



Placer Hills Union School District

Special Education Review

April 30, 2010

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

April 30, 2010

Fred Adam, Superintendent
Placer Hills Union School District
16801 Placer Hills Road
Meadow Vista, California 95722

Dear Superintendent Adam:

In December 2009, the Placer Hills Union School District School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement to provide a review of the district's special education programs and placements. Specifically, the agreement stated that FCMAT would perform the following:

1. Conduct a review of the district's Special Education Department and provide recommendations regarding the instructional strategies and delivery model for services. This component will provide an analysis of operational improvements to assist the department to operate a more efficient and cost effective program.
2. Evaluate district student placement in the Placer County Office of Education Special Education programs and make recommendations or placement options that include the following:
 - a. The cost and academic impact of transferring district students in the Placer COE programs to regional programs.
 - b. Conduct the same cost and academic analysis of the district serving these students versus the Placer COE.

The attached final report contains the study team's findings and recommendations with regard to the above areas of review. We appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Placer Hills Union School District.

Sincerely,

Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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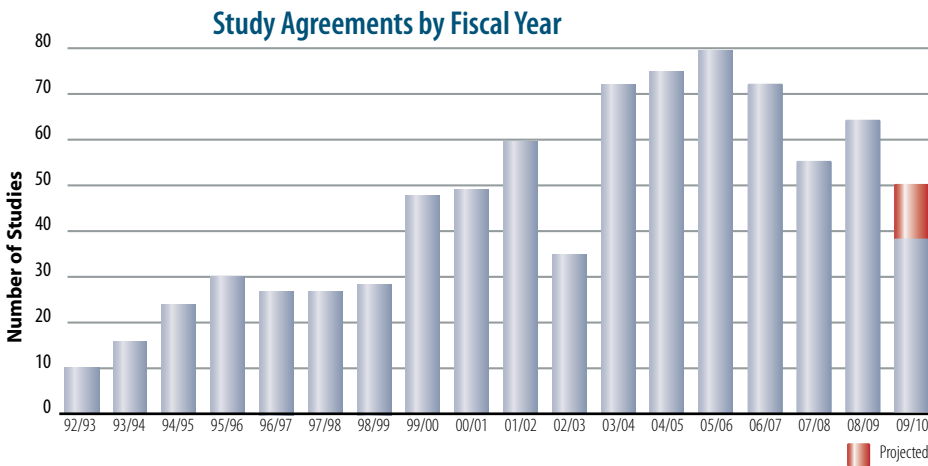
Foreword - FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies (LEAs) in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that LEAs throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT’s services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 750 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



Total Number of Studies.....	743
Total Number of Districts in CA.....	1,050
Management Assistance.....	705 (94.886%)
Fiscal Crisis/Emergency	38 (5.114%)
Note: Some districts had multiple studies.	
Eight (8) districts have received emergency loans from the state (Rev. 12/8/09)	



Introduction

Background

The Placer Hills Union Elementary School District is located in Placer County. With an enrollment of 1,133 students, 9.3% of its students are identified for special education. The general fund contribution for special education for the 2009-10 school year is 65% (\$850,000), which includes transportation costs. The statewide average general education contribution for special education is between 25% and 29%. The district has requested a FCMAT study to determine the cost effectiveness of operating its own special education programs in an effort to reduce the encroachment of special education on the general fund.

In December 2009 the district requested FCMAT to review the special education programs and services provided by the district and county office of education. The study agreement specifies that FCMAT will perform the following.

1. Conduct a review of the district's Special Education Department and provide recommendations regarding the instructional strategies and delivery model for services. This component will provide an analysis of operational improvements to assist the department to operate a more efficient and cost effective program.
2. Evaluate district student placement in the Placer County Office of Education special education programs and make recommendations or placement options that include the following:
 - a. The cost and academic impact of transferring district students in the PCOE programs to regional programs
 - b. Conduct the same cost and academic analysis of the district serving these students versus the PCOE.

Study Guidelines

FCMAT visited the district on February 25 and 26, 2010 to conduct interviews with county and district staff and parents, and to collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Operational Efficiency
- Program Options
- Appendices

Study Team

The study team was composed of the following members:

William P. Gillaspie, Ed.D.
Chief Management Analyst
Fiscal Crisis and Management Assistance Team
Sacramento, California

JoAnn Murphy
FCMAT Special Education Consultant
Santee, California

Anne Stone
FCMAT Special Education Consultant
Mission Viejo, California

Laura Haywood
Public Information Specialist
Fiscal Crisis and Management Assistance Team
Bakersfield, California

Executive Summary

Placer Hills Union Elementary School District has a district enrollment of 1,133 students and currently serves 106 students in special education. As a small district it has limited options for special education services and has relied on the Placer County Office of Education to serve its severely handicapped students. The costs for those services are billed back to the district. The costs of district-operated special education programs/services and escalating bill-back costs from the Placer COE for special education services has increased the general fund contribution to 65% (\$850,000) for fiscal year 2009-10. This includes transportation costs. The statewide average contribution for special education is between 25% and 29%.

