PERFORMANCE AUDIT
OF THE

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

DEPARTMENT OF EDUCATION

September 2000

31-221-99

EXECUTIVE DIGEST

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

INTRODUCTION

This report, issued in September 2000, contains the results of our performance audit* of the Michigan Schools for the Deaf and Blind (MSDB), Department of Education.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency* .

BACKGROUND

Article 8, Section 3 of the State Constitution vests in the State Board of Education the leadership and general supervision over all public education.

The Michigan School for the Deaf (MSD) was established by the Legislature in 1848 and operates under the authority of Sections 393.51 - 393.69 of the *Michigan Compiled Laws.* The Michigan School for the Blind (MSB) was established by the Legislature in 1893 and operates under the authority of Sections 393.101 - 393.111 of the *Michigan Compiled Laws*. MSDB is under the jurisdiction of the Department of Education. Since October 1, 1995, both schools have been located together on an 85-acre

* *See glossary at end of report for definition.*

campus in Flint. Prior to that date, MSB was located in Lansing. Each school provides its own distinct programs and services. Funding for MSD and MSB is provided by the State General Fund, student tuition paid by local school districts, and federal grants.

MSD's mission* is to provide educational, cultural, social, and vocational programs to all students enabling them to achieve their full potential. MSD provides a traditional educational experience for children who are deaf or hard-of-hearing and who are referred by their local school districts. MSD's full-time enrollment for school years 1998-99 and 1999-2000 was 120 and 107 students, respectively.

MSB's mission is to maximize the potential and improve the quality of life of individuals who are visually impaired through the provision of education and related services. MSB provides various outreach programs and services to students with visual impairments who are enrolled in public or private schools throughout the State. Prior to June 1999, MSB operated a traditional full-time educational program, but discontinued the program after school year 1998-99. MSB also operates a summer program at a facility, known as Camp Tuhsmeheta, located in Kent County. The Camp, which comprises approximately 290 acres, is funded by the Blind Gift Trust Fund.

MSDB's expenditures totaled approximately $9.2 million for fiscal year 1998-99, and the schools had 87 full-time equated employees as of September 30, 1999.

* *See glossary at end of report for definition.*

AUDIT OBJECTIVES, CONCLUSIONS, AND NOTEWORTHY ACCOMPLISHMENTS

Audit Objective: To assess MSDB's efforts to use its resources efficiently.

Conclusion: MSDB was somewhat efficient in using its resources. However, our assessment disclosed two material conditions* :

- MSD's total enrollment has declined significantly in recent years and, as a result, its annual operating cost per student increased significantly (Finding 1).

  The Department agreed with the finding and recommendation and indicated that cost per student at MSD had begun to stabilize since school year 1994-95.

- The Department's program statement for the proposed construction of MSB's Living and Resource Center did not include all pertinent information and was not fully supported by conditions present at the time that the Department of Management and Budget approved the project and prior to the start of construction (Finding 2).

  The Department agreed with the finding and recommendation but did not believe that it was the best use of resources to house blind and deaf students in the same facility.

Noteworthy Accomplishments: MSDB has sold or leased several unoccupied buildings at the Flint campus. Fay Hall, MSD's former classroom and dormitory building,

* *See glossary at end of report for definition.*

was sold to a private preparatory school in 1995. Also, MSDB recently entered into a five-year lease with a local deaf services organization to use the former Health Center as its administrative offices. Further, the Flint Fire Department recently purchased Brown Hall, which was a former classroom building, and the surrounding property for use as a training site and new fire station. These actions have helped reduce MSDB's operating and maintenance costs.

Audit Objective: To assess MSD's effectiveness in providing educational and other services to deaf and hard-of-hearing students.

Conclusion: We concluded that MSD was generally effective in providing educational and other services to deaf and hard-of-hearing students. However, our assessment disclosed reportable conditions* regarding the evaluation of MSD's program effectiveness and Stanford Achievement Test (SAT) related processes (Findings 3 and 4).

Noteworthy Accomplishments: MSD received accreditation from the North Central Association of Colleges and Schools (NCA) in April 1999. This accreditation reflects that MSD conformed to standards relating to staffing, services, and facilities. MSD is seeking further endorsement from NCA in the area of school improvement.

Audit Objective: To assess MSB's effectiveness in providing educational and other services to visually impaired students.

* *See glossary at end of report for definition.*

Conclusion: MSB was somewhat effective in providing educational and other services to visually impaired students. However, our assessment disclosed reportable conditions regarding goals* and plans for Camp Tuhsmeheta, oversight of Camp Tuhsmeheta, MSB program and service data, educational assessments, publicizing of programs and services, and the Instructional Materials Center (Findings 5 through 10).

AUDIT SCOPE AND METHODOLOGY

Our audit scope was to examine the program and other records of the Michigan Schools for the Deaf and Blind. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other procedures as we considered necessary in the circumstances.

Our audit procedures included examinations of MSDB's records and activities for the period September 1, 1995 through September 30, 1999.

To accomplish our objectives, we reviewed applicable laws, regulations, policies, and procedures. We performed a preliminary survey of MSDB's programs and services, interviewed MSDB staff, and researched applicable information from other states related to schools for the deaf and blind.

In connection with our first objective, we analyzed MSD enrollment trends and their impact on the cost of operating the school. We also reviewed pertinent Department of Education data and contacted a number of local school districts regarding the educating of deaf students. Further,

* *See glossary at end of report for definition.*

we reviewed MSB's program statement and related conditions regarding the recently completed Living and Resource Center.

In connection with our second audit objective, we analyzed the SAT results of MSD students tested during school years 1995-96 through 1998-99. We calculated the average SAT score for students who were ages 8 through 18 for three years for six subtest areas. We compared the average MSD score with a national study of hearing impaired students' SAT scores (Exhibits 1 through 6). We also compared the change in students' SAT scores over a three-year period in the six subtest areas. In addition, we examined a sample of student individualized education program* reports to assess MSD's effectiveness in helping students meet their educational and vocational goals. Further, we obtained and reviewed the employment records from the Unemployment Agency, Department of Consumer and Industry Services, of students who graduated between June 1995 and June 1998 to determine if the students had reported wage earnings.

In connection with our third objective, we reviewed MSB program records and surveyed former MSB student and nonstudent participants (Exhibits 7 and 8). Also, we evaluated a random sample of student records to determine if MSB complied with established procedures in providing outreach services to visually impaired students. Further, we toured Camp Tuhsmeheta and reviewed MSB's oversight and operation of the summer camp program.

* *See glossary at end of report for definition.*

AGENCY RESPONSES AND PRIOR AUDIT FOLLOW-UP	Our report contains 10 findings and 10 corresponding recommendations. The Department's preliminary responses indicated that it agreed with all of the recommendations. MSDB complied with 4 of the 6 prior MSD and MSB audit recommendations included within the scope of our current audit. The other 2 recommendations were rewritten for inclusion in this report.

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September 5, 2000

Mr. Arthur E. Ellis, Chairperson
State Board of Education
Hannah Building
Lansing, Michigan

Dear Mr. Ellis:

This is our report on the performance audit of the Michigan Schools for the Deaf and Blind, Department of Education.

This report contains our executive digest; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; Stanford Achievement Test score analyses and survey summaries, presented as supplemental information; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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Description of Agency

The Department of Education was established by the Executive Organization Act of 1965 (Act 380, P.A. 1965). The Department is headed by the elected eight-member State Board of Education established by the State Constitution. The principal executive officer is the Superintendent of Public Instruction, who is appointed by the Board. Article 8, Section 3 of the State Constitution vests in the State Board of Education the leadership and general supervision over all public education.

The Michigan School for the Deaf (MSD) was established by the Legislature in 1848 and operates under the authority of Sections 393.51 - 393.69 of the *Michigan Compiled Laws.* The Michigan School for the Blind (MSB) was established by the Legislature in 1893 and operates under the authority of Sections 393.101 - 393.111 of the *Michigan Compiled Laws*. MSDB is under the jurisdiction of the Department of Education. Since October 1, 1995, both MSD and MSB have been located together on an 85-acre campus in Flint. Prior to that date, MSB was located in Lansing. Each school provides its own distinct programs and services. Funding for MSD and MSB is provided by the State General Fund, student tuition paid by local school districts, and federal grants.

MSD's mission is to provide educational, cultural, social, and vocational programs to all students enabling them to achieve their full potential. MSD provides a traditional educational experience for children who are deaf or hard-of-hearing and who are referred by their local school districts. Students have the option of attending as residential students or as day students. To assist in the operation of MSD, the Department established a Citizens Advisory Council. MSD's full-time enrollment for school years 1998-99 and 1999-2000 was 120 and 107 students, respectively.

MSB's mission is to maximize the potential and improve the quality of life of individuals who are visually impaired through the provision of education and related services. MSB provides various outreach programs and services to students with visual impairments who are enrolled in public or private schools throughout the State. Programs and services provided include on-site consultations; short-term, on-campus placements; diagnostic assessments; teacher in-service training; family training; student enrichment activities; and an instructional materials center. Prior to June 1999, MSB operated a traditional full-time educational program, but discontinued the program after school year

1998-99. MSB also operates a summer program at a facility, known as Camp Tuhsmeheta, located in Kent County. The Camp, which comprises approximately 290 acres, is funded by the Blind Gift Trust Fund.

MSDB's expenditures totaled approximately $9.2 million for fiscal year 1998-99, and the schools had 87 full-time equated employees as of September 30, 1999.

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit of the Michigan Schools for the Deaf and Blind (MSDB), Department of Education, had the following objectives:

1. To assess MSDB's efforts to use its resources efficiently.

2. To assess the Michigan School for the Deaf's (MSD's) effectiveness in providing educational and other services to deaf and hard-of-hearing students.

