



FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

CSIS California School Information Services

Downey Unified School District

Special Education Review

August 27, 2015



Joel D. Montero
Chief Executive Officer





August 27, 2015

John Garcia, Jr. Ph.D., Superintendent
Downey Unified School District
11627 Brookshire Avenue
Downey, CA 90241

Dear Superintendent Garcia:

In January 2015, the Downey Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a review of the district's special education programs and services. Specifically, the agreement states that FCMAT will perform the following:

1. Analyze current special education program and services preschool through 12th grade and determine if a full range of services is provided consistent with state and federal guidelines.
2. Analyze special education teacher staffing ratios and class and caseload size using the statutory requirements for mandated services and statewide guidelines.
3. Review the efficiency of paraeducator staffing, including 1-1 paraeducators. Analyze the procedures for identifying the need for instructional aides, and the process for monitoring the resources for allocating paraeducators and determining the need for continuing support from year to year. Provide recommendations, to improve efficiency of staffing.
4. Analyze all other staffing and caseloads for designated instruction providers, including psychologists, occupational and physical therapists, behavior specialists, and others.
5. Review the use of resources allocated for nonpublic schools and agencies, mental health services and alternative programs, and make recommendations for greater efficiency.
6. Review the costs of due process and mediations for the past three years, and make recommendations.
7. Review the revenues and allocations for Medi-Cal LEA and determine areas for greater efficiencies.
8. Review the district's implementation of Response to Intervention (RtI) and provide recommendations as needed.

FCMAT

Joel D. Montero, Chief Executive Officer

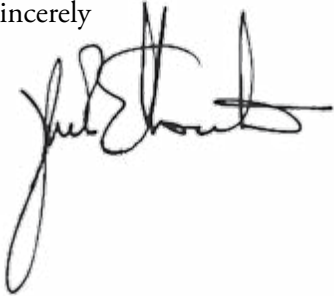
1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647
755 Baywood Drive, 2nd Floor, Petaluma, CA 94954 • Telephone: 707-775-2850 • Fax: 707-636-4647 • www.fcmat.org
Administrative Agent: Christine L. Frazier - Office of Kern County Superintendent of Schools

9. Determine whether the district is overidentifying students for special education services compared to statewide average, and make recommendations that will reduce overidentification, if needed.
10. Determine how the district can reduce deficit spending in special education and remain in compliance with the requirement to meet students' needs.

This report contains the study team's findings and recommendations.

We appreciate the opportunity to serve you and we extend thanks to all the staff of the Downey Unified School District for their cooperation and assistance during fieldwork.

Sincerely

A handwritten signature in black ink, appearing to read "Joel D. Montero". The signature is fluid and cursive, with a large loop at the end.

Joel D. Montero
Chief Executive Officer

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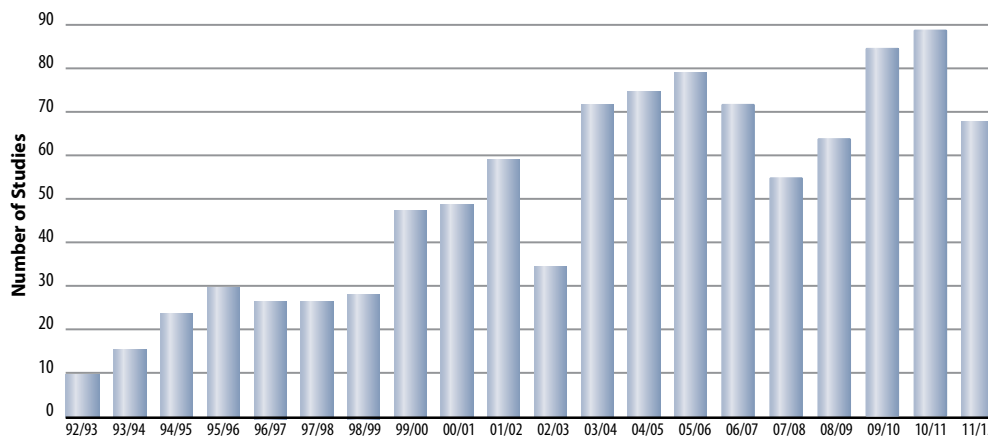
About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

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 more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by 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.

Introduction

Background

The Downey Unified School District is located approximately 13 miles southeast of downtown Los Angeles. Enrollment is 22,708 divided among 13 elementary, four middle, and two comprehensive high schools and one continuation high school, and includes 2,821 district-of-residence students, preschool through age 22, who have an individualized education program (IEP).

The district is located in the Downey Montebello Special Education Local Plan Area (SELPA), which is composed of two districts or local educational agencies (LEAs), the Downey and Montebello unified school districts.

In January 2015, the district requested that FCMAT review its special education programs and services.

Study and Report Guidelines

FCMAT visited the district on April 14-26, 2015 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Executive Summary
- Special Education Program and Services
- Staffing and Caseloads
- Instructional Assistants
- Related Service Provider Caseloads
- Nonpublic Schools and Agencies
- Due Process/Mediation and Litigation
- Medi-Cal LEA
- Response to Intervention
- Special Education Identification
- Fiscal/Deficit Spending
- Appendices

In writing its reports, 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.

Study Team

The study team was composed of the following members:

William P. Gillaspie, Ed.D.

Deputy Administrative Officer

Sacramento, CA

Leonel Martínez

FCMAT Technical Writer

Bakersfield, CA

Jackie Martin*

Assistant Superintendent

Atascadero Unified School District

Atascadero, CA

JoAnn Murphy

FCMAT Consultant

Santee, CA

Jackie Kirk-Martinez, Ed.D.

FCMAT Consultant

Pismo Beach, CA

Don Dennison

FCMAT Consultant

Arroyo Grande, CA

Phillip Williams*

Associate Superintendent

Placer County Office of Education

Auburn, CA

*As members of this study team, these consultants were not representing their respective employers but were working solely as independent contractors for FCMAT. Each team member reviewed the draft report to confirm accuracy and achieve consensus on the final recommendations.

Executive Summary

The Downey Unified School District's administrative infrastructure is appropriately staffed to support the full range of special education programs and services. The duties of program administrators include primary responsibility for special education due process mediations, settlements, implementation of mediated agreements, as well as case management for high-profile 504 cases, which is a function of general education. Managing 504 cases can take as much as 40% of their time.

The district offers a full range of programs and services for disabled students but needs to expand program options for those at the secondary level who are autistic. Using data-informed noncompliance, the California Department of Education (CDE) has identified 60 areas related to transition plans for disabled students in which the district is out of compliance. The district does not have a current procedural handbook for special education that outlines the requirements of federal and state law on providing special education and related services. There is no process between special education and finance to review appropriate mental health expenditures for disabled students and fund them from the mental health services allocation. The Annual Performance Report Measure prepared by the CDE in 2012-13 indicates that the district did not meet targets established for indicator 5: Least restrictive environment (LRE), which is designed to increase the participation of disabled students in general education.

The resource specialist position provides specialized academic instruction to disabled students in general education and as a pullout program. The caseload average for district resource specialists was calculated using a divisor of 28, which is the Education Code (EC 56362(c)) maximum number of special education students these teachers can serve. If the district staffed RSP positions according to the statutory requirement of 1-to-28, it could decrease staffing by 10 FTE with an average saving of \$108,799.72 annually per FTE.

The district employs a total of eight full-time equivalent occupational therapists, three district-hired employees and five staff from two different independent contractors who carry an average caseload of 22 students per FTE. The district is overstaffed by 4.48 FTE occupational therapists based on the industry standard of one FTE to 45-55 students. Based on 14.1 FTE psychologists and an enrollment of 22,708 district-of-service students, the average is 1,610 students per FTE. The industry standard is 1,469 students per FTE, which equals 15.45 FTE. FCMAT determined the district has 18.8 FTE speech pathologists as employees and 8.6 FTE who are independently contracted for a total of 27.4 FTE. These caseloads are appropriately staffed. The district contracts with private speech therapists for 8.6 FTE at an annual cost of approximately \$1.2 million, which is \$139,534 per FTE. According to district-provided financial documents, the average speech pathologist costs \$110,477 per FTE including salary and benefits. Staff reported and documents indicate that the special education administration recommended to the cabinet staff that the district hire speech therapists as employees to reduce costs.

The special education information system has several discrepancies in the number of students with approved contracts for nonpublic schools reported by the district Business Services Department, and the number of students with active IEPs that indicate they require a nonpublic school. This can affect the total amount budgeted for nonpublic school contracts. The district contracts with six related service providers that are not documented by the CDE as certified nonpublic agencies in 2015.

Program administrators indicate up to 40% of their administrative time can be spent coordinating and ensuring Section 504 compliance. Since 2012-2013 the district had a 250% increase in special education and Section 504 complaints; 21% of the complaints filed were Section 504 related, resulting in higher legal costs. This is particularly high since the district reports having only 126 students with Section 504 plans. Special education settlement costs have increased 502% since 2012-2013 and 650% from 2013-2014 to 2014-2015 respectively.

Downey Unified is a qualified LEA and is eligible to participate as a provider of services under the state Medicaid program (Medi-Cal) authorized under California's Institutions Code Section 14132.06. The district contracts with Paradigm HealthCare Services to submit for qualified Medi-Cal covered service reimbursement; however, one service listed, nursing assessments, is not targeted for reimbursement, which resulted in lost revenues. The district also does not submit for transportation service reimbursements.

Based on the maintenance-of-effort (MOE) documents provided to FCMAT, the district's general fund contribution to the special education budget was \$13,913,815 or 42% in 2012-13 and \$22,564,035 or 62% in 2013-14. The district's 2014-15 second interim expenditure budget for special education is \$38,232,480 based on the MOE document. The general fund contribution is projected to be \$23,948,337, which is 63% of the special education budget. According to the March 2013 Special Education Task Force Report on the general fund contribution percentage to special education, the statewide average is 43%.

Findings and Recommendations

Special Education Programs and Services

Program Delivery

The Downey Unified School District's administrative infrastructure is appropriately staffed to support the full range of special education programs and services as follows:

- Program director (1)
- Program administrators (4)
 - Early intervention
 - Elementary
 - Middle school and all NPS/PACE case-management
 - High school through Adult Transition
- Mental health case manager (1)
- Program specialists (2)

Program administrator duties include primary responsibility for due process mediations, settlements, implementation of mediated agreements etc. These positions also manage high-profile 504 cases, mediations, settlements and implementation, which is a function of general education. The staff reported that these 504 duties take as much as 40% of their time. This decreases the ability to provide direct support to special education programs and services, which could lead to noncompliance in providing the range of services required in state and federal law.

