifies noncompliance with program requirements by LEAs, the noncompliance is corrected as soon as possible, and in no case later than 1 year after the State identifies the noncompliance.

Highly Qualified Teachers

Idaho

We found that Idaho had sufficient oversight to ensure that schools complied with HQT requirements. During its Federal monitoring visits, Idaho pulled an HQT report to determine what content and core areas the selected teachers were assigned to teach. When on-site, Idaho reviewed the teachers' files and supporting documentation that corroborated the teachers' HQT status and verified that the teachers were teaching in the content and core areas in which they were credentialed. Idaho identified the following deficiencies related to HQT at the two schools in our review:

- During its school year 2012–2013 review of IDVA, Idaho found that three teachers did not comply with HQT requirements.
- During its school year 2011–2012 review of Inspire, Idaho found that 25 teachers did not comply with HQT requirements.

As a result of these deficiencies, Idaho provided technical assistance to Inspire and required both schools to provide support that all teachers were highly qualified and had Idaho teaching credentials. Idaho officials stated that IDVA corrected its deficiencies immediately. Idaho officials stated that Inspire showed improvement in the 2012–2013 school year, although some issues remained.

IDVA

IDVA maintained adequate documentation to support that it hired highly qualified teachers. We found that IDVA had sufficient documentation, including valid teaching credentials, to support HQT status for all 30 of the teachers reviewed that were required to be highly qualified.¹¹

Inspire

Inspire did not ensure that it hired highly qualified teachers as required and did not appropriately maintain supporting documentation for teachers' HQT status. Specifically, we found that 6 (37 percent) of the 16 teachers we reviewed (5 from 2011–2012 and 1 from 2012–2013) were not highly qualified. These six teachers did not hold valid Idaho teaching credentials. In addition, Inspire did not maintain supporting documentation for the teachers' HQT status on-site, as required by Idaho. Instead, Inspire's education management organization maintained the supporting documentation in a facility in Baltimore.

Title 34 C.F.R. § 200.55, which was applicable during our audit period, provided requirements for all teachers of core academic subjects. Specifically, each State that received Title I funds and each LEA in these States was required to ensure that all public elementary and secondary school teachers in the State who teach core academic subjects were highly qualified as defined in 34 C.F.R. § 200.56. As noted previously, the Every Student Succeeds Act eliminated Federal HQT requirements. It does, however, require that teachers in schools receiving Title I and IDEA, Part B funds meet their State's licensing requirements.

Title 34 C.F.R. § 300.156, which was applicable during our audit period, provides the requirements for special education teachers. Specifically, each person employed as a public school special education teacher in the State who teaches in an elementary school,

¹¹ Two of the 32 teachers we selected for review were not required to be highly qualified: one teacher was a speech pathologist, and the second teacher was a long-term substitute who was teaching non-core courses during our audit scope years.

middle school, or secondary school must be highly qualified as a special education teacher. After the passage of the Every Student Succeeds Act, states a special education teacher in a public charter school is qualified if the teacher meets the requirements in a State's public charter school law and holds a bachelor's degree (section 9214(d)(2)).

Recommendations

We recommend that the Acting Assistant Secretaries of the Office of Elementary and Secondary Education and the Office of Special Education and Rehabilitative Services require Idaho to—

- 1.1 Have its Federal Program and Special Education departments determine whether Inspire has fully implemented all previously required corrective actions for Title I and IDEA, Part B.
- 1.2 Obtain from IDVA evidence that it has developed and implemented procedures designed to ensure that all students with disabilities—including transfer students—are provided agreed-on IEP services and that adequate supporting documentation is maintained.

Idaho Comments

Idaho concurred with our finding and two recommendations, stating that it has implemented changes in its policies and procedures to ensure compliance with Department program requirements and enhanced the technical assistance that it provides to all schools and districts in the State. Idaho also discussed specific corrective actions that it has taken to address the recommendations for the two schools that we audited.