3. To assess the Michigan School for the Blind's (MSB's) effectiveness in providing educational and other services to visually impaired students.

Audit Scope

Our audit scope was to examine the program and other records of the Michigan Schools for the Deaf and Blind. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit procedures were performed during June through November 1999 and included examinations of MSDB's records and activities for the period September 1, 1995 through September 30, 1999.

To accomplish our objectives, we reviewed applicable laws, regulations, policies, and procedures. We performed a preliminary survey of MSDB's programs and services, interviewed MSDB staff, and researched applicable information from other states related to schools for the deaf and blind.

In connection with our first objective, we analyzed MSD enrollment trends and their impact on the cost of operating the school. We also reviewed pertinent Department of Education data and contacted a number of local school districts regarding the educating

of deaf students. Further, we reviewed MSB's program statement and related conditions regarding the recently completed Living and Resource Center.

In connection with our second audit objective, we analyzed the Stanford Achievement Test (SAT) results of MSD students tested during school years 1995-96 through 1998-99. We calculated the average SAT score for students who were ages 8 through 18 for three years for six subtest areas (reading comprehension, reading vocabulary, spelling, language, math procedures, and math problem solving). We compared the average MSD score with hearing impaired students' SAT scores in a national study (Exhibits 1 through 6). We also compared the change in students' SAT scores over a three-year period in the six subtest areas. In addition, we examined a sample of student individualized education program reports to assess MSD's effectiveness in helping students meet their educational and vocational goals. Further, we obtained and reviewed the employment records from the Unemployment Agency, Department of Consumer and Industry Services, of students who graduated between June 1995 and June 1998 to determine if the students had reported wage earnings.

In connection with our third objective, we reviewed MSB program records and surveyed former MSB student and nonstudent participants (Exhibits 7 and 8). Also, we evaluated a random sample of student records to determine if MSB complied with established procedures in providing outreach services to visually impaired students. Further, we toured Camp Tuhsmeheta and reviewed MSB's oversight and operation of the summer camp program.

Agency Responses and Prior Audit Follow-Up

Our report contains 10 findings and 10 corresponding recommendations. The Department's preliminary response indicated that it agreed with all of the recommendations.

MSDB complied with 4 of the 6 prior MSD and MSB audit recommendations included within the scope of our current audit. The other 2 recommendations were rewritten for inclusion in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

USE OF RESOURCES

COMMENT

Audit Objective: To assess the Michigan Schools for the Deaf and Blind's (MSDB's) efforts to use its resources efficiently.

Conclusion: MSDB was somewhat efficient in using its resources. However, our assessment disclosed two material conditions. The Michigan School for the Deaf's (MSD's) total enrollment has declined significantly in recent years and, as a result, its annual operating cost per student increased significantly. Also, the Department of Education's program statement for the proposed construction of the Michigan School for the Blind's (MSB's) Living and Resource Center did not include all pertinent information and was not fully supported by conditions present at the time that the Department of Management and Budget (DMB) approved the project and prior to the start of construction.

Noteworthy Accomplishments: MSDB has sold or leased several unoccupied buildings at the Flint campus. Fay Hall, MSD's former classroom and dormitory building, was sold to a private preparatory school in 1995. Also, MSDB recently entered into a five-year lease with a local deaf services organization to use the former Health Center as its administrative offices. Further, the Flint Fire Department recently purchased Brown Hall, which was a former classroom building, and the surrounding property for use as a training site and new fire station. These actions have helped reduce MSDB's operating and maintenance costs.

FINDING

1. MSD Enrollment Decline

MSD's total enrollment has declined significantly in recent years and, as a result, its annual operating cost per student has increased significantly. This condition may seriously affect MSD's long-term operations and viability.

MSD provides a traditional kindergarten through 12th grade education for children who are deaf or hard-of-hearing. Students have the option of attending as a residential student or a day student. Residential students are housed in MSD facilities whereas day students leave the school each day after attending classes.

As the following chart shows, residential and total MSD student enrollment declined 47% and 39%, respectively, from school year 1990-91 through school year 1999-2000. As a result, the operating cost per student increased 44% from school year 1990-91 through school year 1998-99:

Historical Summary of MSD Enrollment and
Residential and Instructional Cost Per Student

School Year	Day Students	Residential Students	Total Enrollment	Cost per Student*
1990-1991	65	109	174	$32,861
1991-1992	49	110	159	$37,349
1992-1993	47	120	167	$36,125
1993-1994	48	115	163	$36,358
1994-1995	48	88	136	$53,972
1995-1996	39	88	127	**
1996-1997	43	73	116	**
1997-1998	44	70	114	$46,085
1998-1999	49	71	120	$47,271
1999-2000	49	58	107	***

* Excludes summer programs and programs funded by federal funds. MSD instructional cost per student for school year 1998-99 was $23,814.

** MSDB's accounting system combined instructional, residential, and administrative costs for deaf and blind students during school years 1995-96 and 1996-97. Therefore, data is not available to compute a cost per student for deaf and hard-of-hearing students for those two years.

*** School year 1999-2000 cost data was not available at the time of our audit.

The following factors have contributed to MSD's declining enrollment:

a. Local and intermediate school districts provided educational and other pertinent services to an increasing number of deaf and hard-of-hearing students, which reduced the number of students enrolled in MSD.

The implementation of the federal Individuals With Disabilities Education Act (IDEA) of 1974 requires that children with disabilities be educated with nondisabled students in the least restrictive environment. IDEA states that:

> To the maximum extent appropriate, children with disabilities . . . are educated with children who are not disabled . . . [and] removal of children with disabilities from the regular educational environment occurs only when the nature or severity of the disability of a child is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

In addition, *Michigan Administrative Code* R 340.1722 stipulates that children requiring special classes or facilities be placed in programs or services as close as possible to their homes.

An individualized education program committee (IEPC), consisting of a group of educators, specialists, and parents of the student, is responsible for identifying the academic needs of deaf and hard-of-hearing students and determining which programs and services will best meet those needs. The IEPC must then determine which educational program will allow the individual student to best meet his or her educational goals and objectives in the least restrictive environment. In their efforts to provide programming in the least restrictive environment, IEPCs have increasingly recommended that deaf and hard-of-hearing students be educated in their home school districts.

Further, the development of new technologies have contributed to the increased number of deaf and hard-of-hearing students educated in their home school districts. Such technologies have helped the school districts to improve the quality of education provided to these students.

The following table discloses the number of deaf and hard-of-hearing students Statewide and the number and percentage of these students enrolled at MSD since school year 1990-91:

Enrollment of Deaf and Hard-of-Hearing Students Statewide

School Year	Number of Students Statewide	Number of Students Enrolled at MSD	Percentage of Students Enrolled at MSD
1990-1991	2,952	174	5.9%
1991-1992	2,985	159	5.3%
1992-1993	3,027	167	5.5%
1993-1994	3,030	163	5.4%
1994-1995	3,100	136	4.4%
1995-1996	3,182	127	4.0%
1996-1997	3,222	116	3.6%
1997-1998	3,278	114	3.5%
1998-1999	3,427	120	3.5%
1999-2000	Not Available	107	

b. The Department, through the School Aid Fund, charged tuition to school districts for deaf and hard-of-hearing students enrolled at MSD.

Since the early 1980's, the Department's appropriations acts have required that MSD charge the student's home school district the cost of operating the student's instructional program at MSD. The State School Aid Act provides for reducing the charge to the student's home school district by the amount of the school district's foundation allowance and an amount allocated from Section 54 funds.

For example, MSD's per student instructional cost for school year 1998-99 was $23,814. This cost was then reduced by the home school district's foundation allowance and Section 54 funding and resulted in a tuition charge to the district of approximately $5,100 per student enrolled at MSD. For students receiving additional services beyond the standard academics, such

as occupational therapy or vocational training, the tuition charge was somewhat higher.

According to MSD and several school districts' staff, the tuition charge to the school districts is a deterrent to enrolling deaf and hard-of-hearing student at MSD.

However, based on the most recent available data, MSD's instructional cost per student was approximately 16% lower than the school year 1994-95 Statewide average of $28,243. A 1979 memorandum from the Superintendent of Public Instruction to the Speaker of the House of Representatives stated that, if the enrollment at MSD dropped below 200 students, the cost benefits become questionable and other program alternatives should be considered. Also, a Department document, entitled "Preliminary Perspective on Michigan School for the Deaf/Michigan School for the Blind" and dated December 1996, and the document's internal transmittal memorandum addressed the missions and plans for both MSD and MSB. Regarding MSD, the documents minimally addressed declining enrollment and stated that the school's enrollment "should be relatively stable for the next five years." The documents also stated that:

> There is no likelihood that the residential programs will experience any substantial growth. Both hard and soft technology make residential school based programs anachronistic [out of its proper time in history]. There will be a need for small residential programs in the years of the next decade and possibly two decades, however.

Further, the documents addressed operating the residential school "at a significantly more reasonable cost basis than historically provided."

As indicated in this finding, overall enrollment at MSD has continued to decline. In an effort to publicize its programs and recruit students, MSD provides informational brochures to all intermediate school districts to distribute to parents of deaf and hard-of-hearing students. Also, MSD recently placed its periodic newsletter on the Internet and staffed an informational booth during activities commemorating Deaf Awareness Week. Similarly, in response to significant declining enrollment and changing needs of visually impaired students, MSB discontinued its traditional full-service education residential program for visually impaired students after school

year 1998-99. MSB now provides outreach programs and other services that help students succeed at their home school districts.

RECOMMENDATION

We recommend that the Department review the effect of declining enrollment on MSD operations and take appropriate action to provide the most efficient, yet effective, program services possible.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation regarding the determination of decline in enrollment. Cost reports since school year 1994-95 indicate stabilization of cost per student at MSD.