The district offers a full range of programs and services for disabled students, but should expand its program options for autistic students at the secondary level. Programs with intensive program design according to social skills and behavior analysis are needed to maintain students in their home district and avoid placements outside the district.

Service Delivery Options for Students with Special Needs

Service Delivery Option	Description
Early Intervention Program	A structured program for preschool students with moderate to severe disabilities. Program focus: preacademic skills, self-help skills, social skills, language development, independence and behavior.
Early Intensive Behavior Intervention	Highly structured behavior based model for preschool age students with autism. Program focus: applied behavior analysis. The goal of this program is for students to transition to the Early Intervention Program.
Resource Specialist Program	Traditional pull-out services for students (K-12) who spend the majority of their day in general education. Program focus: Common Core State Standards
Special Day Class Social Behavior Communication	Highly structured behavior based model for students ages three to 22 who require intensive support in social skills, communication and behavior.
Special Day Class Basic Skills	Functional academic/vocational program for students with moderate/severe disabilities ages three to 22.

Special Day Class Life Skills	Structured program for students with moderate to severe disabilities who may be medically fragile, or severe cognitive delays and require frequent adult support.
Learning Center	High School credit recovery program that offers individualized academic instruction for seniors who need to make up credits in order to graduate with a diploma.
Opportunity Center	High school program for students requiring intensive positive behavioral supports.
Adult Transition Program	A functional academic/vocational program (Ages 18-22) for students who have exited high school with a certificate of completion.

Source: Special Education Program Descriptions from the district

In addition to the continuum of service, the district has a few areas that need adjustment to align with state and federal requirements:

Using the form Data Informed Noncompliance, the CDE has identified 60 areas related to transition plans for disabled students in which the district is out of compliance. This affects the district's ability to provide secondary programs and services in compliance with federal law. The district must ensure that the teachers receive necessary training and support in writing transition plans for students age 16 and above.

The district staff reported that moderate to severe programming in special day classes focuses on functional skills, but lacks alignment with state standards. The Special Education Administrators of County Offices of Education in California has accomplished a significant amount of work in this area. The district should review curriculum guides for students with moderate to severe disabilities and ensure they are aligned to core curriculum and incorporate them into the daily program.

The district does not have a current special education procedural handbook that outlines the requirements of federal and state law on providing special education and related services. The last procedural handbook that is available to staff was written in 2004 and was never finalized following the regulations of the reauthorization of the Individuals with Disabilities Education Act (IDEA) at that time.

The technology in special education classrooms is not commensurate with general education classrooms. Implementation is inconsistent largely because of a lack of clarity on who is accountable to provide technology and the procedure for funding it.

Special education teachers do not have equitable opportunities for training in the state standards. Staff reported that they do not have routine access to the core curriculum. It is inconsistent from site to site.

The district has no guidelines for establishing eligibility for extended school year in special education. The current practice is a verbal understanding that resource specialist program (RSP) students do not receive extended school year, and all special day class (SDC) students do. This practice is inconsistent with the requirements of state and federal law. Special Education administration was unaware that there is a rubric and guidelines for determining eligibility for all extended school year services. (A sample is attached as Appendix C to this report.)

The district does not have a scope and sequence of service delivery options consistent with the provision of mental health services under AB 114 and the state and federal requirements for least restrictive environment. The district's policies, procedures, and implementation of mental

health services contain deficiencies. With the passage of Assembly Bill 114 on June 30, 2011, county mental health agencies ceased providing mental health services to disabled students, and school districts are now solely responsible for providing these services. Funding and costs were transferred to the school districts to manage.

The CDE website includes detailed information on the AB 114 Special Education Transition. The district has not developed a sequential plan or sufficient programs to address the transition of mental health services to the local level. Exemplary districts have developed a memorandum of understanding with an NPA or have implemented a comprehensive plan with adequate staffing to ensure that mental health services are effectively delivered.

The district maintains a carryover of \$2,706,677 in resource code 6512 for mental health services. There is no process between special education and finance to review appropriate mental health expenditures for disabled students and fund them from the mental health services allocation. Ongoing articulation is required to ensure these funds are used for appropriate expenditures and that the general fund contribution is reduced when possible. The district should review the expenditures for 2014-15 to ensure that portions of the program specialist's salaries assigned to mental health are appropriate. This type of discussion between finance and special education should occur at least four times per year.

The Annual Performance Report Measure prepared by CDE in 2012-13 indicates that the district did not meet targets established for indicator 5: Least restrictive environment, which is designed to increase participation of disabled students in general education. The table 1 below indicates which targets were not met. This includes students in all resource specialist programs and special day class settings. Most special education instructional settings are restricted and specialized, with little or no integration into general education.

Indicator 5 Results on the Annual Performance Measure

- A. *Inside of the regular class 80% or more of the school day*
- B. *Inside regular class less than 40% of the school day*
- C. *In separate schools, residential facilities or homebound placements*

Measure	Percent of Students in Environment Receiving Special Education	Target This Year	Target Met
>80%	39.5%	>76%	No
<40%	34.9%	<9%	No
Separate Schools	3.9%	<3.8%	No

Source: 2012-13 District Level Special Education Annual Performance Report Measure compiled by the California Department of Education, Assessment Evaluation and Support Unit.

High school special education teachers provide A-G course instruction in all subject areas at both high schools. In a report from each high school on April 16, 2015, FCMAT found that disabled students at Downey High School are failing 108 A-G classes, and students at Warren High School are failing 128. In addition, students are failing a total of 644 other classes at their high schools. This finding indicates that the district is not consistent with the federal guidelines for a free appropriate public education that requires that students make educational progress.

Articulation is necessary on both campuses with special education teachers and site administrators to determine a course of action to support student achievement in these courses before the end of the school year.

The district is in the process of transferring students from a program provided by the Los Angeles County Office of Education (LACOE) to the district using the Spectrum Center as the NPS provider on a district campus. The district is pursuing this program transfer to provide appropriate program and services and reduce costs.

Downey Unified had an independent analysis of LACOE operating costs for 2013-14 (\$1,381,603) and estimated that district costs to operate the program would be \$1,649,536. This was because of increases of \$290,943 in program specialist services and of approximately \$50,000 in psychologist costs.

The contract for Spectrum Center is estimated to be \$1,289,676; however, additional costs for 1-to-1 instructional aides and all related services are not included in this estimate.

The district will also rely on the tuition from 20 nonresident students attending the PACE program at LACOE if they transfer with the program.

The district has developed an MOU to set up the structure for revenue for students outside the district to access the Spectrum program on a tuition basis. However, it will need to establish the actual rate based on the Spectrum costs, the additional 1-to-1 instructional aide costs, as well as the district costs of all related services as agreed in the contract.

The district should closely analyze its program costs for Spectrum for the 2015-16 school year to determine the actual costs and any cost savings realized as a result of this program transfer.

Recommendations

The district should:

1. Continue to maintain the appropriate infrastructure with an emphasis on program support.
2. Analyze the duties of the director of special education and the program directors to promote direct service to programs and services by program administrators while administrative functions are handled by the director of special education.
3. Develop district procedures to ensure compliance with federal laws for disabled students in transition when students reach the age of 16.
4. Update and revise the procedural handbook to align with the requirements of state and federal laws in providing special education programs and services for disabled students.
5. Provide training and support to secondary teachers in transition planning and development.
6. Ensure that the procedural manual for special education clearly outlines the steps for compliance in transition planning and service delivery.

7. Develop monitoring systems in the department to ensure compliance with transition planning and service delivery
8. Develop moderate to severe programs around the access to state standards while maintaining areas of functional skill development.
9. Provide training for principals to ensure compliance with the access to programming that aligns with the state standards.
10. Assess the alignment of moderate to severe programs aligned with state standards through CDE.
11. Redesign the program delivery of moderate to severe programs to align with state standards.
12. Train and support teachers of the severely handicapped to sustain the use of standards-based programs.
13. Provide training for all special education teachers and site principals on the special education procedures required to ensure consistency in programs and services.
14. Evaluate the technology needs of special education classrooms and ensure that technology is commensurate with general education across the district.
15. Ensure that special education students have access to the core curriculum and teachers are held accountable for attendance at the core curriculum training offered in the district.
16. Ensure that the distribution of core curriculum books and materials incorporates special education teachers and classes.
17. Develop extended school year procedures that ensure that eligibility for extended school year is determined by the students' needs outlined in state and federal law.
18. Develop a comprehensive strategic special education plan that redefines the delivery system for programs and services in alignment with state and federal requirements for least restrictive environment.
19. Analyze the results on the "F" lists in both high schools, and develop a sequence of follow-up activities that include case managers and general education teachers to ensure students complete graduation coursework.
20. Develop a scope and sequence of mental health services that ensure all options are available to ensure the least restrictive environment for students with mental health issues.

Staffing and Caseloads

FCMAT analyzed all special education certificated positions using the requirements for mandated services and statewide guidelines. The district provided FCMAT with various staffing reports that were generated manually and through computer programs that were not reconciled. District office provided program descriptions and caseload guidelines that are used internally; however, site staff and teachers were not aware of these guidelines.

Resource Specialist Program (RSP)

The resource specialist position provides specialized academic instruction to disabled students in general education and as a pullout program. The caseload average for district resource specialists was calculated using a divisor of 28, which is the Education Code (EC 56362(c)) maximum number of special education students these teachers can serve. District data in the following table indicates that the district has 44.4 RSP teachers with an average caseload of 21.2 students, 6.8 fewer students per caseload than the maximum allowed by Education Code. If the district staffed RSP positions according to the statutory requirement of 1-to-28, it could decrease staffing by 10 FTE with an average saving of \$108,799.72 per FTE.

