

September 7, 2016

Ed Cora, District Superintendent
Guadalupe Union School District
4465 Ninth St.
Guadalupe, CA 93434

Dear Superintendent Cora:

In March 2016, the Guadalupe Union School District entered into an agreement with the Fiscal Crisis and Management Assistance Team (FCMAT) for a special education technical assistance review. The study agreement requested the FCMAT perform the following:

1. Review the costs of all 3- to 5-year-old students who reside in the Guadalupe Union School District boundaries, receive special education services and are placed outside the district, and explore the cost effectiveness of developing program options within the district.
2. Determine if it would be cost effective for the district to operate preschool special education programs for students with special needs rather than contracting with the CEO and provide estimated cost comparisons for providing programs and services to preschool students with special needs in lieu of contracting with the CEO. Review the timeline for transfer feasibility.
3. Determine the extent to which 3- to 5-year-old students are educated in the least-restrictive environment in compliance with statutory requirements, and make recommendations if needed.

The purpose of this management letter is to provide the findings and recommendations developed by FCMAT in response to this request. FCMAT conducted staff interviews at the district office on June 15, 2016. The team also reviewed various documents collected before and during the visit. This management letter is the result of those efforts.

In writing its reports and letters, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 661-636-4647 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

Study Team

The study team was composed of the following members:

William P. Gillaspie, Ed.D.
Deputy Administrative Officer
Bakersfield, CA

Jackie Kirk-Martinez, Ed.D.
FCMAT Consultant
Pismo Beach, CA

Jackie Martin*
Assistant Superintendent
Atascadero Unified School District
Atascadero, CA

*As a member of this study team, this consultant was not representing her employer but was working solely as an independent contractor for FCMAT. Each team member reviewed the draft report to confirm the accuracy and to achieve consensus on the final recommendations.

Background

The Guadalupe Union School District has an enrollment of approximately 1,269 students who are served at two schools, Mary Buren Elementary and Kermit McKenzie Jr. High. Students 3-5 years old who are eligible for special education are served through the Santa Barbara County Education Office. The district is one of 23 districts in the Santa Barbara SELPA.

Costs to serve students 3-5 years old through the county office prompted the district to request FCMAT to review its special education preschool services to determine why costs have risen and whether the district could serve its own students more efficiently.

Cost Analysis

FCMAT was asked to review the costs for all 3- to 5-year-old students who reside within the district's boundaries, receive special education services and are placed outside the district, and explore the cost effectiveness of developing program options in the district.

The county education office operates regional preschool special day classes and speech programs. The Santa Barbara County SELPA changed the fiscal allocation plan to a regional program, pay-as-you-go, offset-to-funding model beginning on July 1, 2010 that reached full implementation in fiscal year 2014-15. The regional class program costs are charged to district of residence on a per-pupil basis, calculated on days of enrollment in the program. The regional itinerant services program costs per pupil are calculated by the percentage the pupil is enrolled compared to the total minutes of all students by program/category.

Regional program operators report cost estimates twice annually, on January 15 and at year-end close on July 15. The per-pupil costs for July 1 through December 31 of the given school year are calculated based on prior year actuals. On January 1 the per-pupil costs are updated using current year estimates for regional program costs and enrollment. Reconciliation of actual regional program costs and enrollment occurs at year-end close.

Through interviews and review of provided documents, FCMAT found that the staff was concerned about the unexpected increase in the projected cost for the district's preschool students who are served in the county education office regional preschool programs. The projected cost for the preschool special day

class regional program increased by \$228,700, or 167.04%. The projected cost for the preschool specialist (speech) regional program increased by \$14,850, or 16.51%. The district's total projected cost for pre-school students served by the county education office is \$470,398 for 2015-16 as compared to \$226,848 for 2014-15.

Preschool Special Day Class Regional Program Costs

Fiscal Year 2014-15 Actuals						
District	Pupils	% of Pupils	Enrolled Days	% of Days	SBCEO Costs	% of Cost
Guadalupe	6	2.47%	690	1.89%	\$136,917	1.89%
Other Districts*	237	97.53%	35,743	98.11%	\$7,092,473	98.11%
Totals	243	100.00%	36,433	100.00%	\$7,229,390	100.00%

*These are the 22 other districts that also have students served by the SBCEO.

