PERFORMANCE AUDIT

ARIZONA SCHOOL FOR THE DEAF AND THE BLIND

Report to the Arizona Legislature
By the Auditor General
October 1987
87-10

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October 14, 1987

Members of the Arizona Legislature
The Honorable Evan Mecham, Governor
Dr. Barry L. Griffing, Superintendent
Arizona School for the Deaf and the Blind

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona School for the Deaf and the Blind. This report is in response to the July 26, 1985, resolution of the Joint Legislative Oversight Committee.

The report addresses the need for ASDB to cooperate more fully with Arizona's Educational Community. For example, ASDB has bypassed local districts in admitting students, and has not adequately cooperated with Department of Education efforts to ensure compliance with State and Federal special education laws. The report also cites the need to improve controls over agency operations. Some trust fund expenditures, for example, appear questionable and excessive.

My staff and I will be pleased to discuss or clarify items in the report.

Respectfully submitted,

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SUMMARY

The Office of the Auditor General has conducted a performance audit of the Arizona State School for the Deaf and the Blind (ASDB) in response to a July 26, 1985, resolution of the Joint Legislative Oversight Committee. The performance audit was conducted as part of the Sunset Review set forth in Arizona Revised Statutes §§41-2351 through 41-2379.

The Arizona School for the Deaf and the Blind was established in 1929 and is responsible for the education of the sensory impaired. ASDB programs serve more than 800 sensory impaired children and their parents throughout the State. ASDB operates the Schools for the Visually and Hearing Handicapped, the Arizona Diagnostic Treatment and Education Center (ADTEC), the headquarters for the Preschool and Outreach programs in Tucson, and a day school for the deaf in Phoenix.

Local School Districts Are Not Adequately Involved In the Placement Of Students At ASDB (see pages 11 - 20)

ASDB statutes governing admissions and placement of students need to be amended to ensure compliance with prevailing Federal and State laws. Although the requirements of Federal and State law dictate substantial local district involvement in the placement of children at ASDB, local districts have been bypassed by ASDB in placing students at the school. For example, the Tucson Unified School District had 104 students enrolled at ASDB during school year 1986-87. Yet, an Auditor General survey revealed the district was aware of only six students enrolled at the school.

The lack of local district involvement in placement decisions at ASDB causes several major problems. First, the State could possibly jeopardize Federal special education funds due to noncompliance with Public Law 94-142. Second, some districts might be interested in developing or expanding programs if they were aware of the number of students from their districts who needed specialized care. Finally, the State could be paying for additional educational costs that would otherwise be paid by individual school districts.

ASDB has also violated State law by defying the Arizona Department of Education (ADE) on some enrollments. State law requires ADE to approve payment vouchers before students can be enrolled at ASDB. Although the Arizona Department of Education has identified some students who do not belong at ASDB and denied the vouchers, the school continued to enroll these pupils. Such action may leave ASDB officials liable for reimbursement of the cost incurred to provide educational programs for these students.

ASDB Improperly Enrolled Nonresidents Tuition-Free (see pages 21 - 24)

ASDB has enrolled nonresident students without charging tuition for the last five school years. ASDB enrolled eight such students in the 1986-87 school year. Evidence gathered by the Attorney General's office indicates that parents obtained guardians for the children solely to circumvent the Schools tuition requirements. According to the families involved, ASDB employees suggested a way to circumvent the School's tuition requirements to one family and obtained a guardian for the child of another.

Despite being informed by the Attorney General's Office that enrollment of the students was illegal, the school continued the practice. As a result, ASDB is violating Federal and State laws. ASDB's disregard of the Attorney General's advice places school officials in a position of possible personal liability for approximately $163,000 in unpaid tuition.

ASDB Should Expand Programs to Serve Multiply Handicapped Students, And Should Further Develop Its Role As A Resource For Local School Districts (see pages 25 - 31)

ASDB needs to expand efforts to meet the educational needs of sensory impaired students who have other handicapping conditions. In many cases, ASDB is better able to provide programs for these students than local districts, yet our review indicates that the School is reluctant to accept these students. To address this issue, consultants hired by our Office recommend that ASDB clarify its admissions criteria, and be more open to accepting students with other handicapping conditions.

ASDB also needs to increase its efforts to serve as a Statewide resource to local districts. Our consultants stated that the expansion of programs and services beyond the main campus is essential if ASDB is to serve as a Statewide resource. Some examples of these programs and services include expansion of diagnostic services provided to the school districts, parent and family education programs for families from outlying areas, early identification of minority sensory impaired students, summer programs in independent living for students, professional in-service training, and development of special curriculum and materials for use in public school settings.

ASDB's Board Needs To Be Restructured To Improve Coordination With The Public School Community (see pages 33 - 37)

ASDB needs to restructure its board to improve coordination with the public school community. The current board makeup does not provide adequate links with the educational community. Although the superintendent of public instruction is an ex-officio member, neither Arizona Department of Education nor other public education officials are represented at ASDB board meetings. Other states with autonomous boards have addressed the need for links by specifying representation on the school's board of directors. Membership includes the public special education community, other experts in the field of the education of the sensory impaired, and parents.

In addition, ASDB's quorum requirement needs to be increased. Current statutes set ASDB's quorum requirements at only two members, which makes the ASDB board very vulnerable to open meeting law violations. Increasing the board's quorum requirement to a majority of the board would remedy this problem.

Financial Controls Over Some Expenditures Should Be Strengthened (see pages 39 - 43)

ASDB needs to improve control over Trust Fund expenditures. ASDB uses the earnings from Trust Fund monies to finance expenditures not provided for by the State General Fund. Although the trust agreements specify that expenditures from the Fund should benefit the education of the sensory impaired, some expenditures

appear to be gifts or excessive in nature. For example, money was spent to purchase floral bouquets and relish trays for former employees and the superintendent's in-laws. Trust Fund monies were also used to finance meals and entertainment. To address this problem, the Board of Directors should adopt specific guidelines to set forth the appropriate use of Trust Fund monies, and better control Trust Fund expenditures.

In addition, ASDB administrators filed erroneous travel claims during the past two fiscal years. ASDB's superintendent and the two associate superintendents submitted travel claims seeking reimbursement for dinners which had previously been paid out of Trust Funds. The board of directors should require reimbursement of the amounts erroneously claimed for dinner expenses.

ASDB's Food Service Building Is A Safety And Health Hazard (see pages 45 - 49)

ASDB's food service building is a hazard to public safety and health. The building is at least 50 years old, and used extensively by students and staff. Many of the building's components are either deteriorating or inadequate. Several engineering reports document the building's structural problems. Also, the building has a faulty electrical system, an inadequate fire alarm system, and a deteriorating plumbing system.

The State faces potential financial lability because of the building's condition. According to an official from the insurance section of the Department of Administration's Risk Management Division, because the State is aware of the safety and health hazards and has not corrected them, it could be held liable from any injuries resulting from these hazards.

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the Arizona State School for the Deaf and the Blind (ASDB) in response to a July 26, 1985, resolution of the Joint Legislative Oversight Committee. This Performance Audit was conducted as part of the Sunset Review set forth in Arizona Revised Statutes §§41-2351 through 41-2379.

In 1910, the Congress made a 100,000 acre land grant to schools and asylums for the deaf and blind in Arizona. In 1913, the Arizona Legislature established a department connected to the University of Arizona for the education of the deaf and blind. In 1929, the Legislature separated this department from the University of Arizona and reconstituted it as an independent agency located in Tucson. At that time, the Legislature also transferred control of the proceeds from the land grant to ASDB.

ASDB is governed by a board of Directors. The board consists of five members appointed by the Governor. In addition, the governor and superintendent of Public Instruction serve as ex-officio members. The Board of Directors appoints a superintendent to oversee the daily operations of the school.

ASDB's statutory purpose has remained relatively unchanged since its establishment as a separate agency. The most recent mission statement written by ASDB's Board of Directors further defines the School's purpose:

> . . . to promote and maintain an educational opportunity of adequate scope and quality for sensory impaired children in Arizona which will lead to an adult life of independence and self-sufficiency; a meaningful personal, family, and community life; and a useful, productive occupational life.

ASDB has a good reputation in the field of education of the sensory impaired. It is accredited by the Conference of Educational Administrators Serving the Deaf and the National Accreditation Council for Agencies Serving the Blind and Visually Handicapped Persons. Moreover, directors of other states schools for the sensory impaired praised ASDB's policy on communication with hearing impaired students, its curriculum and outreach services. Parent support for the school is also strong. According to a recent survey of ASDB parents, the majority of the parents surveyed were satisfied with the overall education program.

Programs And Services

To accomplish its purpose, ASDB operates several programs that serve more than 800 sensory impaired children and their parents throughout the State. In Tucson, ASDB operates the Schools for the Hearing and Visually Handicapped, the Arizona Diagnostic Treatment and Education Center (ADTEC), and the headquarters for the Preschool and Outreach programs. The Phoenix Day School for the Deaf (PDSD) operates in Phoenix. The Schools for the Hearing and Visually Handicapped provide residential and day services to children aged 6 to 21 who are either solely sensory impaired or mildly multiply handicapped. ADTEC serves moderate multiply handicapped children, aged 6 to 21, in classroom settings, and performs educational assessments. The Preschool program serves 4 and 5 year-olds in the Tucson and Phoenix areas in classroom settings, while the Outreach program serves the families of infants to 5-year-olds Statewide. PDSD serves hearing handicapped students from the Phoenix metropolitan area who are aged 6 to 21. Table 1 shows enrollment in each of ASDB's programs during the 1986-87 school year.

TABLE 1

ASDB PROGRAMS AND SERVICES

Program	Number Served
School for the Hearing Handicapped	181
School for the Visually Handicapped	81
ADTEC	
classroom instruction	30
educational assessments	45
Preschool	115
Outreach	185
Phoenix Day School for the Deaf	192
	829

Budget And Personnel

In addition, to General Fund appropriations, ASDB receives funds from several other sources. These include Federal grants, earnings from land trust and privately established trust funds, donations, and tuition payments from out of state student enrollments. Also, ASDB receives voucher fund reimbursements from the Arizona Department of Education. Table 2 shows ASDB's fund sources and expenditures for fiscal years 1984-85 through 1986-87 as reported by the Arizona Financial Information System (AFIS).

ASDB was authorized to employ 456.9 full-time equivalent employees during fiscal year 1986-87, up from 391.5 in fiscal year 1985-86 and 366 in fiscal year 1984-85.

TABLE 2

ASDB REVENUES AND EXPENDITURES
(unaudited)

	FY 1984-85	FY 1985-86	FY 1986-87
Revenues			
Appropriations	$ 7,393,663	$ 9,009,735	$10,042,301
State Aid (ADE)	2,687,862	3,192,043	3,428,169
Intergovernmental	529,305	446,431	470,059
Charges for Services	86,917	25,468	10,681
Other	249,023	350,999	178,139
TOTAL	$10,946,050	$13,043,776	$14,129,529
Expenditures			
Personal Services		$ 8,244,384	$ 9,058,021
Employee Related Services		1,710,212	1,887,005
Professional and Outside Services		305,136	381,976
Travel		38,372	31,640
Food		209,174	18,166
Other Operating Expenses		1,335,633	1,311,662
Capital Outlay		722,706	826,757
TOTAL	$10,753,828 [a]	$12,565,637	$13,678,227

[a] Unable to determine line item expenditures for 1984-85

Source: AFIS Revenue and Expenditure reports for fiscal years 1984-1985 through 1985-86

Audit Scope and Objectives

Our audit of the Arizona School for the Deaf and Blind focused on the following areas.

- Whether ASDB adequately involves local school districts in student placements
- Whether ASDB's continued enrollment of non resident students is proper
- Whether ASDB's mission is changing
- The adequacy of ASDB's Board structure
- Whether ASDB's financial controls need to be strengthened
- The safety of ASDB's food service building

In addition, we addressed the 12 statutory Sunset Factors (see pages 5-9). In the section Other Pertinent Information we discuss staffing patterns and organizational climate at ASDB (see pages 50-53).

Our audit was conducted in accordance with generally accepted governmental auditing standards.

The Auditor General and staff express their appreciation to the Board of Directors, Superintendent and staff of ASDB for their cooperation and assistance during the audit.

SUNSET FACTORS

In accordance with Arizona Revised Statutes (A.R.S.) §41-2354, the Legislature should consider the following 12 factors in determining whether the Arizona School for the Deaf and the Blind (ASDB) should be continued or terminated.

1. **The objective and purpose in establishing the Arizona School for the Deaf and the Blind**

   ASDB was established to meet the educational needs of deaf and blind children within the State of Arizona. A.R.S. §15-1302 describes the purpose of the school as an educational institution for "the physical, moral, and intellectual culture and training of the classes of persons for whose benefit it exists, so that the children educated there may become self-sustaining and useful citizens." The original intent in establishing ASDB was to provide educational opportunities for sensory impaired children between the ages of 6 and 21. In 1983, ASDB adopted a modern mission statement to more appropriately express the statutory goals and objectives in A.R.S. §15-1302.B. The objectives of the school have not changed since 1912, except to recognize that the school should serve as a broader resource to the needs of sensory impaired students, family and the community at large. As noted in Finding III (page 25), ASDB could move further in this direction and should expand efforts to serve the multiply handicapped sensory impaired.

2. **The effectiveness with which ASDB has met its objective and purpose and the efficiency with which it has operated**

   According to different accreditation entities, ASDB provides excellent educational programs for the sensory impaired population that it serves. ASDB officials indicate that they have met their statutory objectives based on data maintained on all graduates. ASDB data show that 87 percent of the students who have completed ASDB programs since the 1982-83 school year have proceeded on to employment or post-secondary education. ASDB has also developed an effective outreach program.

However, ASDB may not be efficiently using all Trust Fund monies. Some trust fund expenditures appear questionable (see Finding V, page 39).

3. **The extent to which ASDB has operated in the public interest**

The public served by ASDB includes the sensory impaired population throughout the State of Arizona. ASDB is operating within the public interest by providing services that would otherwise be absent or cost prohibitive to the residents of Arizona. These services include early intervention programs, complete and comprehensive educational assessments, and developmental and educational curricula.

However, ASDB's enrollment of nonresident students, lack of local district input in parent initiated referrals, and the board of director's low quorum requirement may not be in the best interest of the public or the students ASDB serves. Although nonresident students are allowed to attend ASDB, the Attorney General's office has determined that seven students are enrolled tuition-free, in violation of statutes. The continued enrollment of the students against the advice of legal counsel places the school and the board at serious financial and legal risk (see Finding III, page 21). In addition, the admission of students to ASDB without adequate local district knowledge or involvement is not consistent with the requirements of State and Federal law. As a result, the State may be in violation of Federal law and may be placing Federal special education monies in jeopardy (see Finding I page 19). Further, ASDB's present statutory quorum requirement of only two members does not serve the public interest because it makes the board vulnerable to open meeting law violations (see Finding IV, page 33).

4. **The extent to which rules and regulations have been promulgated by ASDB are consistent with the legislative mandate**

According to ASDB's Attorney General representative, the School does not have the authority to promulgate rules and regulations.

5. **The extent to which ASDB has encouraged input from the public before promulgating its rules and regulations and to the extent to which it has informed the public of its actions and their expected impact on the public**

Since ASDB has not promulgated any rules and regulations, this factor does not apply.

6. **The extent to which ASDB has been able to investigate and resolve complaints that are within its jurisdiction**

ASDB's enabling legislation does not establish a formal complaint review process. Public Law 94-142 and State statutes authorize ASDB along with the Arizona Department of Education to conduct due process placement hearings to resolve any disagreements pertaining to student admissions.

7. **The extent to which the Attorney General or any other applicable agency of State government has the authority to prosecute actions under its enabling legislation**

ASDB's enabling legislation does not establish such authority.

8. **The extent to which ASDB has addressed deficiencies in its enabling statutes which prevent it from fulfilling its statutory mandate**

In the past several years, ASDB has been active in proposing legislation to address perceived deficiencies in the following areas.

- School personnel policy and criminal background checks
- Summer teacher training and curriculum development
- Regional service center cooperatives
- Clarifying provisions for the removal of the superintendent
- Providing a tuition fund for students whose parents refuse or are unable to pay

9. **The extent to which changes are necessary in the laws of ASDB to adequately comply with the factors listed in the sunset law**

Based on our audit work, we recommend that the Legislature consider the following changes to ASDB's statutes.

- Amend A.R.S. §§15-1342 and 15-1343, to clearly conform with prevailing Federal and State laws (see Finding I, page 11).
- Amend A.R.S. §15-1321.A, increasing the size of the board. In addition, the Legislature should establish specific board representation (see Finding IV page 33).
- Amend A.R.S. §15 - 1322.C, increasing the board's quorum size (see Finding IV, page 33).

10. **The extent to which the termination of ASDB would significantly harm the public health, safety or welfare**

Termination of ASDB could impact the welfare of the sensory impaired students which it serves. If ASDB were closed, the state would lose an invaluable resource. The School provides a host of services that are especially important to rural school districts. It would be extremely costly for some of these districts to establish special programs for one or two children, or to pay for services in private facilities.

11. **The extent to which the level of regulation exercised by ASDB is appropriate and whether less or more stringent levels of regulation would be appropriate**

Since ASDB is not a regulatory agency, this factor does not apply.

12. **The extent to which the Agency has used private contractors in the performance of its duties and how the effective use of private contractors could be accomplished**

ASDB currently uses private sector contractors for the following services.

- Parent Advisors
- Psychiatric Services
- Student Transportation
- Copying Service
- Ophthalmological Services
- Auditory Evaluations
- Dental Services
- Physical Therapy
- Investment Counseling
- Medical Services
- Student Accident Insurance
- Interpreting Services

ASDB officials indicate that they use private contractors to perform duties that would be cost prohibitive for them to attempt, or to perform duties for which the School lacks knowledge or expertise. They also state that as the cost to educate a sensory impaired student increases and the budget appropriations decrease, ASDB will continue to identify areas for private contracting. We did not identify any other areas for ASDB's use of private contractors.

FINDING I

LOCAL SCHOOL DISTRICTS ARE NOT ADEQUATELY INVOLVED IN THE PLACEMENT OF STUDENTS AT ASDB

Local school districts are not actively involved in the placement of students at the Arizona School for the Deaf and the Blind (ASDB). Although both State and Federal laws require substantial involvement by a child's home school district, ASDB has bypassed local districts in its placement process. The Arizona Department of Education has not effectively challenged the autonomy ASDB has asserted over its admissions, or aggressively enforced prevailing State and Federal statutes.

Local Districts Should Be Actively Involved In Placements At ASDB

Both Federal and State laws require that local school districts be actively and adequately involved in the placement of students at ASDB. States receiving Federal funds under Public Law 94-142 enacted in 1975 must ensure all handicapped children, including those who are sensory impaired, a free appropriate public education. Under the "least restrictive environment" (LRE) policy established by Federal law, children should be educated in the school they would attend if not handicapped, and as close as possible to their home. The LRE concept is a Federal initiative designed to encourage placing handicapped children with their non handicapped peers. Moreover, the intent of placing children in the LRE is to prevent wholesale segregation of handicapped individuals. Placement procedures spelled out in Federal law require that the placement decision be made by persons knowledgeable about the placement options and in conformity with the least restrictive environment requirements. Placements must also be reviewed every three years in accordance with these requirements.

Whether the local school district or a child's parents refer a student to ASDB, the local school district should be actively involved in the placement process to ensure that the requirements of Federal law are met. Local districts are the most familiar with programs available in the child's home district. In fact, in many states, parents are directed back to their local school district when they contact their state special school to place their child.

State statutes also dictate substantial local district involvement in placement of children at ASDB. A.R.S. Section 15-764 requires the governing board of each school district to provide special education and required support services for sensory impaired children. These laws, enacted in 1981, are consistent with the least restrictive environment policy in Federal law. A.R.S. 15-764.A.3. requires that school districts:

> To the extent practicable, educate [sensory impaired] children in the regular education classes. Special classes, separate schooling or other removal of handicapped children from the regular educational environment shall occur only if, and to the extent that, the nature or severity of the [sensory impairment] is such that education in regular classes, even with the aid of supplementary aids and services, cannot be accomplished satisfactorily. (1)

Thus, local districts need to be actively involved in decisions to place students in ASDB programs because they are obligated by law to provide special education for all handicapped children, including sensory impaired children within the school district.

Local Districts Are Bypassed

Although local school districts should be actively involved, they have been bypassed by ASDB when making admission and placement decisions. Local school districts have little involvement in, and are often unaware of, many placements at ASDB. As a result, ASDB may be serving at State expense some students who could be provided services in their local districts or closer to their homes.

Local districts not actively involved - Local districts have not been adequately involved in the placement of most students who are currently served at ASDB. In the majority of cases reviewed, parents have initiated placement of their children at the School. In these cases, ASDB has conducted the diagnostic evaluations and developed an individualized education program required by law with little or no local district involvement.

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(1) According to ADE, an ASDB statute - A.R.S. §15-1343 - also implies involvement of local school districts when determining that students cannot acquire appropriate education in common schools.

Only recently, in August 1986, did ASDB institute a policy of inviting district representatives to attend initial placement conferences and three year placement reviews. However, this involvement may be inadequate and insufficient. For example, one local district special education administrator stated the following.

> We have often had very little lead time or prior notification of [placement] meetings. Until this year, we were often not even involved in reviews. This year we have increased our involvement but our comments are not always totally or accurately reflected in the conference reports.

In several states, districts conduct diagnostic evaluations and develop individualized education plans for students before the student is placed in a state school, even when parents, not the local district, initiate the placement. In these states, local districts provide information to parents on placement options and alternatives. Another local district special administrator with students at ASDB stated that this procedure should be followed in Arizona.

> Parents should be required to be informed by the local district of program placement options . . . prior to placement at any state or private agency.

The following case examples illustrate how local districts have been bypassed by ASDB in placing students at the school.

- A student attended the Center for Hearing Impaired Children (CHIC) from February 1976 until June 1979. CHIC is a preschool operated jointly by ASDB and the Easter Seal Society. The child enrolled at ASDB in September 1979 and has been at ASDB since that time. The child's district of residence, Marana, has never been informed that the child is attending ASDB and has not participated in any placement reviews.

- A 13-year-old child was enrolled in public school hearing impaired programs in another state from March 1981 until mid-1985. In August 1985, the child was placed at ASDB. The child resides in the Tucson Unified School District (TUSD), which has a program that served 126 hearing impaired children during the 1986-87 school year. There is no indication that TUSD was involved in the placement process or is aware that the child is being served at ASDB.

- This student was enrolled at CHIC from September 1979 until December 1980. From December 1980 until April 1982, he attended a school for the deaf in another state. His parents contacted ASDB by letter in March 1982 in anticipation of a move back to Arizona. The student was enrolled at ASDB in April 1982 and has been at ASDB since that time. There is no evidence that the child's district of residence, Flowing Wells, was involved in the placement decision or is aware that he attends ASDB.

Because local district involvement in ASDB's placement process has been so limited, many school districts are unaware that sensory impaired students living within their boundaries are enrolled in ASDB programs. As shown in Table 3, for example, Tucson Unified School District, which has 104 students at ASDB's Tucson campus, was aware of only six students enrolled at the school. Phoenix Union High School District personnel were aware of only 11 of its 38 students enrolled.

Some students may be inappropriately enrolled - Because local districts are not adequately involved in the placement process, some students may be attending ASDB who could be provided an educational program in their home districts. As noted on page 17, for example, the Arizona Department of Education has identified three students who could be provided a suitable program in their home school districts.