In response to recommendation 1.1, Idaho stated that it determined that Inspire was a “high-risk” school based on our audit and adjusted its 2015–2016 monitoring schedule to include Inspire for a full Federal programs monitoring visit. The monitoring visit included a review of the school's Title I and Title II programs and corresponding financial documentation. The monitoring team observed regular and supplemental instruction; interviewed parents, teachers, administrators, and support personnel; and reviewed documentation related to programmatic changes based on our findings. This included new policies and procedures on providing and tracking student services and the implementation of an annual Title I program evaluation. Idaho further noted that the few findings identified were corrected within a couple of months, as evidenced by its review of a corrective action plan and related documentation. The monitoring team also met with Inspire's special education teachers and director and observed changes in the school's process for providing services outlined in students' IEPs. Idaho stated that the monitoring team conducted file reviews and found that Inspire met all requirements in its IDEA, Part B monitoring protocol, a positive change from previous years when the school was found to be noncompliant in multiple areas.

In response to recommendation 1.2, Idaho stated that it conducted file reviews to assess IDVA's administration of the IDEA Part B program and determined that it also met all requirements in its monitoring protocol. Idaho stated that IDVA provided documentation demonstrating the school's development, implementation, and ongoing review of its IDEA Part B program and developed a Special Education General Procedures Handbook that is unique to the school. IDVA also provided Idaho with information on its Child Find process and its policy regarding providing services in a virtual setting.

OIG Response

We appreciate Idaho's commitment to implementing corrective actions to address our finding and recommendations. We encourage the State to continue its efforts to ensure full and prompt implementation of corrective actions and improve its Federal program oversight efforts.

OTHER MATTERS

We identified two areas of concern that we brought to Idaho's attention. The first is regarding discrepancies in Inspire's attendance reporting. The second is regarding the lack of a formal mechanism for the Idaho Public School Charter Commission and Idaho to report and track findings to mitigate risks to Federal, State, and local funds.

Inspire Attendance Reporting

We noted that Inspire was not reporting student attendance according to Idaho's requirements in the Idaho System for Educational Excellence.¹² Specifically, Inspire (1) included weekend hours in its student attendance calculation, (2) aggregated the weekly attendance hours instead of reporting them on a daily basis, and (3) did not record half-day attendance for students. Idaho law gives online charter schools the options to report attendance either based on actual hours of attendance on a flexible schedule or the percentage of course work completed. Inspire selected actual hours of attendance on a Monday through Friday reporting schedule.

We reviewed the attendance reports at Inspire through Connexus, Connections Academy's proprietary learning management system. We found that Inspire recorded student attendance on a 7-day (Sunday through Saturday) schedule; however, it reported attendance to Idaho on a 5-day schedule (Monday through Friday). In response to Idaho

¹² The Idaho System for Educational Excellence is Idaho's K-12 longitudinal data system that supports the State's budgeting processes, streamlines data submissions, and delivers information to educational stakeholders to facilitate data-driven decisions. The database includes information on students and teachers, among other things.

law requiring an approved school day calendar, Inspire submitted a calendar with a schedule for a 5-day week rather than the 7-day week it was using.

According to Connections Academy's Director of External Reporting, Inspire aggregated the weekday and weekend hours for the student and divided the total by five to arrive at the daily attendance for the week. For example, if a student logged 20 hours from Monday through Friday and 5 hours on a Saturday, Inspire credited the 5 Saturday hours to weekdays. Students could get credit for a maximum of 25 hours per week, regardless of when they logged on. According to the Idaho Finance Coordinator for Attendance and Enrollment, Idaho does not consider the weekend to be an active school day. Inspire should report attendance for weekdays only rather than adding weekend hours to 5-day reporting format.