Fiscal Year 2015-16 Projected (February 2016)						
District	Pupils	% of Pupils	Enrolled Days	% of Days	SBCEO Costs	% of Cost
Guadalupe	9	4.25%	739	4.85%	\$365,617	4.85%
Other Districts	203	95.75%	14,509	95.15%	\$7,178,256	95.15%
Totals	212	100.00%	15,248	100.00%	\$7,543,873	100.00%

Change over Prior Year				
District	Pupils	% of Pupils	SBCEO Costs	% of Cost
Guadalupe	+3	+50.00%	+\$228,700	+167.04%
Other Districts	-34	-14.35%	+\$85,783	+1.21%
Totals	-31	-12.76%	+\$314,483	+4.35%

Preschool Specialist (Speech) Regional Program Costs

Fiscal Year 2014-15 Actuals			
District	Pupils	SBCOE Costs	% of Cost
Guadalupe	11	\$89,931	1.92%
Other Districts	Not available	\$4,593,994	98.08%
Totals	11	\$4,683,925	100.00%

Other districts' pupil numbers not available.

Fiscal Year 2015-16 Projected (February 2016)			
District	Pupils	SBCOE Costs	% of Cost
Guadalupe	9	\$104,781	2.17%
Other Districts		\$4,715,342	97.83%
Totals	9	\$4,820,123	100.00%

Other districts' pupil numbers not available.

Change over Prior Year				
District	Pupils	% of Pupils	SBCEO Costs	% of Cost
Guadalupe	-2	-18.18%	+\$14,850	+16.51%
Other Districts			+\$121,348	+2.64%
Totals	-2		+\$136,198	+2.91%

Other districts' pupil numbers not available.

The district also expressed concerns about preschool age students traveling 40 minutes on a bus each way to attend their program. Transportation is provided to approximately seven preschool age students. As of May 31, 2016, the district's special education transportation costs totaled \$125,418 for the year beginning July 1, 2015.

FCMAT was asked to determine if it would be cost effective for the district to operate preschool special education programs for disabled students rather than contracting with the county education office, and to provide estimated cost comparisons. FCMAT was asked to review the timeline for transfer feasibility.

Preschool Special Day Class District Program Projected Average Costs

Description	FTE	Cost per 1 FTE	Projected Cost
Classroom Teacher	1.000	\$86,923	\$86,923
Speech Therapy Teacher	0.400	\$86,923	\$34,769
Substitute Teachers			\$1,666
Nurse	0.025	\$94,247	\$2,356
Special Needs Classroom Aide	2.250	\$44,684	\$100,539
Special Education Coordinator	0.100	\$137,538	\$13,754
Occupational Therapist	0.050	\$104,160	\$5,208
Clerical Support	0.125	\$46,148	\$5,769
Psychologist (Includes Speech Program)	0.300	\$106,767	\$32,030
Materials, Supplies & Operating			\$2,000
Consultants/Staff Development			\$3,000
Indirect Costs		2.66%	\$7,661
Average Class Cost for up to 15 students			\$295,675

Preschool Specialist (Speech) District Program Projected Average Costs

Description	FTE	Cost per 1 FTE	Projected Cost
Speech Therapy Teacher (1 FTE per 40 case load)	0.250	\$86,923	\$21,731
Clerical Support	0.125	\$46,148	\$5,769
Psychologist (Cost included in SDC Program)			*
Material, Supplies & Operating			\$2,000
Indirect Costs		2.66%	\$785
Average Cost for up to 10 students			\$30,285

The data indicates that operating the preschool programs could result in reduced costs for the district. The projected preschool costs are based on average salaries. When the district computes actual salaries, there may be an increase or decrease. To determine the actual cost of operating the preschool programs the district will need to consider the number of students to be served, staff costs for the programs, whether or not existing clerical staff and the district's psychologist can absorb the additional workload, and the availability of facilities. The projected costs are estimated at a maximum amount, as classes may not utilize that much in consulting or professional development.

If the district provided its own preschool programs within the district boundaries, it could reduce and/or eliminate the amount of time that preschool age students spend on the bus and thus reduce the cost of transportation.

The district also could offset some costs by participating in Medi-Cal local educational agency (LEA) billing.

Section 9 of the Santa Barbara County SELPA Local Plan addresses program and service transfers. According to the plan, the SELPA director shall consider a LEA's request (sending or receiving) to transfer program(s) and service(s) in whole or in part when the sending or receiving agency has informed the other agency and the SELPA prior to the first day of the second fiscal year beginning after the date on which the transfer will take place, unless both LEAs involved unanimously approve that the transfer take place on the first day of the first fiscal year following that date. The SELPA shall make final recommendations regarding program and service transfer requests to the joint powers authority (JPA) board.

LEAs that request program and service transfers shall notify the SELPA and JPA board by January 15 of the year prior to the closure/transfer of a program or service if they plan to rescind the request.