FINDING

2. MSB Capital Outlay Project

The Department's program statement for the proposed construction of MSB's Living and Resource Center (LRC) did not include all pertinent information and was not fully supported by the conditions present at the time that DMB approved the project and prior to the start of construction.

In October 1996, MSB requested capital outlay appropriations to construct LRC. LRC was a multipurpose building designed to house 32 visually impaired students and included a kitchen, dining area, study area, and day room. MSB's program statement for the project, dated April 21, 1997, cited expected future enrollment, program needs, and a lack of suitable space as conditions contributing to the need for the project. Act 480, P.A. 1996, authorized funding for LRC, and DMB approved the project in November 1997. Construction began in September 1998 and LRC was completed in August 1999 at a cost of approximately $1.1 million. Our review of the LRC project disclosed:

a. MSB submitted the program statement to DMB in April 1997 when the school had 19 students in its full-time educational program for school year 1996-97. The program statement indicated that, for the next 10 years, MSB expected to have between 20 and 30 students enrolled in the school on a full-time basis

each year and needing housing. However, MSB staff could not provide us with data to support this enrollment projection. Separately, a Department document entitled, "Preliminary Perspective on Michigan School for the Deaf/Michigan School for the Blind" and dated December 1996, stated that MSB's projected enrollment for the next five years would remain stable.

Actual MSB enrollment in school year 1997-98 was 18 students. Actual enrollment at the time construction started in September 1998 and in school year 1998-99 was 5 students. As a result of this significant decline in enrollment, MSB discontinued the traditional full-service education residential program for blind students after school year 1998-99. However, the Department did not submit a revised program statement to inform DMB of the variances from the expected enrollments.

b. As early as December 1997, both MSB and the Department were aware of the school's change in focus from that of providing a traditional full-service education program with full-time students to that of providing outreach services. Although the program statement briefly mentioned that MSB provided outreach services, the document did not discuss the school's change in focus and programming nor did MSB submit a revised program statement to inform DMB of the change in focus and programming. Although MSB outreach programs occasionally include overnight residency on campus, it appears that prior existing residential facilities could have accommodated these small number of occurrences.

c. Stevens Hall, with a capacity of 102, and several other smaller structures on campus provide residential housing for deaf and hard-of-hearing students. The following table indicates the number of deaf and hard-of-hearing students in residential housing and resulting occupancy rates for school years 1996-97 through 1998-99:

	School Year		
	1996-97	1997-98	1998-99
Total deaf residential students	73	70	71
Total residential capacity	140	140	140
Deaf student occupancy rate	52%	50%	51%

As the table shows, the occupancy rates for residential deaf student housing was just over 50% at the time MSB submitted the LRC program statement and for the two subsequent school years. The program statement did not present occupancy rates for residential deaf student housing. Also, the deaf student occupancy rate declined to 40% in school year 1999-2000.

Requirements approved by the Department of Civil Service, known as "Bona Fide Occupation Qualifications," stipulate that certain age and gender groups be separated in the residential living arrangements to protect their privacy rights. For instance, older boys must be separated from younger boys, and younger girls must be separated from older girls, etc. We recognize that these requirements affected MSD's residential decision-making process and that MSD will not have 100% occupancy rates. Also, issues such as communication barriers between deaf and hard-of-hearing students and visually impaired students must be considered in the residential decision-making process. However, it appears that the significant amount of unused residential capacity, as indicated above, would have been pertinent information for DMB to use in evaluating the need for new construction or renovation of the present buildings. To help facilitate the efficient use of limited State resources, it is important that planning documents submitted to DMB provide complete information for evaluating a project and supporting its priority in relation to other proposed projects.

d. The program statement described the need for a facility that would allow visually impaired students to learn daily living skills, home economics, and basic home care in a home environment. MSDB's campus includes two frame houses that, with some remodeling to make them handicap accessible, would appear to have been an option for providing a suitable setting to teach these skills to MSB's limited number of visually impaired students. These houses are fully furnished and include kitchens, living areas, and bedrooms similar to those found in a home environment. When MSB initially submitted the program statement, one of the houses had only minimal use. At the time of our audit, both houses had only minimal use.

We recognize that using the frame houses for teaching daily living skills to students that live in a different location may not be optimal. However, the

program statement did not mention the option of using these houses for teaching daily living skills.

RECOMMENDATION

We recommend that the Department ensure that proposals for construction projects include all pertinent information and are fully supported by the conditions present at the time that capital outlay funds are appropriated and prior to the start of construction.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation but noted that housing blind and deaf students in the same facility was not the best use of resources. MSD's deaf children tended to be typical teenagers who dropped and moved things, which was counterproductive to the blind students and staff. The blind students needed a much more centrally located "home like" environment to practice their orientation and mobility skills in.

DEAF AND HARD-OF-HEARING PROGRAM

COMMENT

Audit Objective: To assess MSD's effectiveness in providing educational and other services to deaf and hard-of-hearing students.

Conclusion: We concluded that MSD was generally effective in providing educational and other services to deaf and hard-of-hearing students. However, our assessment disclosed reportable conditions regarding the evaluation of MSD's program effectiveness and Stanford Achievement Test (SAT) related processes.

Noteworthy Accomplishments: MSD received accreditation from the North Central Association of Colleges and Schools (NCA) in April 1999. This accreditation reflects that MSD conformed to standards relating to staffing, services, and facilities. MSD is seeking further endorsement from NCA in the area of school improvement.

FINDING

3. Evaluation of MSD's Program Effectiveness

MSD should continue to develop a comprehensive continuous quality improvement (CQI) process to evaluate and improve the effectiveness of its educational and vocational programs.

MSD's mission is to provide educational, cultural, social, and vocational programs to all students enabling them to achieve their full potential. Most of MSD's resources are allocated to its full-time educational program for residential and day students. Vocational training programs are also available to high school students.

The Legislature and the Governor have required in various appropriations acts and in Executive Directive No. 1996-01 that State programs use CQI processes to manage the use of limited State resources. MSD can best evaluate and improve the effectiveness of its educational and vocational programs by using a comprehensive CQI process. Such a process should include: performance indicators* for measuring outputs* and outcomes*; performance standards* for each performance indicator that describe the desired level of outputs and outcomes based on management expectations, peer group performance, and/or historical performance; a management information system to accurately gather output and outcome data; a comparison of actual data with desired outputs and outcomes; a reporting of the comparison results to management; and proposals of program modifications to improve effectiveness.

During our audit period, MSD did not evaluate the effectiveness of its educational and vocational programs. However, in April 1999, MSD received its first accreditation from NCA. This accreditation demonstrates that MSD conformed to standards related to staffing, services, and facilities. To sustain membership in NCA, MSD is currently pursuing an NCA endorsement in the area of school improvement. This endorsement process includes the development of goals for improving student performance and gathering data to measure performance to determine progress toward achieving the school improvement goals. MSD expects that the endorsement process will be completed by the year 2002.

* *See glossary at end of report for definition.*

MSD's pursuit of the school improvement endorsement is a positive step in the development of a comprehensive CQI process. However, the student performance-related goals and data gathering appears to evaluate only student progress while the student is enrolled at MSD. A comprehensive process should also evaluate outputs and outcomes of students after they leave the school. Our review disclosed several issues that MSD could consider in the development of a process to evaluate and improve program effectiveness:

a. MSD could use students' SAT scores to help evaluate its effectiveness and identify educational program areas that may need improvement.

The SAT is a widely used achievement test designed to measure academic achievement in the following subtest areas: reading comprehension, reading vocabulary, spelling, language, math procedures, and math problem solving. MSD administered the SAT each spring to all students. MSD filed SAT scores in the students' individual files along with a comparison with prior years' scores.

We calculated the average scaled score by age group for all MSD students tested over the three-school-year period from 1996-97 through 1998-99. We compared MSD's average scaled scores in six subtest areas with a national study of deaf and hard-of-hearing students' SAT scores. The detailed comparison is presented as supplemental information in Exhibits 1 through 6 of this report. We determined that between 44% and 56% of MSD students' scores exceeded the national average in each of the subtest areas. However, we noted that the average scores of MSD's students who were 8, 9, 10, 11, 17, and 18 years old were below the national average in math problem solving. Also, the average scores for students who were 17 and 18 years old were below average in all subtest areas. This may indicate areas of concern in MSD's math and high school curriculums.

In addition, using guidelines developed by the Gallaudet Research Institute (GRI), we analyzed student academic progress of 175 students who attended MSD during the 1995-96 through 1998-99 school years. We compared their SAT test results in the six subtest areas and determined that: 99 (57%) students showed significant progress, 53 (30%) students showed some

progress, and 23 (13%) showed no measurable progress. This information should be useful in identifying needed areas of improvement for individual students.

These SAT score comparisons are examples of available outcome data that MSD could use to help evaluate the effectiveness of its educational program.

b. MSD could use earned income information to help evaluate its programs.

MSD had not established standards regarding earned income for graduates and did not obtain and evaluate corresponding earned income information from prior students. We obtained wage records from the Unemployment Agency, Department of Consumer and Industry Services, for the 64 students who graduated from MSD from June 1995 through June 1998 to determine if the graduates were employed during the 15-month period April 1998 through June 1999. Our review disclosed that 35 (55%) of the 64 graduates had reported wage earnings during this 15-month period:

Reported Wage Earnings for MSD Graduates
April 1, 1998 Through June 30, 1999

Graduates With Earnings			Average Earnings for
Range of Earnings*	Number	Percent	Range
$0	29	45%	
$1 - $5,000	22	34%	$ 1,765
$5,001 - $10,000	5	8%	$ 7,080
$10,001 - $15,000	2	3%	$10,436
$15,001 - $20,000	1	2%	$15,130
Over $20,000	5	8%	$28,179
Total	64	100%	

* Reported wage earnings would not include income earned by graduates who were self-employed or no longer residents of the State.