Idaho law requires daily attendance to be reported in full or half-day increments. However, Inspire reported daily student attendance only in full-day increments. According to Idaho Administrative Code 08.02.01.250.03, a full day of attendance is satisfied when the school is open and students are under the guidance and direction of a teacher engaged in the teaching process for at least 4 hours. Inspire did not record half-day attendance for students; instead it rounded up student attendance based on the instruction hours reported. As a result, Inspire overstated its average daily attendance. Idaho Code 33-5208(10) (a) provides that each student attending a public virtual school will be funded based on either the actual hours of attendance based on a flexible schedule, or the percentage of coursework completed, whichever is more advantageous to the school, up to the maximum of one full-time equivalent student.¹³ Idaho recommends that public virtual schools maintain attendance documentation for each student and have written policy on how they will track attendance for State reporting.

Inspire officials stated that as a virtual school, Inspire's program is designed to meet individual student needs for a variety of learners. Students may follow a flexible schedule that allows them to complete schoolwork at different times and days within the week. Student attendance is based on a flexible schedule in accordance with Idaho Code. Inspire believed that it was meeting the statutory requirements for attendance based on this flexible schedule allowance. However, Inspire was working with Idaho and its school board counsel to review current attendance practices, make modifications if needed, and ensure the school's attendance reporting met the statutory requirements. We suggest that Idaho verify Inspire's attendance calculation, and provide technical assistance to the school to ensure it correctly calculates and reports attendance.

In its response to our draft report, Idaho provided evidence that the Inspire board developed and implemented procedures for collecting and reporting attendance in accordance with Idaho Code and incorporated these changes into the school's attendance policy.

¹³ In 2011, this provision was located in Idaho Code 33-5208(8)(b); in 2012, the provision was in 33-5208(8)(a).

Lack of a Formal Mechanism for the Commission and Idaho to Report and Track Findings

Although the Commission is not responsible for overseeing Title I and IDEA, Part B, as the authorizer, it has key oversight responsibilities. The Commission issues reportable findings that could relate to the administration of Federal programs and should formally share these findings with Idaho. As part of its reviews, the Commission conducted annual site visits, which included a limited review of special education files as well as classroom observations. While the Commission and Idaho acknowledged informal sharing of the results of their reviews, neither entity had a formal process to coordinate or track reportable findings. By working collaboratively and developing a formal mechanism for tracking findings, the Commission and Idaho can determine whether schools with problematic or systemic issues should be reviewed more frequently for compliance with Federal requirements. We suggest that Idaho and the Commission develop a formal mechanism for sharing and tracking findings on Title I and IDEA, Part B issues.

In its response to our draft report, Idaho stated that to improve oversight, it will provide quarterly updates about Commission-authorized schools to Commission staff. The updates will include program-specific information for both State-funded and federally funded programs, as well as any concerns related to State and Federal reporting requirements. In turn, Commission staff members will share information from their site visits, annual reviews, and charter school performance certificate renewals. This process will be implemented starting with the 2017–2018 school year.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our audit were to determine whether Idaho and the two selected schools had adequate oversight to ensure that (1) students were provided intended Title I services; (2) students were provided special education and related services in accordance with IDEA, Part B; and (3) schools hired HQTs in accordance with applicable program requirements. The scope of the audit was school years 2011–2012 and 2012–2013. To achieve our audit objectives, we—

- Obtained background information on Title I; IDEA, Part B; and HQT requirements under ESEA and IDEA, and Idaho’s laws on online charter schools.
- Reviewed Office of Management and Budget Circular A-133 compliance audits for Idaho.
- Reviewed a Department ESEA monitoring report for Idaho to identify areas of potential internal control weaknesses related to our audit objective.
- Interviewed key Department officials from the Office of Elementary and Secondary Education, the Office of Special Education and Rehabilitative

Services, and the Office of Innovation and Improvement to gain an understanding of the responsibilities for oversight and monitoring of Title I and IDEA, Part B, including HQT requirements for both programs.

At Idaho and the Commission, we—

- Interviewed key officials to obtain an understanding of their oversight and monitoring responsibilities.
- Reviewed written policies and procedures for administering Federal programs and training documents for key officials.
- Reviewed complaints regarding Title I; IDEA, Part B; and HQT in Idaho.