TABLE 3

SCHOOL DISTRICT KNOWLEDGE OF ASDB ENROLLMENTS

School District (a)	Students Enrolled At ASDB (b)	Students School District Knew Were At ASDB	Students Served In District Programs
Tucson Unified	104	6	198
Phoenix Union	38	11	61
Glendale Union	25	4	27
Amphitheater	24	unknown (c)	29
Sunnyside Unified	21	4	9
Washington Elementary	18	0	64
Paradise Valley	15	1	37
Marana Unified	11	4	1
Deer Valley	10	unknown (c)	18
Cartwright Elementary	9	0	14
Phoenix Elementary	8	2	11
Glendale Elementary	8	2	21
Tempe Union	8	5	22
Flowing Wells	8	1	5
Dysart	7	unknown (c)	27

(a) These school districts are those with the highest enrollment of children at ASDB.
(b) Figures represent students enrolled through May 1987.
(c) District officials did not know how many children from their respective districts were enrolled at ASDB.

Source: Compiled by Auditor General staff from ASDB student files and school district special education officials.

In addition, some school districts might be interested in developing or expanding special programs if they were aware of the number of students from their districts who were enrolled in ASDB programs. According to one special education administrator, his district established a program for the sensory impaired within the district a few years ago because a group of parents did not want to send their children to Tucson.

Placement Costs - Any inappropriate or unnecessary placement of students at ASDB may also represent transfers of cost from local districts to the State. There are no financial incentives to either place a student in a local district program or to develop a local program, because the State picks up the full cost of educating students attending ASDB.

Arizona does not require districts to pick up any tuition cost for students enrolled at ASDB. A.R.S. Section §15-765.A allows school districts to enroll children at any State supported institution at no cost. This provision was placed in statute prior to the passage of Public Law 94-142 which established total district responsibility for the education of all handicapped students. According to several State officials A.R.S. Section §15-765 was not modified or changed after the passage of Public Law 94-142 to require local districts to provide financial responsibility. Therefore, the State is still required to pick up all education cost of children enrolled as ASDB.

In some states, districts are required to pay at least part of the cost of placing a pupil in the state school for the sensory impaired. For example, in California districts must pay a percentage of the cost to educate a child in the state special school. Kansas requires local school districts to provide transportation for children enrolled in the state special school. Local school districts in Connecticut must provide partial tuition payment to educate multiply handicapped students. This discourages districts from unnecessarily placing students in a state facility.

Instituting a similar requirement in Arizona might be a means of both ensuring placement decisions are appropriate, and ensuring that local districts are actively involved in placement decisions. Districts would have to be informed of the number of their students enrolled at ASDB if they were paying part of the costs of that enrollment.

Arizona Department Of Education Has Not Effectively Challenged ASDB's Autonomy Over Admissions

The Arizona Department of Education (ADE) has not effectively challenged the autonomy ASDB has asserted over its admissions, or aggressively enforced compliance with prevailing State and Federal statutes. ASDB erroneously cites school statutes governing admissions as its basis for claiming complete autonomy over its admissions and placement decisions. The Arizona Department of Education, which has the responsibility and authority to enforce both State and Federal special education statutes, has not taken sufficient steps to bring ASDB into compliance.

ASDB erroneously claims autonomy - ASDB argues that its statutes allow the school to control its admissions. However, other more recent provisions supercede these statutes.

ASDB officials claim that statutes give the school complete autonomy over its admissions. These statutes, which were originally enacted in 1929, do not prescribe any role for local districts nor require any local district involvement in the placement process. A.R.S. Section §15-1342 establishes the ASDB board's authority over its admissions.

> A. Except when otherwise provided by law and subject to the provisions thereof, the board shall have control of admissions to the school.

ASDB's assertion of admissions autonomy is so steadfast that the school has defied the Arizona Department of Education in three cases in which the ADE has disagreed with its admission decisions and denied the voucher funding. The student's local school district informed ASDB and the ADE officials that it could provide suitable programming for the three students. The district also felt that they were the "least restrictive environment" for the students, thus meeting the district's obligations to comply with the Federal law. ADE concurred with the district, and therefore, disapproved the voucher request. However, ASDB disagreed in two cases because it felt, ASDB was the most appropriate program. The other student's enrollment at

ASDB was continued due to what school officials described as parental choice. In these cases, ASDB has continued to enroll students despite ADE's disapproval. [1]

ASDB's defiance of the Arizona Department of Education's voucher denial and its assertion of complete autonomy, however, is contrary to prevailing State law. According to A.R.S. §15-1203.A:

> No child may be placed for the purpose of special education in an institution unless the institution has applied for and had issued a voucher . . .

A.R.S. §15-1204.D gives the special education director of the Arizona Department of Education authority to develop requirements for the approval of vouchers. This authority enables ADE to monitor the placement of children and ensure compliance with Federal and State laws. ADE denied the three vouchers because it determined the child's home school district could provide an adequate educational program. In an opinion dated April 7, 1987, Legislative Council concluded that ASDB does not have the authority to defy the Arizona Department of Education.

> ASDB has not been given the power either expressly or by implication under A.R.S. §15-1342 to overrule the department of education division of special education and enroll a pupil after denial of a voucher. It is restricted in admitting students and is expressly prohibited from doing so under A.R.S. §15-1203.

Continued enrollment of these students at ASDB violates State law and could ultimately jeopardize receipt of Federal funds.[2] In addition, according to Legislative council, ASDB officials could be held liable for reimbursement of costs incurred to provide educational programs for the students involved.

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(1) ASDB officials told us one reason for continued enrollment of the students was because the Arizona Department of Education did not provide the school with specific guidelines on how to proceed in this matter. They also told us the school district supported placing the students at ASDB. However, further review of ASDB correspondence and an interview with an ADE official shows that ASDB did receive specific guidance. ASDB records also show the school district did not support placing the students at ASDB.

(2) Public Law 94-142 provides that the Federal government may withhold state special education monies for non-compliance with its provisions. Presently, Arizona receives about $16.4 million in Federal special education monies.

ADE enforcement ineffective - The Arizona Department of Education has not exercised all of its authority to bring ASDB's admissions and placement process into compliance with Federal and State laws. Additional steps could be taken to ensure a higher level of local district involvement and participation.

As the State educational agency, the Arizona Department of Education has authority to enforce all requirements of Public Law 94-142. The Department is required to prescribe policies and procedures in its annual program plan, including sanctions, the State uses to ensure compliance with Federal laws and regulations. One procedure, the voucher approval process prescribed in State law, gives the Arizona Department of Education some control over ASDB placement decisions.

Attempts to bring ASDB procedures into compliance with law have been unsuccessful. Use of voucher disapprovals as an enforcement tool has been limited, and, as noted above, ineffective. ADE appears to have been reluctant to take aggressive enforcement actions because of ASDB's status as an independent agency with separate statutes governing its admissions process. (1)

The Department could take additional steps to ensure compliance with Federal and State statutes. First, it could more extensively exercise its authority to disapprove vouchers. In addition, ADE could request the Attorney General's office to pursue reimbursement of State funds spent improperly to provide programs for students disapproved by the Department.

Finally, ADE has not fulfilled its responsibility to adopt policies or interagency agreements governing parent initiated referrals at ASDB. Under authority granted by Federal law, ADE could clearly spell out the role local districts must play in developing program plans and placing students at ASDB. Other states have developed policies and procedures that require direct local district involvement in student placement at the State school and without this participation, placement cannot and will not occur.

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(1) ADE has increased its compliance monitoring of ASDB since the 1984-85 school year. ASDB and ADE staff conducted a self-monitoring study between April 29 and May 1, 1987. The study uncovered several areas requiring corrective action, including the assurance that ASDB students are placed in the least restrictive environment. In addition, ADE has developed and piloted expanded LRE monitoring steps for implementation in the 1987-88 school year.

RECOMMENDATIONS

1. ASDB statutes governing admissions and placement should be amended to conform clearly with prevailing Federal and State laws.

2. The Arizona Department of Education should promulgate policies or rules specifying how parent initiated referrals should be handled by ASDB. These policies or rules should ensure active local district involvement in the evaluation and placement of students under consideration for admission to ASDB, and the development of individualized education programs.

3. The Legislature should consider amending A.R.S §15-765 to require local school districts to pay part of the costs of enrolling students at ASDB.

4. The Arizona Department of Education should enforce compliance with State and Federal laws governing placement of students at ASDB. The following actions should be considered.

   - The voucher approval process should be used more extensively when students could be served in their home districts

   - Noncompliance with Department actions should be referred to the Attorney General's office for enforcement and recovery of any funds improperly expended.

5. ASDB should not continue to enroll students whose vouchers have been rejected by ADE.

FINDING II

ASDB IMPROPERLY ENROLLED SOME NONRESIDENT STUDENTS TUITION-FREE

The Arizona State School for the Deaf and the Blind (ASDB) is improperly enrolling some nonresident students tuition free. As a result, ASDB officials are violating State and Federal laws.

ASDB Is Improperly Enrolling Nonresidents Tuition Free

ASDB has enrolled some nonresident students tuition-free for at least the last five school years. This has been accomplished by obtaining guardians to avoid the nonresident tuition requirements.

ASDB first enrolled nonresident students tuition-free in the 1982-83 school year. [1] The school enrolled eight such students in the 1986-87 school year. Five of the students lived at the Tucson campus, even though their guardians lived within the day program busing radius. ASDB officials said that, to the best of their knowledge, the school intends to enroll the students for the 1987-88 school year. All the students enrolled during the 1986-87 school year had court-appointed guardians who are residents of Arizona.

Evidence gathered by the Attorney General's Office indicates that students' parents obtained guardians for their children solely to circumvent the School's tuition requirements. According to the families involved, ASDB employees even suggested ways to circumvent the school's tuition requirements to one family and obtained a guardian for the child of another.

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(1) In contrast, five other nonresident students paid tuition to attend the school during school years 1982-83 through 1986-87. Enrolling nonresidents at ASDB is not contrary to State law. A.R.S. §15-1345.B. states, "Children from other states and countries may have the benefit of the school . . . by advance payment to the superintendent of an amount fixed by the board."

Case histories of two children illustrate how these students were enrolled.

Case I

> The student is a 10-year-old hearing impaired student. Her parents, who live in Nogales, Sonora, heard of ASDB from friends and a television program. She was first enrolled at ASDB on November 17, 1982, with no mention of tuition, student visas or guardianship being required. An ASDB employee was appointed guardian on April 2, 1985, two and one-half years after initial enrollment. Although the "guardian" lives in Tucson, the student resides at the ASDB campus, and returns to her parents' home for summers and extended vacations.

Case II

> The student is a 19-year-old visually impaired student from Hermosillo, Sonora. His mother heard of ASDB while she was working at the School for the Deaf and Blind in Hermosillo, Sonora. She was informed by an ASDB employee that her son could attend ASDB tuition-free if an Arizona resident were appointed guardian. The student was first enrolled at ASDB on August 15, 1984, the same day his guardianship was awarded to a Tucson resident. Again, although the "guardian" lives in Tucson, the student lives at the ASDB campus. He is fully supported by his parents and returns to his parents home in Hermosillo, Sonora, for extended vacations.

In addition, an uncle who resides in Arizona told audit staff that he was initially asked by ASDB officials to become the guardian for his nephew so the child could attend ASDB. The uncle obtained guardianship of the child but later became concerned that he was participating in something illegal. He told ASDB officials of his desire to give up guardianship, and ASDB officials replied that they would take care of the matter. The student now has a different guardian.

However, obtaining guardians solely to avoid the requirement to pay nonresident tuition is not legally valid. In an opinion dated April 27, 1987, Legislative Council stated:

> The parents of those children [in question] may not change their child's residency [or domicile] in Mexico simply by having a resident of this state appointed as guardian of their child. (Brackets added)

In the same opinion, Legislative Council concluded that:

> The children in question, whose parents are Mexican Nationals who reside in Mexico and intend to have their children reside in Mexico on completion of their education are nonresidents of this state and may not attend ASDB tuition free.

Enrollment Practice Results In Violation Of Law And Unpaid Tuition

ASDB's practice of enrolling some nonresident students tuition-free violates State and Federal law. According to the Attorney General's office and Legislative Council, this practice may also leave ASDB officials liable for unpaid tuition.

Even after ASDB's Attorney General representative repeatedly informed school officials that enrolling the students tuition free was improper, ASDB officials continued the enrollment practice. Between July, 1986, and October, 1986, the Superintendent and the Attorney General's office communicated back and forth in writing at least ten times on the matter. In addition, on August 18, 1986, in a telephone conversation with Arizona's Attorney General the Superintendent was informed not to enroll the students without the payment of tuition, and if the school did so against the advice of the Attorney General, the Superintendent and Board would be placing themselves at legal risk.[1] The school never required the payment of tuition as advised by its Attorney General representative. ASDB officials felt that A.R.S. §15-1346 gave the agency the authority to enroll the students tuition free.[2] The citation reads:

> All persons from six through twenty-one years of age, whose parents or guardians are residents of this state, may attend the school for the deaf and blind.

Nonetheless, tuition-free enrollment of the students in question is improper. Obtaining guardians solely for the purpose of avoiding tuition is not legally valid.

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(1) In addition, the Attorney General's Office advised the school of the proper procedures to follow in obtaining the tuition to ensure that the students' legal rights would not be violated. The agency did not follow these instructions, but instead dismissed the students from school citing their lack of a legal Arizona residency. This action was immediately challenged by the Attorney General's Office, ADE officials, and ASDB's private counsel as a violation of due process and the students' civil rights. The students were reinstated to avoid litigation.

(2) Rather than follow the Attorney General's advice, the Superintendent sought legislative changes to agency statutes. Clarifying provisions eventually enacted in HB 1251, however, are virtually identical to the provisions of A.R.S. Section §15-824, Subsection B, paragraph 2, which was the basis for the Attorney General's original advice. Therefore, HB 1251 did not resolve the problem.

ASDB's actions also appear to violate Federal law. According to an Immigration and Naturalization Service (INS) official, only one of the foreign students has a student visa. Therefore, only that student is legally allowed to attend school in this country.[1] According to ASDB's Attorney General representative, since ASDB officials know that six of the students are attending school in the United States illegally and have not acted to correct the situation, the officials may be violating Federal criminal statutes.

Additionally, the enrollment of nonresident students in violation of State statutes results in unpaid tuition. Approximately $480,000 in tuition has gone unpaid since the first nonresident student was enrolled tuition-free; and $163,000 has been unpaid since the school's Attorney General representative notified ASDB officials that such enrollment is improper. This willful disregard of Attorney General advice places ASDB officials in a position of potential personal liability for the $163,000.

RECOMMENDATIONS

1. ASDB should discontinue the practice of enrolling nonresident students tuition-free.

2. The Attorney General should investigate the possibility of recovering the unpaid tuition.[2]

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(1) However, even if all the students had student visas, ASDB would not be allowed to enroll them since the school is not authorized by the INS to accept foreign students. The INS official told us that the INS sends ASDB applications for authorization to admit foreign students with student visas every year and has done so for the last 10 years. The same official said ASDB has never returned the applications to the INS.

(2) A copy of this finding and recommendations have been forwarded to the Attorney General's office for further action.

FINDING III

ASDB SHOULD EXPAND PROGRAMS TO SERVE MULTIPLY HANDICAPPED STUDENTS, AND SHOULD FURTHER DEVELOP ITS ROLE AS A RESOURCE FOR LOCAL SCHOOL DISTRICTS

The Arizona School for the Deaf and the Blind's (ASDB) mission and role needs to further change in response to requirements of current laws governing the education of the sensory impaired. ASDB's programs serving the multiply handicapped should be expanded. In addition, ASDB needs to increase its efforts to serve as a Statewide resource to local districts.

To assist us in our audit of ASDB, we hired a team of consultants to study the mission and role of the school and to recommend any changes needed. The team consisted of nationally recognized experts in the field of education of the sensory impaired. Some members of the team are current or former leaders in the national association that accredits schools for the deaf. All team members have extensive experience either as directors of special schools, state education officials with state level responsibilities, or academic officials and researchers in the field. The entire consultant report, which addresses a number of critical issues facing ASDB, is presented in Appendix 1.

Role Of Special Schools Has Changed

The implementation of Public Law 94-142 and the increased emphasis on the "least restrictive environment" policy in Federal law has called into question the traditional role of special schools such as ASDB. The notion that handicapped students should be educated "to the fullest extent possible" with nonhandicapped students requires that placement decisions, which prior to the law could be made more autonomously, now must be weighed and considered against Federal requirements. The special school, which once could operate independently, now finds itself part of a larger educational community, representing a portion of the spectrum or continuum of services available to the sensory impaired child. The new environment in which special schools operate, furthermore, creates a need to develop new working relationships with the state educational authority, public school systems, and other community agencies.

National trends away from utilization of state operated schools have forced schools to reevaluate their mission and role, and to restructure their programs to meet the needs of their state. Many have had to adjust their programs in response to public policy changes and national trends. State operated special schools, in general, are serving smaller populations than in past years, yet services offered are more diverse, specialized and demanding. Many state schools have become the focal point for development of programs for the more multiply handicapped and other students more difficult for local districts to serve. In addition, a major emphasis of state operated agencies in many states has been on providing comprehensive centralized resources upon which local district programs can draw for many purposes, such as diagnostic support, curriculum materials, and training for teachers and parents.

ASDB Could Do More To Meet The Needs Of The Multiply Handicapped

In response to the changing role ASDB now finds itself in, ASDB should expand efforts to meet the educational needs of sensory impaired students who have other handicapping conditions. Our consultants found that ASDB should increase the number of its multiply handicapped admissions and assist local districts in meeting the needs of multiply handicapped students served locally.

Both the Tucson and Phoenix campus deviate from the national norms regarding the percentage of multiply handicapped students. Nationally, 29 percent of hearing impaired students [1] have additional conditions, generally mental handicaps, that require educational accommodations. Although the Tucson campus reports that 46.5 percent of its students have additional handicapping conditions, this percentage is largely attributable to a high percentage of students reported to have emotional-behavior problems. At the same time, the Tucson campus reports a relatively low rate for mental retardation (4.7 percent). In addition, the Phoenix campus reports few multiply handicapped students. After reviewing student profile data on current ASDB students, the consultants concluded ASDB should be serving more students with mental handicaps.

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(1) No significant data were available for the visually impaired.

The low number of handicapped students at the Phoenix campus may be partly attributable to the absence of any special program for multiply handicapped students in Phoenix. ASDB has recognized this gap in services and has requested funding to develop a program in Phoenix.

Moreover, ASDB's more general admission criteria may indicate a reluctance to admit severely multiply handicapped students. According to our consultants, these criteria do not state admissions criteria in measurable terms, nor do they set forth other handicapping conditions that would be admissible. Some other schools, by contrast, have established clear and measurable admissions criteria and work more closely with local districts to evaluate and meet the needs of the multiply handicapped. ASDB's vague criteria may reflect an underlying fear that the school could become a "custodial facility" for students who cannot clearly show they could benefit from the school's educational programs.

As noted by our consultants, however, in many cases ASDB has better qualified personnel and resources than local districts for meeting the needs of students who have additional handicapping conditions. The school should be more open to admissions of these students.[1] Our consultants do not envision that this change would make ASDB a "custodial facility" because the total number of such students needing services should be small, at least for the near future.

ASDB Needs To Expand Its Role As A Statewide Resource

According to our consultants, ASDB should develop its role as a statewide resource to the public school community. The school needs to redirect its programs and develop a variety of services that would be useful to local districts. In addition, it needs to develop links to local districts, and a strategic plan that identifies its place in the spectrum of programs and services serving the sensory impaired.

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(1) In the absence of a developed program at ASDB, local districts must either place severely multiply handicapped students in private programs or, in at least one case, pay ASDB for special programming. ADE provided Paradise Valley School District federal funds to pay ASDB in excess of $44,000 for one semester to admit and develop programming for a severely multiply handicapped sensory impaired student. The student is now enrolled in ASDB's ADTEC program.

Redirect and develop programs - While the quality of existing services provided by ASDB are excellent and should be maintained, the school could play a leadership role in developing new efforts to meet the needs of the sensory impaired statewide. ASDB should develop innovative programs and provide a variety of technical services to local districts.

Expanding programs and services beyond the main campuses would be consistent with the regional services concept established by Senate Bill 1251 enacted in 1987. Some examples of these programs and services follow.

- Expansion of ASDB's Arizona Diagnostic Treatment and Education Center (ADTEC) Services - ASDB's ADTEC facility could continue to assist in evaluation and assessments. The consultants point out that ADTEC is the agency with the appropriate resources for providing services to the more severely handicapped sensory impaired students who do not have access to adequate services in the local education authority.

- Parent and family education programs - The School could establish parent and family education programs that would be beneficial for families living far from the main campuses. Such programs would enable families to acquire knowledge and skills needed to support and complement their children's education. Similar programs have been established at Gallaudet University and other special schools throughout the country.

- Early identification of minority sensory impaired students - The consultants suggest that increased attention should to be devoted to minority sensory impaired students. This could be achieved through early identification programs and the development of creative programs within the students' home districts. In addition, ASDB could play a leadership role in bringing educational opportunities to sensory impaired Native Americans. ASDB is the only special school in the country with significant numbers of such students to pioneer in both on-campus and outreach programs.

- Extended school year - ASDB could develop programs to make broader use of existing campus facilities. Such programs would make the Phoenix and Tucson campuses available for summer programs in independent living training for the sensory impaired, teacher training and workshops.

- In-service training - Programs could provide training for support service personnel who work with the sensory impaired (e.g., counselors, psychologists, social workers, etc.).

- Development of special curricula and materials for use in public schools.

- Support services for local district programming - ASDB could provide assistance to LEAs. The programs could include workshops to share information and practices helpful in teaching content areas such as mathematics and social studies, access to computer bulletin boards and electronic mail network systems, and the development of extracurricular activities such as outdoor education, music, drama and the arts.

Links needed - ASDB needs to develop closer ties to the educational community it serves. The consultants noted that if the school intends to be responsive to its constituencies, it must overcome its isolation from the traditional campus setting and develop links with community service agencies, local districts and other State agencies, including the Arizona Department of Education.

Although ASDB has excellent programs, in the past it has operated autonomously from the larger educational community. According to our consultants, the School's commitment to the tenets of Public Law 94-142 has been "inconsistent and arbitrary." The result has been a tentative and often strained relationship between ASDB and other educational agencies rather than positive and professional collaboration. As we note in Finding I, (page 11) communication with local districts has been poor, and coordination and cooperation with the Arizona Department of Education has been lacking.

There are several ways ASDB could improve links with the educational community. Our consultants recommend that ASDB work more closely with local school districts in placement decisions, and develop agreements with local schools to provide placement options for ASDB students in integrated public school settings. These efforts would promote dialogue between ASDB and local districts.

Other ways ASDB could develop linkages with other agencies follow.

- ASDB could work closely with local districts and the Arizona Department of Education on problems with the voucher funding process.
- Working with the State vocational rehabilitation services, post-secondary education programs and other community agencies would improve transitional services for students. Students looking for employment, for example, need counseling and assistance.

- Coordination with the higher education community is needed to provide training for teachers of the sensory impaired. More teachers are needed to educate sensory impaired students with additional handicapping conditions.

Development of a strategic plan would be a useful way for ASDB to redefine its role as part of a larger educational community and to establish a systematic schedule to achieve its goals. Our consultants noted that ASDB is at a crossroads in its history and needs to plan its future direction.

RECOMMENDATIONS

1. ASDB should develop programs for the more multiply handicapped sensory impaired students. In addition, ASDB should establish clear and measurable admissions criteria for the multiply handicapped, and work more closely with local districts to evaluate and meet the needs of the multiply handicapped sensory impaired.

2. ASDB should take the following steps to address its changing mission and role.

   a. Provide specialized technical services to the local districts in the areas of diagnostics and evaluation, in-service training, workshops and development of extracurricular activities.

   b. Develop links with community service agencies, local districts and other State agencies serving the sensory impaired student. This would allow ASDB to become a part of the broader educational community.

   c. Implement new programs and provide technical services to local school districts. Programs should include family education programs for families who live beyond the radius of the main campus, and outreach programs for sensory impaired minority students.

d. Provide campus programs year round. ASDB could make the campus available for summer programs in independent living training, vocational training, work study experience, family education, and vocational training for sensory impaired adults.