The table below also indicates that the RSP staffing ratios differ most from the Education Code maximums at the elementary and high school levels. During interviews, staff indicated that RSP teachers with low caseloads at the elementary level may be partially reassigned to assist RSP teachers at a different site who carry caseloads above the mandated staffing level. This practice should be continued. The RSP staffing ratio at the two comprehensive high schools is more difficult to analyze because of the program delivery models. At Warren High School, RSP teachers and mild/moderate special day class (SDC) teachers carry combined caseloads of 28 in a format that resembles mild to moderate special education teachers rather than those serving designated RSP or SDC programs. Yet teachers at Warren High School continue to be designated on district staffing lists as either RSP or SDC teachers, making determination of accurate caseloads difficult to accurately calculate. At Downey High School, RSP teachers and mild/moderate SDC teachers operate distinctly separate programs; however, those in SDC teach an academic content area rather than in self-contained classrooms and carry high caseloads. District-provided high school teacher schedules indicated special education teachers serve the general education population in areas such as high school coaching. The sections in the high school schedule served by special education certificated teachers are coded and budgeted from the special education budget. The SDC tables below show that the mild/moderate SDC caseloads at both high schools are well above the industry standards. The district should analyze its RSP staffing and clarify program delivery models at both high schools. An analysis based strictly on the data provided to the FCMAT indicates that RSP teachers could be reduced 10 FTE at a potential savings of \$1,087,997.20 per year. This would result in a corresponding savings by allowing for a reduction in the number of instructional assistants in RSP programs, but FCMAT did not estimate the potential savings because of the circumstances explained in the next section of this report.

RSP Caseloads

Grade Span	Total Teacher FTE	Total Students	Total Ratio	Education Code Guideline Ratio (FTE to Student Caseload)
Elementary	18	412	1: 22.8	1: 28
Middle	12	337	1:28.1	1:28
High School	14.4	194	1:13.5	1:28
Total	44.4	943	1:21.2	1:28

Source: Industry standards

Mild to Moderate Special Day Class Caseloads

The district operates 48 support service classes for students requiring a special day class. The average class size is 17.31, which is over industry standards. The Education Code does not include maximum caseloads for mild to moderate SDCs; however, there are industry standards in this area. The following table shows the mild to moderate class sizes and compares them to these guidelines. The highest concentration of mild to moderate SDC students is in the elementary setting, where the average caseload is within industry standards as the table below indicates. At the middle level, the average caseload is above the industry standards. As indicated above, in the discussion of RSP caseloads, the program delivery model for mild and moderate SDC services varies among the secondary schools. In general, they either use a mild to moderate instruction approach for all RSP and mild to moderate SDC students or provide instruction to SDC students in an academic content class on a period-by-period basis. Both approaches are used throughout the state, usually through a learning center format. The district should conduct a self-review of mild to moderate service delivery at the secondary level and sample records review of secondary students over a 3-year period to determine whether they benefit educationally from these models. The district should consider standardizing by using the most effective model for mild/moderate students at all secondary schools.

Mild/Moderate SDC Caseloads

Grade Span	Total Teacher FTE	Total Students	Total Ratio	Industry Standards (FTE to Student Caseload)
Elementary	22	314	1:14.3	1-to-12-15
Middle School	13	239	1:18.4	1-to-12-15
High School	13	278	1:12.4	1-to-12-15
Total	48	831	1:17.3	1-to-12-15

Source: Industry standards

Moderate to Severe Special Day Class Caseloads

The district operates 33 moderate to severe SDCs with an average class size of one teacher to 10.4 students, which is considered within the industry standards. The district operates the following three basic types of classes.

- **Basic skills** is a functional academic/vocational class for students with moderate to severe disabilities from age three to 22.

- **Social behavior communication** uses a highly structured behavior-based instruction model for students in the same age range.
- **Life skills** is a structured program for students with moderate to severe disabilities of the same ages. The students in this class may be medically fragile or have severe cognitive delays and require frequent adult support.

Moderate Severe SDC caseloads

Grade Span	Total Teacher FTE	Total Students	Total Ratio	Industry Standards (FTE to Student Caseload)
Preschool	13	152	1:11.7	1:8-10
Basic Skills	9	92	1:10.2	1: 10 -12
SBC Class- Autism	7	63	1:9	1: 8 -10
Life Skills Class	4	37	1:9.3	1: 8 -10
Total	33	344	1: 10.4	

Source: Industry standards

Recommendations

The district should:

1. Conduct regular meetings between the Business Services, Human Resources and Special Education Services departments on position control and budget coding and resources.
2. Develop an automated system to monitor and track special education staffing and caseloads for certificated and classified staff.
3. Align the automated staffing and caseload system with the information maintained in multiple databases across departments (Special Services, Human Resources, Business Services).
4. Develop program descriptions and caseload guidelines and ensure they are communicated districtwide.
5. Consider reducing the number of RSP positions for a potential total savings of \$1,087,997.20 per year.
6. Conduct a self-review of secondary mild to moderate special day class service delivery to determine overall compliance and effectiveness and consider standardization of delivery models within grade levels.
7. Reduce costs by reallocating \$138,656 of special education funding to the general education fund based on 2.2 high school FTE funded from special education who coach high school sports and other general education sections.

Instructional Assistants

The district provided FCMAT with various staffing reports that were generated manually and through computer programs. None of these staffing reports were reconciled to one another, and a review of the documents found discrepancies in special education instructional assistant staffing levels districtwide. In its analysis, FCMAT utilized the district-provided staffing reports containing staff lists aligned to budget codes and interviewed district staff. Human Resources and Business Services should strengthen communications with Special Education to improve the accuracy of the position control system.

The district process for determining the need for an additional instructional assistant or a 1-to-1 instructional assistant is not as formalized as in other districts in the state. The district has an identified procedure titled, “Process to Determine a Need for Additional Adult Assistance (AAA).” This process includes a “Rubric to Determine Need for Additional Adult Assistance.” A program administrator or school psychologist completes this rubric with the staff member making the request for additional assistance. If the IEP team determines additional support is needed, the director of special education completes and submits to Human Resources a form titled, “Classified Human Resources Action Request.” The special education department director, assistant superintendent of business services, assistant superintendent of certificated human resources, assistant superintendent of educational services and director of classified human resources sign their consent to the request. Many districts across the state use a special circumstances instructional assistant (SCIA) assessment process. The procedures typically include treating the SCIA assessment as formal, with parent consent, timeline and IEP team meeting. The SCIA assessment is more rigorous than the process at Downey Unified and commonly includes a significant amount of data collection. (A sample SCIA process is attached as Appendix B to this report.)

FCMAT interviews confirmed that the district’s common practice is for site principals to make an administrative determination on assigning instructional assistants to their sites. The Special Education Department administrators do not have authority to unilaterally change an assignment even when it may be in the best interest of the students. Interviews also confirmed that hiring a new instructional assistant takes a significant amount of time, and a 6-month waiting period is not uncommon. The Human Resources Department subsequently provided FCMAT with information that indicates a 3-month hiring process is more common. The entire range of staff from instructional assistants to district administrators indicate this delay hinders the hiring practice. Various staff also reported that the district performs little direct outreach or advertising in the community for new job vacancies such as those for instructional assistants or substitutes.

The business office, and Human Resources and Special Education departments maintain tracking procedures for instructional assistants, but the lists do not agree with one other. The list maintained by the Special Education Department is kept manually and is updated monthly with meetings between the Special Education Department program administrators and staff from the each individual school site. This monthly list is cited as the district’s most accurate source of instructional assistant data.

The following tables of instructional assistants were constructed using a combination of data provided by district departments. The tables present instructional assistant data by school site, program assignment, and other information. The totals presented should not be considered 100% accurate because of the internal conflicts in the data provided. However, the tables represent a summary and analysis of school-by-school instructional assistant assignments in the district and the recommended state guidelines for this position’s staffing levels by types of programs and

student caseloads. The data presented in the tables is based primarily on the monthly instructional assistant data collected by the program administrators working directly with each school site. This data produces a comprehensive list of these positions by name employed by the district as well as vacant openings. As noted, this data collected monthly by the program administrators conflicts with other sources of data from the Business and Human Resources departments.

Alameda Early Intervention	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
SDC-Pre K Mod/Severe	6	77	12.8	10-12	72	58.5	19
SDC-TK/K Mod/Severe	4	45	11.3	10-12	48	78.5	12.5
SDC IBI (Autism)	1	6	6	8-10	12	58	
Total	11	128	N/A	N/A	132	195	31.5

Imperial Early Intervention	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide Hours
SDC Mod/Severe	2	24	12	10-12	24	32	
Total	2	24	12	N/A	24	32	

Alameda Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	31	31	28	6	5.5	13
SDC K-3	1	12	12	12-15	6	5.5	0
Total	2	43	N/A	N/A	12	11	13

Carpenter Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	3	59	19.7	84	18	26	13
SDC	3	32	10.7	12-15	18	26	19.5
Total	6	91	N/A	N/A	36	52	32

Gallatin Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	2	42	21	56	12	6.5	
SDC	2	27	13.5	12-15	12	24	31.5
Total	4	69	N/A	N/A	24	30.5	31.5

Gauldin Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	19	19	28	6	6.5	6.5
SDC	2	34	17	12-15	12	12.5	6.5
Total	3	53	N/A	N/A	18	19	13

Imperial Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	13	13	28	6	0	
SDC	2	29	14.5	12-15	12	11.5	
Total	3	42	N/A	N/A	18	11.5	

Lewis Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	28	28	28	6	5.5	13
SDC	1	15	15	12-15	6	6.75	
SDC – mod/sev	2	23	11.5	10-12	24	62.5	19.5
Total	4	66	N/A	N/A	36	74.75	32.5

Old River Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	2	54	27	28	12	11.33	
SDC	3	53	17.7	12-15	18	17	
Total	5	107	N/A	N/A	30	28.33	

Price Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1.5	40	26.7	28	9	12	12.5
SDC	1	15	15	12-15	6	6.5	
SDC – Mod/sev	3	25	8.3	10-12	36	39	6.5
Total	5.5	80	N/A	N/A	51	57.5	19

Rio Hondo Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	24	24	28	6	?	
SDC	1	17	17	12-15	6	6.0	19.5
SDC – Mod/sev	4	40	10	10-12	48	57	89.5
Total	6	81	N/A	N/A	60	63	109

RSG Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1.5	40	26.7	28	9	11.75	
SDC	2	28	14	12-15	12	16.5	9
Total	3.5	68	N/A	N/A	21	28.25	9

Unsworth Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	14	14	28	6	5.5	6.5
SDC	2	28	14	12-15	12	13	6.5
Total	3	42	N/A	N/A	18	18.5	13

Ward Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	24	24	28	6	5.5	
SDC	1	14	14	12-15	6	5.5	
Total	2	38	N/A	N/A	12	11	

Williams Elementary	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	1	24	24	28	6	5.5	
SDC	1	10	10	12-15	6	12	
Total	2	34	N/A	N/A	12	17.5	

Doty Middle School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	3	91	30.3	28	18	17	45.5
SDC	4	64	16	12-15	24	17.75	32
SDC – Mod/Sev	1	6	6	10-12	12	13	6.5
Total	8	161	N/A	N/A	54	47.75	84