We gained an understanding of the online charter school authorization and approval process, monitoring and oversight responsibilities (to include the schoolwide programs), responsibilities for verification of teacher hiring and the HQT monitoring process, and responsibilities for verification that students were provided Title I and special education and related services under IDEA, Part B. Specifically, we—

- Reviewed the Title I schoolwide comprehensive plans and annual evaluations at the two selected online charter schools.
- Reviewed the rubric used to approve the selected online charter schools' schoolwide status.
- Assessed the internal controls significant to our audit objectives.

At the online charter schools, we—

- Interviewed key officials to determine how Title I and IDEA, Part B services were provided to students.
- Obtained policies and procedures regarding oversight of the Federal programs.
- Reviewed board policy documents and meeting minutes for each school.
- Reviewed policy and procedures for oversight and monitoring of Title I; IDEA, Part B; and HQT.
- Obtained an understanding of the hiring and verification process for teachers.
- Reviewed the schoolwide comprehensive plans, evaluations, and the required annual update.
- Reviewed the parental involvement policy.
- Obtained and reviewed supporting information to determine whether the schools followed their policies and procedures.

To evaluate Title I services, we focused on the additional intervention services that the schools stated they would provide as part of their schoolwide plan and also reviewed annual evaluations. To evaluate IDEA services, we relied on (1) the students' IEPs for key dates and information such as current IEP date, last evaluation date, and required special education and related services which included type, frequency, and duration of

those services; (2) documentation of staff and student logins found in service records; (3) invoices submitted by third-party service providers; and (4) teacher notes regarding attempts to provide services. To evaluate HQTs, we used Idaho criteria to verify that teachers had a valid Idaho teacher certificate.

Sampling Methodology

State Selection

We created a matrix that identified 27 States that had public, full-time, online charter schools. We reviewed the online charter schools within each State in a National Center for Education Statistics database to determine whether the schools received Title I and/or IDEA, Part B funds. We judgmentally selected Idaho because it had seven online charter schools that received Title I and/or IDEA, Part B funds.

School Selection

We judgmentally selected two schools out of Idaho's seven online charter schools based on the amount of Title I, and IDEA, Part B grant funds received. We selected IDVA and Inspire because they received the highest amount of both grants. The results are not projectable to all online charter schools in Idaho.

Sampling for Title I Testing

We used a risk-based approach at both online charter schools to select students to evaluate for receipt of schoolwide intervention services. First, we limited our scope of students tested for Title I services to those that (1) were eligible for free and reduced lunch,¹⁴ (2) were not in special education, and (3) were not dually or fully enrolled in the alternative high school program¹⁵ to arrive at an applicable universe. We judgmentally selected students from both schools for both sampling periods based on grade, enrollment period, and attendance profile. Specifically, we selected students based on the following criteria: (1) grade; (2) enrollment duration, where we considered whether the student had more or less than 90 days enrollment; and (3) attendance rate, where we considered whether the student averaged more or less than 15 days of attendance per month. We sought to span selections to maximize grades included and ensure inclusion of students with both shorter and longer enrollment durations and both high and low attendance rates. Table 3 describes the applicable universe and sample sizes for students selected for Title I testing.

¹⁴ The Title I grant is intended for students from low-income families that are eligible for free and reduced lunch.

¹⁵ This only applied to IDVA.

Table 3. IDVA and Inspire Sampling Universe and Number of Students Selected for Title I Testing

Item	Applicable Universe	Number of Students Selected
IDVA, 2011–2012	2,337	12
IDVA, 2012–2013	2,884	16
Inspire, 2011–2012	457	15
Inspire, 2012–2013	350	17

To determine whether selected students received schoolwide intervention services, we reviewed the intervention services listed in the schools’ schoolwide plans, selected a list of students eligible to receive intervention services, and then reviewed login histories for the students selected for testing and monitoring reports created by teachers if applicable. We used the information provided to determine whether the school made Title I services available and whether its students received those services. If none of the testing elements were available, we concluded that we could not confirm that students received schoolwide intervention service. In addition, we performed limited testing to understand IDVA’s process for assessing its students’ needs for intervention services. We were not able to do a similar test at Inspire because Inspire did not have supporting documentation. The results from our testing cannot be projected to the entire universe of students.