FINDING IV

ASDB'S BOARD NEEDS TO BE RESTRUCTURED TO IMPROVE COORDINATION WITH THE PUBLIC SCHOOL COMMUNITY

Restructuring the Arizona State School for the Deaf and the Blind (ASDB) Board of Directors should improve coordination and relationships with the broader educational community that ASDB serves. In contrast to practices in other states, ASDB's links to the broader educational community are weak. In addition, the board's quorum requirement needs to be amended to reduce the board's vulnerability to open meeting law violations.

Changing Role Requires More Coordination

ASDB's changing mission and role indicates a need to strengthen links and relationships to the educational community that ASDB serves. As noted in Finding III (page 25), in the future ASDB should move increasingly toward serving as a Statewide resource to public schools. ASDB should become more involved in assisting local districts in developing and improving the quality of their programs for the sensory impaired. This will require greater knowledge of local programs, and on-going communication and interaction with the broader educational community.

State and Federal laws governing admissions of students also indicate a need for more coordination and communication with the educational community. Public Law 94-142 enacted in 1975, and State laws that followed in subsequent years, require establishment of guidelines governing admissions, knowledge of program options available, and coordination between local districts and ASDB. Currently, a lack of communication and coordination exists, as evidenced by the fact that more than 274 students are enrolled at ASDB without their local districts' knowledge (see Finding I, page 11). The requirements of Public law 94-142 and the need it creates for multijurisdictional coordination were not in effect when ASDB was established in 1929.

Other states have recognized the need to develop strong links between their schools for the sensory impaired and the educational community. In fact, 60 percent of state supported special schools throughout the country are under the organizational authority and direction of the state education agency. Special schools have found this reporting relationship especially beneficial in monitoring compliance with least restrictive environment requirements of Federal law (see Finding 1, page 11). In addition, this interaction facilitates stronger communication between the special school and the local districts.

ASDB Board Needs To Be Restructured

ASDB's current governance structure does not provide adequate links with the educational community. Neither the Arizona Department of Education nor other public education representatives participate on ASDB's board of directors. In contrast, other states have established stronger relationships with the educational community through their governance structures.

Educational community not represented - Neither the Arizona Department of Education (ADE) nor other educational representatives actively participate on ASDB's board. Currently, the board consists of five appointed members. The Governor and the Superintendent of Public Instruction also serve ex-officio; however, neither attend board meetings. School statutes do not require that any of the appointed members of the board represent the educational community, nor that members be knowledgeable in the area of education of the sensory impaired.

Representation from the Arizona Department of Education is necessary. Public Law 94-142 requires the State educational agency to adopt, monitor and enforce all laws regarding placements in special schools. Membership of an ADE official on the board of directors could help ensure communication, and proper enforcement and compliance of all applicable Federal and State laws. In fact, recognizing the need for Arizona Department of Education participation, ASDB created an ex-officio, nonvoting board position for a representative of ADE based in Tucson. However, this ADE representative does not often attend board meetings, in part because of scheduling conflicts, lack of voting privileges, and her limited role.

Arizona could amend the current statutes and provide for the Superintendent of Public Instruction to appoint a designee to serve on the board. This would give ADE a meaningful role on the board and resolve the scheduling conflicts faced by the Superintendent with her many responsibilities.

An additional option is to enlarge the board and specify representation that could include the public special education community, other experts in the field of education of the sensory impaired, and parents. This is a common practice among the other states with boards. Most of these boards are larger, ranging in size from seven to 30 members, and require specific board representation. For example, the two Texas boards each consist of three sensory impaired members, three parents, and three professional educators. Mississippi's board includes a parent of a deaf child, a parent of a blind child, and professionals in both the hearing and visually handicapped field. Similar requirements or modifications could be considered in Arizona.

Quorum Requirement Needs To Be Increased

ASDB's low quorum requirement also needs to be increased to reduce the board's vulnerability to open meeting law violations. Raising the quorum requirement would have the additional benefit of increasing meeting attendance and board member participation.

A.R.S. Section §15-1322.C establishes that two members of the board constitute a quorum. In this regard, ASDB's statutes differ from the general provisions of A.R.S. §1-216.B which provides that a majority of a board shall constitute a quorum, unless expressly declared otherwise by law (as in the case of ASDB). If these general provisions were applicable, ASDB's quorum requirement would be four members.

A two-member quorum makes the ASDB board very vulnerable to open meeting law violations. The provisions of A.R.S. §38-431 et.seq. require that boards and commissions post notices of official meetings, establish agendas, and keep minutes available for public inspection. If two ASDB board members converse over any agency business - whether over the telephone, at dinner, or while traveling to and from meetings - the two members may constitute a meeting of the board, and all the attendant requirements of the open meeting law must be met. The best way to eliminate this potential vulnerability is to increase the quorum requirement. According to ASDB officials, the school had intended to seek legislation to increase the quorum requirement, but the change was somehow overlooked.

Increasing the board's quorum requirement may have the additional benefit of improving attendance at board meetings. Over the past two years, attendance at board meetings has been poor. A review of board minutes showed that an average of only three members attended board meetings. At six meetings, only two members were present to discuss and vote on such important matters as the school's budget and contracts for professional services.

RECOMMENDATIONS

1. The Legislature should consider:

    - enlarging the size of ASDB's board from the present five appointed members

    - allowing the Superintendent of Public Instruction to appoint a designee to serve on the Board with full voting rights

    - specifying other representation requirements for appointed members who could include public school representatives, professionals in the field of education of the sensory impaired, and parents

2. The Legislature should amend A.R.S. §1322.C to provide that a majority of the board shall constitute a quorum.

3. As an alternative, the Legislature may wish to consider placing ASDB under the organizational direction and authority of the Arizona Department of Education.

FINDING V

FINANCIAL CONTROLS OVER SOME EXPENDITURES SHOULD BE STRENGTHENED

Financial controls over expenditures should be strengthened. The Arizona State School for the Deaf and the Blind (ASDB) has not adequately controlled disbursements from its Trust Fund accounts. In addition, ASDB administrators filed travel claims for reimbursements for dinners that had previously been paid by Trust Fund monies.

As of July 1987, ASDB has approximately $1.25 million in Trust Funds. The earnings from the trusts (in excess of $122,000 for fiscal year 1985-86) are used for several accounts. Generally, trust fund earnings are used to finance the following.

- staff professional development
- residence hall refurbishing
- development and improvement of recreational programs
- design and construction of campus playgrounds
- Board of Directors/Superintendent Discretionary Fund

The budgets for these accounts are established by ASDB's superintendent and two associate superintendents. The budgets are then submitted to ASDB's board of directors for review and approval.

Trust Fund Expenditures Are Not Adequately Controlled

Expenditures from ASDB's trust funds lack sufficient control. Several expenditures appear to be questionable or excessive in nature. The board of directors has not adopted specific guidelines for spending Trust Fund monies.

Some expenditures appear inappropriate - Some expenditures from ASDB's Board of Directors/Superintendent Discretionary Fund may be questionable or excessive in nature. A review of ASDB's accounting files for the past two fiscal years revealed the following expenditures.

- Relish tray $50 - The superintendent purchased a relish/luncheon tray for his mother-in-law in lieu of flowers in memory of her husband.

- Sympathy bouquet ($51) - The superintendent purchased a floral bouquet for the executive director of an outside foundation. The superintendent justified the expense as a "board precedent."

- Memorial bouquet ($77) - The superintendent purchased a floral arrangement in memory of a former ASDB superintendent's wife. The superintendent justified the expense as a "board precedent."

- Silver retirement trays ($545) - According to ASDB's superintendent, employees with at least 10 years of service may receive this retirement gift. The superintendent justified the expense as an ASDB custom.

- Dinner for NAC members [1] ($822) - ASDB's superintendent hosted a dinner for 33 people, including the spouses of several ASDB employees, board members and a NAC team member. The bill included $192 for 16 bottles of wine. The superintendent justified the expense citing NAC requirements for such events.

- Workshop dinner ($127) - The director of the Phoenix Day School for the Deaf (PDSD) hosted a dinner for agency staff participating at summer workshops held on the PDSD campus. He was reimbursed for the dinner from PDSD's Discretionary Trust Fund account.

- Workshop dinner ($100) - The superintendent purchased dinner for ASDB staff attending a communications workshop in Tucson. The expense was reimbursed through the Board of Directors/Superintendent Discretionary Fund.

- Lunch meeting ($40) - The superintendent met with the director of the Foundation for the Blind and paid for the meal out of the Board of Directors/Superintendent Discretionary Fund.

- Lunch meeting ($39) - The superintendent met with Arizona Department of Education officials and paid for the meal out of the Board of Directors/Superintendent Discretionary Fund.

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(1) NAC is the National Accreditation Council for Agencies Serving the Blind and Visually Handicapped.

In addition, ASDB's board of directors usually precedes its regularly scheduled meetings with a dinner. As many as sixteen people may attend the dinners: five board members, ASDB's superintendent, two associate superintendents, six ASDB directors, one assistant director and the personnel officer. The dinners are paid out of the Board of Directors/Superintendent Discretionary Fund. The following table summarizes Board dinner expenses for the past two fiscal years.

TABLE 4

ASDB BOARD OF DIRECTORS DINNER EXPENSES FOR FISCAL YEARS 1985-86 AND 1986-87 (unaudited)

Fiscal Year 1985-86	Amount	Cost Per Person [a]
	$ 314	$19.63
	435	27.19
	226	14.13
	80	5.00
Fiscal Year 1986-87	**Amount**	**Cost Per Person [a]**
	238	14.88
	80	5.00
	232	14.50
	271	16.94

(a) Based on 16 people attending each dinner. However, according to ASDB board minutes, an average of only three board members attended regularly scheduled meetings. As a result, the cost per person could be higher.

Source: Compiled by Auditor General staff from ASDB accounting files for fiscal years 1985-86 and 1986-87.

According to the table, these dinner expenses range from $5 per person to $27.19 per person. The more expensive dinners seem excessive when compared to the Department of Administration's (DOA) per diem dinner limitation of $10.

No specific guidelines for trust fund expenditures - ASDB's board of directors has not established sufficient financial controls over expenditures from Trust Fund accounts. [1] For example, the board's Trust Fund expenditure policy, revised in 1984, describes the Board of Directors/Superintendent Discretionary Fund purpose as "to defray expenses of certain events or items deemed appropriate . . . by the Board of Directors or Superintendent." As previously discussed, the board approves a lump sum for the account but does not conduct periodic reviews of expenditures to verify their propriety.

Improper Travel Claims Were Filed

ASDB administrators filed erroneous travel claims during the past two fiscal years. On 14 occasions, ASDB's superintendent and two associate superintendents submitted travel claims seeking reimbursement for dinner when they did not incur any out-of-pocket expenses. These dinners were purchased by the superintendent and charged to the Board of Directors/Superintendent Discretionary Fund. In effect, the administrators were reimbursed for their dinners from the Discretionary Fund and should not have filed a claim with the DOA. When questioned by Auditor General staff, the individuals agreed they erred and said that restitution would be made. The following table summarizes the occurrences.

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(1) In addition, ASDB's latest Auditor General financial report (August 1987) found other accounting weaknesses. Duties of maintaining bank accounts and cash drawers still are not segregated. This deficiency was also pointed out in an Auditor General letter of recommendations to ASDB dated August 1982.

TABLE 5

FREQUENCY OF DUPLICATE REIMBURSEMENTS BY ASDB ADMINISTRATORS
FEBRUARY 1986 THROUGH MAY 1987

Administrator	Number of Occurrences	Amount
Superintendent	4	$ 40
Assoc. Super. for Curriculum	7	70
Assoc. Super. for Business	3	30
	14	$140

Source: Compiled by Auditor General staff from ASDB accounting records for fiscal years 1985-86 and 1986-87.

RECOMMENDATIONS

1. ASDB's board of directors should increase financial controls over Trust Fund expenditures by:

   a. Adopting specific guidelines for purchases from the Board of Directors/Superintendent Discretionary Fund.
   b. Requiring the superintendent to report all expenditures from the Discretionary Fund at each regularly scheduled board meeting.

2. In any case where meals are purchased with trust funds, the board of directors should consider using DOA per diem limits as a guideline for reasonable expenditures.

3. The board of directors should require the superintendent and associate superintendents to reimburse ASDB for the amounts erroneously claimed for dinner expenses.

FINDING VI

ASDB'S FOOD SERVICE BUILDING IS A SAFETY AND HEALTH HAZARD

The Arizona State School for the Deaf and the Blind (ASDB) Food Service building is a hazard to public safety and health. The poor condition of the building constitutes a potential liability to the State. Therefore, the State should correct the problems as soon as possible.

ASDB's food service building, which is at least 50 years old, is used extensively by students and staff. According to the food service supervisor, a maximum of 259 students and staff use the facility during meals. Food service staff use the building to prepare more than 550 meals a day during the week. In addition, live-in bus drivers are housed directly above the dining area.

Condition Of Food Service Building Puts State At Risk

The food service building is in serious disrepair, and presents a threat to the health and safety of both students and staff who use it.[1] The State could be financially liable for any injuries caused by accidents resulting from the building's condition.

Food service building in poor condition - Many of the building's components are either deteriorating or inadequate. The problems fall in one of the following four categories: 1) structural, 2) electrical, 3) fire control and 4) plumbing. Inspection reports issued by an engineering firm and the Department of Administration's (DOA) Loss Control Section indicate that replacement of the facility is the best alternative for correcting those problems.

Structure - The foundation of ASDB's food service building is deteriorating. This presents a safety hazard to the students and staff who use the facility.

- A beam in the building's foundation directly beneath the kitchen and preschool area is cracked. In addition, the bases of supports placed under the cracked

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(1) Since the completion of the audit, the school's auditorium has been closed because of structural problems. School officials are uncertain if the building can be repaired or if it must be replaced.

beam are spalling. Several engineering reports document the building's structural problems. One report, dated May 1987, notes that "cracks were seen along a horizontal support beam and the ceiling." According to another report, dated August, 1984, continued support cracking will result in a redistribution of weight on the other building supports and other structural elements. This will place undue stress on those building supports. As a result, there may be a danger of the building collapsing. Also, the consultants are concerned about a cracking concrete beam. This beam's failure could also cause the building's collapse. The report recommends "that immediate planning be commenced to construct a new facility and vacate and demolish the existing building in the near future."

Electrical System - The building's electrical system is also faulty. This increases the chance for fire or electrical shock.

- According to DOA Facilities Management, the load on the electrical system appears to exceed capacity. Moreover, a water leak directly above electrical light fixtures in the dish room causes water to collect inside these fixtures. These conditions create potential fire and shock hazards. The facility's lack of sufficient electrical capacity also forces the removal of existing equipment when new equipment is installed, to maintain the proper electrical load.

Fire Control - The food service building's fire control system is also inadequate. This constitutes a safety hazard for the building's occupants.

- The building's alarm system is substandard. Further, exit signs, emergency lights and fire extinguishers and a fire hose are either missing or misplaced. As a result, people inside the building might have difficulty evacuating the building and are inadequately protected from fire. The threat of serious injury is increased because most of the building's occupants have sensory impairments.

Plumbing - The building's plumbing is also deteriorating. As a result, there is a potential for a public health hazard.

- Only one of the building's three sewer lines is still functioning, and it handles all the building's sewage. Moreover, ASDB's food service Supervisor suspects that the remaining sewer line may be deteriorating beneath the food serving line. He also stated that a break in the sewer line would force closure of the facility's remaining restrooms and could force temporary closure of the entire facility if sewage were to back up onto the floor.

FIGURE 1

CRACK IN BEAM IN FOUNDATION
OF ASDB'S FOOD SERVICE BUILDING

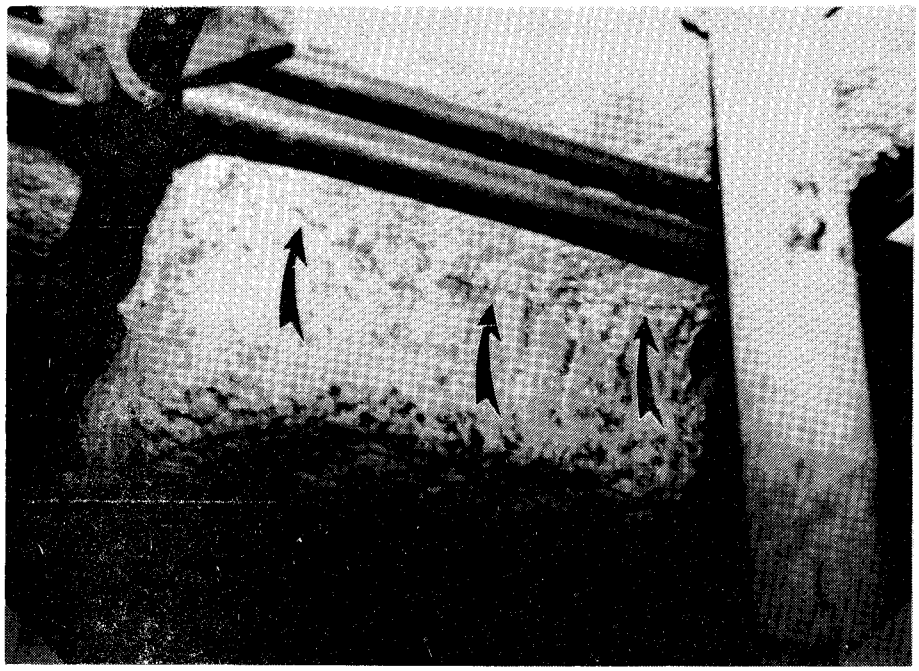
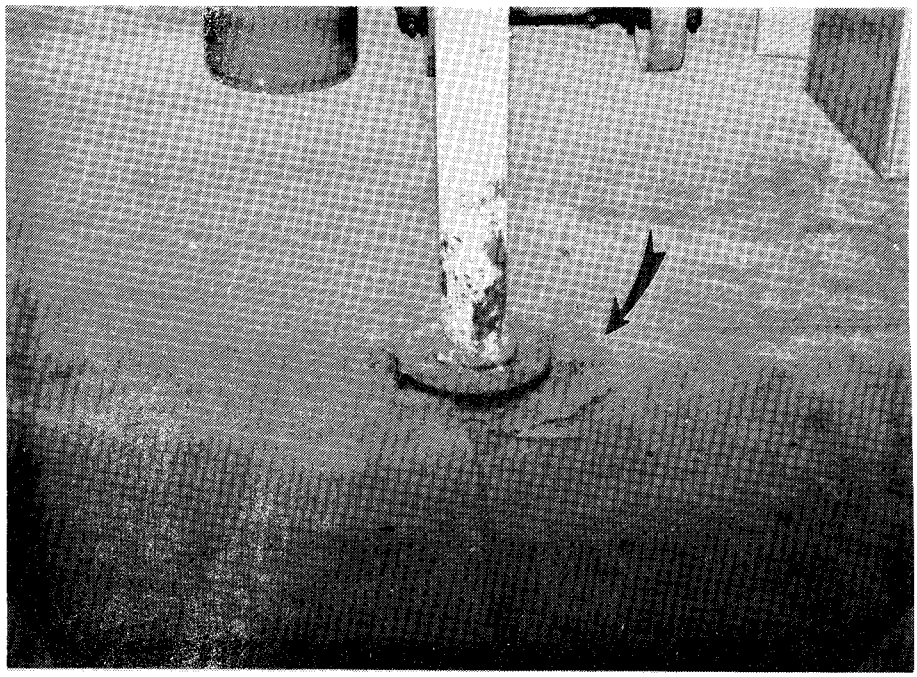


FIGURE 2

CHIPPING AND CRACKING AROUND BASE
OF SUPPORT PLACED BENEATH CRACKED BEAM



State would be held liable for injury - The State faces potential financial liability because of the condition of ASDB's food service building. Because the building is in poor condition there is the chance for death, injury or illness. Since the building is used heavily, such an accident could involve many students and staff. According to an official from the Insurance Section of DOA's Risk Management Division, because the State is aware of the safety and health hazards and has not corrected them, it could be held liable for any injuries resulting from these hazards.

State Should Take Corrective Action

The State should immediately take steps to correct the problems with ASDB's food service building. Although there is general agreement that the building should be replaced, ASDB can take interim steps to improve the building's safety.

ASDB officials have done a good job of preventive maintenance on the food service building; however, the building needs to be replaced. The Loss Control report commended ASDB for its efforts to maintain the building, but both it and a report issued by Facilities Management suggest that the facility be replaced. Further, interviews with Executive Budget Office and Joint Legislative Budget Committee officials indicate a concensus that the building should be replaced, though an official from Loss Control stated that the current facility can be used while the new building is constructed. The estimated cost of a new building is $1.7 million.

ASDB officials requested replacement funds in fiscal years 1986-87 and 1987-88. To date, the State has appropriated $90,000 for the design of a new facility, and ASDB has issued a request for proposals for an architect. Further, the State appropriated an additional $301,000 in building renewal funds in fiscal year 1986-87, which ASDB could use to correct the fire safety inadequacies. Approximately $1.6 million more will be needed to complete construction of the building.

Until the new facility is built, ASDB should take actions to reduce the chance for accidents in the food service building. ASDB should implement safety recommendations made by DOA's Loss Control section after a recent inspection tour. The most important of these are:

- installation of class A fire alarm systems on the first and second floors
- installation of emergency lights and exit signs in the corridor of the second floor dormitory
- repair of the water leak above the light fixture in the first floor dish room
- recharging and conspicuous placement of fire extinguishers on the second floor

RECOMMENDATIONS

1. The Legislature should appropriate the funds necessary to replace ASDB's food service building as soon as possible.

2. The State should immediately correct:

    - inadequate fire alarms, emergency lighting and exit signs
    - water leak above light fixture
    - uncharged or poorly placed fire extinguishers
    - other problems identified in the Loss Control report

OTHER PERTINENT INFORMATION

During the course of our audit, we developed other pertinent information in the following areas: 1) The Arizona State School for the Deaf and the Blind (ASDB) staffing levels and 2) ASDB's organizational climate. The information on staffing levels was developed at the request of the Joint Legislative Budget Committee.

ASDB's Staffing Levels Appear Consistent With Other Special Schools

ASDB's teacher and administrative staffing levels appear consistent with other state schools for the sensory impaired. ASDB has 70 full-time teaching positions [1] for its hearing handicapped programs and 18 full-time teaching positions for its visually handicapped programs. For the 1986-87 school year, ASDB's enrollment was 599 students. This results in a student to teacher ratio of greater than 6 to 1. When compared to other states responding to an Auditor General staffing survey, [2] ASDB has the highest student per teacher ratio. This information is summarized in Table 6. Moreover, ASDB's percentage of administrative positions is consistent with other states with combined schools for the deaf and the blind.

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(1) These full time teaching positions are academic teaching positions and do not include art, music, physical education, vocational education or other non academic teaching positions.

(2) Auditor General staff sent surveys to 14 states with special schools and received responses from 11 states.

TABLE 6

STUDENT TO TEACHER RATIOS
AT STATE SCHOOLS FOR THE DEAF OR THE BLIND
1986-87 SCHOOL YEAR

Programs for the Hearing Handicapped

State	Enrollment	Full Time Teachers[a]	Student/ Teacher-Ratio
California-R[b]	297	96	3.09
West Virginia	140	45	3.11
Florida	488	117	4.17
Colorado	128	30.5	4.20
Kansas	209	48.5	4.31
Minnesota	146	33	4.42
Washington	177	38	4.66
Kentucky	345	72	4.79
California-F[c]	476	86	5.53
ARIZONA[d]	450	69	6.43

Program for the Visually Handicapped

State	Enrollment	Full Time Teachers	Student/ Teacher Ratio
South Dakota	35	16.5	2.12
West Virginia	75	27	2.78
Kansas	70	24	2.92
Texas	187	59	3.17
Oklahoma	108	34	3.18
Minnesota	60	16	3.75
Colorado	61	15.5	3.94
Washington	71	17	4.18
Florida	129	30	4.30
ARIZONA	119	18	6.61

(a) Direct classroom instruction only. Does not include physical education, music, art or vocational education teachers.
(b) California School for the Deaf, Riverside campus
(c) California School for the Deaf, Fremont campus.
(d) Enrollment figure does not include students in ADTEC and outreach programs.