Griffiths Middle School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	3	76	25.3	28	18	17.5	6
SDC	3	70	23.3	12-15	18	20.5	12.5
SDC – Basic Mod/Sev	2	25	12.5	10-12	24	39	19.5
Total	8	171	N/A	N/A	60	77	38

Stauffer Middle School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	3	84	28	28	18	16.5	
SDC	3	55	18.3	12-15	18	17	
SDC – SBC Mod/Sev	2	15	7.5	8-10	24	39	32.5
Total	8	154	N/A	N/A	60	72.5	32.5

Sussman Middle School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP	3	86	28.7	28	18	16.5	
SDC	3	50	16.7	12-15	18	16.5	6.5
SDC – Basic Mod/Sev	1	10	10	10-12	12	18.5	
Total	7	146	N/A	N/A	48	51.5	6.5

Downey High School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standards for aides in hours	Aide hours	I-to- I Aide hours
RSP	7	182	26	28	42	36	
SDC – Mild/Mod by Content	5	129	25.8	N/A	N/A	36	13.5
SDC – Self Contained	2	20	10	12-15	12	12	
SDC – Basic Skills Mod/Sev	2	24	12	10-12	24	26	19.5
SDC- Life Skills Mod/Sev	1	8	8	10-12	12	13	13
Total	17	363	N/A	N/A	90	123	46

Warren High School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
RSP/SDC	7.4	194	26.2	N/A	N/A	34	
SDC –	5	112	22.4	12-15	30	29.5	6.5
SDC - Self-Cont.	1	17	17	12-15	6	6.5	6.5
SDC – Basic Skills Mod/Severe	1	8	8	10-12	12	19	
SDC – SBC Mod Severe	1	8	8	8-10	12	13	13
Total	15.4	339	N/A	N/A	60	102	26

Columbus High School	FTE	Caseload	District Caseload Average	Industry Standard for Students	Industry Standard for aides in hours	Aide hours	I-to- I Aide hours
Learning Center	1	9	9	N/A	N/A	11	
Opportunity Center	1	7	7	N/A	N/A	13	
CVE	1	N/A	N/A	N/A	N/A	N/A	
Total	3	N/A	N/A	N/A	N/A	37	

Downey Adult Transition	FTE	Caseload	District Caseload Average	Industry Standards for Students	Industry Standards for aides in hours	Aide hours	I-to- I Aide hours
SDC – Mod/Severe	5	44	8.8	10-12	60	59.5	32.75
Total	5	44	N/A	10-12	60	59.5	32.75

Totals	Industry Standards hours total	District total	Total hours over guidelines	Total FTE (6 hour)
RSP	222	239	17.	2.84
SDC	714	987	273.	45.5
I:I	N/A	563.2	N/A	93.8
Total	936	1,789.3	853.3	142.2

The summary results of all instructional assistant data sources considered in this study clearly indicate that the district is highly overstaffed in instructional assistant support to special day classes and 1-to-1 assignments. To definitively identify the scope of this overstaffing, the district will need to reconcile the differences in instructional assistant data documentation and develop one accurate confirmed data source. Because of the conflicts identified in the original district data sources, this study will not use the FCMAT-generated totals in the summary totals of tables. Instead, it will take a more conservative approach for the summary analysis by using data for the total number of instructional assistants hired by the district and related salaries based on district-provided totals from its own internal document. Therefore, in addition to the tables developed for this study, the report uses one summary of positions and costs provided by the Human Resources Department, and this data document is tilted “Classified Classification.” The most significant difference between the FCMAT-generated tables and the district-provided data in this document is that the district totals do not include 33 vacant and open instructional assistant positions that were approved and are in the hiring process. The district-provided “Classified Classification” document indicates 256 instructional assistants work three job categories. The document presents the total number of employees in each category along with average cost of an employee in each category with salary and benefits. The total annual cost of the 256 instructional assistants is \$10,849,771. The analysis shown in the tables below indicates that given the number of enrolled students and their specific types of special education service, the district should have a total of 936 hours of instructional assistants based on statewide averages. Using the 256 instructional assistants identified by the district and applying its average of 6.5-hours per employee results in a total of 1,664 instructional assistant hours, which is 728 hours over the industry standard. Converting those 728 hours into 6.5-hour FTEs, the district is overstaffed by 112 instructional assistant FTEs. Using an average district cost of the three instructional assistant job categories, the 112 FTE represent an annual average excess cost of \$4,836,720. These calculations do not include detailed information of the hours these positions are used as bus aides and for required IEP-driven services since this information was not provided to the team.

Recommendations

The district should:

1. Develop a rigorous special circumstance instructional assistant assessment process, and consult with the district special education attorney on making it a formal assessment.
2. With the exception of 1-to-1 physical/medical instructional assistants, ensure that the SCIA forms and process are consistently used to determine the need for 1-to-1 instructional assistants.

3. When the IEP team determines the need for a 1-1 instructional assistant, ensure that the IEP also contains an individual annual “fade” plan for the student to decrease and eventually eliminate the need for 1-1 assistance.
4. Develop a process that documents when short-term 1-to-1 instructional assistants are assigned, the length of the assignment, and where these positions are assigned once the student no longer needs this service.
5. With the exception of physical 1-to-1 instructional assistants, ensure that the relevant SCIA forms are completed at each annual IEP for students who have intensive intervention services on their IEP.
6. Develop a district tracking form that clarifies why a student receives 1-to-1 instructional assistant services, when that position is reduced or eliminated, and the status of the reassigned instructional assistant.
7. Determine the changes required within Human Resources policies, procedures and staffing to expedite the common timeline for hiring new instructional assistants.
8. Ensure that Human Resources develops plans to increase community outreach to recruit applicants for instructional assistant vacancies and instructional assistant substitutes. Outreach to professional resources such as community job fairs and community college job postings should be considered.
9. Develop a procedure in which instructional assistant assignments are changed with collaboration between site administration and special education administration. The goal should be to agree on these decisions, but special education administration should be the default decision-maker.
10. Consider making the common instructional assignment a 6-hour FTE position (statewide standard) rather than 6.5 hours.
11. Develop and follow Human Resource protocol for informing new instructional assistants when they are hired that their assignment may be changed at any time.
12. Establish a standard procedure that the special education program administrators will consult together and with the special education director to determine if an instructional assistant can be reassigned to cover a new need before initiating the request procedure for posting a new position.
13. Encumber open positions into the budget and into a common spreadsheet to project needs and costs accurately.

Related Service Provider (Also known as Designated Instruction Provider) Caseloads

Through a variety of district documents, staff interviews and written input, FCMAT gathered information to analyze related service providers caseloads. All staffing caseloads are taken from data provided for the 2014-15 school year.

The Special Education, Human Resources and Business departments provided multiple staffing charts and lists that were inconsistent among the departments. The review of the staffing ratios is primarily based on the information gathered by the Special Education Department documents and interviews.

Occupational Therapists

District-employed occupational therapists are hired under the classification of classified managers and work as 11-month employees through extended school year. Staff reported the service is provided either in the special education classroom as a “push-in” service or in a clinical setting in a separate therapy room, considered a “pull-out” service, depending on student need. Staff reported that high school students are transferred from the program (“exited”) when they meet developmental age expectancies or high school graduation requirements. Industry standards recommend a ratio of one occupational therapist (OT) to 45-55 students. The district employs a total of eight full-time equivalent staff, three district-hired employees and five staff from two different independent contractors who carry an average caseload of 22 students per FTE. Using 50 as the divisor, the district is overstaffed by 4.48 FTE. The independent contracts are approved for \$691,432.00 thus far for the 2014-2015 school year.

Program	No. of FTE	Caseload	Industry Standard for Students per Caseload	Average No. of Students
OT	8	176	1-to-45-55	1-to-22

Source: Industry standards and district data

Staff are assigned by school sites, which then establish assessments and caseloads. Staff reported that when they feel overwhelmed at having approximately 30 students on their caseloads, they report this to the Special Education Department to request additional support. District staff reported district employees receive the more intense profiled students and caseloads, and contracted OTs have a high staff turnover, which makes services and supports inconsistent.

The district does not use SELPA nonpublic agency (NPA) contracted OTs. The OTs work under an independent contract, which is not as strict as that of a CDE-approved agency. A certified NPA must be on the state-approved list, ensuring the district that it has met certain criteria including those related to staffing licenses or credential, fingerprinting and insurance.

Physical Therapists

The district contracts for physical therapist at the cost of \$49,370 for six students using an individual contract. The contractor invoices monthly for the actual hours used for direct services, and the business office closes accounts once services are discontinued. The business office does not

know how the amounts of contracts are determined because the contracts are not directly associated with particular student assignments. The district does not utilize an NPA for these services similar to the practice for occupational therapists.

Adapted Physical Education (APE) Teachers

The district employs seven FTE APE teachers who are under the teacher contract with the Downey Education Association (DEA). FCMAT did not receive this document; however, district staff indicated the contract includes language limiting the average APE student average caseload to a maximum of 55 students per FTE. There is no legally required maximum for these services, but industry standards recommend one APE teacher per 45-55 students. The district serves 400 APE students, which is an average of 57.17 per FTE districtwide.

Program	No. of FTE	Caseload	Industry Standard for Students per caseload	Average No. of Students
APE	7	400	1-to-45-55	1-to-57.14

Source: Industry standards and district data

Psychologists

The district employs 14.1 FTE psychologists providing services to special education and general education students; 13.7 FTE are district employees and .4 of an FTE is contracted. The psychologists are frequently the first point of contact for students referred for a 504 general education accommodation plan. The psychologists also provide direct counseling services to students per specific IEPs. Along with attending student study teams (SSTs), which is a general education function, psychologists also perform duties such as conducting psycho-educational assessments, attending IEP meetings, instructing social skills programs and consulting with teachers on interventions and other behavioral needs. FCMAT could not determine how psychologists are funded, but staff indicated that 90% of their time is dedicated to special education. FCMAT found that of the 14.1 psychologists, one is funded through special education, and two are funded 90% to Medi-Cal LEA. The industry standards do not include a recommendation for psychologist staffing; however, the 2012 KidsData.org report recommends a ratio of 1,469 students per psychologist, and California Education Facts suggests a 1-to-1,469 ratio. Approximately nine school psychologist interns assist the psychologists, but do not carry a caseload and are funded under special education as substitute teachers. Based on 14.1 FTE psychologists and an enrollment of 22,708 district-of-service students, the average is 1,610 students per FTE. The industry standard is 1,469 students per FTE, which equals 15.46 FTE.