Sampling for IDEA, Part B Testing

We judgmentally selected the students identified as students with IEPs from both schools for both sampling periods from all grades using a risk-based approach based on grade, attendance, and enrollment period at both online charter schools. Table 4 shows the sampling universe and number of students selected for testing.

Table 4. IDVA and Inspire Sampling Universe and Number of Students Selected for IDEA, Part B Testing

Item	Universe	Number of Students Selected
IDVA, 2011–2012	383	11
IDVA, 2012–2013	436	16
Inspire, 2011–2012	69	13
Inspire, 2012–2013	64	12

We reviewed selected students’ special education files at IDVA and Inspire for documentation substantiating the provision and receipt of IDEA, Part B services. Our review process included verifying that each student had a timely evaluation/reevaluation

and current IEP, identifying the special education and related services prescribed in each IEP (such as type, duration, and frequency of service), and comparing the available documentation of services provided (such as instructor logins, notes regarding service attempts, and service provider invoices) to the terms of service detailed in the IEP. For example, if a student was required to receive 1 hour of math intervention, 1 day per week, for 4 consecutive weeks per month, we reviewed the service record for logs substantiating that the instructor and student logged in for an hour of math intervention at least once a week for four consecutive weeks of the month.

We also reviewed and considered teacher notes when such documentation pertained to LEA attempts to provide services. For example, if a service was not provided, we reviewed the teacher notes to determine whether a missed intervention notice was sent to the student or learning coach and whether the school provided followup services. We discuss documented attempts to provide services separately from cases for which there was no documentation of service provision in the Audit Results section.

Our review of the student files and conclusions regarding service provision and receipt were based on the adequacy of existing documentation rather than any judgments regarding the nature or quality of services. We did not verify the actual receipt of services by students delivered virtually or in-person through a third-party provider. The results from our testing cannot be projected to the entire universe of students.

Teacher Selection

In selecting teachers to review for compliance with HQT requirements, we established our universe based on the number of teachers who had unique Idaho identification numbers and taught core courses. We selected a sample of teachers for each school year. For IDVA, we judgmentally selected teachers based on teacher roles (substitutes, regular, and special education) and grades taught from both schools for both sampling periods. For Inspire, we judgmentally selected teachers based on course assignment from those listed as having HQT status as indicated in Idaho's reports. Table 5 shows the sampling universe and the number of teachers selected for testing.

Table 5. IDVA and Inspire Sampling Universe and Number of Teachers Selected for HQT Testing

Item	Universe	Number of Teachers Selected
IDVA, 2011–2012	74	16
IDVA, 2012–2013	82	16
Inspire, 2011–2012	50	8
Inspire, 2012–2013	44	8

To determine whether the selected teachers were highly qualified, based on Federal and Idaho's HQT criteria, we reviewed whether the selected teachers had a valid Idaho teaching certificate and one of the additional qualifications, as listed in the Background section of this report.

The results from our testing cannot be projected to the universe of teachers at these schools.

We relied on computer-processed data provided by Idaho and the selected online charter schools. Idaho provided the attendance, demographic, and enrollment data for students enrolled in the two online schools and teacher rosters reviewed for the 2011–2012 and 2012–2013 school years. Idaho's data comes from the Idaho System for Educational Excellence, which is the system in which LEAs upload data monthly. We also relied on student attendance data that the schools provided for the selected samples. To test the reliability of the data, we performed tests to look for missing data, the relationship of one data element to another, values outside of a designated range, and dates outside of a designated range. Based on our tests, we determined that the data Idaho and the schools provided were sufficiently reliable for the purposes of our audit.