After analyzing the bill-back costs for Placer COE special education services along with the current service delivery model for the district's special education students and transportation costs, FCMAT was able to provide the district with findings and recommendations that could reduce the general fund contribution from 65% (\$850,000) to 32% (\$415,011) for the 2010-11 school year.

The reduced encroachment would result from increased efficiency of district-operated programs and services for a savings of \$191,240, and the expansion of district options that would eliminate the need for some students to attend county programs, yielding an estimated savings of \$223,771. Full implementation of these recommendations will involve the essential recommended staffing reductions and the creation of new district-run program options. Both present challenges to the district but would benefit students by allowing them to attend a school in their district of residence. The district leadership has demonstrated a firm commitment to building solid programs and services for students with disabilities while meeting the goal of reducing encroachment.



Findings and Recommendations

Operational Efficiency

Students identified for special education equal 9.3% of the district's enrollment of 1,133, which is below the statewide average of 10%. Twenty-seven percent of the district's special education students attend programs outside the district in both Placer COE and Auburn Union School District. A redesign of the district's delivery model and support services could achieve greater efficiency and provide more in-district educational options.

The district offers no in-district programs for preschool age students. Seven students attend preschool programs at the Placer COE, and five more students will be eligible for services at age 3 for the 2010-11 school year. Because of the increased number of students, the district now has the capacity to develop its own preschool program.

The district has the capacity to expand its in-district programs to include both resource and special day class services.

In-district services for special education students are limited to designated instruction (speech and language) pull-out and resource specialist services. Students requiring special day class services attend Placer COE or regional programs outside the district, with the costs billed back to the district. The district has the capacity to expand its in-district programs to include both resource and special day class services. No new resources will be needed to complete this program expansion.

District resources for resource specialist program (RSP) services could be used more efficiently. EC 56362(6)(c) defines the maximum caseload for resource specialists as 28 students. The current average caseload for the district's resource specialists is 22 students. The district will achieve greater efficiency with a staffing formula no less than 26 students per RSP. The district should reduce the RSP position by .5 for a savings of \$38,547 or use this resource as part of the RSP/SDC expansion of services.

The district should consider creating an RSP/SDC option that would provide services for students requiring specialized academic instruction, which is defined in 34 CFR 300.26(b)(3) as: "adapting, as appropriate to the needs of the child with a disability the content, methodology, or delivery of instruction to ensure access of the child to the general curriculum, so that he or she can meet the educational standards within the jurisdiction of the public agency that apply to all children." A combined RSP/SDC option provides the flexibility to meet the range of student needs for most of the school day if necessary.

EC 56362(6)(f) requires an aide for 80% of the resource specialists. The district currently provides each RSP with a six-hour aide. A reduction in the level of RSP instructional aide support to within the requirements of the Education Code will yield a savings of \$15,906.

In addition to the mandated level of instructional aide support, the district also provides 5.7 additional six-hour aides to support the resource program. Most of these aides are assigned to the middle school. While the additional aides enhance the classroom supports for students, they are not required for students to receive an appropriate program. The district should eliminate 5.7 instructional aide positions for a savings of \$151,130.

The district has a practice of providing six-hour benefitted aide positions. Many districts have changed their practice in this area and hire two three-hour aides to fill a need for six hours of aide time. The district would eliminate the cost of benefits for an additional savings

The extended school year services can and should be provided by the district.

of approximately \$15,000 if they adopted the practice of two three-hour aides rather than six-hour aides.

The district has one speech therapist with a contract equal to 125%. This contract was negotiated because the therapist has carried caseloads that exceeded the statewide average of 55 students per therapist in the recent past. The current average caseload for 2009-10 is 50 students, and that caseload will remain within the statewide average. The district should reduce the contract for the speech therapist to 1.0 for the 2010-11 school year for a savings of \$24,204.

The district has forwarded referrals for four RSP students to receive extended school year (ESY) services through the Placer COE programs. County staff reported that the referrals were sent by a teacher without prior review or approval from the superintendent or director of special education. The Placer COE staff has indicated that there is no existing program for these students but expressed a willingness to design a program; however, additional bill-back costs would be incurred. The extended school year services can and should be provided through the district.