Source: Compiled by Auditor General staff from survey responses of various state special school superintendents.

ASDB's total staffing level (456.9 full-time equivalent employees) is the highest when compared to combined schools for the deaf and the blind in Colorado, Florida, Minnesota and West Virginia. However, its 8 percent of administrative staff positions is about average among the four combined schools responding. Table 7 compares ASDB's administrative staffing levels to other states with combined schools for the deaf and the blind.

TABLE 7

ADMINISTRATIVE POSITIONS AT OTHER STATE SCHOOLS FOR THE DEAF AND THE BLIND

State	Admin. Positions	Total Staff	% Admin. of Total Staff	Students/ Admin. Pos.
Minnesota	6.00	196.00	3.06	34.33
West Virginia	21.00	234.00	8.97	10.24
Florida	40.00	444.00	9.01	15.43
Colorado	16.00	176.00	9.09	11.00
ARIZONA	38.00	456.90	8.36	15.76

Source: Compiled by Auditor General staff from responses of state special school administrators.

Although the percentage of ASDB's staff classified as administrative appears to be in line with other state schools for the sensory impaired, a realignment of certain positions at ASDB's Tucson campus may need further study. For example, the Department for the Deaf at ASDB's Tucson campus has three principals for 181 students, while Phoenix Day School for the Deaf has two principals for 192 hearing impaired students. However, according to the consultants hired by our office, an agencywide review of staff responsibilities and duties would be necessary to determine accurate staffing needs.

Employees Identified Upper Management Problems

A survey of ASDB employees disclosed that personnel working in the school are dissatisfied with several aspects of their work environment. Employees expressed the most concern with communication within the school, personnel policies and practices, and the Superintendent's management style.

As part of our audit, we administered an organizational climate survey to solicit employee attitudes and concerns that could impact the School's efficiency and effectiveness. Employees were asked to express agreement or disagreement with 20 statements about the work environment at ASDB. An opportunity for open ended comments was also provided. A random sample of 200 of ASDB's 600 employees received the questionnaires. One hundred twenty (60 percent) responded to the survey. See Appendix II for a technical discussion of the survey methodology, analytic techniques and results.

Responses to the questionnaire indicated employee dissatisfaction and concern in the following areas. (1)

- **Communication** - employees tended to feel that they do not receive enough information from top management and that management does not listen to the recommendations of qualified staff personnel. Employees also expressed dissatisfaction with the amount of cooperation among various programs within the school. As a group, ASDB faculty members expressed stronger concern in this area than other employees.

- **Personnel policies and practices** - Employee responses indicated dissatisfaction with school personnel policies and a lack of knowledge of grievance procedures. In addition, employees tended to view the ASDB's Management By Objectives (MBO) process as ineffective. Open ended comments suggested the MBO process, although good in theory, was not being applied in a useful way.

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(1) In addition, our consultants indicated that there were many expressions of concern regarding ASDB's management. These included (a) some on-campus personnel as well as parents consider the structure to be "top heavy;" (b) some described the top management's style as heavy-handed and non-participatory; (c) off-campus organizations and agencies described the ASDB management style as not conducive to effective communication.

- **Superintendent's style** - Responses to several questions and open ended comments related to upper management indicated dissatisfaction with the superintendent's management and leadership style. Employees lacked confidence in the fairness and honesty of management. Many employees, including faculty and administrators, expressed concern about the superintendent's style of management, which was described by some as "authoritarian" or "dictatorial."

Finally, although not mentioned as frequently as an area of concern, some employees also expressed dissatisfaction with ASDB's physical plant, facilities and equipment.

WRITTEN RESPONSES TO THE AUDITOR GENERAL'S REPORT

ARIZONA STATE SCHOOL FOR THE DEAF AND THE BLIND

ARIZONA DEPARTMENT OF EDUCATION

ASDB ARIZONA STATE SCHOOL for the DEAF and the BLIND

BARRY L. GRIFFING, Ed.D., Superintendent

October 8, 1987

Mr. Douglas Norton
Auditor General
2700 N. Central Avenue, Suite 700
Phoenix, Arizona 85004

Dear Mr. Norton:

Attached are responses from the Board of Directors to the audit conducted on the performance of the Arizona State School for the Deaf and the Blind.

We believe that the review was inadequate in several ways. It is our belief that the review did not sufficiently study areas of concern. There was virtually no study of issues with the Board of Directors, the Superintendent, Associate Superintendents, or Program Directors. Additionally, staff were unwilling to meet with us even upon our request and scheduling meetings to do so.

The study employed a team of outside consultants to assist with the review. While this may be a standard procedure in such reviews, it remains to be explained why the outside consultants' visit was not scheduled with the Board of Directors or with school officials. The work of the consultants had no input from either the Board of Directors, the Superintendent or Associates. Most Program Directors did not even know they were in Arizona and aiding the review of ASDB.

In our judgment, these oversights created obvious process bias which then skewed the findings and results of the review. Recommendations based upon partial or insufficient data generally prove to be biased and inaccurate.

Findings and recommendations in No. 1 and No. 2 tend to be a result of the bias and error of an inadequate review. These are very complex legal, program, and children's rights issues which certainly warranted a quality review. The ASDB Board of Directors and school officials do not deny these issues are problem areas which require proper resolution; however, solutions from the audit review appear to be based upon a biased, surface study of the actual issues and with little regard for children's rights.

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We concur with the general program development and service roles recommended in Finding No. 3 of the review. We believe that the MHSSI program and the SIMH program require expansion. Our concern is the context of this finding and its recommendation. The context conveys that ASDB has not pursued program development for multiply handicapped sensory impaired children when the facts demonstrate a program development leadership role by the Board of Directors and school officials for several years.

Similarly, this finding fails to acknowledge the resource services role(s) advocated by the ASDB Board of Directors. The consultant team's recommendations are appropriate, but apparently did not bother to ascertain the school's policy position in this regard. In other words, had we been asked, the context of this recommendation could have been more appropriate.

Findings No. 4 and No. 5 and the recommendations suggests appropriate areas of review and consideration; but as with most of the other areas, the study included almost no input from the Board of Directors and school officials. The context of these issues is inadequate as a public report.

We were, frankly, disappointed that the audit did not address or reference the comprehensive facility issues confronting ASDB on the Tucson campus. We certainly concur with replacing the kitchen complex, but believe an adequate study on facility issues would have, and should have, led to far more comprehensive recommendations.

In summary, Mr. Norton, we were disappointed in the way in which the audit was conducted and with its failure to study issues adequately. We had sincerely hoped that the audit would put certain issues into a proper context; and would develop appropriate findings and recommendations. It is particularly disheartening to be reviewed for performance and to be cast in a context or reference which conveys that we have not acted in a responsible manner.

Sincerely,

Barry L. Griffing
Superintendent

BLG/sw

Finding I - Local School Districts Are Not Adequately Involved In The Placement of Students At ASDB

There has been, and continues to be, some controversy in virtually every state regarding the provisions of federal law in regards to least restrictive environment (a.k.a. mainstreaming). The issues as to proper application of federal law (P.L. 94-142), related federal regulations, entermeshed with existing state statutes, does pose a complex set of issues. This topic is currently a major issue before a Congressional Commission on the Education of the Deaf.

The narrative in this section states that "ASDB's assertion of admissions autonomy is so steadfast that the school has defied the Arizona Department of Education in three cases in which the ADE has disagreed with its admission decisions. . ." Use of the word "defied" is incorrect in that we have sought to secure policy clarification and to secure legal guidance with the Attorney General's Office in the three cases referenced. We do not agree with the legal basis upon which the vouchers were disapproved. In these cases, the disapproval appears to be contrary to what the federal law requires of an admission procedure, disregards "appropriateness" of LEA options, and disregards the overriding rule of application as set forth in C.F.R. 300.552 and explanations in comment sections. The rule mandates primary consideration be given to the individual child's needs. These warrant a particular placement to provide the most appropriate environment to respond to specified needs. The Federal regulations do not contemplate a simplistic approach to LRE by placing children in regular classes or regular schools. The consideration must also include the review of potential harmful effects on the child or on the quality of the services which he or she needs (C.F.R. 300.552d).

A more appropriate context for this issue is to describe the substantive policy and legal issue about which there are basic disagreements. We fully agree that the issues must be resolved.

The narrative is skewed in discussing the issue of LEA participation in placements at ASDB. While the report does note that ASDB instituted a policy of inviting district representatives to placement meetings, it is in error to say such participation is only for three-year reviews.

A more adequate review into this matter would have shown that ASDB and DOE staff agreed on some procedures to promote and develop mutual professional decisions on most appropriate placement; in full consideration of placement options and least restrictive environment requirements. Further, that ASDB, in fact, has proceeded to carry out its part of the agreement for

all intake enrollments and for all three-year reevaluations. Unfortunately, LEAs were never advised or communicated with by DOE to fully implement this policy. DOE was supposed to provide guidelines and direction for LEA/ASDB mutual placement proceedings.

It is unfortunate the performance audit report chose to use individual student examples of how ASDB has bypassed districts in placements dating back to 1976. These examples are for the most part for services to preschool children for whom there were no services in districts until recently. In fact, districts were prohibited from spending district money for preschool services until recently. In order to assure that local districts were aware of handicapped preschoolers, ASDB and ADE agreed that for every child reported annually on October 1, the district of residence would be named. ADE agreed to share this information with all districts. This practice continues today and the ASDB assumption has always been that districts are informed of all preschoolers through this process.

It should also be noted that the problem of not including districts is not one of long standing. In the Spring of 1986, issue of LRE and district participation was discussed and an agreement was reached for future implementation:

(1.) ASDB would invite districts to participate in placement conferences at all intakes and three-year reevaluations (this was implemented). Non-participation by districts was discussed as a concern but not an overriding factor for the process of placement.

(2.) The Multi-Disciplinary Conference (MDC) was affirmed to be the group of people within which a placement decision was to be made. The district representatives were participants and part of the decision for placement. Dissenting opinions or votes were to be handled as in any MDC, the dissector could report their opinion within the record, but a dissenting vote, even for the district, would not reverse the decision.

(3.) ASDB was to be invited to MDCs for sensory impaired children in districts to review placement options. (As with #1, ASDB was not required to attend or participate for the placement to occur.)

(4.) ADE was to communicate the above agreement with all districts via written letter.

ASDB implemented #1 above immediately. ADE implemented #2 by disapproving vouchers based on a district dissenting opinion (not based on child's needs). ASDB never participated with districts because ADE did not communicate this agreement as described in #4. In July of 1987, ADE changed the scope of #1 and #2 by requiring districts to participate and agree with ASDB placement and communicated that process to the districts in a statewide meeting and letter in September of 1987. The latter

change in requirements was done without benefit of collaboration or review of impact on the process, education of children, or benefit to districts and agencies.

ASDB can demonstrate its full commitment to placement compliance, and a good faith effort to develop cooperative relations with DOE and all LEA staff, especially in admissions and placements.

We are continuing our efforts to promote and develop mutual considerations of placement options with LEA program administrators. Recently, the President of the Board, the Superintendent, and staff met with State Superintendent Bishop and her staff to develop agreements.

We are concerned with the speculation that "some students may be attending ASDB who could be provided an educational program in their home district". It appears this statement omits critical considerations, e.g., the law requires a program to be appropriate, and the law requires that it be based on an individual child's needs. ASDB programs could well have been determined for individual children to be "most appropriate" in reference to law and state guidelines.

The review, in comparing one educational program with another, suggests that any sensory impaired child could be appropriately served in any program. This perception is completely contrary to federal law (C.F.R. 300.530-300.534) which requires a means of determining an individual child's needs relative to placement.

In order to overcome vastly discrepant program features, Arizona needs to develop and promote required minimum program standards in this regard. ASDB has proposed program standards in the area of the education of the sensory impaired and submitted these to the DOE in 1985. Additionally, ASDB has, within SB-1251, Chapter 363 (1987) worked toward the development of a delivery system which provides access for all sensory impaired children to all program options. This system will guarantee an appropriate placement option for each child.

The recommendations associated with Finding I should provide an analysis to be derived from charging school districts tuition. Such analysis would show that in many cases children's needs become secondary to costs. The recommendations should also reflect a critical need for ADE and ASDB to develop intergovernmental agreements that clearly define mutually acceptable roles and procedures that will assure compliance with regulations and quality education for sensory impaired children.

Finding II - <u>ASDB Improperly Enrolled Some Nonresident Students Tuition-Free</u>

There are two years of effort on the part of ASDB administration and Board of Directors to address and resolve this particular issue. It is grossly incorrect to characterize officials and board members as uncooperative and in "willful disregard of Attorney General's advice".

The record would show that this issue was first presented to the school administration during the 1985-86 school year by an assistant Attorney General. After a general discussion, the Superintendent specifically asked for direction from the office of the Attorney General on two ways which the question could be resolved. First, we asked that the Attorney General's Office provide us with guidelines or suggested revisions on admission policies which might clarify the residency of students who had guardians awarded by the courts. The representative Attorney General was given a copy of admission policies to draft recommended revisions or amendments. We are still waiting for that assistance two school years later.

Second, we asked that the Attorney General's Office offer suggested change within the statutes (A.R.S. 15-1346) if the statutes were determined to be inadequate to safeguard alleged abuses for the purpose of avoiding tuition to the school and state. The school received no response to either of these requests. At the beginning of the next school year, 1986-87, the representative Attorney General requested that a board meeting deal with the issue of guardianship residency of certain students to be reenrolled in ASDB programs. In August of 1986, the Superintendent wrote to the Attorney General reviewing our previous requests for legal assistance, and restating that we needed specific recommendations on admission procedures. The record of the Board shows that the Board of Directors were prepared to receive advice and direction from the representative Attorney General in ways to amend its admission policy. The representative Attorney General offered no advice or direction or recommendations. We asked for suggested language to amend the existing statute. Additionally, we asked in a formal opinion request (R86-114) that this legal matter be reviewed. To date no response has been received.

At the August, 1986, meeting of the Board of Directors, the representative Attorney General asserted that several children were illegally enrolled. Contrary to narrative in this section of the review, ASDB officials did not "continue the enrollment practice". In fact, the next morning, following the Board of Directors meeting, the Superintendent notified the several students' guardians that "enrollment as a non-tuition student had been determined to be illegal". It was quite clear to the Superintendent that <u>any</u> continued enrollment would only extend the threatened liability in such enrollments.

Billing guardians for the tuition for current and past enrollment years appeared to be a point of legal dispute - on the one hand the representative Attorney General was advising the school to issue such billings to guardians/parents; at the same time other counsel was advising not to do so based on A.R.S. 15-1346 which was believed to be the operative statute instead of A.R.S. 15-824(B)(2).

Related assertions in the discussion at the August Board of Directors meeting stated that someone on the ASDB staff was aiding natural parents from Mexico in securing guardianships for the purpose of escaping the payment of tuition. Yet, when the Superintendent offered to investigate and take appropriate administrative action, the Attorney General's Office would not, or could not, provide any information or assistance. The Board President and Superintendent asked for identification of persons on staff reported to have assisted parents and guardians.

The review footnotes that the I.N.S. has for ten years sent applications to ASDB and otherwise attempted to have the school secure student visas every year. Again, we have been totally unable to determine from the Attorney General's Office which individual(s) within ASDB has had contact with the I.N.S. officials. The current Superintendent and his secretary have not had even a telephone contact with I.N.S. for five years. (What occurred with the previous superintendents is unknown.) We have, again, offered to investigate and take corrective measures if, in fact, staff have disregarded questions or directions of I.N.S. officials. Without specifics provided by the Attorney General's Office, it is virtually impossible to correct alleged improper management.

In the September 25, 1987 letter indicating revisions to the preliminary report draft and comments on our September 18, 1987 meeting, the Auditor General's Office reaffirms its statement that I.N.S. has sent application forms to ASDB annually for ten years and they have never been returned. In fact, it further emphasizes "that I.N.S. still maintains that it sends applications to Mr. Rislov at ASDB every year and has continued providing the school with applications for the last ten years". This statement is untrue and could not be supported if required to do so. Mr. Rislov, as stated at the September 18, 1987 meeting, has had one series of conversations with I.N.S. officials and has received one incomplete packet of forms. These were received approximately August of 1983. Mr. Rislov's files dating back to 1978 verify this singular correspondence from I.N.S. It should be of interest to note that on September 25, 1987, the Superintendent's Office at ASDB received a packet from I.N.S. which contained I.N.S. Student and School Regulations, I-17, and I-17A forms for approval of schools. Upon inquiring about the purpose for receiving the packet, the "Officer in Charge" stated it had just been requested by the Attorney General's Office. He also stated he had a conversation with "a person in upper administration" (Mr. Rislov) and sent materials to him in 1983.

Students discharged from school per direction of the representative Attorney General were readmitted during the next month (September, 1986) with directionof the Attorney General, with direction from the Arizona State Department of Education, and with direction of due process protections of federal law; and upon a general conclusion of Mr. Robert Corbin, Attorney General. With advice from private counsel, employed personally by the President of the Board of Directors and the Superintendent, it was generally agreed that legislation amendments were required to bring resolution to the issue.

Legislation was introduced into the 1987 session of the Arizona Legislature by the Attorney General's Office. It was enacted with SB-1251, Chapter 363, Statutes of 1987. (Ref. Sec. 13, p.19 - A.R.S. 15-1343)*

> B. For pupils under eighteen years of age, the residence of the person having legal custudy of the pupil is considered the residence of the pupil. For purposes of this subsection "legel custody" means:
>
> 1. Custody exercised by the natural or adoptive parents with whom the pupil resides.
>
> 2. Custody granted by order of a court of competent jurisdiction to a person with whom a pupil resided unless the primary purpose for which custody is requested was to circumvent the payment of tuition as described in Section 15-1345.

The Superintendent, in cooperation with staff of the Arizona State Department of Education, secured policies and procedures used by school districts to implement A.R.S. 15-824, a parallel statute to A.R.S. 15-1343, to develop policies and procedures appropriate to ASDB enrollments. The representative Attorney General approved these policies and procedures, and the ASDB Board of Directors adopted them on August 13, 1987. These policies and procedures were used for <u>all</u> enrollment registration beginning at 8:00 a.m., August 14, 1987.

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* It should be noted that A.R.S. 15-1346 applicable to ASDB enrollment was substantially different to A.R.S. 15-824 (B)(2). When arguments are made that school district law <u>is applicable</u> to ASDB, we become somewhat confused when the same Attorney General representative advises that ASDB <u>is not</u> a school district. Hence, enactment of A.R.S. 15-1343 to parallel A.R.S. 15-824(B)(2) in 1987.

In conclusion, ASDB administration and Board of Directors have made every reasonable and responsible effort to resolve this issue with due consideration to children's rights and within the requirements of the law. It is grossly improper for this review to misrepresent the intentions and actions of ASDB officials, to disregard the considerable activity undertaken by ASDB to resolve the policy and procedural aspects of the problem, to imply that ASDB was disinterested in the alleged improper action by staff, to suggest veiled, covert activity from ASDB staff, and to assert that ASDB officials have acted in willful disregard of the law.

Finally, the review completely fails to assess legislative resolution to the problem; implicitly conveying to a reader the erroneous impression that ASDB is continuing its "willful disregard" of the law. In fact, changes in ASDB statutes offers the means of resolving this issue and the school is proceeding to implement the new requirements of law. (The footnote conclusion on P. 23 illustrates the failure of the review to understand the legislative resolution.)

It should be noted for the record that the Attorney General's Office drafted and introduced the statutory changes resulting in A.R.S. 15-1343 and advised the school that it was sufficient to resolve the problem. We cannot even speculate why this particular finding so obviously failed to examine and analyze all of the facts when auditors' review had complete access to individuals and files.

Finding III - <u>ASDB Should Expand Programs To Serve Multiple Handicapped Students And Further Develop Its Role As A Resource For Local School Districts</u>

(1.) There is no question that Arizona needs to expand and improve its program and services for multiply handicapped sensory impaired children. Since 1983, ASDB has established a priority in program development to serve these multiply handicapped children. This goal was reviewed and reaffirmed by the Board of Directors in 1985. It remains a goal and major program development effort!

ASDB pioneered a MH program for four (4) children in the 1984-85 school year in cooperation with Paradise Valley School District and the Arizona Department of Education. The Board and administration has requested appropriations every year to expand its program for multiply handicapped severely sensory impaired children (MHSSI). Three classes were authorized in SY 1985-86, and two additional classes were authorized in SY 1986-87. It has not received any funding support to expand this program since the 1986-87 fiscal year. We estimate that in the current fiscal year, ASDB programs should be operating ten (10) classes for these children, and eventually may need to provide 14 to 18 classes. The ASDB budget request for FY 1988-89 asks for an increase of five classes (3 additional classes in Tucson, and 2 classes in Phoenix).

In 1984-85, ASDB assumed the state responsibility for Deaf-Blind Center services in cooperation with the Arizona Department of Education. Since that time, ASDB has exercised its role in identifying deaf-blind children in Arizona, and in instituting a program for such children within its MHSSI program.

We continue to provide assessment services, identification/referral services, and to enroll deaf-blind children in the MHSSI program. Program developments, including curriculum and instructional methods, are being done in concert with state and national projects to serve the severely handicapped.

ASDB developed its MHSSI program in full cooperation and consultation with parents, community groups, other state agencies, and school districts. It currently operates this program with several guiding advisory groups and in close coordination with DOE staff. We are working statewide with individuals and organizations to properly define the MHSSI population and to construct proper admission criteria.

Besides the great effort to initiate and develop a state resource for MHSSI children, ASDB has for three years worked toward a program track within its deaf and blind programs for those sensory impaired multiply handicapped who may be <u>moderately</u> multiply handicapped (SIMH). This effort has taken several

program development directions; including: (1) revised staffing ratios, (2) revisions in curriculum and instructional strategies, and (3) augmentation of aide and other support personnel to enable the required individualized instruction.

ASDB has proceeded to develop and revise its curriculum and instructional approaches and has secured a suitable teacher-pupil ratio. However, for three years, ASDB has not been able to secure the necessary level of support personnel and related resources essential to the program.

With all due respect to consultants advising the Auditor General's staff, and noting that the report did not adequately review this area, ASDB has one of the few comprehensive concepts of service and programs for serving multiply handicapped children in the United States. We have a cadre of persons who are experts in this area, and who have had extensive program development experience.

We are prepared and ready to proceed with both program development areas, MHSSI and SIMH, provided appropriations can be provided. Until that time. . .we will do the best we can!

(2.) (a) and (d) - In 1983, the ASDB Board of Directors adopted a new mission statement that identified a range of services to deaf, blind, or sensory impaired children in Arizona enrolled in local school programs - services which could effectively, and in a cost-efficient manner, be provided through ASDB.

Assessment/Child Study Center

A comprehensive assessment and program planning services center to develop individualized educational recommendations when referred by local education districts providing evaluation consultation, and remediation services as may be required.

Curriculum Resources Center (ICM)

A statewide resource center to develop and disseminate special curriculum, media, teaching methods and instructional materials adapted for sensory impaired children, assessment tests and other means useful to the instruction of sensory impaired children.

Consultant Services

Consultant and program assistance to teachers and other public school district personnel or agencies who provide education and related services to hearing impaired or visually impaired children.

Demonstration School(s)

A demonstration school to promote personnel development through student teaching, inservice education, internships, professional

observations for special education and related service personnel in cooperation with institutions of higher education and local education agencies.