This earned income information is another example of available outcome data that MSD could use to help evaluate the effectiveness of its programs.

c. MSD could conduct surveys of graduates and other former students to gather data to help determine the effectiveness of its educational and vocational programs.

MSD informed us that it did not conduct a survey or provide any type of follow-up with its former students during our audit period. *Michigan Administrative Code* R 340.1832 requires that school districts establish a procedure for determining the school-community adjustments of handicapped persons at least one year following termination of their special education programs and services. Although the requirement does not apply to MSD, the school functions similar to a school district. Establishing a procedure to conduct surveys would provide MSD with information about former students' activities, such as college or vocational school training, employment, and community involvement.

RECOMMENDATION

We recommend that MSD continue to develop a comprehensive CQI process to evaluate and improve the effectiveness of its educational and vocational programs.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation. MSDB is in contact with various professionals in order to investigate the quality assurance process for programming. Once quality indicators and effective tools to measure quality and outcomes have been identified, MSDB will have a process in place for CQI.

FINDING

4. SAT Related Processes

MSD should enhance its prescreening and test scoring processes for the SAT.

MSD administers the SAT to all students each year. The SAT is a widely used test designed to measure achievement in six subtest areas: reading comprehension,

reading vocabulary, spelling, language, math procedures, and math problem solving. The test administered to deaf and hard-of-hearing students is identical to the test administered to hearing students. However, the assignment of 1 of the 8 different test levels is different. Hearing students are generally assigned a test level based on their grade level in school, and everyone in that grade is given the same level of the SAT test. GRI at Gallaudet University has developed a set of screening tests designed to help teachers and test administrators determine the correct test level assignments. Because deaf and hard-of-hearing students often develop their English language and reading skills more slowly than hearing students, GRI recommends that schools administer a prescreening test to each student to determine the appropriate SAT test level.

GRI established SAT norms using a sample group of deaf and hard-of-hearing students nationwide, and special norm tables are available from GRI. These norm tables allow schools to compare the achievement test results of their deaf and hard-of-hearing students to the test results of other deaf and hard-of-hearing students of the same age in the norm group.

Our review of MSD's administration of the SAT disclosed:

a. MSD did not always conduct prescreening procedures to determine the appropriate test level to administer to individual students.

   The screening test procedure is a critical step for obtaining valid test results with deaf and hard-of-hearing students. GRI has defined a range within which each score may be considered an acceptable indicator of student achievement. This is referred to as the "measurable range." When students take a test at a level that is too easy or too difficult for them and their score is outside the "measurable range," the tests may not reflect an accurate picture of that student's academic performance. GRI considers such test scores to be unreliable for analyzing student performance.

   MSD staff informed us that they usually conduct the prescreening test only when a student is to take the SAT for the first time. After that, MSD routinely gives the student the same test level for a two-year period, and then gives the student the next level test. GRI recommends that if a school is unable to

conduct the prescreening test for all students each year, it should perform other procedures to ensure the accuracy of test level assignment. GRI recommends that the school review the test level and raw scores from the previous test and use this information, along with staff's knowledge of the student's progress since that last testing, to determine the correct level of test assignment.

Our review of 1,436 SAT subtest scores revealed that 239 (17%) were outside the "measurable range" and, therefore, may not have been a reliable measurement of that student's achievement in a particular academic area.

b. MSD did not send completed tests to the national scoring center for electronic scoring and evaluation.

Machine scoring services and individual student score reports are available for a minimal fee from The Psychological Corporation Scoring Service and GRI. Machine scored reports include raw scores, grade equivalents, scaled scores, and percentile rankings that compare a school's students to deaf and hard-of-hearing students in the norm group. The national scoring center also prepares a number of summarized reports that provide useful information to school administration regarding a school's overall performance.

MSD staff informed us that teachers and aides handscore students' tests to ensure that SAT results are available to prepare spring individualized education program (IEP) reports. However, MSD staff did not compare students' results to the norm group, compute percentile rankings, etc., to evaluate overall student performance. Also, machine scoring could eliminate potential improprieties that could occur if teachers and aides hand scored the tests of their own students.

RECOMMENDATION

We recommend that MSD enhance its prescreening and test scoring processes for the SAT.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation. MSD plans to hire a guidance counselor to facilitate the process for the SAT and the Michigan Educational Assessment Program (MEAP). All students will be pretested and the SAT will be sent to GRI for scoring. MSD will give the tests in a timely fashion and, thus, will be able to have current results included in the IEP process.

VISUALLY IMPAIRED PROGRAM

COMMENT

Audit Objective: To assess MSB's effectiveness in providing educational and other services to visually impaired students.

Conclusion: MSB was somewhat effective in providing educational and other services to visually impaired students. However, our assessment disclosed reportable conditions regarding goals and plans for Camp Tuhsmeheta, oversight for Camp Tuhsmeheta, MSB program and service data, educational assessments, publicizing of programs and services, and the Instructional Materials Center.

FINDING

5. Goals and Plans for Camp Tuhsmeheta

The Department, in conjunction with MSB, should establish and implement goals and plans for Camp Tuhsmeheta operations and include them in the MSB master plan.

For more than a year, MSB had been in the process of developing a draft master plan that was intended to serve as a guide for future MSB programs and services. The plan outlines the need to redefine MSB's role as a resource for enrichment activities in addition to education, training, information, materials, equipment, and other supportive services. However, the plan does not include Camp Tuhsmeheta operations and how the Camp is to be incorporated into the overall role of MSB.

In establishing goals and plans for the Camp, the Department and MSB should also take into consideration the cost-effectiveness and overall usage of the Camp. The Camp usually offers a number of sessions, approximately one week long, during the 6-week to 8-week camping season each summer. The Camp is closed and unused the rest of the year. The following table shows the Camp's annual operating costs, camper enrollment, and average operating cost per camper for the past three summers:

	Summer 1997	Summer 1998	Summer 1999
Operating costs	$166,037	$147,405	$174,576
Number of campers	80	73	47
Average cost per camper	$ 2,075	$ 2,019	$ 3,714

We determined that there are at least 18 other summer camps in Michigan that offer programs for blind and visually impaired children. The enrollment fee for a one-week session at these camps ranged from $0 to $795. The option of providing scholarships for these other camps was considered as an alternative to opening the Camp in 1999. However, this did not occur.

Without formal goals and plans and inclusion in MSB's master plan, the Camp's future appears uncertain and, more importantly, the benefits derived from operating the Camp most likely are not being maximized. MSB needs to establish both short-term and long-term goals and plans for the Camp that take into consideration the cost-effectiveness of the Camp and the various oversight issues noted in Finding 6 of this report.

RECOMMENDATION

We recommend that the Department, in conjunction with MSB, establish and implement goals and plans for Camp Tuhsmeheta operations and include them in the MSB master plan.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation. Camp Tuhsmeheta will be added to the MSB master plan by December 2000.

FINDING

6. Oversight of Camp Tuhsmeheta

The Department and MSB did not provide adequate oversight of Camp Tuhsmeheta operations.

MSB operates a seasonal camp program for visually impaired students at Camp Tuhsmeheta, which is located in Kent County on approximately 290 acres. Most of the property is vacant wooded land that contains a small lake and borders two other lakes. Buildings include a main lodge with kitchen and cafeteria, two dormitory style buildings, several cabins, a shower facility, and a maintenance storage building.

The State purchased the Camp in 1971 for $97,000, and a 1999 appraisal valued the property at approximately $750,000. Operations are funded from the Blind Gift Trust Fund. Section 388.1008b of the *Michigan Compiled Laws* authorizes the State Board of Education to accept gifts, grants, and bequests for the benefit of MSB. A committee made up of the State Board of Education members and Department personnel administers the Blind Gift Trust Fund. Camp operating expenditures for fiscal years 1996-97 through 1998-99 averaged $163,000 per year.

During fiscal years 1996-97 and 1997-98, the Department had a memorandum of understanding with a nonprofit organization to oversee the day-to-day operations of the Camp. The nonprofit organization was responsible for camper registration, maintenance, programming, personnel, and fiscal operations, with minimal involvement from MSB. In December 1998, the Department terminated its agreement with the organization, and MSB assumed responsibility for day-to-day Camp operations in February 1999.

Our review of the Department and MSB's oversight of Camp operations disclosed:

a. The Department and MSB did not comply with State contracting and construction procedures for building projects at the Camp.

Section 18.1237 of the *Michigan Compiled Laws* (Act 431, P.A. 1984) requires that DMB act as an agent in the construction or improvement of State-owned facilities. DMB's function is to provide for the selection and employment of architects and professional engineers to oversee the design, specifications, construction, or renovation of State-owned facilities. DMB Administrative Guide procedure 0110.07 details actions necessary to ensure that construction projects are completed in compliance with contract requirements, within the budget estimate, and in the most economical and efficient manner.

During the several years prior to fiscal year 1998-99, the nonprofit organization started various building projects at the Camp, including a maintenance storage building and two dormitory style buildings. The Department and MSB were aware of these projects but did not involve DMB as required.

We were informed that the Blind Gift Trust Fund provided funds for these projects and, also, that the nonprofit organization obtained some donated materials and labor. Neither the Department nor MSB could document the actual amount expended from the Blind Gift Trust Fund for the projects. However, we noted that fiscal year 1995-96 and 1996-97 Blind Gift Trust Fund spending plans allocated $110,000 and $290,000, respectively, for Camp improvements.

In addition, after terminating its agreement with the nonprofit organization, MSB identified significant problems with the quality of workmanship in the partially completed dormitories. Subsequently, DMB determined that the estimated cost to repair and finish the two dormitories was $282,900.

b. Camp maintenance should be improved.