Recommendations

The district should:

1. Increase the staffing formula to 26 students per resource specialist to maximize resources.
2. Eliminate .5 RSP positions for a savings of \$38,547.
3. Reduce the level of instructional aide support for all resource specialists to align with Education Code requirements for a savings of \$15,906.
4. Eliminate 5.7 additional instructional aides provided to RSP programs for a savings of \$151,130.
5. Eliminate (through attrition) the six-hour benefitted instructional aide positions and replace with two three-hour aide positions for a savings of \$15,000.
6. Reduce the contract for the speech therapist from 125% to 100% for a savings of \$24,204.

OPERATIONAL EFFICIENCY

7. Rescind the four referrals to Placer COE for extended school year services to avoid further bill-back costs. Develop in house ESY services for these students.
8. Develop internal review processes that include the director of special education and the superintendent as a mechanism for controlling district costs.
9. Develop an in-district preschool program to serve the increased number of district students who are eligible for this service.

Summary of Projected Annual Savings for Placer Hills UESD

Area	Potential Reduction	Savings to the district
Resource specialist	.5 position	\$38,547*
RSP instructional aides	Reduction in RSP aide support to align with ED requirements	\$15,906
Additional RSP aide support	Reduce additional RSP aides support by 5.7 positions	\$151,130
6 hour benefitted aide positions	Eliminate six-hour benefitted aide positions and replace with two three-hour aides	\$15,000*
Speech Therapist	Reduce speech therapist contract from 125% to 100%	\$24,204
Total Potential Reductions		\$244,787
2010-11 Reductions		\$191,240

*These areas are included in potential reductions but may take longer than one year to implement. For that reason, they are not included in the overall savings for 2010-11.



District Program Options

According to the December 2008 pupil count, 106 special education students are served in the district's schools. The district was billed by the Placer COE for 17.5 special day class (SDC) students and 4.25 language intensive (LI) students during the 2008-09 school year. Seventeen percent of all Placer Hills special education students attended a Placer COE program. The final bill-back for these students was \$348,813.

Sixteen students attend the SDC classes operated by the Placer COE. The diverse ages and disabilities of the Placer Hills students in the Placer COE classes do not lend themselves to a sufficient number of students in any one category and age group to establish a specific class, as shown in the table below:

Placer COE Programs and District Students in Each Program	
SDC classes at PCOE	Placer Hills Students Enrolled
Deaf/Hard of Hearing (Elementary)	1
Deaf/Hard of Hearing (Infants)	2
Functional Living Skills	5
Language Intensive	7
Multiple Handicapped	3
Autism	4
Emotionally Disturbed	2
Visually Impaired	1

Placer COE's projected base cost for the LI program in 2009-10 is \$281,709. The Placer Hills portion of that bill is estimated to be \$128,049. However, since that projection two additional district students have been enrolled in the program, so the district's cost will increase. Placer COE staff indicated that the referral rate for the LI class will decrease in 2010-11 because programs are being developed in other member districts to serve the LI population. If Placer Hills continued to refer students to that program, it would be billed for the full cost of the program, which could easily be close to \$250,000.

Six district students are enrolled in special education programs in the Auburn School District. There is no formal Memorandum of Understanding (MOU) for this enrollment, but there is a verbal agreement between the districts regarding costs. The cost to Placer Hills to send students to Auburn Union for 2009-10 without the cost of transportation is projected to be:

Speech/Language (only at a Head Start preschool)	\$ 9,200
Language Intensive SDC Class	\$11,800
Other SDC class	9,500

After reviewing the data and interviewing the superintendent, FCMAT found that if the district develops an SDC for moderate severe students with an emphasis on language and autism, most of these students could receive their special education in the district at a significant savings (see table below).

Summary of Costs, Proposed Reductions, New Costs and Final Reductions				
2008-09	2009-2010	Proposed Reductions	Costs	Final Reductions
SH/SDC \$348,813	SH/SDC \$356,016	Rock Creek autism 3 @ \$17,074 = \$51,222	New Placer Hills Pre-K class \$100,000 +	\$51,222
Language Intensive \$92,402	Language Intensive \$181,749	Rock Creek Language Intensive 7@ \$25,610 = \$181,749	\$25,000 start-up costs	\$56,749
Transportation \$119,000	Transportation \$119,000	Transportation \$119,000	\$96,500	Transportation \$11,500 Salary & Benefits + \$10,000 Mileage = \$22,500
Auburn Program \$16,112	Auburn Program \$37,700	Auburn Program \$28,500	\$9,200	\$19,300

FCMAT reviewed the files of 18 Placer Hills special education students and documented the program changes that would occur for these students if new programs were developed in the district. Numbers have been assigned to students to protect confidentiality.