Program	No. of FTE	Caseload	Industry Standard for Students per caseload	Average No. of Students
Psychologists	14.1	22,708	1-to-1,469	1-to-1,610

Source: District data, CalEdFacts, Kidsdata.org

Staff reported caseload and site assignments are not conducted systematically nor is there a structured procedure, to address inequities and caseload inconsistencies.

Behavior Specialists

The two behavior specialists are credentialed special education teachers and board-certified behavior analysts. The specialists are assigned to oversee social-communication programs for students who are within the autism spectrum disorder and the instructional assistants requiring intensive social-behavioral training. These positions were established to create efficient and defensible autism programs and decrease outside contracted services. Staff reported these services have decreased since this autism program was developed within the last 4-5 years. This program, commonly known as the behavior intervention team, includes the two specialists and five district-level instructional assistants trained to serve the intensive autism and behavioral population. Staff are trained through “Training Our Paraeducators for Success (TOPS),” which provides assistants with approximately 48 hours of professional development before they enter the classroom or work directly with students. Approximately 80-90 specialized assistants are trained in this manner. Staff reported that caseloads for the two specialist positions are approximately 12-13 students per FTE in addition to the consultation these positions provide to 40 other students and teachers in the district. The specialists use a referral form completed by an administrator to access their consultation support.

Speech and Language Pathologists

District documents dated April 15, 2015 show speech and language pathologist assignments for 2014-15; however, the information is inconsistent with the data on the staff list and assignments used for weekly caseloads, dated April 2, 2015, and with position control. FCMAT determined 18.8 FTE speech pathologists were hired by the district as employees, and 8.6 FTE are independently contracted, for a total of 27.4 FTE speech pathologists. Of these

- 5.8 FTE speech pathologists are assigned to the preschool and have a caseload of 211.
- 21.6 FTE speech pathologists are assigned to K-age 22 with caseload of 1,178.
- Speech and language pathologists serve a total of 1,389 preschool through age 22 students.

The Education Code indicates the caseload maximum is one speech pathologist per 40 preschool students, and the district ratio is 1-to-36.38, which means the district appropriately staffed in this area. The district employs 21.6 FTE speech language pathologists (SLPs) who serve students in kindergarten through age 22 with a caseload of 1,178. The district ratio of SLPs to students is 1-to-54.5, meeting the Education Code maximum ratio of 1-to-55 (EC 56363.3).

Staff reported that although there are no districtwide entrance and exit criteria, the speech pathologists use the general eligibility criteria from requirements for special education eligibility. The district is working with the Diagnostic Center to formalize districtwide criteria.

The district has approximately \$1.2 million in contracts for 8.6 FTE private speech therapists, which is \$139,535 per FTE. According to district-provided financial documents, the average speech pathologist costs \$110,477 per FTE including salary and benefits. Documents and staff indicate that the special education administration made a recommendation to cabinet staff to hire speech therapists as employees to reduce costs, but this recommendation was denied.

Recommendations

The district should:

1. Consider reducing OT staffing by 4.48 FTE using the district's salary and benefits for a cost savings of at least \$546,138.88.
2. Contract locally with certified NPAs.
3. Utilize nonpublic contracts and individual service agreements specific to IEPs per student to establish the actual costs per student and monitor the accuracy of expenses.
4. Consider the collective bargaining agreement regarding APE teacher caseload averages and possibly increase staff or analyze the services required.
5. Consider maintaining the current caseloads for psychologists when psychology interns are hired.
6. Consider removing 504 accommodation plans and development from the psychologists' primary duties.
7. Continue the behavior specialist's positions.
8. Continue using the current speech pathologist caseload averages according to the Education Code.
9. Continue to work with Diagnostic Center to develop districtwide criteria for speech and language services.
10. Immediately replace contracted speech therapists with district employees for an approximate savings of \$249,899 per year.

Nonpublic Schools and Agencies

Education Code 56034 defines a nonpublic school (NPS) as follows:

- (a) Private, nonsectarian school that enrolls individuals with exceptional needs pursuant to an individual education program and is certified by the department. It does not include an organization or agency that operates as a public agency, an affiliate of a state or local agency, including a private, nonprofit corporation established or operated by a state or local agency, or a public university or college. A nonpublic, nonsectarian school also shall meet standards as prescribed by the Superintendent and Board.

The district combines the costs for all nonpublic schools and agencies into one budget category. Nonpublic schools are out-of-district placements made through the IEP, while nonpublic agencies provide related services designated in the IEP to students who are enrolled in district special education programs. Separating these two categories in the budget can result in greater efficiency in monitoring the need for NPS/NPA services.

In this study, FCMAT analyzed NPS/NPA as combined total costs for the past three years to be consistent with how the district reports them. However, specific recommendations will be made for both nonpublic schools and nonpublic agencies. The table below compares the total NPS/NPA costs for student services/placements.

NPS/NPA Costs from 2012-13 to 2014-15

2012-13 Actual	2013-14 Actual	2014-15 Projected
\$3,036,344	\$3,665,346	\$4,353,275

Source: Documents provided by district finance

The district reported an anticipated increase of \$488,583, but based on documents provided by the Business Services Department. The difference between the actual NPS/NPA expenditures in 2013-14 and the projected budget for 2014-15 is a projected \$687,929.

Nonpublic Schools (NPS)

FCMAT reviewed documents provided by Business Services that listed all the open contracts by student name, nonpublic school name and contract amount for the 2014-15 school year. Those documents were compared with the active IEPs designating the NPS placements listed in the SEIS. All students enrolled in a nonpublic school are required to have an active IEP on file before the district develops a contract that is subsequently approved by the governing board. This comparison found a number of discrepancies between the two sources listed above, which can affect the total amount budgeted for NPS contracts.

Discrepancies between District Finance Data and SEIS

Student	Nonpublic School	Contract for 2014-15	No Record in SEIS	Budgeted 2014-15	Not Budgeted 2014-15
Student A	Autism Behavior Consultants	\$72,114	✓	✓	
Student B*	Cinnamon Hills	\$94,057	✓	✓	
Student C	Devereaux Cleo Wallace (Colorado)	\$169,731	✓	✓	
Student D	Hillsides Education Center	\$28,652	✓	✓	
Student E	Leway	\$0	✓	✓	✓
Student F	Logsdon	\$22,095	✓	✓	
Student G**	Rossier Park Elementary	0	✓	✓	✓
Student H	Rossier Park Jr/Sr High School	\$39,900	✓	✓	
Student I	Speech/Language Development Center	\$46,410	✓	✓	
Student J	Tobinworld	\$46,073	✓	✓	

Source: Finance Department documents 2014-15 contracts for NPS and Special Education Information System (SEIS)

*A student was listed for Cinnamon Hills but the birthdate in SEIS does not match finance document

** Student G is listed in SEIS as active and attending Rossier Park but nothing is contracted. This contract amount is not budgeted for 2014-15.

EC 56366(a)(1)(2)(A) requires that the master contract developed by the school district and nonpublic schools specify general administrative and financial agreements, which are based on the programs and services outlined in the student's IEP. SEIS is the system of record for all IEPs in the district; therefore, contracts should not be forwarded to the school board for approval until the IEP is finalized in the system. The district has no procedure for the special education director to verify and finalize the NPS/NPA services before receipt by finance.

The district creates a master contract for nonpublic schools/agencies that includes 180 days for the regular school year and a 20-day extended school year program for a total of 200 days; however, most of the 20 extended school year days occur after June 30 and should be billed during the next school year. Creating contracts for 200 days inflates the cost for NPSs in any given year. For example, 42 students have contracts that are at or exceed 200 days of service. NPSs/NPAs will require a new contract for programs and services provided from July 1 of any school year.

Both site and district staff confirmed that district programs are not appropriate for autistic students, but no data was provided to determine the criteria for keeping students in the district. In the 2014-15 school year, the district has 16 students at Del Sol School for a total annual cost of \$1,521,910. This NPS serves autistic students in grades K-12, with individual placements ranging from \$84,000-\$112,000 per student. The average cost of this nonpublic school placement is \$95,119 or a daily rate of \$475.60 per student.

FCMAT analyzed the costs of operating a district specialized autism program compared to the current nonpublic school placement. Most autistic and/or behavior disordered classes have 8-10 students, but the district does not have this range of students in either category at similar grade levels. However, starting smaller classes could reduce NPS costs. Further, opening the classes to the other SELPA districts would generate funding to offset district costs. The table below breaks down the current age/grade levels of students in autism programs in Del Sol School.

Current Age/Grade Levels of Students at Del Sol School 2014-15

Elementary Students	Age	Grade
A	5	K
B	7	2
C	8	3
Middle School Students		
D	10	5
E	11	6
F	11	6
G	12	7
High School/ Post - Secondary		
	13	8
	13	8
	14	9
	18	Transition Age (18-22)
	18	Transition Age (18-22)

Source: Review of individual student IEPs at Del Sol School in the Special Education Student Information (SEIS) system

If the district opened a small middle-school class for six students in grades 5-8, it would require one highly qualified teacher and two full-time trained paraprofessionals, a .20 FTE behavior specialist and .10 FTE school psychologist also would be needed as well as a .20 FTE speech therapist, and .05 FTE APE teacher.

A district program allows students to stay in their home school district and provides control over the curriculum and standards for the class. Appropriate facilities, materials and supplies are also necessary to develop comparable programs, but are not the major cost of new classes.

Costs of Six Students in a District Program vs a Program an NPS Program

1.0 FTE SDC Teacher	\$107,169
2.0 (6.5) FTE trained aides	\$52,000
.20 Behaviorist	\$26,358
.10 Psychologist	\$13,179
.10 Occupational therapist	\$12,190
.20 speech Therapist	\$22,758
Total cost of District Program Staff	\$233,654
Total cost of Current Nonpublic	\$570,714
Potential Savings with district program	\$337,060

Source: Master Contract data provided by the district Finance department; salary with benefit cost for Downey Unified School District special education staff.

Nonpublic Agencies (NPA)

Education Code requirements for NPAs are now the same as those for NPSs. Specifically, the code requires an NPA to meet the following requirements.

...be under contract with the local educational agency to provide the appropriate special educational facilities, special education, or designated instruction and services required by the individual with exceptional needs if no appropriate public education program is available.” Education Code 56365(a) and “.... that is certified by the California Department of Education. Education Code 56035.

The district spends \$413,180 per year on specialized applied behavioral analysis programs provided by different nonpublic agency vendors for five autistic students. It should consider hiring a district board-certified behavior analyst to provide related services for these students at a potential savings of \$263,180 annually.