We gained an understanding of the internal controls concerning Idaho's oversight of online charter schools. We determined that control activities were significant to our audit objectives. We reviewed Idaho's control activities for its monitoring and oversight of Title I; IDEA, Part B; and HQTs. We concluded that Idaho generally had adequate controls in place to determine whether students received intended services under these programs, or that deficiencies were identified and corrective actions were required.

We performed our audit work at Idaho, the Commission, IDVA, and Inspire periodically from June 2013 through April 2014. We completed additional fieldwork in the Atlanta Regional Offices from July 2014 through June 2017. We discussed the results of our work with Idaho officials during our exit conference on June 27, 2017.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ADMINISTRATIVE MATTERS

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector

General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this audit:

Jason Botel
Principal Deputy Assistant Secretary for Elementary and
Secondary Education and Acting Assistant Secretary for
Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Kimberly M. Richey
Deputy Assistant Secretary and Acting Secretary for
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It is the policy of the U.S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 calendar days would be appreciated.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation and assistance extended by Idaho, IDVA, and Inspire employees during our audit. If you have any questions or require additional information, please do not hesitate to contact me at 404-974-9417.

Sincerely,

/s/

Christopher A. Gamble
Regional Inspector General for Audit

Attachment(s)

cc: Matt Freeman, Idaho State Board of Education

Attachment 1

Acronyms, Abbreviations, and Short Forms Used in this Report

C.F.R.	Code of Federal Regulations
Commission	Idaho Public School Charter Commission
Department	U.S. Department of Education
ESEA	Elementary and Secondary Education Act of 1965, as amended
HQT	Highly Qualified Teacher
Idaho	Idaho State Department of Education
IDEA	Individuals with Disabilities Education Act
IDVA	Idaho Virtual Academy
IEP	Individualized Education Program
Inspire	Idaho Connections Academy
LEA	Local Educational Agency
Title I	Title I, Part A

Attachment 2

Idaho Response to the Draft Report



July 17, 2017

Control Number: ED_OIG/A04N0010

SHERRI YBARRA
SUPERINTENDENT OF
PUBLIC INSTRUCTION

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Christopher A. Gamble
Regional Inspector General for Audit
U.S Department of Education
Office of Inspector General
61 Forsyth Street SW, Suite 19T20
Atlanta, GA 30303

Dear Mr. Gamble

In connection with the Office of Inspector General's audit of Idaho State Department of Education's (ISDE) monitoring and oversight of online charter schools, we are providing a response to the draft report of the OIG's audit.

Overall, the Idaho State Department of Education concurs with the findings and recommendations of the audit. Starting with the initial visit of the audit team in July 2013, the ISDE Federal Programs, Special Education, Certification, and School Choice directors and coordinators have been implementing changes in policies and procedures to insure compliance with the US Department of Education's program requirements; as well as enhance the technical assistance provided to all schools and districts in the state.

In addition to the response, we are providing documentation to support the corrective actions that have already occurred, based on the initial findings of the OIG team's audit. As part of the documentation we have provided an index of the documents. We have labeled the files or documents with the recommendation number, school name, and program name related to those documents.

We hope the response and documentation will satisfy the audit requirements and allow for the issuance of a final audit report.

Respectfully,

/s/
Sherri Ybarra
Superintendent of Public Instruction
Idaho State Department of Education

Cc: Rich Rasa, State and Local Advisory & Assistance Team Director, OIG
Enclosures

ISDE Response ED-OIG/A04N0010

Idaho State Department of Education (ISDE) concurs with the findings and recommendations of the Office of Inspector General's draft audit report "Idaho State Department of Education's Oversight of Online Charter Schools." Starting with the Office of Inspector General's (OIG) initial visit in July 2013 and continuing through the present the ISDE has implemented corrective actions and changes to policies, procedures, documentation, and technical assistance. The corrective actions and changes were made as a result of the ISDE's monitoring of the schools, as well as the auditor's initial findings. While the corrective actions were specific to the two schools audited, related changes have been implemented with all schools and districts as appropriate.