Counseling and Information Center

Counseling and information services for parents, guardians, and families of sensory impaired children, and public information about sensory impairments to community groups and other agencies.

Research Center

Research studies, experimental programs or projects which promote improvements in special education and related services for sensory impaired children.

Continuing Education Center

Continuing education opportunities for sensory impaired individuals using community resources in coopereation with the school and staff.

These service roles were advocated in two separate legislative hearings - in 1985, and again in 1987. Additionally, we have attempted to interface our efforts with Arizona State Department of Education.

ASDB would be pleased and ready to carry out support service roles in critical areas, provided specific authorization and appropriations are provided. We recently sponsored HB-2265 in this area.

(b) ASDB has initiated intergovernmental agreements with county superintendents, school districts, the community college, and others for some years. At the present time, for example, fifteen percent (15%) of the visually impaired enrollment is placed in cooperative placements with LEA programs.

ASDB has always endeavored to develop coop placement options for students - we believe in it! Coop placements are not always so easily put into place. We have, for example, been refused by some LEA programs to even consider an intergovernmental agreement. In other instances, such agreements are simply not feasible when the reality of time, parent concerns, scheduling conflicts, travel distances, and staff resistance are dealt into the planning efforts.

At the present time, ASDB programs have 13 interagency/coop agreements in place. These are serving approximately 70 children in coop placements. We expect to complete six to seven additional agreements this year for additional students.

(c) ASDB participates in an active manner with many state agencies and organizations. We welcome mutual planning efforts for deaf and blind students.

In recent years, ASDB reorganized its structure to create regional service programs to enhance its relations with the statewide community.

Staff of ASDB programs daily relate its programs and services to LEA and other agency programs.

ASDB is active in statewide planning and program development groups, including ACHI, Blind Services, Governor's Advisory Council for the Blind, S.N.A.P., Deaf-Blind Advisory Committee, University of Arizona State Advisory Committee, Transition Program Planning involving rehabilitation, ASDB, LEA, Pima College and others, A.E.R., Southern Arizona Administrators of Special Education, and others.

(e) We agree that ASDB can play a major role in extended year of summer programs. The school has requested legislative funding in this regard, primarily for MH children and preschool children.

Finding IV - <u>ASDB's Board Needs To Be Restructured To Improve Coordination With The Public School Community</u>

The present size of the Board of Directors is adequate for the governance of the school; and has historically had parent, consumer, and general/community representatives. In general, the present and past Governors have made very representative choices of board membership. A five-member governance board is the typical or norm for most schools and many governmental entities.

It may be useful to expand the Board of Directors to a size of seven (7) if broader representation is deemed advisable and purposeful. It would formalize past practices to specify that at least one member be a parent of a sensory impaired child eligible for enrollment in an ASDB program, at least one member, a professional in the field of the sensory impaired, and at least one member be a community at large member. Representation by the State Superintendent would be highly desirable.

The governing board's work could be strengthened by a requirement that a representative attorney be in attendance at all board meetings.

(2.) We concur that Sec. A.R.S. 15-1322(C) should be amended to specify a legal quorum to be three (3) if the board is a five-member board; and to four (4) if the board should become a seven-member board.

(3.) We disagree that this is either necessary or desirable. Within the Auditor General's report is some evidence to support the viability of the current governance structure. Coordination between ASDB and DOE in the areas of programs and services for sensory impaired children is set forth in P.L. 94-142 federal C.F.R. 300.554. ASDB welcomes the opportunity to develop suitable cooperative agreements with DOE to promote effective ASDB-LEA program relationships

Finding V - <u>Financial Controls Over Some Expenditures Should Be Strengthened</u>

(1.) Some months ago the school began reviewing its policies and procedures for budgeting and providing management controls of Trust Funds. The new policy will provide a definitive set of criteria in allocating categories of expenditures, expenditure controls, and will provide for expenditure oversight by the Board of Directors.

(2.) We concur that state per diem limits should be used as a guideline on these expenditures.

(3.) Duplicate meal claims occurred as an inadvertent error and have been reimbursed.

Finding VI - ASDB's Food Service Building Is A Safety And Health Hazard

ASDB concurs with the audit findings regarding the need to replace the Tucson campus food service facility. In FY 1987, a $90,000 appropriation was secured for architectural design and we are now in the design process. The FY 1989 Budget Request includes $3,256,400 to construct the new building. However, ASDB disagrees with the audit conclusion in that other critical capital funding needs are not addressed. The absence of discussion implies that such needs do not exist. There are a total of 14 buildings that are between 30 and 50 years old. The FY 1989 Budget Request alone includes 9 projects totaling $4,946,000, and details a five-year capital improvement plan estimated to cost more than $20 million ($20,000,000) dollars.

Many of these projects are necessary to replace buildings victim to age deterioration, inaccessible to the handicapped, and which are no longer appropriate to sustain contemporary educational programming. These buildings are experiencing deterioration of building systems, including plumbing and electrical. The heating, cooling, and ventilation components are antiquated and, as a result, portions of the buildings are too hot or too cold for occupancy.

In the two-story Yuma classroom building, plus basement which serves as the only library for the visually handicapped, winter temperatures in the library routinely exceed 85 degrees while second floor classrooms hover about 65 degrees. Secondly, classrooms are neither adequately sized, or appropriately designed, nor are they acoustically appropriate. Educating the hearing impaired involves the use of auditory training systems which amplify the residual hearing of students. This system does not discriminate among noise; it amplifies all sound, even that which interferes with student learning. The classroom facilities are not acoustically treated with floor, wall, window, and ceiling coverings to absorb the ancillary noise, making education most difficult.

Thirdly, modern educational equipment cannot be utilized due to the limited electrical capacity of the building. Contemporary educational equipment is electrical in nature and there is insufficient electrical power and outlets to satisfy the demand.

Fourth, there is insufficient space available to support the library needs of the school. Libraries have had to be scattered throughout campus which is inefficient in both staffing and accessibility to students.

Finally, the second floor buildings and braille library are not accessible to handicapped individuals. Access is available by stairs only. Consequently, as an interim measure, ASDB has been forced to relocate library materials and classrooms for physically handicapped individuals to remain in compliance with federal

accessibility requirements. This inhibits the overall quality of education to students and places a burden on staff. ASDB has attempted since the mid 1970s to relocate and consolidate the libraries into a new Learning Resource Center facility without success. This is but one representative example of facility problems throughout campus.

ASDB has a number of other buildings with similar problems and there is insufficient space available in both the Tucson and Phoenix campuses to support program requirements.

In summary, portions of the ASDB physical plant, other than the food service building, are in need of immediate replacement or remodeling. These concerns must be addressed or ASDB will be virtually incapable of serving handicapped individuals in the future. This has been well documented in both the ASDB and PDSD facility master plans and in the FY 1989 Capital Budget Request which are available for your review.

The changed etiology of sensory impaired children, resulting in a larger proportion of multiply handicapped children, make facility issues extremely critical.

C. DIANE BISHOP
Superintendent

Arizona
Department of Education
1535 WEST JEFFERSON
PHOENIX, ARIZONA 85007
(602) 255-4361

October 6, 1987

Mr. Douglas R. Norton
Auditor General
2700 North Central Avenue
Suite 700
Phoenix, AZ 85004

Dear Mr. Norton:

I have reviewed Findings 1, 3 and 4 of the Performance Audit of the Arizona State School for the Deaf and the Blind (ASDB) and appreciate your invitation for the Arizona Department of Education to submit written comments to be included in the published report.

Finding 1, Page 16:

I believe that the second paragraph inaccurately implies that lack of financial incentives prevents more children from being educated in local school districts. As you have accurately noted elsewhere, it is the most common scenerio that a parent approaches ASDB directly for placement of a child and the local district is commonly unaware of the student or his accepted placement at ASDB.

Under current school finance statutes, both ASDB and the local district would receive the same amount of state reimbursement for a sensory impaired student who would fall into Group B. Therefore, it is not exactly as implied that costs are transferred from local districts to the State.

In the third paragraph, it is again implicit in the comments that Local Education Agencies (LEAs) must, under P.L. 94-142, assume financial responsibility for all handicapped children. 34 CFR 300.4 requires a Free Appropriate Public Education be at public expense and at no cost to the child's parent. The method that current Arizona statutes provide of State reimbursement meets the public expense and no parental cost criteria, spreads the cost of educating sensory impaired children over a broad tax base, and is not in violation of the Education of the Handicapped Act. The notation that ARS Section §15-765.A. was not modified after the passage of P.L. 94-142 to require local districts to provide financial responsibility is misleading as Article 7 of ARS Sections §15-1201-1205 establishes the voucher program effective in January 1981 subsequent to the enactment of the Education of the Handicapped Act.

In paragraph four, adopting funding systems of California, Kansas and Connecticut would require substantial revision of the school finance statutes with little indication that financial incentives are an issue in the lack of LEA involvement of ASDB placements. The results desired appear to be achievable by revising the Arizona Revised Statutes to require that all ASDB placements be made by the local districts. A simple revision to the Permanent Voucher statutes could require LEAs to be involved in the voucher process. Enforcement of least restrictive environment provisions would provide adequate safeguards to prevent inappropriate and indiscriminate placements.

Page 19, the final paragraph notes that other states have developed policies and procedures to facilitate local districts' involvement in state school placements. It should be noted, however, that in a survey conducted in 1986 by the Department few states have state schools for the deaf and the blind as independent agencies of the state. Local district involvement in student placement at the Arizona State School for the Deaf and the Blind could best be achieved by a modification of the voucher statutes ARS §15-1342-43 to require local district involvement in all placements at the Arizona State School for the Deaf and the Blind.

Thank you for the opportunity to respond to your findings. Our Department looks forward to implementing any changes resulting from your Performance Audit.

Sincerely,

C. Diane Bishop

C. Diane Bishop
Superintendent

CDB/nw

APPENDIX I

WINFIELD MCCHORD, JR., CONSULTANT REPORT

Winfield McChord, Jr.
139 North Main Street
West Hartford, Connecticut 06107

July 23, 1987

Mr. Douglas Norton
Auditor General
State of Arizona
2700 North Central Avenue
Suite 700
Phoenix, AZ 85004

Dear Mr. Norton:

Transmitted herewith is the report in response to the contract between the Office of the Auditor General of Arizona and me. The following persons comprised the consulting team which collaborated with me on the project:

Dr. Robert Davila
Washington, DC

Dr. Gilbert Delgado
Cheverly, MD

Dr. Robert Guarino
Bronx, NY

Dr. Doin Hicks
Deale, MD

Dr. Michael Karchmer
Rockville, MD

In addition to the consulting team members, four professionals from the field of education of sensory impaired persons reviewed and commented on a draft of the report:

Dr. Richard Brill
San Clemente, CA

Dr. Victor Galloway
Northridge, CA

Ms. Janis Karparian
Dallas, TX

Ms. Barbara McNeil
San Diego, CA

All viewpoints and opinions expressed within the report are those of the consultants, and not necessarily representative of positions held by agencies in which they are employed.

The report is presented in the following sequence:

1. A list of major recommendations. This portion may be utilized as an executive summary. The recommendations are repeated, along with supportive discussion within the body of the report.

2. A set of statements regarding the Arizona School for the Deaf and Blind categorized as "Strengths" and "Concerns."

3. Responses and corresponding recommendations for each of the eight areas which comprised the contract work statement.

4. Appendices.

To assist the reader it is important to provide a few additional explanatory comments.

1. As some recommendations are appropriate for more than one question area, the user of this report is cautioned to consider the sum of the recommendations as the full response rather than limiting the context of each recommendation to the question after which it appears.

2. During the course of the project, conversations with Auditor General office staff provided some alterations in priority and focus of the project. The report is responsive to these modifications in relative task emphases.

3. Some information anticipated to be available to the Consulting Team for analysis was not provided. For example, relatively little demographic data are available on Arizona's blind and deaf/blind populations; thus our report in this area is less extensive than was originally anticipated.

We appreciate the opportunity to have worked with you and your staff on this project. The courtesies and level of cooperation extended us was outstanding. The ASDB staff likewise provided us complete cooperation, as did parents, students, deaf adults and agency personnel whom we interviewed.

Please let me know if further information is required and whether my presence at an exit conference with ASDB officials will be needed.

Sincerely yours,

Winfield McChord, Jr./MMK

Winfield McChord, Jr.

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Executive Summary

For ease of use, all recommendations are presented below. When considered as a whole, these recommendations establish the base of new directions for ASDB which will allow the institution to become a fully functioning educational agency for the sensory impaired in the state of Arizona.

1. ASDB should review its mission and role and develop a strategic plan for guaranteeing its right place in the hierarchy of special education services in the state of Arizona and bringing its programs and services into compliance with federal legislation and regulations.

2. ASDB should remain a separate state agency, and as such, it should be the catalyst and leader in the development and design of educational programs and services for the sensory impaired in local and regional educational service centers.

3. ASDB should develop linkages with LEA's, the SEA and other educational agencies to better serve sensory impaired students throughout the state.

4. ASDB should assist the LEA's in establishing guidelines to determine appropriate mainstreaming placement criteria for sensory impaired students, including academic achievement, intellectual functioning, language ability, student and family attitude toward mainstreaming, parental support, and LEA staff attitudes and willingness to cooperate in corresponding staff development activities.

5. ASDB should develop an agreement with the LEA's in Tucson (and Phoenix, if not already in place) to provide integrated placement opportunities for selected students, who can benefit from an experience in regular classrooms.

6. ASDB should work closely with the SEA and other state agencies as appropriate in a review of the voucher system for special education.

7. ASDB should cooperate with the State Vocational Rehabilitation Agency, post-secondary programs, community agencies and prospective employers in developing effective transitional services for sensory impaired students.

8. ASDB should regularly collect, maintain and report data on its students, including graduates, and collaborate with other state and community agencies in maintaining data on the state's sensory impaired student population.

9. ASDB should develop linkages with Arizona universities and colleges to provide training for teachers of sensory impaired children and to identify incentives for encouraging prospective special education teachers to specialize in

gifted, minority, multi-handicapped, infant/preschool, and deaf/blind students.

10. ASDB should establish a department of development and public relations.

11. The Arizona School for the Deaf and the Blind should stay with its current focus of offering special education and related services to sensory impaired students.

12. ASDB should initiate a leadership role in assisting LEA's to identify and meet the needs of their multi-handicapped sensory impaired populations.

13. ASDB should expand its educational program services beyond the environs of the Tucson and Phoenix campuses to meet the needs of sensory impaired children in other educational service areas within the state of Arizona.

14. ASDB should develop parent/family education programs, providing opportunities for families living some distance from school to acquire the knowledge and skills to support and complement their childrens' educational development.

15. ASDB should thoroughly investigate the possibility of embracing the concept of the extended school year.

16. ASDB should capitalize on its advantage of having an exceedingly high enrollment of minority students and serve as a national leader in developing special programs and services for sensory impaired minority students.

17. The admissions policy of ASDB should be reviewed and brought into compliance with federal and state laws.

18. The policy should include the provision for the establishment of an interdisciplinary team, to be comprised of representatives of administration, instruction, and assessment at ASDB and the LEA, as well as the student's parents, to be responsible for the determination of placement for each sensory impaired ASDB student on an individual basis. The team also would be responsible for the three year review of each ASDB student.

19. The admission policy should include additional clarifying statements of criteria for enrollment of multiply handicapped sensory impaired students.

20. The special education leadership of ASDB, the SEA, and the most populous LEA's should develop a strategy for establishing and maintaining a high quality of effective, professional, sophisticated, and forthright communication in order to expedite the design, strategy, and implementation of a new role of leadership for ASDB in the statewide special education community.

21. ASDB should provide specialized services to LEA's in:

A. The development of special curricula and materials for use in mainstreamed settings and for special populations, especially students with additional handicapping conditions and the low-functioning.

B. Technical assistance and outreach activities to help personnel in the public schools develop exemplary educational programs for special students attending their schools. This assistance should include:

(1) development of appropriate diagnostic and evaluation techniques;

(2) parent and family education programming;

(3) materials related to (a) "deaf culture," designed to help deaf children develop positive self-concepts and (b) materials to provide knowledge and understanding about life in a hearing world;

(4) in-service training for support service personnel who work with the sensory impaired (e.g., counselors, social workers, psychologists, audiologists, speech therapists, etc.);

(5) workshops to share information and practices helpful in teaching content areas (e.g., language/reading, mathematics, and social studies.

(6) materials and strategies for teaching across a wide range of curriculum areas;

(7) access to computer "bulletin boards" and electronic mail network systems;

(8) information and assistance in planning and implementing extracurricular programs including recreational, outdoor education, drama, music, arts and crafts, etc.

22. ASDB should develop community education programs to provide deafness orientation to professionals, agencies, and the community-at-large.

23. In keeping with ASDB's "center" the ADTEC Center should increasingly serve as the site for statewide assessment where LEA's may refer students and their parents for evaluation and assessment. ADTEC could develop individual prescriptions based on identified needs and program services available.

24. ASDB should share state-of-the-art information on application of media and technology to instruction of sensory impaired students.

25. ASDB should provide counseling and guidance services, including short-term programming for mainstreamed students preparing for post-secondary studies.

26. ASDB should make facilities available to young adults in need of independent living training, including supervised on-campus housing arrangements and halfway homes in the community.

26. ASDB should make vocational training facilities available in the summer to students attending other programs and to adults during the evening hours.

27. The State of Arizona should implement a statewide computerized data system encompassing all sensory impaired children and youth in the state.

28. The SEA and ASDB should collaboratively develop clear statements relative to review and placement procedures for sensory impaired children, delineating the specific responsibility of the LEA, the SEA, ASDB, and the family.

29. The ASDB administration and Board of Directors should provide LEA's and the SEA with admission standards interpretations which clarify the current ambiguous language relative to level of capacity and demonstrated character traits necessary for enrollment. These statements should be disseminated widely, especially to all LEA's within the state.

Consultants' Report

The consultation team has completed a report, as requested and described in a contract with Douglas R. Norton, Auditor General of the State of Arizona, on the role, mission, programs, and target population of the Arizona School for the Deaf and the Blind. This report is being formally submitted to the Auditor General, to be used at his discretion, as a portion of the general audit being conducted on the school.

The team would like to express its gratitude and compliments to the following persons who were of especial assistance to the team in making documents and data available; arranging travel and appointment schedules; and serving as a source of information and support: Barry L. Griffing, Superintendent of the Arizona School for the Deaf and the Blind; Diane Peterson, Associate Superintendent of Schools, State of Arizona; and Peter Francis and Jerome Miller, Office of the Auditor General of Arizona.

The Arizona School for the Deaf and the Blind is an exceptional school with a spirited history of facing challenges and overcoming the significant obstacles of the geography, demographics, and climate of Arizona. Today, it faces a new challenge: the present environment of federally legislated intervention in special education. The school should vigorously and enthusiastically seize this opportunity to shape and confirm its future. It must broaden its function and scope; serve as a statewide resource center serving sensory impaired children and youth, regardless of the location of their educational placement or the complexity of their handicap; and assume an assertive and proactive role in developing collaborative activities with other local programs for the sensory impaired. To accomplish this, the school needs to improve communication with the local education agencies and the state education agency; develop a strategic plan; and form new perspectives, free of the restrictions of tradition and custom. The acceptance of this challenge will be exciting and stimulating, and it will give new life and purpose to an esteemed educational institution with a long and proud history of service to the sensory impaired children and citizens of Arizona.

The consultation team is honored to have been involved in the development of this report. It is our hope that these recommendations will be helpful to the school as it affirms its place as an exemplary program, a cornerstone in this noble profession.

Winfield McChord, Jr., Project Manager
Dr. Gilbert Delgado
Dr. Doin Hicks
Dr. Robert Davila
Dr. Robert Guarino
Dr. Michael Karchmer

July 22, 1987

Strengths and Concerns

The Consultant Team, in devising its preliminary list of recommendations for this report, presents the following reactions and impressions, stemming from the site visit, interviews, and a study of the data, correspondence, and reports provided to the team. The recommendations contained in this report should be reviewed within the context of these reactions and impressions.

Strengths on Which ASDB Can Build

(1) ASDB programs are good and appropriate for the populations being served.

(2) ASDB's emphasis on preschool programming is important. (There is concern that, because of the extent of this programming for sensory impaired children, there could be a statewide "backlash" caused by the special education community which might result in a significant curtailment in this service area under the guise of "equalizing services for all handicapping conditions.")

(3) There is strength and viability in ASDB's regional programming approach.

(4) ASDB has fostered and seems to enjoy a strong level of parental and community support.

(5) The strategic location of ASDB and its PDSD programs is in the corridor where 80% of the population of Arizona resides.

(6) ASDB is to be commended for its participation in the Annual Survey and the use of the resultant demographic data.

(7) The attitude of the administration, faculty, and staff is one of wanting to do more; a commendable "service" attitude.

(8) While there were negative remarks by the staff regarding dormitory programming, parents regarded the dormitory programs as markedly improved. ASDB is to be commended for the after-school programming that has been made available to day students through late bussing.

(9) There are beginnings of interagency collaboration, but these can be broadened and intensified.

(10) ASDB is clearly the social and cultural center for the hearing impaired and visually handicapped adults of Arizona.

(11) The ASDB staff perceives each child as an individual and a "whole person."

Concerns Which Need to Be Addressed

(1) The admission criteria, placement policies, Individual Education Plans (IEP's), and other Public Law 94-142 compliance issues (including Least Restrictive Environment) and the extent of participation by LEA's and the SEA in these processes are causes for concern.

(2) There are statutory provisions, regulations, task force recommendations, and decisions by the Attorney General enabling a more sophisticated and extensive level of interagency relationships than presently exists between ASDB and other service agencies in the state.

(3) There is a lack of advocacy for minority students and a lack of a multicultural approach in educational programming for such students.

(4) There is no PDSD equivalent for the visually impaired.

(5) While the school is a firm believer in the value of demographic data and its beneficial use, the demographic data from the school, the LEA's, and the SEA are not consistent. As a result, there is no solid data base on which to make accurate projections for planning for the future. Further, there are very few data available on visually handicapped students.

Question I

What is the appropriate mission and role of a statewide agency serving the educational needs of the sensory impaired? What are the trends nationally with regard to types of program offered by state run special schools, program emphasis and relationships to local school districts?

Any service organization can only appropriately fulfill its mission and role by meeting the needs of its constituency within the opportunities and constraints of its operating environment. For a special school which serves the educational needs of the sensory impaired while functioning as a state agency one of the most significant factors in that environment has been the legislative impact of Public Law 94-142. Largely as a result of this legislation, the relationship of the special school/state agency to the rest of the state's educational system has also become a important issue in appropriate delivery of programs and services.

The landmark legislation found in PL 94-142 marked the beginning of federal intervention in special education. It provided the state education agencies (SEA's) with a framework within which to revise their own statutes and regulations to accommodate the needs and rights of handicapped children as defined in the new regulations. The new federal law prescribed the levels and programs to be provided by the SEA's and the local education agencies (LEA's). They were mandated to provide for parental input (including placement decisions), services to parents and their handicapped children, and, most significantly, an educationally least restrictive environment (LRE) for all handicapped children.

The term, LRE, has been traditionally interpreted to be synonymous with "mainstreaming," i.e., placement in public school classes without support services for the child's specific handicapping condition(s).

In practice, LRE has been used as a basis for the measurement of special education programs to determine the degree or extent to which handicapped children are grouped or provided services in a setting which most closely approximates "the norm," i.e., the handicapped child's home school district and his association and interaction with his nonhandicapped peers. The federal law, however, includes the LRE concept as an effort to ensure that each SEA has the ability to provide a full range (or continuum) of special education programs and services for its handicapped children, including instruction in regular education programs with minimal support; home, hospital, or residential school instruction; and a host of other variations. In terms of the law, then, it is important that a state has instituted a system through which the needs of each child can be accurately assessed and a spectrum of programs and services are offered which will ensure that those needs are being met in the least restrictive manner.