The district contracts with six related service providers who are not documented by the CDE as certified NPAs in 2015. Issues such as certification for an NPA should be discussed in regularly scheduled meetings between special education and finance to ensure that related services are provided by certified nonpublic agencies. The list of certified NPS/NPA providers is available at www.cde.ca.gov/sp/se/ds/

Recommendations

The district should:

1. Separate the NPS and NPA budget to increase greater efficiency in evaluating program and student needs for these services.
2. Conduct a more thorough analysis of projected NPS/NPA costs in 2014-15 to determine the causes of the significant increase in the budget by separating the budgets and providing an in-depth review of costs per student.
3. Establish Special Education Department procedures that ensure that all current IEPs designating nonpublic school placements are entered into the SEIS system before submission to the Business Services Department for contract development.
4. Ensure that all students enrolled in special education are entered into the SEIS, including those who are new to the district.
5. Create opportunities for ongoing verification and discussion between finance and special education to increase the accuracy of contract amounts initiated on behalf of students attending nonpublic schools through the IEP process.
6. Develop procedures for the nonpublic school and agency master contract that address extended school year days beyond June 30 of each year to ensure that appropriate costs are counted in the appropriate school year.
7. Monitor and adjust the district special education budget to reflect when students enter or exit an NPS placement.

8. Explore options to create district programs to serve students with intensive behavioral needs and/or autism at either elementary, middle or high school.
9. Monitor NPA costs to make budget adjustments as appropriate.
10. Review each NPA and independent contract to determine if the services are required and if the NPA/independent contract is the most cost efficient way to provide service.
11. Consider hiring a board-certified behavior analyst to provide services to autistic students rather than continue using costly NPA vendors.
12. Include a discussion ensuring that all NPA and NPS providers are certified by the CDE before entering into a master contract to provide services to students.

Due Process/Mediation and Litigation

According to the December 2014 California Basic Educational Data System (CBEDS), the district has an enrollment of 22,708 and serves 2,853 special education students, according to the December 2014 California Special Education Management Information System (CASEMIS) report. The Special Education Department also supports Section 504 plans for 126 students (Section 504 of the Rehabilitation Act of 1973).

One director and four program administrators manage the department. The program administrators administer contentious or litigious IEPs, supervise site administration for the district's special education sites, such as the Adult Transition Program, perform staff supervision, and coordinate Section 504 plans and compliance. Program administrators indicate up to 40% of their administrative time can be spent coordinating and ensuring Section 504 compliance.

Since 2012-2013 the district had a 250% increase in special education and Section 504 complaints; 21% of them were Section 504 related. This is notably high since the district reports having only 126 students with Section 504 plans.

Year	Total Complaints	Section 504
2012/2013	2	1
2013/2014	5	1
2014/2015	7	1
	14	3

Source: District data

Settlement costs have increased 502% since 2012-2013 and 650% from 2013-2014 to 2014-2015, respectively. District-provided financial spreadsheets and reports do not clearly delineate special education legal expenses from Section 504 issues, so FCMAT was unable to determine these legal costs. In addition, the district financial spreadsheets and reports do not reconcile on how much the district spent on legal fees for fiscal years 2012-13 and 2013-14. The Business Services and Special Education departments should meet regularly to review and code special education and Section 504 legal expenses.

Year	Settlement Costs Including Student Attorney Fees	District Attorney Fees*
2012/2013	\$23,045.00	\$83,575.00 *
2013/2014	\$18,500.00	\$208,104.00 *
2014/February 2015	\$138,824.00	\$189,925.00

Source: District data*District Attorney's Fees are an average as attorney fee financial reports do not reconcile

Confidentiality prohibits FCMAT from discussing specific facts about settlement agreements; however, a review of the documents shows most of the filed complaints relate to placement, assessment, speech-language services, occupational therapy, and 1-to-1 aide support. One developing trend is complaints that are filed against the district related to compliance and services.

The special education program administrators cannot train and support special education teams when they are expected to manage all litigious IEPs through mediation and settlement, evaluate staff, and coordinate Section 504 plans.

When program administrators are unable to reach an agreement with parents in an IEP, the director of special education may offer a compromise, possibly preventing parents from seeking legal counsel and filing costly complaints with the CDE or the Office of Administrative Hearings.

The increase in settlements costs does not include the increased staffing costs related to many settlements. Specialized taxi services, additional 1-to-1 aide support, and individualized 1-to-1 instruction from special education teachers appear as increased personnel costs or departmental costs, ultimately adding to the general fund contribution. Staff interviews indicated special education management did not know the actual cost of service providers, such as teachers and instructional aides, as well as related services and transportation. Special education management should know these costs to better manage the expenses related to providing services to students through IEPs or settlements. Regular meetings on these topics will lead to openness, understanding, and increased responsibility for department heads.

According to the 2015 district organizational chart, the special education director is responsible for Section 504 compliance. Since most Section 504 compliance activities follow those of special education, this is an understandable assignment; however, it may not be the most effective practice considering the necessary response to the increased number of special education complaints.

A student's Section 504 Plan must be provided in the least restrictive environment, most likely the general education classroom.

Guidelines for Educators and Administrators for Implementing Section 504 of the Rehabilitation Act of 1973-Subpart D can be used to guide a professional development plan and support an effective and legally compliant Section 504 system.

Recommendations

The district should:

1. Ensure the Special Education and Business Services departments meet regularly to charge legal expenses to the appropriate resource and goal.
2. Assign the special education director to focus on special education programs and compliance. The director should create a professional development plan focused on writing and implementing effective and legally defensible IEPs, conducting legally defensible assessments, service documentation, and assessing the need for additional instructional aide support. The program administrators should be trained and supported to implement this plan across all special education settings.
3. Assign the special education director to attend all litigious IEPs, all mediations, and be closely involved in the settlement process.
4. Utilize the special education director in resolving disputes.

5. Assign all special education management to meet regularly with Human Resources and the Business Services Department to review position control, salaries, and benefits.
6. Assign the Business Services Department to meet regularly with the special education director to review the special education budget and track expenses.
7. Evaluate the organizational structure and consider assigning Section 504 oversight to student services or the support programs director.
8. Assign Section 504 coordinators at every site under the direction of the district Section 504 coordinator. The district coordinator should work with the site coordinator and case managers to coordinate Section 504 plans in general education.
9. Provide training focused on consistent procedures to ensure appropriate accommodations are implemented and maintained to ensure access and compliance.
10. Designate significant professional development time for general education teachers and administrators as a priority since Section 504 supports and services must be covered from the general fund.

Medi-Cal LEA

The district is a qualified LEA and is eligible to participate as a provider of services under the state Medicaid program (Medi-Cal) authorized under California's Welfare and Institutions Code Section 14132.06. The mutual objective of the California Department of Health Care Services, CDE, and the LEA are to improve access to needed services for children. Since eligible LEAs provide many reimbursable services as part of the federal and state mandate for special education, and these services are reimbursable under the state Medicaid program, all eligible LEAs should submit for reimbursement for these services to supplement those provided by the district.

Downey Unified contracts with Paradigm HealthCare Services to submit for qualified Medi-Cal covered service reimbursement. The Paradigm HealthCare representative annually meets with the district Medi-Cal facilitator and trains qualified service providers on the reimbursement process. The representative indicated no follow-up with service providers occurs to maximize reimbursement, or with the district facilitator on the district services eligible for reimbursement. The LEA Medi-Cal Billing Option Program requires the close supervision of a leader who understands the costs of special education services across a district, the demand on the general fund, and the role the LEA Medi-Cal Billing Option Program can play in ensuring comprehensive services and decreasing the contribution from the general fund. The district provided a list of qualified services provided and summary billing payment reports.

Provider Type	Services Provided	2013	2014	7/14-12/14
Occupation Therapist	Assessments	\$12,695	\$12,006	\$4,507
Speech-Pathologist	Assessment	\$45,741	\$60,599	\$18,063
Speech- Pathologist	Treatment	\$272,000	\$242,503	\$167,860
School Psychologist	Initial Assessment	\$55,848	\$134,364	\$69,553
	Treatment (LEP Only)	\$ -	\$ 926	\$599
ERMHS Program Specialist	Initial Assessment	\$ -		\$843
	Treatment	\$ -		
School Nurse	Initial Assessment	\$ -	\$472	\$542
Heath Aide	Treatment	\$6,520	\$ 0,021	
		\$392,804	\$480,8910	\$261,967

One service listed, nursing assessments, is not targeted for reimbursement, which resulted in lost revenues for the district. According the organizational chart, school nurses are under the supervision of the student services director.

According to district records, during the 2013-2014 and 2014-2015 school years, Downey Unified conducted 688 initial assessments and 2,087 triennial assessments. Since nursing assessments are required for all special education initial and triennial IEPs, the Special Education Department does not generate all possible revenues to offset general fund contributions. According to 2014 CBEDS data, 68% of students in the district are eligible for free or reduced meals through the National School Lunch Program, likely indicating they would be eligible for Medi-Cal services. This means the district could submit for reimbursement for the services mentioned above. Nursing assessments are eligible for reimbursement at \$67.43 per initial or triennial assessment. Based on the reimbursement rate and the number of likely eligible students, the district could have submitted for an estimated \$127,240 during the past two school years.

The district also does not submit for reimbursement for transportation services. According to the LEA Medi-Cal Billing Option Program, transportation can be reimbursed if the LEA can document the following.

- Transportation is provided in a medical vehicle that contains lifts, ramps, and restraints.
- There is a need for LEA covered medical services and LEA covered medical transportation services in the student's IEP.
- A transportation trip log includes the trip, the mileage, origination point, and destination point for each student, student's full name, and date transportation was provided.
- The student was in school and received an approved LEA Medi-Cal Billing Option Program covered service, other than LEA covered medical transportation, on the date the transportation was provided. This can be verified by reviewing attendance records.

According to the Department of Health Care Service's LEA Medi-Cal Billing Option Program Transportation Claiming Guide, available at <http://www.dhcs.ca.gov/provgovpart/Pages/LEA.aspx>, the district could submit for reimbursement for eligible students receiving eligible services using a flat rate model or a rate-plus-mileage model. FCMAT did not review transportation, so a detailed analysis cannot be completed to cover how many medical vehicles the district maintains, what logs are available, and how routes are determined.