Note: Any corrective action documents referenced include the item number from the document index. The document item numbers are correlated with the audit team's recommendations and also the program area for each school. Items with an "A" relate to Title IA and items with a "B" relate to IDEA Part B.

Recommendation 1.1: "Require Idaho to have its Federal Program and Special Education departments determine whether Inspire has fully implemented all previously required corrective actions for Title I and IDEA, Part B."

Response for Title IA:

Based on the OIG initial audit findings, ISDE Federal program team determined Inspire was a "high-risk" school and adjusted the 2015-16 monitoring schedule to include Inspire for a full monitoring visit. The monitoring included a review of the schools Title IA and Title IIA programs as well as the corresponding financial documentation. The review team followed the monitoring protocol (1.1.A1) used for all Local Education Agencies (LEA) and districts. In addition reviewing supplied documentation, the team observed regular and supplemental instruction; interviewed parents, teachers, administrators, and support personnel; and reviewed documentation related to programmatic changes based on the OIG team's visits and findings.

As stated in the monitoring team's report (1.1.A1), the reviewers found Inspire and Connections Academy had made significant changes in their processes, procedures, and policies. Essentially, they were not the same school that was monitored in 2013 and participated in the initial visits with the OIG audit team. Changes include the following: an entirely new, experienced leadership team; new policies and procedures related to providing and tracking student services; and the implementation annual Title IA program evaluation. The few findings were corrected by the Inspire team within a couple of months as evidenced by their submitted corrective action plan (1.1.A2) and our review (1.1.A3) of the results. The monitoring documents and the school's responses are included in the documentation provided.

When a district or LEA isn't being monitored, they are required to submit a self-assessment of the program requirements and whether they are meeting them or not. Inspire submitted the self-

assessment (1.1.A4) during the 2016-17 school year certifying they continued to meet the requirements and had implemented the corrections related to the 2015-16 monitoring.

Response for IDEA Part B:

Inspire had two areas of concern related to IDEA Part B. The first was related to the documentation of special education services and the overall program. The second related to a complaint filed against the school in February 2014. The two areas of concern are inter-related and corrective actions related to the complaint helped resolve the issues related to the overall program.

A corrective action plan, based on the allegations of the complaint (1.1.B1), was implemented beginning April 2014. The complaint corrective action plan (1.1.B2) detailed the requirements for resolving each of the allegations cited in the complaint. The corrective actions included actions to be taken by the school's board; training for the administration and staff; documentation related to special education policies and procedures; and implementing the changes to special education policies and procedures. The school was required to provide specific evidence demonstrating the completion of the corrective actions. (1.1.B3) ISDE formally closed the complaint in November 2014 after all of the corrective actions had been completed and sent the school and the complainant a letter (1.1.B4) stated that it was closed.

In December 2015, the team conducting the federal program monitoring had an opportunity to meet with the special education teachers and director. The team saw the school's changes in their process for providing services. This process aligns to the Title IA process and helps ensure students are receiving the services outline in their Individualized Education Plans (IEP).

In order to ensure the on-going implementation IDEA Part B program requirements and any required corrective actions, the ISDE special education team conducts general file reviews (1.1.B5) based on the compliance indicators in the IDEA Part B State Performance Plan. For the Federal Fiscal Year 2015 (FFY15), covering school year 2015-16, Inspire met the requirements in all nine of the reviewed areas as evidenced in the "Meets Requirement" letter (1.1.B6). This was a positive change from previous years when they were found to be non-compliant in multiple areas, as the ISDE and OIG teams noted.

Response Overall:

Inspire is an entirely different school than it was in July 2013. Not only has the leadership team changed, but they have implemented a culture promoting what is best for the students and insuring that is carried out. Members of the ISDE team noticed this while conducting monitoring and review visits. It was also noted as a "powerful practice" by the accreditation team that conducted the schools accreditation review in February 2017. Inspire submitted their accreditation report (1.1.C1) as evidence of an external reviewers evaluation of the school.