One of the more significant determinants in ensuring education in the least restrictive environment is the formal and informal organizational structure of the state government and the SEA, and the place of the special school within that structure. Among the models are those where the special school (1) enjoys the autonomy of a separate state agency, (2) serves as an office, bureau, or division in the SEA or some other state department, or (3) is a simply private school supported by state appropriated monies.

The political impact on special education within the state is reflected in the organizational relationship between the state government and the SEA, and the place of the special school within this structure. There is no organizational configuration that can be cited as universally "ideal" for a special school, because of the complexity of the variables. However, whatever the relationship, it is crucial that formal and informal channels of communication be developed and maintained in order to achieve the maximum educational service delivery for each child.

The need for communication is best demonstrated through the issue of local control. The federal government has contended that local rather than federal or state control of education, is most appropriate, stating specifically in reference to placement, that the LEA is the most appropriate authority for making decisions about the content, delivery, and site of a child's programs and services. However, this contention could potentially deprive the special school of opportunities for input in the process and harm the SEA's system of checks and balances within its hierarchy of LRE provisions. Appropriate communication systems among the SEA, LEA, and special school/state agency can prevent the problems inherent in a system where control rests too heavily in one area.

ASDB is a separate state agency. It has a history of operating with a degree of autonomy, outside the configuration of the LEA-SEA program constellation. The school has an enviable history, excellent physical plants (ADTEC, Tucson, Phoenix), and excellent programs offered at those sites. But it has participated in the philosophical, legislative, and political process only when ASDB's management has deemed such participation to be in the best interests of the school. The school's commitment to the tenets of PL 94-142 has been inconsistent and arbitrary, especially in terms of the law's mandate regarding the role of special schools, LEA's, and the SEA. The result is a tentative working relationship between these agencies and ASDB, instead of a positive and professional program of collaboration and progress.

Unless ASDB embraces PL 94-142, accepts its role as a special school (including its obligations under the statutes of the law), and modifies its present posture of insularity, the state of Arizona SEA cannot hope to achieve compliance with PL 94-142, confusion and conflict in future placement decisions may result in litigation. Most importantly, however, the best interests of sensory impaired children will not be served.

Question II

When viewed in the light of national trends, federal legislation, etc., is ASDB serving an appropriate mission and role with regard to types of programs and services offered, types of students served, and program emphasis?

National Trends/Legislation

With the implementation of Public Law 94-142 and the increasing emphasis on the doctrine of the LRE requiring that handicapped students to be educated with nonhandicapped "to the fullest extent possible," the role of the special school for the sensory impaired has become a topic of heated debate. Some educators believe that special schools no longer have a valid role in the provision of special education services and programs. Others profess that the need for the special school is no less vital today than it has always been. Obviously, neither side can be entirely correct. A position of compromise by both parties, who must accept that fundamental changes to thought and practice are necessary and in fact good would result in a more efficient and effective special education delivery system.

Public Law 94-142 was needed; it has resulted in many positive gains for the handicapped children in general. But there has been much concern, often justified, regarding the law's long-term impact on the education of the sensory impaired.

In discussing LRE, educators of the sensory impaired (especially educators of hearing impaired children) agree that, while placement of a sensory impaired child in a regular school setting or in related programming options may constitute a "least restrictive environment" in terms of interaction with society at large, there remains considerable question over whether it is not a more restrictive environment in terms of satisfying the child's educational and social needs. It does appear that the confusion between "mainstreaming" and LRE has undermined the focus on the individual child (cf. CEASD Position Paper: LRE").

The importance of making a placement decision which fully addresses the unique needs of a deaf child remains a valid concern more than ten years after passage of PL 94-142. The fundamental issue in the education of the sensory impaired is not a question of special school versus public school setting so much as it is a question of appropriate programming designed to meet the needs of children (cf. CEASD Program Criteria).

ASDB Programs and Services

ASDB serves as a vital center for the instruction of sensory impaired children and is an especially valuable resource in a state

that is sparsely populated outside of a few urban areas. It would not be cost efficient nor effective to attempt to duplicate the programs and services provided in Tucson and Phoenix. ASDB's strengths which are particularly noteworthy include the following:

1. The qualifications of the staff and faculty and the level of their training and preparedness are extremely high. In fact, few residential schools in the country have better qualified personnel.

2. The Outreach (Pre-School) Program is considered to be of high quality and valuable as a resource to the state educational community.

3. The curriculum in the academic and vocational education programs is comprehensive. Within the academic program, students have opportunities to take advanced and enrichment courses at Pima Community College. Also, work/study opportunities are available in the career/vocational education area.

4. Good social/recreational programs are available for all students, including day students. The concept of assertive discipline is employed to manage disruptive behavior.

5. There is an affiliation with the State Vocational Rehabilitation Agency to identify and plan for its potential future clients.

6. Strong assessment and evaluation services for children with special learning problems (e.g., the multiply handicapped) are offered through ASDB's ADTEC Center.

7. Resources and equipment, including auditory/speech and sight-saving devices, are at a "state-of-the-art" level.

Several concerns, however, were evident from interviews with alumni, parents, and representatives of community agencies:

1. There is little opportunity for those in the community to provide input or give feedback for program development purposes.

2. Some parents do not feel that the programs for the students appropriately challenge the gifted or exceptionally bright student. However, these same parents also felt that the advantage of the socialization aspects of the program was an acceptable "trade-off."

3. Statewide and community service agencies, who assist the students as clients after they leave ASDB, shared the

observation that large numbers of ASDB students, especially minority students, lack appropriate skills and knowledge for independent living.

4. There is a perceived lack of advocacy for minority students, especially Hispanic and Native American students. There is a need to recruit and hire minority teachers and administrators. For example, one parent expressed the strong opinion that "anglo" faculty or staff members, even if sensory impaired, are not appropriate models for a large number of minority students.

5. Some parents felt that special support services, such as speech and auditory services, while adequate in quality, were inadequate in quantity.

6. There is a need for strong ongoing studies to follow students after leaving ASDB in order to evaluate the overall effectiveness of the programs.

7. There were many expressions of concern regarding ASDB's management: (a) some on-campus personnel as well as parents consider the structure to be "top heavy;" (b) some described the top management's style as heavy-handed and non-participatory; (c) off-campus organizations and agencies described the ASDB management style as not conducive to effective communication.

Additional Observations

Arizona was included in a group of states not required to submit a State Plan under part B of the Education of the Handicapped Act (EHA-B) during 1986, under the guidelines of OSEP. Arizona was in Group III, states which had already submitted three-year plans for FY '87, '88, and '89. The sections on definitions of handicapping conditions, procedural safeguards, least restrictive environment and comprehensive system of personnel development (CSPD) were especially well-articulated.

The January, 1986, Arizona SEA State Plan, in compliance with the OSEP October, 1986, guidelines and checklist, contained excellent responses to all of the main requirements and subrequirements. The State Plan also included an amendment, in timely response, to Public Law 99-457, addressing preschool and infant children in need of special education services.

The issue of incomplete or inconsistent demographic data is a theme to which this report returns in Question VI. That section of the report reviews the available information on characteristics of hearing impaired children. However, statewide information on the visually impaired population is lacking, making it difficult to plan for this student population.

Recommendations:

Self Assessment

1. ASDB should review its mission and role and develop a strategic plan for guaranteeing its rightful place in the hierarchy of special education services in the state of Arizona and bringing its programs and services into compliance with federal legislation and regulations.

A strategic plan would test the school's capacity for survival and test its resiliency in managing change. The completed plan would allow the school to redefine or reaffirm its role and mission and to establish a systematic schedule for achieving its goals. The ASDB Board of Directors holds in trust the school's future as well as its present, and it should encourage the school's administration to perform its most important function, planning. In view of federal laws and regulations, the school is at a crossroads in its history, and a decision to develop a strategic plan, as soon as possible, would be exceptionally prudent and politic.

Collaborative Relationships

2. ASDB should remain a separate state agency, and as such, it should be the catalyst and leader in the development and design of educational programs and services for the sensory impaired in local and regional educational service centers.

As a leader in providing consultation and technical assistance to LEA's and cooperatives, ASDB would ensure the SEA's compliance with LRE provisions of Public Law 94-142. Such a role would add immeasurably to the school's public image, and it would significantly expand placement options in the continuum of programs and services in Arizona for sensory impaired children.

3. ASDB should develop linkages with LEA's, the SEA and other educational agencies to better serve sensory impaired students throughout the state.

For a special school which is also a state agency to be responsive to the needs of its constituencies, must overcome its prior insularity and reach out from its traditional campus setting to develop linkages with community service agencies, LEA's, and other state agencies. Only continuing cooperation and dialogue among all educators will offer the greatest promise of a full range of services for sensory impaired students and their families. ASDB should be the leader in this effort not the follower.

4. ASDB should assist the LEA's in establishing guidelines to determine appropriate mainstreaming placement criteria for sensory impaired students, including academic achievement, intellectual functioning, language ability, student and family attitude toward mainstreaming, parental support, and LEA staff attitudes and willingness to cooperate in corresponding staff development activities.

ASDB and other special schools greet LEA and SEA involvement in placement decisions with apprehension and alarm fearing that such involvement will result in a reduction in enrollment and a drastic change in the characteristics of the schools' target populations. However, if ASDB assumes the leadership role in the definition of criteria for mainstreaming placement and begins to serve as a resource to LEA's in other program areas then enrollments may fall and the school's population may change, ASDB will be able to guarantee its central purpose in the state's educational system as the source of reasoned and effective policy direction in special education.

5. ASDB should develop an agreement with the LEA's in Tucson (and in Phoenix, if not already in place) to provide integrated placement opportunities for selected students, who can benefit from an experience in regular classrooms.

This arrangement would comply with the LRE requirements of Public Law 94-142 by providing placement options for ASDB students in integrated settings and would also promote dialogue and exchange between ASDB and the LEA's.

6. ASDB should work closely with the SEA and other state agencies as appropriate in a review of the voucher system for special education.

The voucher system for special education services encourages LEA's, through an expedient financial incentive, to place sensory impaired students in special school environments. Despite the authority by the SEA to approve or deny payment, the present practice in the voucher system is a threat to the state's compliance with LRE.

7. ASDB should cooperate with the State Vocational Rehabilitation Agency, post-secondary programs, community agencies and prospective employers in developing effective transitional services for sensory impaired students.

A large number of ASDB graduates discontinue education after graduation and seek employment. They are in need of counseling and other transitional services. ASDB has begun programming in transitional services in collaboration with other agencies, but the program must be given a higher priority and a higher level of program support.

8. ASDB should regularly collect, maintain and report data on its students, including graduates, and collaborate with other state and community agencies in maintaining data on the state's sensory impaired student population.

This information is crucial to ASDB and other educational programs as they develop plans for program adjustments necessary for serving sensory impaired students. The present state of conflicting information is a cause of inefficiency and waste, promoting hostility and mistrust among special education service providers.

9. ASDB should develop linkages with Arizona universities and colleges to provide training for teachers of sensory impaired children and to identify incentives for encouraging prospective special education teachers to specialize in gifted, minority, multi-handicapped, infant/preschool, and deaf/blind students.

It is obvious, as seen in the lack of minority teachers, that the supply is not meeting the demand of qualified professionals in these areas of specialization. Variables affecting the preparation of teachers of sensory impaired children, such as the expense associated with the length of training, a lack of early exposure to the opportunities of the profession, the location of training programs, and the general lack of knowledge by prospective teachers of career options within the field need to be analyzed and recommendations developed to provide encouragement for students in training and incentives for experienced teachers to retrain through additional graduate training.

10. ASDB should establish a department of development and public relations.

Before the school begins to take a more proactive role in the educational community, it should develop a stronger and more positive image within the state. Such an image would diminish the feelings of hostility and mistrust that always form when communication has been lacking.

ASDB, with its new image and the marketing advantages of the quality of its campus programs, could vigorously explore new sources of revenue through fund-raising campaigns and various grant programs. Additional revenues would provide flexibility to the school in developing experimental programs, responding to emergencies, and nurturing excellence in teaching.

Recommended Program Emphasis

11. The Arizona School for the Deaf and the Blind should stay with its current focus of offering special education and related services to sensory impaired students.

ASDB, in keeping with its mission and role, has admirably provided services for sensory impaired students in Arizona for 75 years. The quality of these programs should be maintained.

12. ASDB should initiate a leadership role in assisting LEA's to identify and meet the needs of their multi-handicapped sensory impaired populations.

ASDB should provide direct technical and in-service training assistance to the LEA's as well as increase the number of multi-handicapped admissions to ASDB. In many cases, ASDB has better qualified personnel and resources than the LEA's for addressing the needs of students with additional handicapping conditions.

Programs and Services Offered

13. ASDB should expand its educational program services beyond the environs of the Tucson and Phoenix campuses to meet the needs of sensory impaired children in other educational service areas within the state of Arizona.

The appropriate mission of a special school which functions as a service agency should be one of a center school, functioning as the focal point for programs and services where regional centers provide those same programs and services closer to students' homes and LEA's. If the special school is the focus of services for sensory impaired children, it must diversity its services to accommodate a wider range of complexities of sensory impaired children and even consider serving children with other handicaps. As more and more sensory impaired children are provided services closer to home in LEA's or regional programs, the center school, with a declining enrollment, will be challenged to remain a viable placement option for sensory impaired children. ASDB initiated a regional programming concept when it established its regional preschool classes. It should expand this regional programming concept to provide educational programs and services in other non-populated areas of the state to serve students, communities, and families outside of the major population centers of Arizona.

14. ASDB should develop parent/family education programs, providing opportunities for families living some distance from school to acquire the knowledge and skills to support and complement their childrens' educational development.

The "Family Learning Vacation" model, developed at Gallaudet University, has been adopted by special schools in other parts of the country and is ideally suited to the programs, personnel, and facilities at the ASDB campuses. This would be an appropriate addition to the outreach program currently under development.

15. ASDB should thoroughly investigate the possibility of embracing the concept of the extended school year.

The facilities in both Phoenix and Tucson could be made available to serve a larger, more diverse, population of sensory impaired students. For example, the campus at Tucson would lend itself effectively to summer programs in independent living training, vocational training, work/study experience, family education, pre-service and post-service training of professionals, and vocational training of sensory impaired adults.

Question III

Is the current population of students served by the agency appropriate to its mission and role? What is the impact on programs and services, costs, and students served, and other implications, if the population is not appropriate?

Data from the ASDB 1985-1986 Statistical Report indicated that, from a total service group of 1045 children in all programs, 41% were minority students. Of these minority students, 64% were Hispanic (more than 50% of the hearing impaired Hispanics were in Tucson); 21% were American Indian; 13% were Black; and 2% were Asian. Almost half the sensory impaired students enrolled at the Tucson campus were Hispanics. At Phoenix, the Hispanic deaf students comprised only 26% of the enrollment. ADTEC reported 114 minority and 112 non-minority students, seemingly indicative of a trend in the student population profile for the future ASDB.

ASDB has not made special provisions in its programming for minority students (Hispanic, Black, Native American). An exception, however, is the requirement that certain clerical personnel employed at the school must be bilingual.

Native American Population

Among the American Indian (Native American) population, there is a higher incidence of otitis media, other middle ear anomalies and pathologies, and trachoma all of which cause an inordinately high incidence of permanent and severe hearing or vision impairments. Among the many Navajo and Hopi children from reservations in Apache, Navajo, and Greenlee counties who are enrolled in public schools a significant number attend special education classes due to speech, language, hearing, or vision disorders. Because of tribal folkways and mores, American Indians felt a sense of urgency in keeping their children close to their homes and reservations. ASDB could play a vital role in improving opportunities for American Indian children; it is the only special school for sensory impaired children in the country with a sufficient population of such children to pioneer conducting research, developing educational strategies, and providing outreach services for this special population.

Black Population

Black sensory handicapped students presently constitute about five percent (13% of the minority) of the student population at ASDB. There is little reliable data available for projecting future population trends, but it can be expected that the central corridor, including Phoenix and Tucson, will have the highest prevalence of black families in Arizona and that the characteristics of the black community will be largely unchanged from the current profile.

Awareness of, and sensitivity to, these general characteristics and the special educational needs of minority students should be an ongoing professional development effort not only at ASDB, but in all state and local programs (cf. Trends and Characteristics Pertaining to Gathering Data and Serving Minority Children, p. 20).

Multi-handicapped Minority Students

There is a high incidence of non-native language hearing impaired students at ASDB who are classified as multi-handicapped. ASDB is in a unique position to address the specific and complex needs of this population and to pioneer in research in learning styles, cultural factors, special materials, language processing, and parent education.

ASDB should also address the educational service needs of a greater diversity of sensory impaired children, such as those with learning disabilities, behavioral disorders, or other multi-handicapping conditions. This issue is addressed in the discussion and recommendations under Question 4.

Recommendations:

1. ASDB should capitalize on its advantage of having an exceedingly high enrollment of minority students and serve as a national leader in developing special programs and services for sensory impaired minority students.

With the school's comparatively large population of American Indians and Hispanics, and the significant number of these children in specialized programs, such as the multi-handicapped and ADTEC programs, the school could become a national model in the provision of educational services and the development of new programs and pedagogical philosophy in the education of these children.

Question IV

Are school admission criteria appropriate and adequately specified? How do the Arizona School for the Deaf and the Blind admissions criteria compare to criteria in use in other states?

ASDB has a lengthy admissions policy statement which was approved by the ASDB Board January 8, 1981.

The problems inherent in this policy are:

1. Insufficient specificity in the statement.

2. Lack of interpretation of state and federal regulations pertaining to eligibility for enrollment in ASDB programs and the use of such vague terms as "of suitable capacity" and "good moral character."

3. Lack of an efficient and prescribed system of communication and dialogue between the LEA's and ASDB regarding referrals and placement in ASDB programs.

4. Insufficient dissemination of ASDB's admissions policy to LEA's, parent groups, advocates, and other potential referral sources.

5. A lack of clarity and direction in the school's admissions policy, as it relates to ARS-(15-800), ARS-(15-1001), ARS-(15.1343), and ARS-(15-1342).

These inherent problems can be resolved, although ASDB's administration harbors the concern, common to most special schools, that the admissions policy could lead to the realization of the school's worst fears; that it will become a "custodial facility" or a "dumping ground" for students who cannot clearly demonstrate they can benefit from the regular or special ASDB academic and vocational programs.

The admissions criteria and procedures of ASDB, when compared with that of such schools for the deaf as the Maryland School for the Deaf in Frederick and Columbia (including the multi-handicapped unit); the Virginia Schools for the Deaf and Blind in Hampton and Staunton; the Kendall Demonstration Elementary School; and the Model Secondary School for the Deaf in Washington, DC, differed primarily in length and specificity. ASDB's policy is lengthier, more repetitious, and less specific. For example, the above schools specify measurable visual acuity and degree of hearing loss whereas ASDB's criteria are not stated in measurable terms. The above schools specify which handicapping conditions, in addition to sensory impairment, are admissible.

The Kendall School and the Virginia School at Hampton admit severely multi-handicapped students, if the students can "generally care for their needs." The Maryland programs require that all pre-admissions diagnostic work for applicants be done on-site and reserves the authority to determine the student/program fit.

In Virginia, all referrals must come from the LEA's. The LEA and the state operated schools jointly agree on placement and Individual Education Plan (IEP) development.

Diagnostic, preschool, outreach and other services are provided by ASDB virtually statewide. Though these are ongoing services and obviously valuable, the scope of specialized programs for multi-handicapped students on the Tucson and Phoenix campuses is difficult to capture. Herein may be the solution to a number of difficulties the school has encountered in admissions cases.

There have been at least two recent instances in which ASDB denied admission to candidates, resulting in a spate of controversy, highlighting admissions policy issues.

Recommendations:

1. The admissions policy of ASDB should be reviewed and brought into compliance with federal and state laws.

Using the admissions policies of other special school programs as a base, the ASDB policy should be drafted to comply with the provisions of Public Law 94-142; and to provide measurable and comprehensible criterion for admission. The policy should be widely disseminated and broadly publicized.

2. The policy should include the provision for the establishment of an interdisciplinary team to be comprised of representatives of administration, instruction, and assessment at ASDB and the LEA, as well as the student's parents, to be responsible for the determination of placement for each sensory impaired ASDB student on an individual basis. The team would also be responsible for the three year review of each ASDB student.

It is important that each member of the interdisciplinary team present information pertinent to the child's educational placement and that each member is given reasonable notice of all the meetings. The ASDB administration should annually review the interdisciplinary team's procedures, membership, and progress to ensure that, when the LEA is not represented at the referral, placement, or review meetings, the placement decisions and Individual Education Plan will be sent to the LEA.

3. The admission policy should include additional clarifying statements of criteria for enrollment of multiply handicapped sensory impaired students.

ASDB is uniquely qualified, through its highly trained personnel and its significant programmatic resources, to address the needs of sensory impaired students with additional handicapping conditions.

Question V

Based upon federal requirements, other states' experiences, etc., how should the role of the Arizona School for the Deaf and the Blind change in the future, if at all? What would be the programmatic and other (e.g., capital construction, faculty modifications, cost, etc.) implications any change in role may entail?

It was suggested earlier in this report that the Arizona School for the Deaf and the Blind represents the most comprehensive collection of human and non-human resources available in the state to serve sensory impaired children. A review of the quality of these resources indicates that they are generally equal to, if not better than, resources available elsewhere in the country. It is appropriate, therefore, that consideration be given to broadening the function and scope of ASDB programs and services to serve as a statewide resource center for sensory impaired children and youth, regardless of where those students are enrolled.

The concept of the change in role from a direct educational services center to a broader-based resource center is not a new concept. This concept was embodied in the design and mission of Gallaudet's Pre-College national demonstration schools. This concept is also under development in a number of such special schools, most notably, the Rhode Island School for the Deaf, the Alabama School for the Deaf and the Blind, and the Lexington Center for the Deaf (New York City).

Inasmuch as ASDB serves the sensory impaired students of Arizona and has the best resources to serve them, the school is in a natural position to assume leadership in the development of collaborative programs with LEA's.

To accomplish this, ASDB must involve LEA/SEA personnel in its programs, activities, and other collaborative regional and local efforts. It must institute a strong program of public awareness, including the development of a list of service clients. ASDB must accept the provisions, philosophy, and procedures of Public Law 94-142, including the acceptance that mainstreaming can be a viable option for many sensory impaired children. ASDB must, however, retain a degree of responsibility for mainstreamed sensory impaired children no less than if those students were enrolled in ASDB campus programs. Likewise, LEA and SEA officials must accept that ASDB may be the most appropriate placement for many sensory impaired students.

Functioning as an educational resource center for the sensory impaired of the state of Arizona, ASDB could develop, disseminate and/or provide services directly to non-attending students and those who work with them. A cost for these new program services cannot be estimated without more information regarding student populations,

distances, and available resources at ASDB and other service centers. However, it is not expected that it would require considerable outlay for facilities modification and/or new construction. Personnel costs could be planned on the basis of retraining existing personnel, especially if enrollment at ASDB continues to fluctuate.

Acceptance of this challenge would be exciting and stimulating. It would also give new life and purpose to an otherwise excellent educational institution with a long and proud history of service to deaf and blind Arizonians.

Before a role change can be designed, strategized, and implemented by ASDB, however, there must be dialogue, understanding, and mutual trust among ASDB, the LEA's, and the SEA. Representatives of all three agencies have cited a lack of communication as the most significant factor in the varying degrees of alienation that prevails today among these organizations. Professional communication between these agencies would enhance efficiency, avoid needless friction, and reduce mistrust.

Presently the communication between the SEA, the LEA's, and ASDB is often strained, skeptical, and irritated. Whether the problem stems from administrative style, bellicose territoriality, philosophical differences, or personality conflicts, an effective professional federation between these agencies has been precluded. There will be no progress toward an appropriate rapport until a higher quality of communication is achieved and maintained.