As mentioned above, the Paradigm representative does not follow up with district service providers and has not proposed a plan to start submitting for transportation reimbursement. The district should request that Paradigm maximize reimbursement claims and notify the contractor that the district will open the contract for a request for proposals (RFP). The director of special education and the assistant superintendent of business should interview at least three contractors for the best combination of price, customer service, and a history of maximizing reimbursements.

According to financial records provided by the district, the 2014-2015 Medi-Cal funding available was \$1,065,445, with a prior year Medi-Cal carryover of \$661,635.00. This is a significant balance and should be evaluated by the assistant superintendent of business and the director of special education. According to the district organizational chart, LEA Medi-Cal Services are under the director of special education.

Included with the operating budget should be a plan to maximize all reimbursable activities, including transportation. The LEA Medi-Cal Billing Option Program is a viable funding source and the district should leverage the revenues to assure more comprehensive services.

Recommendations

The district should:

1. Assign the director of special education to develop an implementation plan and timeline to request that Paradigm HealthCare Services begin submitting for and following up on all activities eligible under the LEA Medi-Cal Billing Option Program. Paradigm HealthCare Systems should be included as part of this timeline and should assist with the recommended transition.

2. Assign the director of special education to develop a timeline to start submitting for LEA-covered medical transportation reimbursement and request Paradigm HealthCare Systems to support the transition with training, oversight and support.
3. Consider notifying Paradigm HealthCare Services that it intends to open the LEA Medi-Cal Billing Option Program for RFPs. The RFP should focus on cost, history of maximizing reimbursable activities, and customer service.
4. Develop an annual budget for the Medi-Cal resource 5640 so the director of special education, in collaboration with the assistant superintendent of business, can ensure comprehensive services, efficiently allocate funds to offset special education expenses, and allocate an appropriate carryover.
5. Consider reviewing the assignment of school nurses from student services to special education to align reimbursement practices.
6. Assign the assistant superintendent to work with this director to develop an operating budget for Resource 5640, which includes staffing, LEA Medi-Cal collaborative grants, transportation costs, and an appropriate carryover.

Response to Intervention

In 2004, the reauthorization of the Individuals with Disabilities Education Act (IDEA 2004) provided support for models that include response to scientific, researched-based interventions. The law stated that these methods may be used as an alternative to the discrepancy model when identifying students as learning disabled. IDEA 2004 also shifted researched-based interventions from special education to general education, stressing that this method would no longer be limited to special education students, but would apply to all students. The law left each individual state to develop its own guidelines and regulations. RtI, which is now referred to as Response to Instruction and Intervention (RtI2), provides districts with a method to drive educational decisions and measure academic growth.

The CDE information further states the following

California has expanded the notion of Response to Intervention to RtI2. RtI2 is meant to communicate the full spectrum of instruction, from general core, to supplemental or intensive, to meet the academic and behavioral needs of students. RtI2 integrates resources from general education, categorical programs, and special education through a comprehensive system of core instruction and interventions to benefit every student.

The CDE further states that RtI is used in the following three ways:

1. Prevention:

All students are screened to determine their level of performance in relation to grade-level benchmarks, standards, and potential indicators of academic and behavioral difficulties. Rather than wait for students to fail, schools provide research-based instruction within general education.

2. Intervention:

Based on frequent progress monitoring, interventions are provided for general education students not progressing at a rate or level of achievement commensurate with their peers. These students are then selected to receive more intense interventions.

3. Component of specific learning disability (SLD) determination:

The RtI2 approach can be one component of SLD determination as addressed in the Individuals with Disabilities Education Act (IDEA) 2004 statute and regulations. The data from the RtI2 process may be used to demonstrate that a student has received research-based instruction and interventions as part of the eligibility determination process. The CDE is in the process of further defining how RtI2 could be used in the eligibility process.

Source: <http://www.cde.ca.gov/sp/se/sr/documents/sldeligibiltyrti2.doc> -
“Determining Specific Learning Disability Eligibility Using Response to Instruction and Intervention”

Downey Unified data and staff indicate the district has inconsistent procedures for developing interventions before referral for an evaluation for special education eligibility.

The student success team or student study team (SST) is a schoolwide approach to early identification and intervention. The team members include the student when appropriate, parents, teachers, and the site administrator. Together, they identify the student's strengths and weaknesses, and develop an improvement plan that documents how to implement interventions and collect data on the student's performance. As part of the process, all team members agree to follow the plan. The team schedules follow-up meetings to provide continuous research-based strategies and approaches to improve the student's academic, social and behavioral experience in school.

However, staff reported the exact process for a SST varies from one school site to another. This inconsistency may result in a student being referred for assessment or referred for evaluation for special education eligibility at one site, but not another. The sites do not utilize a universal screening to identify at-risk students, but staff reports some schools use the district online reading assessment and running records. There is no districtwide system to collect any SST data and no definitive guidelines for implementing a successful SST.

RtI is a function of general education not special education. Yet no districtwide RtI leadership team exists to guide its implementation, so the site administrators lack specific direction on how RtI should be utilized or the role of special education in this process. This year, the district provided money for each school site to hire tutors or intervention specialists, but they are utilized in an inconsistent manner that does not reflect RtI. Staff indicated an elementary school is piloting interventions and that the success of interventions and accountability for supports depends greatly on the site leadership.

The general education and special education teachers do not meet to discuss interventions and compare data to develop strategies and approaches to meet the diverse needs of the students, including those with special needs.

The district does not use RtI as part of the decision-making process for special education. This lack of districtwide RtI model results in an increase in assessments and the percentage of students identified for special education. In addition, parents and parent advocacy groups push for special education assessments as confirmed by staff reports.

Recommendations

The district should:

1. Clearly define a districtwide SST process to help students at the school site succeed without special education interventions.
2. Consider implementing universal screening to identify at-risk students.
3. Develop a districtwide system of data collection and progress monitoring.
4. Develop clear criteria for a prereferral system.
5. Plan regular collaboration time with curriculum and instruction, site administrators and special education administrators to develop research-based interventions and materials districtwide.
6. Plan regular collaboration time with curriculum and instruction, site administrators and special education administrators to develop a districtwide data collection and progress monitoring system.

7. With all site principals, develop and document a plan to begin implementing a comprehensive RtI model.
8. Establish a district-level leadership team to guide the implementation of RtI.
9. Develop a process to allow SST members and psychologists to use RtI as part of the decision-making process for referral to special education.
10. Evaluate the effectiveness of the current RtI strategies that affect the identification rate for special education.

Special Education Identification

The identification rate for K-12 district of residence students with disabilities is 12.4%, which exceeds the statewide average of 10.19%. The cost of this overidentification is \$627,494 for the 2014-15 school year.

FCMAT compared the district percentage of special education students by disability to the statewide average percent by disability. This comparison found that the district exceeds the state by 1% in speech or language impairment and by 2% in specific learning disability percentage. However, Downey Unified identifies 2.4% fewer students in the area of emotional disturbance and 2% less in autism.

District staff attributes the increase in identification to an influx of autistic students; however, an analysis of CASEMIS data found that the increase is in students with speech and language impairment and specific learning disability. This may be because of the lack of RTI and interventions in the district.

Recommendations

The district should:

1. Evaluate the identification procedures for speech and language impairment and specific learning disability to more closely align the percentages to the statewide average in these areas and decrease the district overidentification rate.
2. Focus on redeveloping speech and language interventions.
3. Focus on developing exit criteria for speech and language.

Fiscal/Deficit Spending

Districts have little control over special education revenues. California distributes funds to SELPAs based on their member districts' total average daily attendance (ADA), not on identified special education students.

The reporting methods of districts, county offices, and SELPAs can vary. Some districts include transportation while others do not, and there are variations in how special education funds are allocated through a SELPA's approved allocation plan. Therefore, it is not always possible to accurately compare a district's general fund contribution to that of other districts. However, a district may need to address a general fund contribution that is excessive or increasing.

Maintenance of effort (MOE) is the federal statutory requirement that a district must spend the same amount of state and local money on special education each year, with limited exceptions. In considering how to reduce the overall general fund contribution, the district is required to follow the guidelines in the MOE document (20 U.S.C.1413 (a)(2)(A)). The MOE document from the CDE lists the following as exceptions that allow the district to reduce the amount of state and local funds spent on special education:

1. The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services, personnel, who are replaced by qualified, lower-salaried staff.
2. A decrease in the enrollment of children with disabilities.
3. The termination of the obligation of the agency to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the State Educational Agency, because the child:
 - a. Has left the jurisdiction of the agency;
 - b. Has reached the age at which the obligation of the agency to provide FAPE (free and appropriate public education) to the child has terminated; or
 - c. No longer needs the program of special education.
4. The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

MOE documents provided to FCMAT indicate the district's general fund contribution was \$13,913,815 or 42% in 2012-13 and \$22,564,035 or 62% in 2013-14. The district's 2014-15 second interim expenditure budget for special education is \$38,232,480 based on the MOE document. The district's general fund contribution is projected to be \$23,948,337, which is 63% of the special education budget. According to the March 2013 Special Education Task Force Report on the general fund contribution percentage to special education, the statewide average is 43%.

FCMAT reviewed the district's general fund contribution with district staff. The district's concern was the increase of the general fund contribution.

Several factors affect a district's general fund contribution, including revenue received to operate the programs and the expenditures for salaries, benefits, staffing and caseloads, nonpublic school and nonpublic agency costs and transportation. Litigation can also increase a district's general fund contribution.

The Local Control Funding Formula (LCFF) was enacted with the passage of the 2013-14 Budget Act, replacing the previous K-12 finance system. The new formula for school districts and charter schools is composed of uniform base grants by grade spans (K-3, 4-6, 7-8, 9-12) and includes additional funding for targeted students. The previous K-12 finance system included a revenue limit special education ADA transfer from the unrestricted general fund to the special education program. The revenue limit ADA funding was generated from the attendance in special day classes. However, special day class ADA is no longer reported separately, and the CDE determined that transfer will no longer take place because of the LCFF. The implementation of the LCFF has automatically increased the amount of many districts' general fund contribution to special education because of this accounting change.

Effective in 2013-14, special education transportation revenue became an add-on to the LCFF, therefore, it is no longer restricted special education revenue. This change in accounting has also increased the amount of many districts general fund contribution to special education.

The district's special education contribution has increased by \$10,034,522 since 2012-13. \$5,880,715 is because of the accounting change due to the implementation of the LCFF. The balance is primarily because of special education expenditure increases.

The district does not maximize Medi-Cal local education agency (LEA) billing, and Medi-Cal LEA funding and carryover are not being utilized. These funds could supplement the services being provided to students.