The primary users of the Camp are visually impaired children. Therefore, it is particularly important that the Camp be properly maintained. During our visit to the Camp shortly after the end of the 1999 camping season, we observed the following conditions:

(1) Steps leading down a steep incline to the beach and swimming area were in disrepair.

(2) The bathhouse floor was covered with water as a result of a plumbing leak.

(3) A dilapidated travel trailer, considerable junk, and unused construction materials were stored in an open area around the maintenance building.

(4) Roads in numerous places were in disrepair.

(5) The door to the boathouse, which stored canoes and other water recreational equipment, was open.

(6) The Camp was in general need of cleanup.

Also, a county health department environmental health inspection report, dated July 22, 1999, disclosed that the Camp was in substantial compliance with applicable rules but contained various citations related to the Camp's cleanliness and sanitation.

The nonprofit organization was responsible for the general maintenance of the facility through the 1998 camping season, and the MSB maintenance staff from the Flint and Lansing campuses subsequently performed these responsibilities. The distance between the two MSB campuses and the Camp most likely contributed to the difficulty of properly maintaining the Camp. An operation of this size may require a full-time maintenance staff during the camping season.

c. The Camp is vacant most of the year, thereby causing a security problem and leaving the State vulnerable to potential liability risks from trespassers.

The Camp is bordered by public roads and two lakes and contains a small lake within its boundaries. The main entrance is secured by a locked gate, and the remainder of the property is surrounded by only a two-strand barbed wire fence. The Camp, therefore, with its heavily wooded areas, private lake, sandy beach, and swimming area, is easily accessible by foot or boat and attracts local youth, tourists, hunters, and fishers.

During our visit to the Camp, we observed several people fishing from the dock on the Camp's private lake and a person fishing in a boat who had entered the private lake from a bordering lake and channel. The Camp director informed us that it was not uncommon for trespassers to be on the property. The lack of security to prevent unauthorized use of the Camp by trespassers raises concerns about potential liability to the State if someone were injured while on the property.

d. The Department and MSB did not ensure that the Camp complied with certain State licensing rules governing children's camps.

The Department of Consumer and Industry Services performs an annual inspection and licenses children's camps to determine compliance with the *Michigan Administrative Code* R 400.11101 - 400.11319. The Department of Consumer and Industry Services' 1999 licensing report for the Camp noted the following instances of noncompliance:

(1) Lack of complete personnel records, including written job descriptions, documentation of completion of the pre-camp training program, and health history statements.

(2) No written record of fire drills.

(3) Lack of a written behavior management policy for the Camp.

MSB staff stated that because 1999 was the first year they provided direct oversight of the Camp's operations, they were not completely familiar with State licensing requirements.

Compliance with camp licensing requirements would help to ensure safe and healthy camping experiences for those blind and visually impaired children attending the Camp.

e. The Department and MSB did not provide proper fiscal oversight for the Camp.

In fiscal years 1994-95 and 1995-96, the Department and MSB had an informal arrangement with a nonprofit organization to manage day-to-day camp activities. In May 1997, a memorandum of understanding between the Department, MSB, and the nonprofit organization provided for a joint committee to recommend operating guidelines and for the organization to provide its annual financial statements and provide access to its records upon request.

In fiscal year 1996-97, MSB staff stated that they did not request or obtain a financial report on Camp operations from the organization. In fiscal year 1997-98, the Department contracted with an intermediate school district (ISD) to act as fiscal agent for the Camp. The ISD reported that it was not able to obtain sufficient Camp financial data to provide for proper accountability and declined to renew its contract for fiscal year 1998-99. Neither the Department nor MSB requested, either directly from the organization or through the ISD, detailed financial data for fiscal year 1997-98.

Without routinely obtaining and reviewing pertinent financial data, the Department and MSB had little assurance of the Camp's fiscal integrity.

f. MSB did not maintain inventory records of equipment at the Camp that was either purchased or donated.

The Camp has various types of maintenance, training, and recreational equipment, such as woodworking machinery, canoes, and tents. DMB's

General Fixed Assets Accounting Manual requires that agencies maintain equipment inventory records for equipment costing $5,000 or more. Although the equipment at the Camp usually does not meet the $5,000 limit, the policy also states that, for control purposes, agencies may maintain inventory records for lower cost equipment items that are susceptible to theft.

Maintaining an inventory of Camp equipment would help to ensure the safekeeping of Camp assets.

RECOMMENDATION

We recommend that the Department, in conjunction with MSB, provide adequate oversight of Camp Tuhsmeheta operations.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation and informed us that it was taking corrective actions.

FINDING

7. MSB Program and Service Data

MSB should maintain pertinent data on its programs, services, and participants to provide a useful management tool.

The current focus of MSB's programs is on outreach programs and services that enable visually impaired students to succeed in their home school district. MSB offers a variety of outreach programs and services to visually impaired students and teachers of visually impaired students. These programs and services include on-site consultations; short-term, on-campus placements; diagnostic assessments; teacher in-service training; student enrichment activities; family training; and an instructional materials center. MSB also provided a traditional full-time educational program until June 1999.

MSB did not maintain complete and useful records for most of its outreach programs and services. As a result, MSB could not readily provide us with a list of programs conducted and services provided during fiscal years 1997-98 and

1998-99 or participant names and other specific participant information. MSB could not tell us how many programs and services had been conducted and the participation rate or acceptance level of these programs and services. Although such information is important for budgetary purposes, it is critical for evaluating the success of MSB efforts.

After significant effort, MSB was able to provide us with some of the program and service data.

RECOMMENDATION

We recommend that MSB maintain pertinent data on its programs, services, and participants to provide a useful management tool.

AGENCY PRELIMINARY RESPONSE

The Department agreed with the finding and recommendation. MSB kept records as recommended by the Office of Special Education and Early Intervention Services, which was MSB's grantor. The Department informed us that recordkeeping changes have already been implemented based on the finding and recommendation.

FINDING

8. Educational Assessments

MSB often did not obtain pertinent, required information, in accordance with school policy, to document the eligibility and needs of students receiving educational assessments.

MSB provides various types of technical assistance to blind and visually impaired students and their families, educational staff, and service providers. Conducting educational assessments of eligible students attending local school districts is one of the more important types of technical assistance. Based on an educational assessment, MSB staff develop an action plan that makes recommendations to (1) help the student achieve in the least restrictive environment, and (2) assist the family and local school district in meeting the student's needs.

We reviewed 20 files of students who received MSB educational assessments between August 1, 1998 and September 30, 1999. Our review disclosed that 10 (50%) of the 20 files did not contain all required documentation:

a. Three (15%) of 20 files did not contain a current eye medical report.

   MSB policy requires that MSB staff review a current eye medical report prior to conducting an educational assessment to determine if the student is eligible to receive the assessment.

b. Seven (35%) of 20 files did not contain a multidisciplinary evaluation team (MET) report.

   MSB policy requires that MSB staff review a current MET report prior to conducting an educational assessment to determine if the student is eligible to receive the assessment. A MET report is a comprehensive evaluation conducted to determine a student's eligibility for special education and related services and a student's current level of educational performance. The MET report also helps MSB staff properly identify the student's needs.

c. Five (25%) of 20 files did not contain a signed referral form from the student's parent and five (25%) of the 20 files did not contain a signed referral form from the student's school district. In some cases, the form was not in the file and, in other cases, the form was not signed by either the parent or the school official.

   MSB policy requires that both the student's family and school district complete and sign referral forms prior to conducting an assessment. Both parties must identify the need that MSB is being requested to address. MSB's first objective is to determine exactly what the identified needs are that the family and/or school district is expecting MSB to address. Without a documented statement of need, MSB cannot begin to provide services for a student.

d. Two (10%) of 20 files did not contain an IEP report.

MSB policy requires that MSB staff review the student's current IEP report prior to conducting an educational assessment. An IEP report is an annual review of the student's educational performance by the IEPC at his or her school district. An IEP report outlines a student's annual objectives and planned activities to meet these objectives. It is important for MSB to be familiar with a student's current objectives in order to plan programs and services to improve his or her future educational performance.

Obtaining and reviewing required documents are necessary to determine and/or support student eligibility for educational assessments and to provide MSB staff with pertinent and useful data needed to conduct a proper assessment.

RECOMMENDATION

We recommend that MSB obtain pertinent, required information to document the eligibility and needs of students receiving educational assessments.

AGENCY PRELIMINARY RESPONSE

The Department agreed with this finding and recommendation and will begin to obtain pertinent, required information to document the eligibility and needs of students receiving educational assessments.

FINDING

9. Publicizing of Programs and Services

MSB should increase the public awareness of its outreach programs and services that are available to blind and visually impaired students.

MSB discontinued its traditional full-service education residential program at the end of school year 1998-99 and now exclusively provides outreach programs and services to blind and visually impaired students. MSB provides the following outreach programs and services: on-site consultations; short-term, on-campus placements; diagnostic assessments; teacher in-service training; family training; student enrichment activities; and an instructional materials center. These programs and services are available to students who are blind or visually impaired, who are enrolled in public or private schools throughout the State, and who are

expected to continue in these settings. In addition to blind and visually impaired students, intermediate and local school districts, parents of visually impaired children, medical personnel, vocational training programs, and other agencies providing services to the blind or visually impaired could benefit from MSB's outreach programs and services.

The Department's annual appropriations acts since fiscal year 1996-97 have provided for MSB's promoting/publicizing of its programs and services. We reviewed MSB's publicizing of its outreach programs and services. MSB had done minimal publicizing in fiscal year 1998-99 and in early fiscal year 1999-2000. Increased publicizing efforts could include:

a. Developing an Internet web site.