Service Delivery and Least Restrictive Environment

The district and county education office have partnered to provide special education services to district-identified disabled preschool students for many years. While the partnership has generally been quite successful, concerns have risen based on cost and delivery of services in the least restrictive environment (LRE).

The district has recently completed a district-level organizational structure change and has added a full-time pupil personnel position. This person will oversee the special education department as well as other pupil services areas such as student discipline, student study teams, 504 plans and other general supports for general education prior to special education identification. With this new position, the current contracted consulting services can be eliminated, and also it allows for change in service delivery.

Students who are nearly 3 years old are served by the regional center or the county education office under Part C, as defined by: *Early Intervention program for infants and toddlers provides a broad array of services to children with special needs, birth through three years of age, and their families* and are either dismissed from special education prior to the 3-22 year old services, or they are to be re-evaluated for Part B services, as defined by: *Assistant for Education of All Children with Disabilities ages 3-22 years old.*

After a student is served through an Individual Family Service Plan under Part C, the student must be re-evaluated for eligibility under Part B for Special Education services at 3 years of age.

The SELPA plan outlines the procedures and policies for referrals. The plan states that the LEA serving the preschool population receives the referrals directly; in this case, the Santa Barbara County Education Office. The district is unaware of the 3-year-olds who are referred to the county office. Interviews indicate the district receives some information, but it is irregular. The SELPA has provided read-only computer

system access; however, the district does not use it nor does it clearly show the student's current educational status. The new district director should now be able to meet directly with the referring agencies and obtain information regarding potential incoming students in advance, at least monthly. The district should have direct access to all student documents. The district should also be the evaluator of its students' eligibility and be part of the IEP team that determines student needs. A district representative should attend all IEP meetings from the determination of the initial IEP forward.

Many students are not served in the LRE. The students should be served as close to their neighborhood school community as possible. The preschool students who only require speech and language services are served in their LRE, which may be at home, at a Head Start preschool if they attend that program, at a service provider location, or another location or setting. However, students who require more services than speech and language are required to attend a special day class or inclusion preschool in Santa Maria or Orcutt. These cities are located between 8-12 miles away. The students are bused to six different preschool sites: Regency, Dunlap, Orcutt Academy, Bruce, Fairlawn, and Tanglewood Head Start. The students from Guadalupe are not clustered at one school site even if they have similar challenges. Students should be educated together as much as possible because they may return to the district and become classmates. Developing early social interactions and friendships in the preschool setting is important for future social/emotional skill development.

A few students with speech-only services attend a Head Start preschool program in the city of Guadalupe. Frequently districts engage in Memorandums of Understanding with Head Start and State Preschool programs and develop an inclusive preschool program. This allows more disabled students to attend the preschool program, while the district provides additional special education supports in the classroom. These may include a special education early education specialist, instructional assistant, speech therapist or occupational therapist, according to the student's IEP. The added benefits to this model include, but are not limited to, LRE for disabled students, less need for transportation, social/emotional development, and language development with typical peers. Additionally, students without IEPs attending Head Start will benefit from the students with learning differences and build special relationships as peer models and helpers. Students will also benefit by having the special education staff available to support all students and provide informal interventions, perhaps preventing future challenges and identifications.

The district employs a school psychologist with formal preschool background and other preschool assessment experiences. This is added value when considering the current organizational structure. Interviews indicated the psychologist would be able to include the preschool caseload in her workload.

The district indicated the speech and language therapist was over the 1-to-55 maximum caseload capacity for grades K-12 according to Education Code 56363.3. She has a caseload of approximately 67 students. The district indicated it would like to contract for a .3 FTE to support the overload. If the district decides to serve the students internally, it could contract with an online speech agency for students in grades 4-8 and allow the district speech pathologist to serve preschool through third grade.

Should the district decide to serve its students internally and complete a formal transfer, it would need to follow the SELPA plan as well as the Education Code and provide a letter of intent. Education Code 56207(a) delineates the requirements for a district to transfer educational programs and services already in operation.

The district also will need to communicate clearly and meet with parents to explain the process and benefits of serving their children locally.


Conclusion

Based on the documents reviewed and the interviews conducted, the district should discuss the recommendations above and determine an implementation plan.

The technical assistance provided has outlined specific areas that the district can immediately address that will improve the overall efficiency and effectiveness of the special education delivery system. The district now needs to outline the priorities and set an action plan for implementation.

FCMAT would like to thank all staff and administrators of the Guadalupe Union School District for their cooperation during fieldwork. FCMAT appreciates the opportunity to serve the district and hopes this letter is beneficial to all concerned.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel D. Montero". The signature is stylized with a large initial "J" and "M".

Joel D. Montero
Chief Executive Officer