Current and Proposed Placement for Placer Hills Special Education Students

Student	Current Placement	Placement Being Considered for 2010-11	Recommended Placement if New District Programs Developed
1	PCOE – LI	District K program	District K program
2	PCOE – LI	Head Start w/Auburn speech	Head Start w/district speech
3	PCOE – LI	District K program	District K program
4	PCOE – LI	Head Start w/Auburn speech	Head Start w/district speech
5	PCOE – LI	District speech	District speech
6	PCOE – LI	Auburn LI	District SDC preschool/K class
7	Auburn – LI	District K program	District K program
8	Auburn – SDC	Head Start w/Auburn speech	Auburn Head Start w/Auburn speech
9	PCOE – autism	Auburn LI	District SDC preschool/K class
10	PCOE – autism	Auburn – K LI	District SDC preschool/K class
11	PCOE – autism	PCOE – autism	District SDC preschool/K class
12	Auburn – preschool	Auburn – SDC	District SDC preschool/K class
13	Auburn – preschool	Head Start w/Auburn speech	Head Start w/district speech
14	Auburn – preschool	District K program	District K program
15	PCOE – SDC	PCOE – SDC	PCOE - SDC
16	PCOE – SDC	PCOE – SDC	PCOE - SDC
17	PCOE HH	PCOE – HH	PCOE - HH
18	PCOE – autism	PCOE – autism	PCOE – autism (age 6)

Recommendations

The district should:

1. Notify Placer COE that Placer Hills will not refer any students to its language intensive program for the 2010-11 school year and may not send any students to its preschool/kindergarten autism program.
2. Begin meeting with the parents of students enrolled in the preschool and autism program regarding possible changes for the 2010-11 school year.
3. Carefully review the IEPs and observe each of the district’s students in Placer COE and Auburn Union programs to determine:
 - a. Which students may be able to return to the district if additional service options are available
 - b. What will be required to operate a comparable program to meet the IEP goals for these students

4. Meet regularly with the SELPA, Placer COE, Auburn Union and the other small districts in the area to determine which districts could operate SDC and preschool programs in a regional model to serve some of the students now in Placer COE programs.
 - a. Develop MOUs with the other small districts regarding but not limited to:
 - i. The referral process for a regional class
 - ii. The cost of serving the students
 - iii. The responsibility of the district of residence for excess costs
 - iv. The responsibility of the district of residence regarding any due process/ complaints that may arise.

Appendices

Appendix A - Study Agreement



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
December 14, 2009**

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Placer Hills Union Elementary School District hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Placer Hills Union Elementary School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to conduct the following:

1. Conduct a review of the District's Special Education Department and provide recommendations regarding the instructional strategies and delivery model for services. This component will provide an analysis of operational improvements to assist the department to operate a more efficient and cost effective program.
2. Evaluate district student placement in the Placer County Office of Education Special Education programs and make recommendations or placement options that include the following:
 - a. The cost and academic impact of transferring district students in the PCOE programs to regional programs
 - b. Conduct the same cost and academic analysis of the District serving these students versus the PCOE.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.
- 3) Exit Meeting - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District following completion of the review.
- 7) Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District’s progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- A. *Bill Gillaspie, FCMAT Chief Management Analyst*
- B. *JoAnne Murphy, FCMAT Consultant*
- C. *Anne Stone, FCMAT Consultant*

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be billed for the daily rate and expenses of the independent consultant, only. Based on the elements noted in section 2 A, the total cost of the study is estimated at \$9,000.00. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.
- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1) A map of the local area
 - 2) Existing policies, regulations and prior reports addressing the study request
 - 3) Current organizational charts
 - 4) Current and four (2) prior year's audit reports
 - 5) Any documents requested on a supplemental listing
- C. The District Administration and the Placer County Office of Education will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for key study milestones:

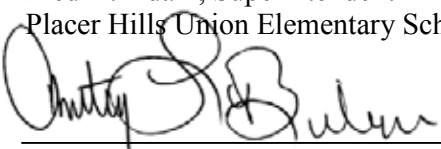
<i>Orientation:</i>	<i>January/February</i>
<i>Staff Interviews:</i>	<i>January/February</i>
<i>Exit Interviews:</i>	<i>to be determined</i>
<i>Preliminary Report Submitted:</i>	<i>to be determined</i>
<i>Final Report Submitted:</i>	<i>to be determined</i>
<i>Board Presentation:</i>	<i>to be determined</i>
<i>Follow-Up Support:</i>	<i>If requested</i>

7. **CONTACT PERSON**

Name of contact person: Fred H. Adam, Superintendent

Telephone: 530-878-2606 FAX

E-Mail: adam@phusd.k12.ca.us

<u>Fred H. Adam, Superintendent</u>	<u>Date</u>
<u>Placer Hills Union Elementary School District</u>	
	<u>December 14, 2009</u>
<u>Anthony L. Bridges, Deputy Executive Officer</u>	<u>Date</u>
<u>Fiscal Crisis and Management Assistance Team</u>	

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report.