   The Internet should provide for significantly increasing the awareness of MSB's programs and services. Also, innovations in screen magnification software, speech synthesizers, and Braille embossers have made the use of computers and the Internet possible for the blind and visually impaired community.

b. Publishing the MSB newsletter, *The Networker*, on a quarterly basis, as intended.

   MSB occasionally publishes a newsletter that it distributes to over 700 people. The newsletter, which was intended to be a quarterly publication, contains information such as a State calendar of events, MSB planned activities, and various articles regarding issues for the blind and visually impaired.

   MSB published and distributed only three issues of *The Networker* during fiscal years 1997-98 and 1998-99. MSB staff informed us that difficulties with the layout and design of the newsletter prevented them from publishing the newsletter on a regular basis.

c. Advertising in various educational journals and newsletters published and distributed throughout the State.

d. Updating its general brochure distributed to ISDs.

Section 607, Act 133, P.A. 1999, requires that MSB distribute information detailing its services to all ISDs in the State. ISDs must then provide the literature distributed by MSB to the parents of blind or visually impaired children.

MSB distributed a brochure to school districts, but had not updated the brochure to reflect its many changes in outreach programs and services.

Additional publicizing of MSB's outreach programs and services should increase the awareness and utilization of such programs and services and, therefore, provide for increased effectiveness of the outreach function.

RECOMMENDATION

We recommend that MSB increase the public awareness of its outreach programs and services that are available to blind and visually impaired students.

AGENCY PRELIMINARY RESPONSE

The Department agreed, in theory, with the finding and recommendation. It informed us that the number of MSB staff has decreased significantly, while at the same time, MSB has taken on several major new projects that have forced it to make some difficult decisions regarding the use of limited resources.

FINDING

10. Instructional Materials Center (IMC)

MSB should improve operational procedures of IMC.

The federal Act to Promote the Education of the Blind provides for a system to distribute free textbooks, computer software, Braille writing equipment, and other educational tools and supplies to eligible visually impaired students. States receive an allocation of "quota funds" that can be used to purchase and loan/distribute these materials to visually impaired students. Annual funding is based on the number of eligible visually impaired students in the State. The

federally funded American Printing House for the Blind (APH) is the official supplier of educational materials for the visually impaired.

MSB received federal quota funds of approximately $268,000 and $286,000 in fiscal years 1997-98 and 1998-99, respectively. As part of its outreach services, MSB operated IMC with the federal quota funds. IMC primarily used the federal funds to purchase and loan/distribute APH adaptive equipment and teaching materials to individuals and local school districts.

Our review of MSB's IMC operational procedures disclosed:

a. MSB did not have an effective method of informing visually impaired students and their teachers and parents of what items were available from IMC.

   MSB periodically publishes a newsletter to inform users about the equipment and teaching materials available through IMC. However, the newsletter's distribution was limited to those local school district personnel who had ordered APH products in the past. Also, the newsletter did not contain a comprehensive list of items available from IMC.

   An effective method of communicating what items are available from IMC, such as a web site (Finding 9.a.), should result in an increase in the loaning of equipment and teaching materials and, therefore, increase the effectiveness of IMC.

b. MSB could not verify that loaned IMC equipment and teaching materials were for eligible students.

   To be eligible to participate in the quota program, federal regulations state that students must meet the following requirements:

   (1) Have a central visual acuity of 20/200 or less in the better eye with correcting glasses or a peripheral field of vision no greater than 20 degrees.

(2) Be enrolled in a formally organized public or private, nonprofit educational program of less than college level.

(3) Be enrolled with the registering school or agency on the first Monday in January.

MSB's IMC procedures state that APH products should only be requested for students who meet the eligibility requirements for the federal quota program and who are listed on the registration.

However, MSB did not require and/or record the students' names on the loan request form and, therefore, could not verify that the students were eligible. As a result, IMC may have loaned equipment or teaching materials for ineligible persons.

c. MSB did not maintain an inventory of IMC equipment and teaching materials or conduct periodic physical inventories. Also, MSB did not monitor how long the items had been on loan.

IMC's records did not document what items of equipment and teaching materials were available to loan. To ensure the safeguarding of IMC assets, MSB needs to maintain complete and accurate inventory records and conduct periodic physical inventories.

Also, MSB did not monitor and follow up on loans to determine if items had been loaned for an unreasonable amount of time and were still needed. Maintaining proper loan records and routinely monitoring these records would help ensure that the equipment and teaching materials loaned are returned, thereby making them available to others.

The conditions identified in items a. through c. did not provide for maximizing the effectiveness of and adequate control over IMC operations.

RECOMMENDATION

We recommend that MSB improve operational procedures of IMC.

AGENCY PRELIMINARY RESPONSE

The Department agreed that it would be valuable to review its practices regarding IMC. A review of the current practices will be conducted along with development of an action plan for improvement.

SUPPLEMENTAL INFORMATION

Exhibit 1

MICHIGAN SCHOOL FOR THE DEAF (MSD)

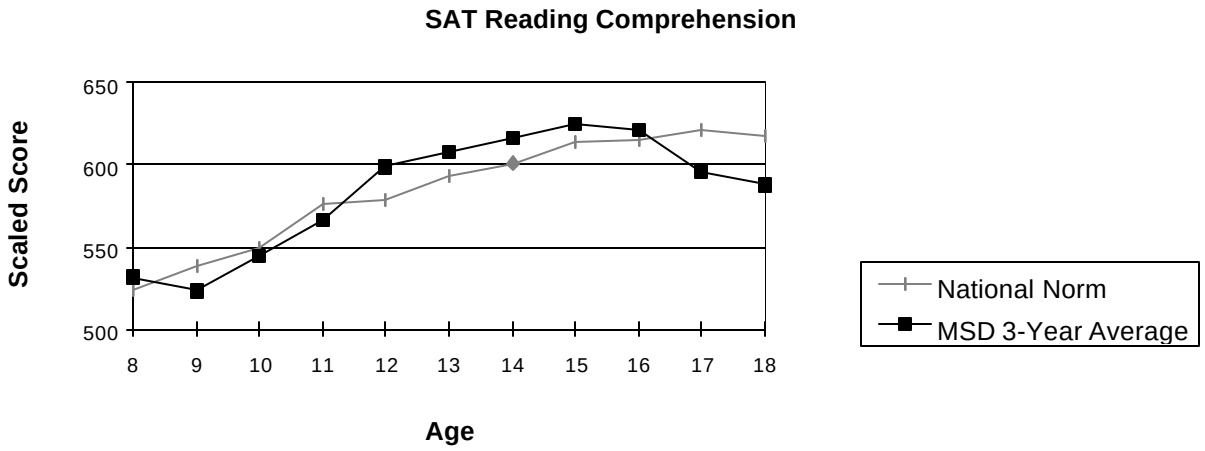
Department of Education

Stanford Achievement Test (SAT) Scores - Reading Comprehension

School Years 1996-1997 through 1998-1999

SAT Reading Comprehension Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	524	538	550	576	578	594	601	614	615	621	618
MSD 3-Year Average	532	523	545	567	599	608	616	625	621	596	588



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 2

MICHIGAN SCHOOL FOR THE DEAF (MSD)

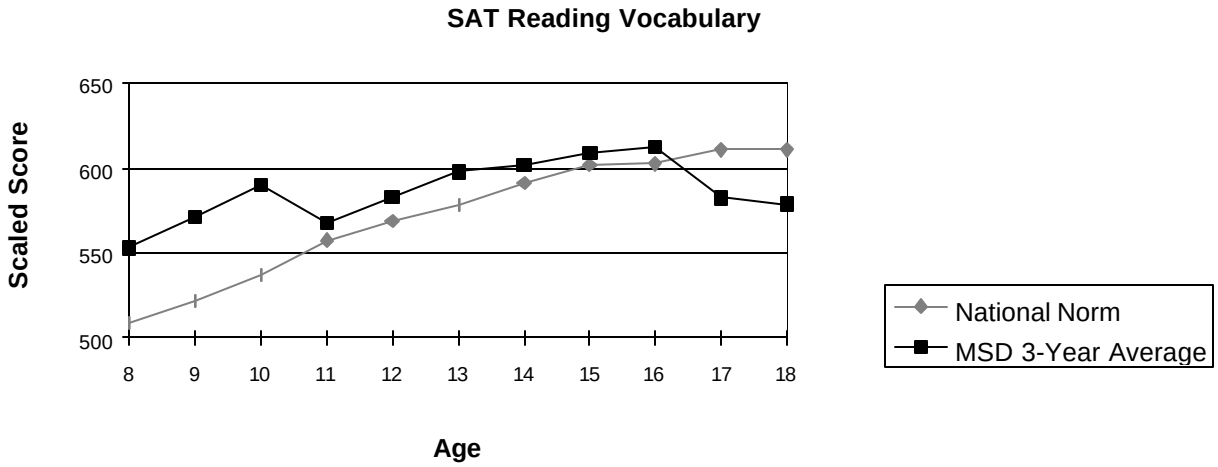
Department of Education

Stanford Achievement Test (SAT) Scores - Reading Vocabulary

School Years 1996-1997 through 1998-1999

SAT Reading Vocabulary Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	509	522	537	557	569	578	591	602	603	611	611
MSD 3-Year Average	553	571	590	567	583	598	602	609	613	583	579



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 3

MICHIGAN SCHOOL FOR THE DEAF (MSD)