Recommendations:

1. The special education leadership of ASDB, the SEA, and the most populous LEA's should develop a strategy for establishing and maintaining a high quality of effective, professional, sophisticated, and forthright communication in order to expedite the design, strategy, and implementation of a new role of leadership for ASDB in the statewide special education community.

2. ASDB should provide specialized services to LEA's in:

   A. The development of special curricula and materials for use in mainstreamed settings and for special populations, especially students with additional handicapping conditions and the low-functioning.

   B. Technical assistance and outreach activities to help personnel in the public schools develop exemplary educational programs for special students attending their schools. This assistance should include:

      (1) development of appropriate diagnostic and evaluation techniques;

(2) parent and family education programming;

(3) materials related to (a) "deaf culture," designed to help deaf children develop positive self-concepts and

(b) materials to provide knowledge and understanding about life in a hearing world;

(4) in-service training for support service personnel who work with the sensory impaired (e.g., counselors, social workers, psychologists, audiologists, speech therapists, etc.);

(5) workshops to share information and practices helpful in teaching content areas (e.g., language/reading, mathematics, and social studies);

(6) materials and strategies for teaching across a wide range of curriculum areas;

(7) access to computer "bulletin boards" and electronic mail network systems;

(8) information and assistance in planning and implementing extracurricular programs including recreational, outdoor education, drama, music, arts and crafts, etc.;

3. ASDB should develop community education programs to provide deafness orientation to professionals, agencies, and the community-at-large.

4. In keeping with ASDB's "center" the ADTEC Center should increasingly serve as the site for statewide assessment where LEA's may refer students and their parents for evaluation and assessment. ADTEC could develop individual prescriptions based on identified needs and program services available.

5. ASDB should share state-of-the-art information on applications of media and technology to instructors of sensory impaired students.

6. ASDB should provide counseling and guidance services, including short-term programming for mainstreamed students preparing for post-secondary studies.

7. ASDB should make facilities available to young adults in need of independent living training, including supervised on-campus housing arrangements and halfway homes in the community.

8. ASDB should make vocational training facilities available in the summer to students attending other programs and to adults during the evening hours.

Question VI

What types of students should ASDB be serving in the future?

Other issues mentioned in the Auditor General's work statement must be addressed before the question of the types of students to be served by ASDB in the future can be determined. Inevitably, this question should take into consideration the mission and role of the school, the extent and adequacy of the personnel and facilities available at ASDB, and the interpretation of various guidelines related to educational placement of sensory impaired students within the state. These issues are discussed throughout this report.

To address the issue of the types of students ASDB should serve in the future, the characteristics and data of the present sensory impaired student population throughout Arizona should be examined, i.e., how many and what kinds of sensory impaired students are being served in various programs within the state? Unfortunately, the overall lack of accurate demographic data on the current sensory impaired population within Arizona precludes the quantification of future planning.

ASDB does maintain a great deal of historical data on the enrollments within its various programs. It periodically makes available tabular analyses of its service delivery patterns by sex, age, educational level, and program (cf. ASDB Summary Statistical Report, 1985-1986).

Additionally, for over fifteen years ASDB has participated in the Annual Survey of Hearing Impaired Children and Youth. (Fourteen other local and regional special education programs around the state also participate in the survey.) The Annual Survey is a national volunteer data system maintained by the Gallaudet Research Institute's Center for Assessment and Demographic Studies in Washington, DC. Through this project, information on individual students is submitted on important demographic and educationally relevant variables. These include age, sex, ethnic status, degree of hearing loss, cause and age at onset of deafness, and additional handicapping conditions. Information on the general type of education services an individual hearing impaired student is receiving is also included on the survey. It must be noted that there is no comparable national data system for visually impaired students.

ASDB makes some use of the Annual Survey data summaries it receives from Gallaudet University. It distributes tables summarizing the characteristics of its students in relation to national statistics.

Aside from what is available from ASDB historical data and from the Annual Survey, there appears to be no statewide data available on the characteristics of Arizona's sensory impaired school-aged population. As required by Public Law 94-142 and Public Law 89-313, the Arizona Department of Education is responsible for sending child counts of special students ages 3-21 to the U.S. Department of Education. In the reports sent late in 1986, Arizona reported a total of 1,039 hearing impaired students, 311 visually handicapped students, and two deaf-blind students. An unknown number of the 51,000 or so students classified as having other handicapping conditions may also have had sensory impairments. With the exception of these child counts, there seems to be no data on individual sensory impaired children sufficient for detailed analysis.

What follows is a review of the data from the Annual Survey of Hearing Impaired Children and Youth on characteristics of hearing impaired students in Arizona. Special attention is given to comparisons of the groups of hearing impaired students served on the Tucson campus of ASDB, including the Phoenix Day School for the Deaf (PDSD), and the hearing impaired students served by LEA's throughout the state. The types of students served on the Tucson campus and at PDSD tend to be very different from students served in the LEA's. Further, interesting differences may be noted between the Tucson and Phoenix populations. Student differences are, of course, manifest by program differences. It should be emphasized that none of these analyses addresses the issues of program quality or appropriateness. They only describe what <u>is</u> happening, they do not <u>assess</u> what <u>should</u> happen.

<u>Characteristics of Hearing Impaired Students in Arizona</u>

This section examines educationally relevant characteristics of hearing impaired students in Arizona, as reported to the Annual Survey of Hearing Impaired Children and Youth for the 1985-86 school year, the latest year for which results are available. For the 1985-86 school year survey, a total of 817 students across the state were included.

It focuses on comparisons of students and the services they receive for three comparison groups: (1) 172 hearing impaired students at the Tucson campus of ASDB ["ASDB"]; (2) 208 students at PDSD ["PDSD"]; and (3) 321 students receiving educational services in the other programs across the state reporting data to the Annual Survey of Hearing Impaired Children and Youth ["Other"]. This group is an aggregation of the 14 sources listed below in Table 6a. Among these 14 programs, enrollment of hearing impaired students ranged from one student to 79, with the median enrollment being 11. The 14 programs included students attending 69 different schools across the state.

It should be noted that two additional components of ASDB participate in the Annual Survey, the statewide Parent Outreach Program (N=84) and CHIC, the Center for Hearing Impaired Children (N=32). With the exception of the age distributions shown in Table 6b,

Table 6a

Arizona Sources (other than ASDB and PDSD) Providing Data to the 1985-86 Annual Survey of Hearing Impaired Children and Youth

Arizona Training Program at Coolidge
Cartwright School District
Deer Valley School District #97
Flagstaff Public Schools
Glendale Union High School District
Mesa Public Schools
Prescott Unified District
Scottsdale Unified School District #48
Sierra Vista Public Schools
Stanfield Elementary School
Tempe Elementary School District #3
Tempe Union High School
Tucson Unified School District
Washington Elementary School District #6

Table 6b

Age Distribution by Program of Hearing Impaired Children and Youth in Arizona

Age (as of 12/31/85)	ASDB N	ASDB %	CHIC N	CHIC %	Parent Outreach N	Parent Outreach %	PDSD N	PDSD %	Others N	Others %
<1			1	3.1	6	7.2			3	1.0
1			5	15.6	24	28.9			0	0.0
2			5	15.6	23	27.7			0	0.0
3	2	1.2	6	18.8	18	21.7	15	7.2	3	1.0
4	2	1.2	12	37.5	5	6.0	13	6.3	4	1.3
5	6	3.5	3	9.4	7	8.4	20	9.6	18	5.7
6	17	9.9					13	6.3	16	5.1
7	10	5.8					11	5.3	16	5.1
8	11	6.4					15	7.2	20	6.4
9	10	5.8					4	1.9	17	5.4
10	8	4.7					15	7.2	12	3.8
11	11	6.4					11	5.3	22	7.0
12	16	9.3					7	3.4	23	7.3
13	10	5.8					10	4.8	24	7.6
14	11	6.4					15	7.2	31	9.9
15	7	4.1					10	4.8	26	8.3
16	7	4.1					13	6.3	25	8.0
17	17	9.9					11	5.3	29	9.2
18	12	7.0					12	5.8	8	2.5
19	11	6.4					10	4.8	5	1.6
20	1	0.6					2	1.0	4	1.3
21	3	1.7					1	0.5	4	1.3
22+									4	1.2
	172	100.0	32	100.0	83[1]	100.0	208	100.0	314[2]	100.0

[1]Age of one child not reported.
[2]Ages of seven children not reported.

Source: Annual Survey of Hearing Impaired Children and Youth, 1985-86, Gallaudet Research Institute.

children in these programs are not included in the analyses so as to sharpen the comparisons. [Hearing impaired students served through the ADTEC unit appear not to be reported to the Annual Survey.]

The coverage of the Annual Survey is unequal for the three comparison groups. For the ASDB and PDSD groups, coverage is virtually total. This is not true for the other programs, however. Examination of the LEA survey conducted by the Auditor General's staff and extrapolation from the November/December, 1986, child counts suggest that Annual Survey coverage of the LEA programs for 3-21 year old age range is a little over 50%. Students in Arizona's larger LEA's were more likely to be reported than students from smaller LEA's. Because of this "spotty" coverage, the accuracy and representativeness of the "Other" sample may be questionable.

Finally, it should be acknowledged that because individual school data from the Annual Survey are considered confidential, these analyses were undertaken only after written permission was obtained from the ASDB administration. For similar concerns about confidentiality, the 14 "other" programs were considered as a group; individual program comparisons (other than ASDB and PDSD) were never undertaken. Student names were not used for the analyses.

Age Distributions

Table 6b shows the age distributions of hearing impaired students at ASDB's deaf department in Tucson (labelled "ASDB" throughout for brevity), at PDSD, and at the other programs across the state. Age breakdowns for the preschool students at CHIC and the children served through the Parent Outreach Program are also shown.

While allowing for the "spotty" coverage by the Annual Survey among the LEA's, it is clear that most of the preschool aged hearing impaired children are receiving services from components of the ASDB state agency, particularly through CHIC, the Parent Outreach Program, and PDSD. This is due in part to the paucity of funds made available to LEA's through the SEA for preschool special education.

Interesting differences in age distributions may be noted among the three primary comparison groups. Excluding the preschool age groups, the age distributions for ASDB and PDSD are relatively even across the age range. For some reason, however, the local programs have their highest enrollments in the traditional junior and senior high school age ranges (12-17). This is somewhat curious, because, it is contrary to patterns seen generally for local public school programs in other parts of the country. Nationally, public school programs tend to serve younger rather than older groups of students when compared to special schools.

Ethnic Background of Students

Clear differences among the three comparison groups exist in terms of the ethnic background of the students served. As shown in Table 6c, only a minority (41%) of the ASDB students are white. A small plurality (42% of the total) are Hispanic; 12.8% are reported to be American Indian. These figures stand in contrast with PDSD and with the other programs: these programs enroll far fewer Hispanic students and few Indians. These differences, in part, represent demographic differences within the state. However, the lack of minority students in the local school districts is particularly striking. Nearly three-quarters of these students are white. These trends, incidentally, parallel national trends: holding constant other factors, minority handicapped students are much less likely to be mainstreamed than their white peers.

Degree of Hearing Loss

The clearest distinction between the special schools (ASDB and PDSD) and the local programs has to do with the typical hearing levels of the students served. ASDB and PDSD serve groups of students whose hearing impairments are considerably more severe than the groups of students at the local schools. Percent distributions for the three groups are given in Table 6d. As shown, the distributions of hearing loss among ASDB and PDSD students is similar, with over 85% of these students having hearing thresholds which can be called severe or profound. The typical student in these programs has a hearing threshold exceeding 98 dB in the better ear; these are students with little residual hearing. On the other hand, only 26% of the students in the other programs have losses in the severe or profound ranges. The typical student in these programs would be called "hard of hearing", with a 55 dB pure tone threshold in the better ear.

Probable Causes of Hearing Loss

Table 6e, showing probable causes of hearing loss, gives evidence of interesting differences among the three comparison groups. In general, the precise cause of the hearing loss of most of the students cannot be established. This was true for each of the three groups. When considering the known causes, it is evident from the table that students in the local schools were more likely to be reported to have causes associated with onsets of hearing loss after birth. The one exception to this is the incidence of deafness from meningitis. Students in the LEA's were unlikely to have hearing losses attributable to this etiology, it is often associated with profound hearing loss, and profound hearing loss in Arizona is highly predictive of special school placement.

Table 6c

Ethnic Status by Program

	ASDB	PDSD	Others
White	40.7	60.4	71.6
Black	3.5	9.2	1.3
Hispanic	41.9	25.6	19.9
Oriental	.6	1.9	1.9
American Indian	12.8	1.4	4.7
Multi-ethnic/other	.6	2.4	0.6
	100.0	100.0	100.0
Total N	(172)	(207)[1]	(317)[2]

[1]Ethnic status not reported for one child.
[2]Ethnic status not reported for four children.

Source: Annual Survey of Hearing Impaired Children and Youth, 1985-86, Gallaudet Research Institute.

Table 6d

Degree of Hearing Loss by Program

	ASDB	PDSD	Others
Degree of Hearing Loss (BEA[1])			
Normal (<27 dB)	0.0	0.5	19.7
Mild (27-40 dB)	1.2	0.0	14.7
Moderate (41-55 dB)	2.3	1.4	15.0
Moderately Severe (56-70 dB)	9.9	13.0	14.4
Severe (71-90 dB)	23.3	21.6	19.4
Profound (91+ dB)	63.4	63.5	16.6
	100.0	100.0	100.0
(N)	(172)	(208)	(319)[2]

[1]Average pure tone threshold (decibels) for the better ear across the speech range.
[2]Degree of hearing loss not reported for two children.

Source: Annual Survey of Hearing Impaired Children and Youth, 1985-86, Gallaudet Research Institute.

Table 6e

Probable Causes of Hearing Loss

	ASDB % of total	PDSD % of total	Other % of total
At Birth			
Maternal Rubella	11.6	9.1	3.1
Trauma at Birth	1.7	1.9	2.2
Other Complications of Pregnancy	3.5	1.0	4.4
Heredity	9.3	13.9	8.5
Prematurity	2.3	2.4	3.8
Cytomegalovirus	0.0	0.0	0.0
Rh Incompatibility	0.6	0.0	0.6
Other Causes at Birth	5.2	8.2	5.7
After Birth			
Menengitis	14.5	10.1	5.0
High Fever	1.7	2.4	3.5
Mumps	0.0	0.0	0.3
Infections	1.7	0.5	6.6
Measles	1.2	0.0	0.6
Otitis Media	1.2	0.0	4.7
Trauma After Birth	0.6	0.0	1.3
Other Causes After Birth	1.2	0.0	3.5
Cause Cannot Be Determined/ Data Not Available	44.2	51.4	51.1
(N)	(172)	(208)	(318)[1]
Percent of Students With Multiple Causes Reported	1.0% of total	2.1% of total	9.9% of total

[1]Probable causes of hearing loss not reported for three children.

Source: Annual Survey of Hearing Impaired Children and Youth, 1985-86, Gallaudet Research Institute.

Additional Handicapping Conditions

Nationally, about 29% of hearing impaired students receiving special education services are reported to have conditions for which additional educational accommodations must be made. In Arizona, the group of students in the local schools approximate this norm. In addition, the rates of specific reported conditions roughly approximates national figures from the Annual Survey (See Table 6f). However, rates of reported mental retardation (12.1% of the total) and specific learning disabilities (12.5%) are elevated greatly over national figures (8.1% and 8.4%, respectively).

Curiously, ASDB and PDSD are much different from the national norm of 29%, but in opposite directions. PDSD has reported fewer students with additional handicapping conditions; 76.4% are reported to have no disabilities other than hearing loss. PDSD has no specific multi-handicapped unit, but seeks to "integrate" its students with additional conditions into its regular class room settings. ASDB reported in the 1985-86 Annual Survey that 46.5% of its hearing impaired students had at least one additional handicapping condition, over 1.5 times the national figures. This is attributable mainly to relatively large percentages of students said to have emotional-behavioral problems (17.4% of the total) or "other" handicaps (12.2%). At the same time, relatively low rates for mental retardation (4.7%) and for specific learning disabilities (6.4%) were reported. Since the Annual Survey relies on reports from school files, it is possible that differences in all of these conditions are partly a function of varying diagnostic practices. This is certainly an area where more study is needed.

Educational Services

The nature of educational services offered is related to the characteristics of the students being served. ASDB and PDSD are specialized facilities and, as such, offer a full range of academic and ancillary services. Students at these schools, with few exceptions, receive all of their instruction with other hearing impaired students. PDSD, as its name implies, is a day school, without residential facilities. It serves students whose families live in the Phoenix metropolitan area. ASDB is a residential school that offers housing for students whose families reside beyond commuting distance. In 1985-86, about 42% of ASDB's students lived on campus during the school week. The percentage of residential students has steadily declined over the past decade.

Hearing impaired students attending the other programs in Arizona were reported to receive special education services primarily through special education classes, in resource rooms, and from itinerant teachers. Eight-nine percent of the students were integrated with hearing students in regular education classes for at least part of their academic instruction. Whereas nearly all of the students at PDSD and ASDB received instruction through signs and speech ("total

Table 6f

Additional Handicapping Conditions by Program

	ASDB	PDSD	Others	Nation
Percentage of Total with Additional Handicapping Conditions	46.5	23.6	34.1	29.0
Handicapping Conditions				
Legal Blindness	1.2	0.5	1.6	1.8
Uncorrected Visual Problem	5.8	2.4	2.6	3.1
Minimal Brain Injury	1.2	0.0	2.6	1.6
Epilepsy (Convulsive Disorder)	1.7	1.9	1.3	1.3
Orthopedic	5.8	0.5	1.9	2.5
Cerebral Palsy	3.5	1.9	4.2	2.9
Heart Disorder	1.2	0.5	1.6	1.5
Other Health Impaired	5.2	4.8	0.6	3.2
Mental Retardation	4.7	1.4	12.1	8.1
Emotional or Behavioral Problems	17.4	3.4	3.8	4.6
Specific Learning Disability	6.4	7.2	12.5	8.4
Other	12.2	1.0	3.5	2.0
	100.0	100.0	100.0	100.0
(N)	(172)	(208)	(317)[1]	(48,720)

[1]Additional handicapping conditions not reported for four children.

Source: Annual Survey of Hearing Impaired Children and Youth, 1985-86, Gallaudet Research Institute.

communication"), only 23% of the students in the local programs were taught with signs. This certainly is not unexpected, given the relatively moderate nature of the hearing losses of the typical students in these programs. No information is available on the extent of use of interpreters in the local school classrooms.

Comments on Auditor General's Studies

As part of the current program audit of the programs and services provided by the Arizona School for the Deaf and Blind, the staff of the Auditor General carried out two studies of relevance to predicting future population enrollment patterns within ASDB's various programs. One study was a survey of LEA's across Arizona in which school districts were asked to give the number of sensory impaired students they served in their districts and also to give the number of such students from their districts who were being served by the ASDB and PDSD. From the study, it was clear that the LEA's did not to know how many of the students from their districts attended ASDB and PDSD. Further, it is our impression that many of the local school district personnel felt that students being served by the two special schools were not their concern.

The second study carried out by Dr. Barbara Nienstedt of the Office of the Auditor General was a five year growth projection for the various components of the ASDB. Using a variety of sophisticated forecasting methods, Dr. Nienstedt projected an overall rate of growth in the student population of approximately 19% in the next five years. These estimates are credible, but probably limited in their utility. The techniques assume all factors to be constant, save population factors. Other factors, such as new legislation, increased efforts at early identification and intervention, changes in admissions practices, or even recommendations implemented as a result of this audit may have a great impact on the student enrollment of this state agency. The greatest value of the forecasts by Dr. Nienstedt is the "base line" against which the enrollment implications of programmatic decisions can be determined.

Who Should Be Served in the Future?

The question of which kind of students should be served in the future by ASDB can now be addressed. Based on the data presented above and the discussions given in the other parts of this document, it seems reasonable to suggest that virtually all sensory impaired 0-21 year old children and youth in Arizona should be served in one way or another by the programs of ASDB. The nature of the services would vary greatly depending on the need, ranging from direct classroom instructional services to evaluation services to in-service training of personnel in mainstream education. If ASDB is truly to become a statewide resource for the sensory impaired throughout the state, it must plan and operate broadly. In the future, this may

necessitate deploying its personnel and other resources in a very different way than it does now. ASDB will also need to concentrate on building cooperative working networks throughout the state.

Beyond this general statement, several specific conclusions can be drawn about the future populations to be served:

(1) In relation to hearing impaired students, the primary target population to receive direct instructional service through PDSD and the Tucson campus of ASDB will continue to be students with severe and profound hearing losses, students who rely principally on the visual modality for linguistic input, students who require an array of support services, and students with additional conditions which make public school placement unfeasible.

(2) If appropriate collaborative arrangements can be worked out with neighboring school districts, the Consultant Team envisions an increasing number of sensory impaired students who will receive some level of services from PDSD and ASDB (Tucson) and other services in integrated settings.

(3) The Consultant Team underscores the importance of early childhood education for sensory impaired children. Since the LEA's and the SEA are limited in their ability to provide pre-school special education services, the burden for providing these services to sensory impaired students will remain primarily with ASDB.

(4) The Consultant Team agrees that ASDB (primarily through ADTEC and ASDB-Tucson) is the agency with the appropriate resources for providing services to educable multi-handicapped sensory impaired students who don't have access to adequate services in their LEA's. The Consultant Team does not foresee that this will make ASDB a "dumping ground." Indeed, as far as can be ascertained, the total number of additional students requiring such services would be small for the near future.

(5) The Consultant Team concurs with the Auditor General's projection that even without changes in programs, facilities, or service philosophy, natural population growth within the State will mean an increase in the 15-20% range in the number of students served by ASDB.

(6) Whatever the amount of growth, the Consultant Team thinks that increased attention will need to be devoted to the minority sensory impaired populations within the State. Special early identification efforts with the Native American populations in the State and the design of creative programs to serve the identified students in their home districts will probably need to be undertaken in the future.

(7) Finally, the Consultant Team notes again that while statewide demographic data on hearing impaired children is less than complete, comparable data on visually impaired children is nearly totally lacking. This lack of data precludes systematic planning for the future.

Recommendations:

1. The State of Arizona should implement a state-wide computerized data system encompassing all sensory impaired children and youth in the state.

Accurate and reliable data is essential for planning and inter-agency coordination. Many LEA's, especially the smaller ones, do not participate in the Annual Survey of Hearing Impaired Children and Youth, so knowledge of students in rural areas or in small school districts is particularly sketchy. Even worse, there are no comparable data at all on visually handicapped and deaf-blind students.

Such a data system would not be inordinately expensive to develop, and the state could contract the technical work, to be managed jointly by the SEA and ASDB, while retaining full control over the project. ASDB's participation is crucial:

> ASDB's programs serve a large percentage of the state's sensory impaired children, including virtually the entire preschool aged sensory impaired students.
>
> ASDB personnel have experience in collecting and using this kind of information.

Involvement by the SEA is equally important. Program personnel at the state and local levels must have an accurate profile on the kinds of students who are being served.

A data system would have numerous uses beyond planning. For example, copies of enrollment forms completed on ASDB students could routinely be sent to the students' LEA's, further ensuring and enriching communication with the LEA's.

Question VII

What types of programs and services should the Arizona School for the Deaf and the Blind provide and what types of programs and services should be appropriately provided at the local level?

In determining "appropriateness" of programs and services and where those programs and services should be provided, i.e., through the ASDB or LEA, there are a number of complex sub-issues which must be considered, particularly those of program capacity and quality and those of eligibility and placement.

First all interviews, both internal and external to ASDB, indicated consensus that ASDB programs are of good quality and that, in general, the students who are being served within the ASDB programs and those being served within public school programs conform to student characteristics of other programs in other states. In particular, students in state operated programs represent greater numbers who are severely or profoundly hearing impaired.

