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

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.

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,

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.

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,

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.

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.