The table below compares the revenue the district receives from state and federal resources. The special education revenue data provided to FCMAT was from the information posted to the district's special education program in its financial system. Since 2012-13 the district's revenue received to operate special education programs has decreased by \$6,093,212 or -29.3%.

Special Education Revenues from 2012-13 to Projected 2014-15

Description	2012-13	2013-14	Projected 2014-15	Difference from 2012-13 to projected 2014-15
IDEA Entitlement	\$4,167,852	\$4,074,068	\$4,230,406	+\$62,554
IDEA Preschool	\$253,558	\$264,275	\$271,186	+\$17,628
Mental Health	\$1,360,862	\$1,600,926	\$1,504,457	+\$143,595
AB602 State Apportionment	\$8,796,247	\$8,938,931	\$8,415,225	-\$381,022
State Preschool	\$0	\$7,915	\$0	\$0
Interagency Services/Other Local	\$114,711	\$118,002	\$281,224	+\$166,513
Program Specialist	\$199,551	\$197,490	\$0	-\$199,551
Low Incidence	\$18,761	\$17,009	\$0	-\$18,761
Personnel Staff Development	\$3,453	\$6,146	\$0	-\$3,453
Sub-Total, Revenues	\$14,914,995	\$15,224,762	\$14,702,498	-\$212,497
Revenue Limit ADA	\$5,360,496	\$0	\$0	-\$5,360,496
Special Education Transportation	\$520,219	\$0	\$0	-\$520,219
Total, Revenues	\$20,795,710	\$15,224,762	\$14,702,498	-\$6,093,212

School districts throughout the state face continuing difficulties in funding the costs for serving special education students. They must deal with continuing increases in the differences between the federal and state governments' funding and the mandated costs for these vital student services.

The table below compares the district's special education program expenditures. The special education expenditure data is based on the MOE documents provided to FCMAT. Since 2012-13 the district's expenditures to operate special education programs has increased by \$5,012,480 or +15.1%.

Special Education Expenditures from 2012-13 to Projected 2014-15

Description	2012-13	2013-14	Projected 2014-15	Difference from 2012-13 to projected 2014-15
Certificated Salaries	\$13,073,708	\$14,164,457	\$14,607,411	+\$1,533,703
Classified Salaries	\$7,616,957	\$8,397,103	\$8,658,890	+\$1,041,933
Benefits	\$7,106,988	\$7,736,488	\$8,384,187	+\$1,277,199
Materials and Supplies	\$176,512	\$215,862	\$255,162	+\$78,650
Contracts and Operating	\$5,222,430	\$5,703,325	\$6,054,983	+\$832,553
Capital Outlay	\$0	\$71,251	\$83,523	+\$83,523
Sub-Total, Direct Costs	\$33,196,595	\$36,288,486	\$38,044,156	+\$4,847,561
Indirect Charges	\$23,405	\$28,168	\$188,324	+\$164,919
Total, Expenditures	\$33,220,000	\$36,316,654	\$38,232,480	+\$5,012,480

The table below compares the district's December 1 identified special education pupil count and the expenditures per identified pupil count. Since 2012-13 the district's identified special education pupil count has increased by 288 pupils or 11.2% and the expenditures per identified special education pupils has increased by \$451 per pupil or 3.5%.

Description	2012-13	2013-14	Projected 2014-15	Difference from 2012-13 to projected 2014-15
December 1 Identified Pupil Count	2,568	2,750	2,856	+288
Expenditures per Pupil	\$12,936	\$13,206	\$13,387	+\$451

Staff indicated there is little communication and openness about the budgeting process. Staff is not aware of the special education budget amount or the items and positions charged to special education. The budget is simply rolled from one year to the next without staff reviewing the effective use of available resources such as federal and state mental health funding.

No one takes full responsibility or is accountable for the special education budget, and the Special Education and the Business Services department do not meet regularly.

Staff reported that the Special Education Department is responsible for Section 504 compliance. Section 504 of the Rehabilitation Act of 1973 is a federal civil rights law that prohibits discrimination against individuals with disabilities, and Section 504 is intended to provide disabled students with equal access to educational programs, services, and activities. No federal funding is provided to districts to implement Section 504, which makes it a general education function. Special education administrators spend approximately 40% of their time on Section 504 development, training, implementation, and monitoring. This function is under general education student services at most districts.

Recommendations

The district should:

1. Monitor its general fund contribution through the annual MOE and determine if the district can reduce expenditures using any of the exemptions allowed.
2. Monitor attendance rates, including attendance rates in special day classes. Special education funding is based on total district ADA.
3. Establish monthly meetings with the special education director and the assistant superintendent of business services that include the following topics:
 - a. Budget development
 - b. Budget monitoring
 - c. Maintenance-of-effort requirements
 - d. Additional staff requests or change in assignments
 - e. Nonpublic school and/or agency contracts and invoices and new placements
 - f. Due process or complaint issues
 - g. Staff caseload
 - h. Identified student counts
 - i. Identified needs
4. Consider creating a new fiscal position that reports to the Business Services Department to provide special education budget and accounting support services. Place the position in the Special Education Department.
5. Develop a budget plan for Medi-Cal LEA funding; this could potentially offset increases to the special education contribution. As part of development of the budget plan, review with staff the most effective use of these supplemental dollars.
6. Assign the Business Services Department to implement zero-based budgeting. Each department should build and propose its 2015-16 budget including staffing. The Special Education, the Business, and Human Resources departments should review all the staffing and assignments through this process. Staff should review how positions are used and charged to the district budget. Adjusting the coding for any position that provides services to identified and nonidentified pupils will not reduce the total budget, but will ensure that the special education budget is accurate.
7. The district should evaluate and consider reassigning the Section 504 function. If this function remains with the Special Education Department, staff should be coded appropriately in the system to reflect how much time is spent on special education functions compared to general education functions.

Appendices

- A: Study Agreement**
- B. Special Circumstance Instructional Assistance (SCIA) Guidelines**
- C: ESY Guidelines**



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
January 23, 2015**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Downey Unified 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 assign professionals to study specific aspects of the district's 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.

In keeping with the provisions of Assembly Bill 1200, the county superintendent will be notified of this agreement between the district and FCMAT and will receive a copy of the final report. The final report will also be published on the FCMAT website.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

Analyze current special education program and services preschool through 12th grade and determine if a full range of services are provided consistent with state and federal guidelines.

Analyze special education teacher staffing ratios and class and caseload size using the statutory requirements for mandated services and statewide guidelines.

Review the efficiency of paraeducator staffing, including 1-to-1 paraeducators. Analyze the procedures for identifying the need for instructional aides and the process for monitoring the resources for allocating paraeducators and determining the need for continuing support from year to year. Make recommendations to improve efficiency of staffing.

Analyze all the other staffing and caseloads of designated instruction providers, including psychologists, occupational and physical therapists, behavior specialists, and others.

Review the use of resources allocated for nonpublic schools and agencies, mental health services and alternative programs, and make recommendations for greater efficiency.

Review the costs of due process and mediations for the past three years, and make recommendations.

Review the revenues and allocations for Medi-Cal LEA and determine areas for greater efficiencies.

Review the district's implementation of Response to Intervention (RtI.) and make recommendations as needed.

Determine whether the district overidentifies students for special education services compared to the statewide average, and make recommendations that will reduce overidentification, if needed.

Determine how the district can reduce deficit spending in special education and remain in compliance with the requirement to meet students' needs.

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 team's procedures and 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 Report - 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 – Approximately 10 days after the exit meeting, the team will issue an exit letter briefly summarizing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
5. Draft Reports - Electronic copies of a preliminary draft report will be delivered to the district's administration for review and comment.
Final Report - Electronic copies of the final report will be delivered to the district's administration and to the county superintendent following completion of the review. Printed copies are available from FCMAT upon request.

6. Follow-Up Support – If requested, FCMAT will return to the district at no cost six months after completion of the study to assess the district's progress in implementing the recommendations included in the report. Progress in implementing the recommendations will be documented to the district in a FCMAT management letter.

3. PROJECT PERSONNEL

The study team will be supervised by William P. Gillaspie, Ed. D., Deputy Administrative Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

<i>A. William P. Gillaspie, Ed.D.</i>	<i>FCMAT Deputy Administrative Officer</i>
<i>B. Jackie Kirk-Martinez</i>	<i>FCMAT Consultant</i>
<i>C. Jackie Martin</i>	<i>FCMAT Consultant</i>
<i>D. Don Dennison</i>	<i>FCMAT Consultant</i>
<i>E. Phillip Williams</i>	<i>FCMAT Consultant</i>
<i>F. JoAnn Murphy</i>	<i>FCMAT Consultant</i>

Other equally qualified staff or consultants will be substituted in the event one of the above 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 as follows:

- A. \$500 per day for each staff member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate.
- B. All out-of-pocket expenses, including travel, meals and lodging.
- C. 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 the district's acceptance of the final report.

Based on the elements noted in section 2 A, the total estimated cost of the study will be \$20,000.

- D. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's 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 during on-site reviews.
- B. The district will provide the following if requested:
 - 1. Policies, regulations and prior reports that address the study scope.
 - 2. Current or proposed organizational charts.
 - 3. Current and two prior years' audit reports.
 - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in electronic format.
 - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository, where the district will upload all requested documents.
- C. The district's administration will review a preliminary draft copy of the report resulting from 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 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 different phases of the study:

Orientation:	April 15, 2015 at 9 a.m.
Staff Interviews:	April 15 – 17, 2015
Exit Meeting:	April 17, 2015
Preliminary Report Submitted:	to be determined
Final Report Submitted:	to be determined
Board Presentation:	to be determined, if requested
Follow-Up Support:	if requested

7. **COMMENCEMENT, TERMINATION AND COMPLETION OF WORK:**

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Before completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of field work, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. **INDEPENDENT CONTRACTOR:**

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. **INSURANCE:**

During the term of this agreement, FCMAT shall maintain liability insurance in an amount not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with additional insured endorsements, indicating applicable insurance coverages prior to the commencement of work.

10. **HOLD HARMLESS:**

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. CONTACT PERSON

Name: Nancy Nien, Assistant Superintendent Business Services
Telephone: (562) 469-6520
Fax: (562) 469-6519
E-mail: nnien@dusd.net



Nancy Nien
Assistant Superintendent Business Services
Downey Unified School District

1-27-15

Date



William P. Gillaspie, Ed. D.
Deputy Administrative Officer
Fiscal Crisis and Management Assistance Team

January 23, 2015

Date