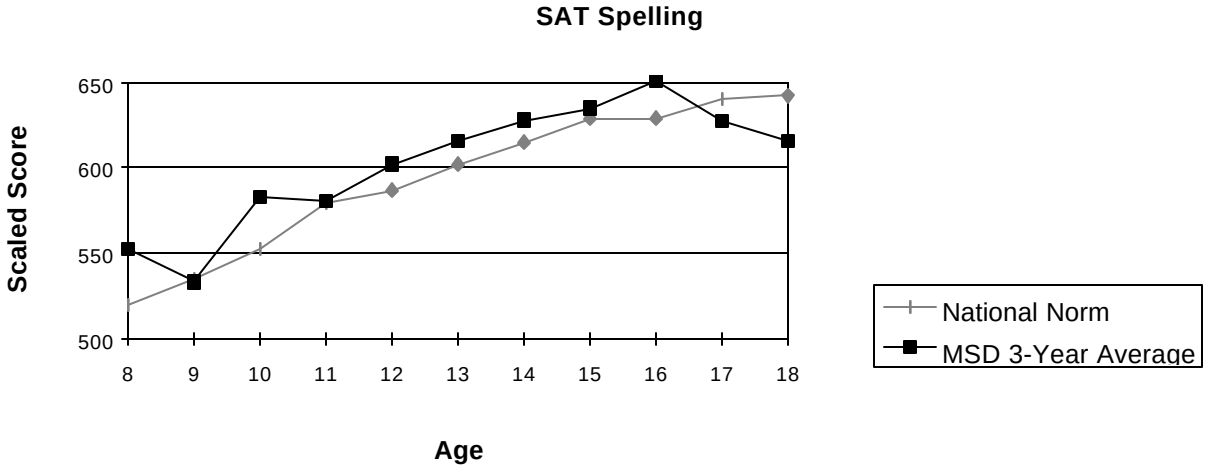
Department of Education

Stanford Achievement Test (SAT) Scores - Spelling

School Years 1996-1997 through 1998-1999

SAT Spelling Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	520	535	552	579	587	602	615	629	629	640	642
MSD 3-Year Average	552	533	583	580	602	616	628	635	651	627	615



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 4

MICHIGAN SCHOOL FOR THE DEAF (MSD)

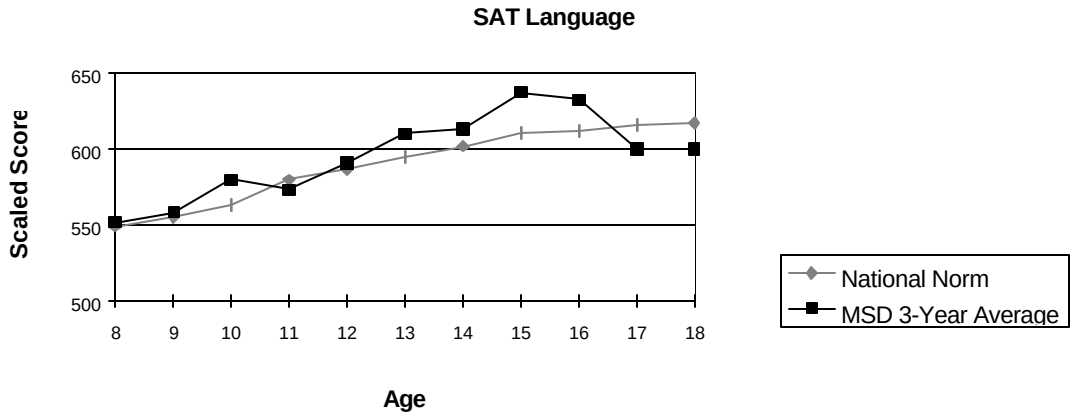
Department of Education

Stanford Achievement Test (SAT) Scores - Language

School Years 1996-1997 through 1998-1999

SAT Language Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	549	555	563	579	586	595	602	610	612	616	617
MSD 3-Year Average	552	558	579	573	591	610	613	637	632	600	599



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 5

MICHIGAN SCHOOL FOR THE DEAF (MSD)

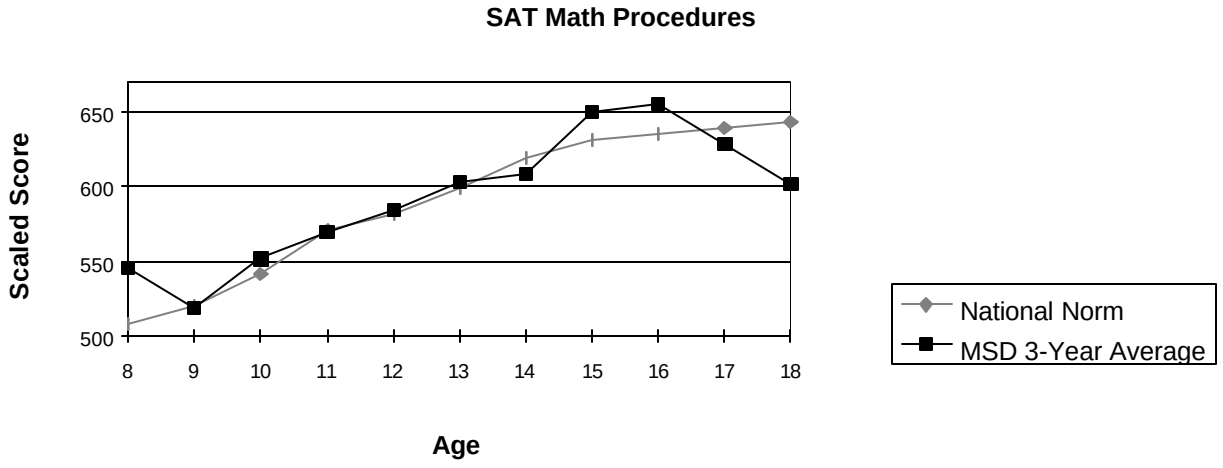
Department of Education

Stanford Achievement Test (SAT) Scores - Math Procedures

School Years 1996-1997 through 1998-1999

SAT Math Procedures Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	508	520	541	570	581	599	619	631	635	639	643
MSD 3-Year Average	546	519	552	570	584	603	608	649	655	628	601



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 6

MICHIGAN SCHOOL FOR THE DEAF (MSD)

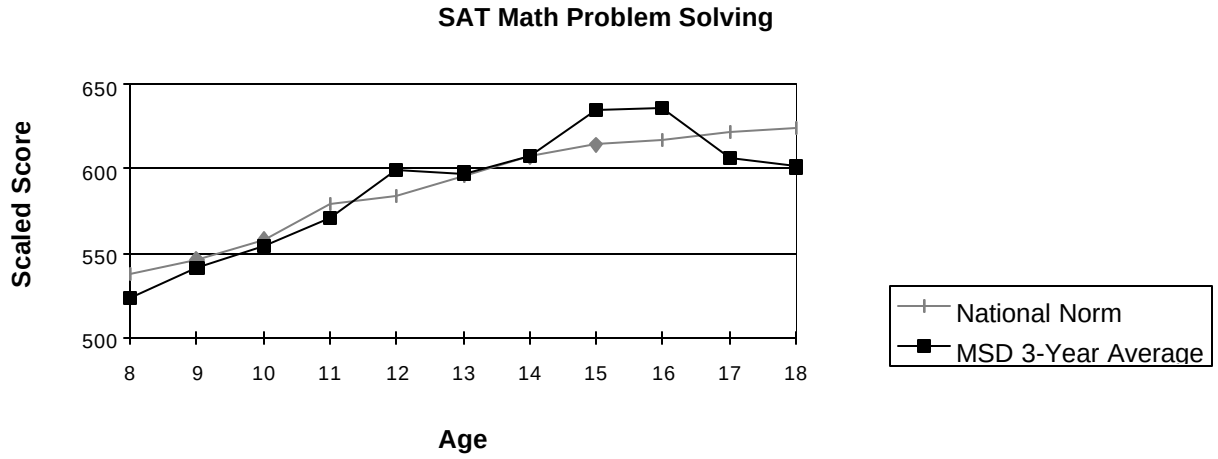
Department of Education

Stanford Achievement Test (SAT) Scores - Math Problem Solving

School Years 1996-1997 through 1998-1999

SAT Math Problem Solving Scores:

Age	8	9	10	11	12	13	14	15	16	17	18
National Norm	538	547	559	579	584	596	607	614	617	622	624
MSD 3-Year Average	523	542	554	571	599	598	608	634	636	606	601



Norm scores obtained from Gallaudet Research Institute, Gallaudet University, Washington, D.C.

Scaled scores represent approximately equal units on a continuous scale and are compatible across different levels of the same subtest.

Exhibit 7

MICHIGAN SCHOOL FOR THE BLIND (MSB)
Department of Education
Student Participant Survey Summary

Summary Overview

We sent surveys to 100 student participants who attended programs or received services from MSB during school years 1997-98 and 1998-99. Thirteen of the surveys were returned as undeliverable mail. We received 23 responses from the 87 delivered surveys, a response rate of 26%.

Following is a copy of the survey that includes the number of responses received for each item. The total number of responses for each item may not agree with the number of responses reported above because some respondents provided more than one response to an item and some respondents did not answer all items. We have also included select comments from the respondents.

1. Please indicate who is responding to this survey. I am:

4 A participant of an MSB program or service.
19 A parent or guardian of a participant of an MSB program or service.

If you are a parent or guardian of a participant of an MSB program or service, please respond to the following questions on his/her behalf.