Recommendation 1.2: “Require Idaho to obtain from IDVA evidence that it has developed and implemented procedures designed to ensure that all students with disabilities – including transfer students – are provided agreed on IEP services and that adequate supporting documentation is maintained.”

Response IDEA:

Idaho Virtual Academy (IDVA) did not have the same type of findings during the audit. The concerns related to the school were related to the ISDE ensuring on-going compliance and continual implementation of the IDEA Part B procedures and policies they had made during the audit.

IDVA also participated in the general file review (1.2.B1) conducted by the ISDE special education team for FFY2015. Again the review is based on Idaho’s IDEA Part B State Performance Plan. IDVA also met the requirements in all nine of the performance areas. This is documented in the “Meets Requirements Letter” sent to the school (1.2.B2).

Additionally, IDVA has provided documentation demonstrating their development, implementation, and ongoing review of their IDEA Part B program. IDVA has developed a “Special Education General Procedures Handbook” (1.2.B3) which is unique to their school. It is designed to outline the general procedures unique to their program and is used in conjunction with the” Idaho Special Education Manual.” Also specifically documented are the school’s “Child Find” process (1.2.B4) and an explanation (1.2.B5) of how they provide services in a virtual setting.

Response Title IA:

Although not specifically mentioned in the recommendation, we wanted to note that IDVA has completed the annual self-assessment (1.2.A1) for the federal programs. Additionally, the school’s federal programs (Title IA & IIA) will be reviewed as part of the monitoring cycle in November 2017.

Other Matters: Inspire Attendance Reporting:

Idaho State Department of Education does not require the virtual/on-line schools to submit their policies or procedures for collecting and reporting attendance. However, based on the findings of the OIG audit team, the ISDE did ask the Inspire Board to develop a procedure for collecting and reporting attendance consistent with Idaho Code. The board developed and implemented procedures consistent with the code and incorporated the changes into the school attendance policy (OM.1).

Lack of Formal Mechanism for the Commission and Idaho to Report and Track Findings

The Idaho Public Charter Commission is a separate entity from the Idaho Department of Education. In an effort to improve the oversight responsibilities of the Commission and ensure they have a complete picture of what is happening in the charter schools they oversee, the ISDE will be providing quarterly updates about the Commission authorized schools to the Commission staff. The updates will include program specific information for both state and federally funded programs; as well as any concerns related to state and federal reporting requirements. In turn, the Commission staff will share information from their site visits, annual reviews, and charter/performance certificate renewals. This process will be implemented starting with the 2017-18 school year.

Idaho Response Document Index:

- 1.1.A1 2015-16 Federal Programs Monitoring Report
- 1.1.A2 Inspire Federal Programs Monitoring Corrective Action Plan
- 1.1.A3 ISDE (Idaho State Department of Education) Review of Inspire Corrective Action Plan
- 1.1.A4 2016-17 Inspire Federal Programs Self-Assessment
- 1.1.B1 Inspire IDEA (Individual's with Disabilities Education Act) Complaint
- 1.1.B2 Inspire IDEA Complaint Corrective Action Plan
- 1.1.B3 Inspire & ISDE Evidence of Corrective Action Plan Completion
- 1.1.B4 ISDE Complaint Closure Letter
- 1.1.B5 Inspire IDEA General File Reviews
- 1.1.B6 Inspire IDEA "Meets Requirements" Letter
- 1.1.C1 Inspire AdvancEd Accreditation Report
- 1.2.B1 Idaho Virtual Academy (IDVA) IDEA General File Reviews
- 1.2.B2 IDVA IDEA "Meets Requirements" Letter
- 1.2.B3 IDVA Special Education General Procedures Handbook
- 1.2.B4 IDVA Child Find Process
- 1.2.B5 IDVA Explanation of Services in a Virtual Setting
- 1.2.A1 IDVA Federal Programs Self-Assessment
- OM.1 Inspire Attendance Policy