2. What intermediate school district do you attend? Various

3. What grade are you in? Kindergarten through Post-High School

4. What is your date of birth? 1976 through 1994

5. I currently live:

___ On my own.
___ With my spouse.
21 With my parents.
___ With a friend(s).
2 Other (please specify) With grandparents, In correctional facility

6. How many MSB programs or services have you attended? 1 to 12

When? 1988 through 1999

7. What type of program or service did you receive from MSB? (please check all that apply)

9 Diagnostic assessment
14 Summer program at MSB campus
3 Student workshop (please specify) Braille 'N Speak, Science Camp
7 Camp Tuhsmeheta summer session
___ Special limited-term day program (please specify) ___
1 Special limited-term residential program (please specify) Two-Week Evaluation
6 Other (please specify) High School Weekend, Middle School Weekend, Space Camp, Braille Workshop, Goalball, Scrabble Tournament

8. How did you become aware of the programs and services available at MSB? (please check all that apply)

14 My local or intermediate school district
2 A family member or friend
2 A doctor or other professional
11 MSB Outreach
1 Other (please specify) Other parents

9. How satisfied were you with the program or service provided by MSB? (please choose only one response for each program or service attended)

a. Program or service name: Diagnostic Assessment

7 Very Satisfied 1 Satisfied ___ Dissatisfied ___ Very Dissatisfied

b. Program or service name: Summer Camp Program at MSB Campus

11 Very Satisfied ___ Satisfied ___ Dissatisfied 1 Very Dissatisfied

c. Program or service name: Camp Tuhsmeheta Summer Program

___ Very Satisfied 11 Satisfied 1 Dissatisfied 1 Very Dissatisfied

d. Program or service name: Space Camp

7 Very Satisfied ____ Satisfied ____ Dissatisfied 1 Very Dissatisfied

e. Program or service name: High School or Middle School Weekend

3 Very Satisfied 1 Satisfied ____ Dissatisfied ____ Very Dissatisfied

f. Program or service name: Work Experience/Employment Skills

3 Very Satisfied ____ Satisfied ____ Dissatisfied ____ Very Dissatisfied

Comments: All were organized, with beneficial goals and outcomes.
I really enjoyed the work experience program.

10. Did your experience at MSB improve any of the following? (please check all that apply)

6 Your academic skills
5 Your ability to move about the community
11 Your social skills
10 Your daily living skills
2 Your ability to read Braille
2 Your computer skills
11 Your recreation and leisure skills
1 No improvement

Comments: MSB instruction in daily living skills, social skills and recreation are tremendously valuable for they lead to independence. Very little time is available in the regular school day for work on the essential parts of a blind student's life.

I learned a lot about leadership and how best to communicate with different kinds of people.

11. Did you graduate from high school?

1 Yes (continue) ____ No (go to question 15) 19 Not Applicable

12. Did you go to a college or post-secondary vocational school?

____ Yes 1 No 19 Not Applicable

13. Did your experience at MSB better prepare you for college or post-secondary vocational school?

1 Yes _____ No 19 Not Applicable

14. Did your experience at MSB influence your decision about whether to continue your education after high school?

_____ Yes 1 No 19 Not Applicable

15. Are you currently employed?

_____ Yes (continue) 1 No (go to question 20) 19 Not Applicable

16. How often do you work? 19 Not Applicable

_____ Part time: Average hours per week _____

_____ Full time (35 or more hours per week)

17. What is the hourly wage earned for the job you worked the most hours in last month? (please choose only one response)

19 Not applicable
_____ Less than or equal to $5.15/hour
_____ $5.16 to $7.00/hour
_____ $7.01 to $9.00/hour
_____ $9.01 to $11.00/hour
_____ $11.01 to $13.00/hour
_____ Over $13.00/hour

18. Do you feel that your experience at MSB better prepared you for the workplace?

_____ Yes _____ No 20 Not Applicable

19. Did skills acquired from MSB's programs or services help you find employment?

_____ Yes _____ No 19 Not Applicable

20. Would you participate in another MSB program or service?

19 Yes 1 No

Please give reason(s) for your answer:

Generally, I was happy with the quality of the programs on MSB campus. As a parent, the skills and information I learned are helpful in raising my son.

My daughter enjoys being around the other blind kids.

Too far away and not enough one on one.

It was fun; I learned a lot.

21. Would you recommend MSB programs or services to others?

21 Yes _____ No

Please give reason(s) for your answer:

Programs and services are very beneficial and no other resource provides this comprehensive help.

MSB really made a big difference in my life.

Social benefits.

22. Do you have any other comments about MSB and/or its programs or services?

I was unhappy with the way Camp Tuhsmeheta was handled this summer. I hope it changes for the better in the future.

MSB needs to do better with communicating the program content and logistics in a much more timely and detailed way than it has in the past. We get too little information too late!

Our children need these special programs and services.

MSB is an essential resource for students who are visually impaired in Michigan. Services offered "fill the gaps" often existing in local school districts.

Exhibit 8

MICHIGAN SCHOOL FOR THE BLIND (MSB)
Department of Education
Nonstudent Participant Survey Summary

Summary Overview

We sent surveys to 50 nonstudent participants who attended programs or received services from MSB during school years 1997-98 and 1998-99. Two of the surveys were returned as undeliverable mail. We received 18 responses from the 48 delivered surveys, a response rate of 38%.

Following is a copy of the survey that includes the number of responses received for each item. The total number of responses for each item may not agree with the number of responses reported above because some respondents provided more than one response to an item and some respondents did not answer all items. We have also included select comments from the respondents.

1. Please indicate who is responding to this survey. I am:

9	A teacher of visually impaired students.	
	A parent of a visually impaired child.	
1	A visually impaired teacher of visually impaired students.	
	A visually impaired parent of a visually impaired child.	
8	Other (please specify)	Early On Coordinator, Occupational Therapist, Parent Consultant, Teacher of Deaf Students.

2. What intermediate school district do you currently teach (or live) in? Various

3. How many MSB programs or services have you attended? 1 to 4

   When? 1975 through 1999

4. What type of program or service did you receive from MSB? (please check all that apply)

6	Technical Assistance Workshop	
4	Insite Basic Training	
3	Human Sexuality Training	
4	Teaching Strategies Workshop	
10	In-service (please specify)	Nemeth, Braille, SKI HI Institute
9	Other (please specify)	VIISA, Student Evaluations, APH materials

5. How did you become aware of the programs and services available at MSB? (please check all that apply)

5 My local or intermediate school district
____ A family member or friend
____ A doctor or other professional
12 MSB Outreach
4 Other (please specify) Early On meeting, MSB fliers, Long history with MSB

6. How satisfied were you with the program or service provided by MSB? (please choose only one response for each program or service attended.)

a. Program or service name: VIISA

7 Very Satisfied 3 Satisfied ____ Dissatisfied ____ Very Dissatisfied

b. Program or service name: Insite

1 Very Satisfied 2 Satisfied ____ Dissatisfied ____ Very Dissatisfied

c. Program or service name: Student Evaluation

1 Very Satisfied 1 Satisfied ____ Dissatisfied ____ Very Dissatisfied

d. Program or service name: Braille 'N Speak

1 Very Satisfied 1 Satisfied ____ Dissatisfied ____ Very Dissatisfied

7. Did your experience at MSB improve your ability to work with your child or with visually impaired students?

17 Yes 1 No

Comments:

The VIISA Program is very thorough and very informative.

I received information that was new and some new ideas.

Wonderful networking opportunity with other professionals and available resources.

8. Were there any barriers that made it difficult for you to participate in an MSB program or service?

7 Yes 9 No

Comments:

Distance is always a barrier; sometimes program fliers are sent too late.

Distance to Flint and timelines as to when materials are received.

Distance - location in Flint (vs. Lansing) makes services more inaccessible.

Not receiving information soon enough.

9. Would you participate in another MSB program or service?

16 Yes 2 No

Comments: The in-service was inexpensive and easy to get to.

10. Are you familiar with MSB's current or planned program and service offerings?

8 Yes 9 No

Comments:

A written brochure would be helpful.

Need to know at the beginning of the year, what dates are so PD time can be planned.

More lag time to get the information out and plan would be helpful.

They keep us well-informed.

They are always forwarding information on programming to keep those in the field well-informed.

11. Would you recommend MSB programs or services to others?

17 Yes 1 No

12. Do you have any other comments about MSB and/or its programs or services?

I think MSB has the potential for providing a real service to teachers, parents, and students but those programs need to "go on the road" and out to the local districts.

It is very hard for those of us who live far from the facility to attend on-site events. Career prep for students with other disabilities is a major area of need.

MSB staff have poor organizational skills. The communication and access to information among staff is poor.

They provide a needed service for the State. MSB is a resource to us professionals in the field.

I really wish there were more offerings on the west side and/or central locations.

Glossary of Acronyms and Terms

APH	American Printing House for the Blind.
CQI	continuous quality improvement.
DMB	Department of Management and Budget.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
goals	The agency's intended outcomes or impacts for a program to accomplish its mission.
GRI	Gallaudet Research Institute.
IDEA	Individuals With Disabilities Education Act.
IEPC	individualized education program committee.
IMC	Instructional Materials Center.
individualized education program (IEP)	A written statement for each child with a disability that includes information about the student's present level of academic performance, annual educational goals, any special services to be provided, an explanation of the extent, if any, to which the child will not participate with nondisabled children in school, dates of the beginning of services, and the anticipated frequency, location, and duration of these services.

ISD	intermediate school district.
LRC	Living and Resource Center.
material condition	A serious reportable condition which could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the opinion of an interested person concerning the effectiveness and efficiency of the program.
MET	multidisciplinary evaluation team.
mission	The agency's main purpose or the reason the agency was established.
MSB	Michigan School for the Blind.
MSD	Michigan School for the Deaf.
MSDB	Michigan Schools for the Deaf and Blind.
NCA	North Central Association of Colleges and Schools.
outcomes	The actual impacts of the program. Outcomes should positively impact the purpose for which the program was established.
outputs	The products or services produced by the program. The program assumes that producing its outputs will result in favorable program outcomes.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or

function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.

performance indicators Information of a quantitative or qualitative nature indicating program outcomes, outputs, or inputs. Performance indicators are typically used to assess achievement of goals and/or objectives.

performance standards A desired level of output or outcome as identified in statutes, regulations, contracts, management goals, industry practices, peer groups, or historical performance.

reportable condition A matter coming to the auditor's attention that, in the auditor's judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.

SAT Stanford Achievement Test.