There is every indication that Arizona has the capacity for appropriate programming for all sensory impaired students within the state. The range of services is comprehensive and resources generally adequate. These services, however, may not be accessible to all students who need them. It becomes necessary, then, to review the accessibility issue as a function of the manner in which programs are organized, of the interpretation of public policy (including both state and federal statutes), and of the amount and quality of communication which occurs among the ASDB, the LEA's, and the SEA.

The ASDB system is organized into several units, the School for the Deaf and Blind in Tucson, the ADTEC program in Tucson, and the Phoenix Day School for the Deaf in Phoenix. These units are perceived by the SEA and LEA's as being independent of one another, operating within the ASDB system, but with a substantial degree of autonomy, almost separate schools. More recently the preschool program, which is designated under the rubric of "outreach," has also been perceived as somewhat separate from the other three units. This perception creates confusion on the part of the individuals in the educational community who contact ASDB to obtain information, seek admission for students, or collaborate and interact with the school.

There is confusion regarding the interpretation of state and federal statutes relating to the provision of service to sensory impaired students. The state statutes dating from 1926 and before which govern the Arizona School for the Deaf and Blind provide the school with considerable autonomy. Governance of the school is through a board appointed by, and responsible to, the Governor of Arizona. Within the context of this early legislation, there is no

set of policies or regulations which require the school to be responsive to the SEA or other jurisdictions within the state. The school was mandated to serve all sensory impaired students who could not be provided adequate programming within the public school system and was authorized to establish its own admissions standards.

However in recent years, state and federal laws (in particular, Public Law 94-142) have mandated "free and appropriate" service to all handicapped children. As a publicly supported institution, subject to the same state and federal public policy statements as other public institutions ASDB's prerogative to impose restrictions on student admission is questioned. The perception of the SEA is that ASDB "protects" its programs by accepting only a small number of severely handicapped students, referring other candidates back to the LEA's. Yet, the LEA's are far less able to meet the educational needs of this population. As support for its argument the SEA has only to point to ASDB testimony in state hearings that the provision of ASDB programming for large numbers of severely handicapped students would result in a drain of needed resources from existing programs and otherwise cause the school to become a "dumping ground" for difficult-to-serve students. The ASDB administration, on the other hand, assures that its applicant rejections apply only to those students who clearly can only benefit from custodial care. At present there appears somewhat an impasse regarding accessibility of severely multiply handicapped sensory impaired students to the program with the highest service capability (ASDB).

Another issue in state statutes has been the manner in which resources are deployed for preschool programming for handicapped students. Arizona has been very conservative with regard both to authorizing and appropriating preschool program funds for handicapped children. Even the recent authorization of one million dollars for permissive programming for handicapped children, ages three to five is perceived as a token effort. It should be noted that the problems associated with early education will likely be alleviated with the enactment of PL 99-457. However, the real issue is that all groups perceive that resources are being allocated fairly and equally.

On the other hand, ASDB has been authorized to spend whatever funds they are able to justify, on behalf of sensory impaired students of any age. While these programs have been responsive to a crucial need and, at the present time, are being used to expand from the two campuses to satellite locations the approach which is perceived as somewhat proprietary and as providing a measure of favoritism to sensory impaired children. Other handicapped groups have very little access to such programs since state grant monies are small and are limited to age group three to five years, with no provision for state monies to handicapped students in the zero to three years age group. Accessibility for the pre-school aged handicapped child is clearly a symbol of the mistrust and misunderstanding between the ASDB and the LEA's and SEA.

Another significant issue in the minds of LEA and SEA personnel is the lack of adequate and timely communication and information from ASDB to other state programs. ASDB's charter and attendant legislation over the years has made it possible for parents of sensory impaired children to go directly to ASDB for program information and admission procedures without contacting their LEA. The result is a number of students who are enrolled in the ASDB but who are completely unknown to the LEA in which their parents reside. However, current federal and state special education statutes place specific responsibility on the LEA's for all children residing within their districts. Recently, ASDB has initiated increased communication and information sharing with LEA's, including invitations to participate in certain reviews. There remain concerns, however, about ASDB's responsibility to include LEA's in the initial diagnostic and enrollment process, IEP development, annual reviews, and other major decision points in serving sensory impaired students. The SEA and LEA's generally perceive the quantity and quality of communication from ASDB on these issues to be less than adequate.

Without exception, the LEA personnel interviewed tended to believe that ASDB is doing an outstanding job of serving students enrolled in its various programs. On the other hand, they felt that, if they were involved in initial placement decisions and in reviewing those decisions from time to time, they would have a greater assurance of appropriate placement. To be sure, a number of student placements might be altered or changed on the basis of such involvement. It would, however, afford LEA's a better opportunity to meet their legal responsibility to the students residing in their districts. Interestingly, all persons interviewed wished to retain, to the greatest extent possible, the provision of parental choice in program placement.

An additional placement problem which could be resolved through increased communication between the LEA and ASDB is evident in ASDB's current interpretation of law and policy regarding its role in Arizona's placement continuum. The SEA views ASDB as operating under a policy of restricting enrollment to those students whom ASDB feels it can serve. An LEA cannot assume, therefore, with any assurance, that ASDB is a part of a continuum open to students residing in that LEA. Accordingly, parents cannot be assured that ASDB is available to them as a placement if the LEA is unable to provide an appropriate program for their child, or if they, by virtue of exercising their right of parental choice, wish to have their child enrolled in ASDB. The ASDB administrators, however, give assurance that the enrollment policy is not exclusive and suggest further that such assurances have been communicated to state officials.

Recommendations:

1. The SEA and ASDB should collaboratively develop clear statements relative to review and placement procedures for sensory impaired children, delineating the specific responsibility of the LEA, the SEA, ASDB, and the family.

2. The ASDB administration and Board of Directors should provide LEA's and the SEA with admission standards interpretations which clarify the current ambiguous language relative to level of capacity and demonstrated character traits necessary for enrollment. These statements should be disseminated widely, especially to all LEA's within the state.

Note: A further elaboration on recommendations of this nature is contained in a memorandum dated July 2, 1986, authored by Diane Peterson, Associate Superintendent of Schools of the State of Arizona.

Question VIII

Which states have the best statewide systems of education for the sensory impaired? What are the features of these systems (e.g., mission and role of the state and local agencies, funding methods, evaluation and placement procedures, and relationships among agencies, etc.) which contribute to their excellence?

Most states have one or more state operated special schools serving sensory impaired students. Notable exceptions are Nevada and New Hampshire, which have no state operated special schools either for deaf or for blind students. A 1985 survey by the Kansas School for the Deaf identified 96 special schools, located in 48 states, serving sensory impaired students. Of these 96 schools, 21 were private schools receiving state support, but supervised by their own boards. For the 75 state operated special schools, there did not appear to be any specific model of supervision or reporting relationship to the state which stood out as most preferable.

The most prevalent reporting relationship of state operated special schools was, as might be expected, to the education arm of the state. The manner of reporting varied considerably, however. In four states, special schools were supervised directly by the State Board of Education. In four other states, the state operated special schools were supervised directly by the State Commissioner of Education or State Superintendent of Public Instruction. In eight states, the state operated special schools were supervised directly by an assistant commissioner or assistant superintendent.

In ten states, these special schools were supervised by a director of special schools or services.

In eight states, state schools for the sensory impaired were supervised by a state agency other than education.

In ten states, including Arizona, state schools have their own boards appointed by, and responsible to, the Governor. Accordingly, the special schools in these states are responsible to state education agencies primarily as a function of compliance with state and federal regulatory statutes.

The foregoing study is cited only to demonstrate that the state operated school governance structure in Arizona is not unlike that in a number of other states. Although some form of direct affiliation between state operated schools and SEA's is the most prevalent governance relationship, even that varies considerably. Clearly, therefore, there is not a consensus among states with respect to an ideal reporting relationship.

There is a number of significantly different plans or models of statewide service delivery systems for sensory impaired children and youth. No particular plan seems to be in sufficiently wide use to represent a best practice or "ideal model." Research, similarly, does not suggest a "model" system.

A given state's determination of a service delivery system is based on a number of considerations. Among these are:

1. The time and manner in which the service system evolved;

2. The geographic characteristics and population demography of the state;

3. The social, political, and educational leadership within the state; and

4. Economic considerations.

Each state has educational service delivery systems which they deem to be appropriate to, and successful for, their own specific needs. For example, a number of states in the New England and mid-Atlantic region contract extensively with private schools and agencies to serve handicapped children. This practice is a logical utilization of the extensive network of very fine private special schools which developed on the Eastern Seaboard early in our country's history.

In other parts of the country the practice of such contracting is either not permitted or used very sparingly.

In Delaware the state operated school for sensory impaired children is supervised by an LEA. Further, the school has responsibility for coordinating the identification, review and placement of all sensory impaired children within the state. Such a system seems to work well for this geographically small state.

The service delivery system in the State of Texas is somewhat unique and designed specifically for a geographically large and diverse area. A staff within the SEA coordinates certain resource, compliance, and technical assistance activities through regionally located offices which, in turn, provide support directly to LEA's. A state operated special school for hearing impaired students is a part of this system, but functions under an autonomous board of directors, which is responsible to the Governor. This system has functioned effectively in Texas for a number of years, but it has not been adopted by other states.

A very successful state delivery system which has much in common with Arizona is that of Alabama. A board of directors, reporting to the Governor, provides oversight to three schools for sensory impaired children, as well as a vocational/technical facility and adult

workshop programs, all located in the same town. More recently, the Alabama Institute for the Deaf and the Blind has initiated a successful statewide service program for infant and preschool sensory impaired children. The latter is largely financed by private foundation funding. The Alabama Institute is perceived as an outstanding example of state operated programs which, in recent years, have modified their systems to conform to current public policy and professional philosophy, and have become a significant statewide resource. An Advisory Board composed of LEA Superintendents has proven a successful mechanism for promoting understanding and collaboration. The Alabama example of leadership by a state operated educational agency is cited frequently as an outstanding model.

An a priori concern for ASDB should be compliance with Public Law 94-142 and a position of educational leadership in Arizona's hierarchy of special education service providers. ASDB is demonstrating progress toward achieving an exemplary level of service to sensory impaired students within the state of Arizona. Its expansion of services through ADTEC and the extensive preschool outreach program are indicative of this effort. A number of the recommendations contained in this report describe actions which may facilitate the achievement of an improved statewide service delivery system and an exemplary and distinctively individual Arizona-style statewide program of special education professionals serving sensory impaired Arizonians.

Appendix A

CEASD Position Paper: LRE

This concern of educators of sensory impaired children crystallized almost immediately after the enactment of the law, and, in 1977, the Conference of Educational Administrators Serving the Deaf (CEASD), a national organization of schools and programs, articulated its official position on LRE:

> "Placement of deaf children in instructional settings which most resemble educational systems for hearing children is an important educational objective of professionals who work with deaf children. An overriding consideration, however, is the assurance of an education program fully consistent with their needs and abilities as pupils and their aspirations as adults.
>
> "The attainment of appropriate balance between the advantages to the deaf child of integration and those gained from specialized educational setting requires careful assessment of both student and program, and, in the language of the law "...of the nature or severity of the handicap." (P.L. 94-142 Sec. 612(5)). We must establish carefully, if we are to justify separate instruction for our deaf children, each child's ability to cope with a regular class environment educationally and socially, as he gains lifelong skills and abilities within it. Accurate understanding of the nature and severity of deafness is fundamental to this."

Appendix B

CEASD Program Criteria

1. The program is sufficiently large in size to ensure homogeneous groupings;

2. The program is staffed by qualified and appropriately trained teachers and support services personnel;

3. The program and personnel are supervised by qualified administrators who are knowledgeable about the needs of their constituencies;

4. There exists a specially designed curriculum that is flexible, relevant, is geared to individualization, and is constantly being reviewed, modified, and updated;

5. There are opportunities provided for extra curricular activities that promote positive peer interaction, good social/emotional health and supplement the child's educational program by providing out-of-the classroom learning experiences;

6. Career and vocational training opportunities are provided including work/study placements;

7. Counseling, psychological and social work services, including home-and-school communication and family education services, are provided by trained and knowledgeable personnel; and

8. Equipment, materials and teaching and learning environments are specially designed and should be considered as being at a "state-of-the-art" level.

APPENDIX II

SURVEY OF ASDB EMPLOYEES

METHODS

The population consisted of all employees of the agency, including those off-campus. The sampling frame was a list from ASDB of 600 employees as of March, 1987. A sample of 200 was randomly selected from this list. Questionnaires were mailed to employees' homes to encourage anonymity and confidentiality of responses. One-hundred twenty employees returned the questionnaires for a response rate of 60%.

Scales for questions were coded: 2 = Strongly agree
1 = Agree somewhat
0 = Not sure
-1 = Disagree somewhat
-2 = Disagree strongly.

Questions with mean scores that are less than .5 or are negative are therefore those which indicate the greatest problem. Respondents were stratified according to three primary characteristics:

1. Place of employment (ASDB--Tucson campus, PDSD, ADTEC, Other);
2. Job classification (Faculty, Administrative, Clerical, Other);
3. Employment tenure (less than 6 months, 6 months to 2 years, 2-5 years, more than 5 years).

ANALYSIS

The questionnaires were studied from a variety of analytic perspectives, including frequency distributions and descriptive statistics, factor analysis and qualitative inspection of open-ended questions.

Descriptive Statistics and Open Ended Questions

The various methods of analyses led to similar conclusions. The following issues emerged as major areas of concern to ASDB employees: communication, personnel and management.

Communication: Problems in communication consistently emerged from the various analyses. Specifically, employees tended to feel that they do not receive enough information from upper management and that management does not listen to the recommendations of qualified staff personnel. Employees also expressed dissatisfaction with the amount of coordination and cooperation among various programs and levels within the agency. These coordination and cooperation problems may be attributable to the lack of communication. The problems are illustrated by employees' disagreements with the following Work Environment questions:

Q 4. There is cooperation between the different programs at ASDB (Mean = .157).

Q 7. Top management listens to the recommendations of qualified staff personnel (Mean = -.360).

Q 9. We receive enough information from top management to do our jobs well (Mean = -.033).

Q 11. ASDB's campuses (ADTEC, ASDB, and PDSD) coordinate activities and communicate (Mean = -.281).

Q 13. Management encourages our suggestions and complaints (Mean = .011).

Questions 9 and 13 were considerably lower when stratified by location, with ASDB campus and ADTEC employees scoring those questions lower than total mean values. Faculty scored questions 4, 7, 9, 11, 13 lower than other staff. Employees with longer tenure scored all questions lower except for questions 7 and 11 which were ranked low by all employees.

Several open-ended comments also addressed the lack of communication problem. The following are typical of these comments.

"There is not enough inter-departmental communication or cooperation."

"An effective communication system, both formal and informal, needs to be established."

"There is not enough communication between levels of management to the rest of the staff."

"There is a lack of communication for all the attempts to create more and better managers."

Personnel/management: The employees were asked several questions about personnel policies and management at ASDB. Responses indicated dissatisfaction with personnel policies and practices (mean = -.233). Grievance procedures, management theory and confidence in upper management, especially the Superintendent, were also identified as problem areas. Following are examples of questions which tapped these issues of discontent.

5. ASDB's grievance procedures are adequate for handling my problems or complaints (Mean = -.045).

The interesting point about the above question is that the category with the largest frequency is "Not sure."

ASDB practices a particular type of management style known as management by objectives (MBO). The employee's opinions about MBO are reflected by the mean response to the closed-end question which was slightly negative. The range of responses, however, was wide. The comments regarding MBO suggest that in theory MBO may be acceptable, but its practical application at ASDB is problematic.

Q 20. The MBO process as practiced at ASDB is an effective and useful management tool. (mean = -.069)

"....According to our accountability pay plan, teachers' work on objectives (MBOs) to make steps and grade changes. But with freeze of wages we can't make our grades or steps. Why work on MBOs if there will not be any more money coming in?"

"....The MBO seems difficult to track. I have never gotten any individual feedback on goals and objectives with examples, etc."

"....I don't feel the MBO system is fair."

"....[The biggest problem is] MBO."

Several questions addressed upper management problems:

10. I have confidence in the fairness and honesty of management (Mean = -.284).

In response to the question about "What do you consider the biggest problem on your job?" some representative comments are as follows:

"....Lack of trust -- Director, principals, no confidence in each other and most of all no respect for one another, no trust."

"....Passing the buck; bad-mouthing other professionals; disorganized management; having management look the other way when there's a problem."

"....The 'Executive Cabinet.' Under our current superintendent morale has reached an all-time low and it continues to get lower and lower."

[The biggest problem is] "....The top administrator."

Physical plant/resources: Although not mentioned as frequently as the communication and personnel/management issues, lack of adequate resources was another issue of concern.

"....Inadequate facility to provide a quality program and satisfaction for teachers."

"....Lack of necessary equipment like visual texts, Braille writers, low vision aids, large print and Braille reading materials for the students...."

"....Lack of supplies for projects."

"....Physical facilities: They have not kept pace with student and staff growth."

Factor Analysis

A confirmatory factor analysis model provided an indicator of relationships among the various aspects of the organizational climate (as represented by the questions in the Work Environment section). Confirmatory factor analysis requires that the relationships between the observed variables (in this case, the questions) and the unobserved or latent variables (the concepts) be modeled a priori. For example, in the questionnaire, the variation in questions 1 to 20 is hypothesized to be a function of the latent variable "organization climate."

In this audit, we use the factor analysis primarily as a descriptive tool. The factor loadings indicate which variables share the influence of the latent variable (called a factor), organizational climate, thereby telling us which questions serve as the best observed indicators of this latent variable.

The factor loading for questions 2, 7, 10, 13, 15, 18, 29 are the highest for questions 1 through 20. This indicates that these questions share a common source of variation, and suggests that the source is the hypothesized "organization climate."

Since all the factor loading are positive, we can state that responses tend to go up in value as other responses go up rather than having some responses go up while others go down. The better the perception of management, the better the perception of the organizational climate. Question 6's relatively low loading suggests that familiarity with the ASDB organizational structure is a poorer predictor of overall organization evaluation than all of the other questions except questions 11 and 17. The implication of this is that it's not ignorance of the organizational structure that influences an employee's low evaluation of the organization.

The relationships among the variables remains the same across the subgroups of faculty, length of employment and location of employment, indicating that the effect of organizational concerns has similar importance regardless of subgroup affiliation. Note that separate analyses were not done within subgroups because of small sample sizes.

SUMMARY

The Auditor General's survey of ASDB employees has indicated numerous issues of concern. The most prominent issue is the lack of communication. The closed-ended and open-ended questions suggest that communication may be a contributing factor to the dissatisfaction of many employees.

Personnel problems/management issues often appear as employee concerns. While poor communication may be a contributing factor, these factors appear to be distinguished from the more general concerns of communication. Many of the comments directed attention to the behavior of upper-level management personnel as a source of dissatisfaction. Although MBO is a component of the management aspect of ASDB, employees' concerns were directed toward its application.

Employees were concerned about the lack of adequate physical plant and resources. However, this issue was not as prevalent as the communication and management problems mentioned above.

The factor analysis indicates that the low evaluation of the organizational climate at ASDB is not a product of one indicator. Several questions reflecting organizational climate were consistently scored low.

The frequency distributions, descriptive statistics, qualitative analysis and factor analysis combine to portray employees' attitudes of ASDB. Those attitudes reflect serious concerns about the organizational climate at ASDB and its possible interference with the school's responsibilities to educate hearing and visually impaired children.

AUDITOR GENERAL SURVEY
OF
ARIZONA SCHOOL FOR THE DEAF AND BLIND EMPLOYEES

I. EVALUATION OF ASDB/PDSD PROGRAMS AND SERVICES

Often times, although employees work in specific programs, they are familiar with other programs and services within the agency, and have comments and suggestions regarding the agency as a whole.

The following is a list of areas, programs, and services provided by ASDB/PDSD. Please circle the appropriate number which most closely corresponds to your opinion or perception.

1 = very satisfied
2 = satisfied
3 = not sure
4 = dissatisfied
5 = very dissatisfied

Please feel free to comment further on the back page or attach additional pages.

ADTEC	1	2	3	4	5
ASDB (Tucson Campus)	1	2	3	4	5
PDSD	1	2	3	4	5
Classroom Instruction	1	2	3	4	5
Kit Program	1	2	3	4	5
Parent Outreach	1	2	3	4	5
Early Childhood Education	1	2	3	4	5
Center for Hearing Impaired Children (CHIC)	1	2	3	4	5
Visually Impaired Preschooler's Center (VIP)	1	2	3	4	5
Department of Instructional Support Services	1	2	3	4	5
Vocational Programs	1	2	3	4	5
Physical Education Programs	1	2	3	4	5
Psychological Services	1	2	3	4	5
Audiological Services	1	2	3	4	5
Health Services	1	2	3	4	5
Residential Programs (ASDB - Tucson).	1	2	3	4	5

Food Services	1 2 3 4 5
Transportation.	1 2 3 4 5
Personnel Policies and Procedures	1 2 3 4 5
Equipment and Resources	1 2 3 4 5
Physical Plant/Classroom Facilities	1 2 3 4 5
Media Services	1 2 3 4 5
Business and Finance Division	1 2 3 4 5
Other, please specify:_____.	1 2 3 4 5

II. ORGANIZATIONAL CLIMATE

ASDB Work Environment

The following is a list of statements designed to solicit your opinion on aspects of the ASDB work environment. Please circle the number which most closely corresponds to your opinion or perception. (1 = agree strongly to 5 = disagree strongly)

Please feel free to comment further on the back page or attach additional pages.

* **ANY QUESTIONS WHICH REFER TO THE ACRONYM "ASDB", DESCRIBES THE AGENCY ITSELF AND NOT JUST THE TUCSON CAMPUS.**

1 = agree strongly
2 = agree somewhat
3 = not sure
4 = disagree somewhat
5 = disagree strongly

1. I understand how my job relates to other jobs at ASDB.	1 2 3 4 5
2. If I have a complaint to make, I feel free to talk to a supervisor or superior.	1 2 3 4 5
3. My supervisor sees to it that we have the things we need to do our jobs. . . .	1 2 3 4 5
4. There is cooperation between the different programs at ASDB.	1 2 3 4 5
5. In general, I am satisfied with the job I have at ASDB.	1 2 3 4 5

ASDB Work Environment (Cont'd)

1 = agree strongly
2 = agree somewhat
3 = not sure
4 = disagree somewhat
5 = disagree strongly

6.	I am familiar with the organizational structure at . . . ASDB and the tasks performed by the various departments within the agency.	1 2 3 4 5
7.	Top management listens to the recommendations . . . . . of qualified staff personnel.	1 2 3 4 5
8.	I understand and agree with my MBO performance . . . . . goals and objectives.	1 2 3 4 5
9.	We receive enough information from top . . . . . management to do our jobs well.	1 2 3 4 5
10.	I have confidence in the fairness and honesty of . . . . management.	1 2 3 4 5
11.	ASDB's campuses (ADTEC, ASDB, and PDSD) coordinate . . . activities and communicate well with each other.	1 2 3 4 5
12.	I have enough equipment and resources to do my work. . .	1 2 3 4 5
13.	Management encourages our suggestions and complaints . .	1 2 3 4 5
14.	My supervisor has enough authority and support from . . superiors to make the necessary decisions and perform his/her job.	1 2 3 4 5
15.	ASDB's grievance procedures are adequate for handling. . my problems or complaints.	1 2 3 4 5
16.	I have confidence in my supervisor's knowledge and . . . abilities to perform his/her job.	1 2 3 4 5
17.	I receive adequate in-service training for my . . . . . needs.	1 2 3 4 5
18.	My work environment is conducive to good work . . . . . performance.	1 2 3 4 5
29.	I am treated with courtesy and respect by my . . . . . superiors.	1 2 3 4 5
20.	The MBO process as practiced at ASDB is an effective . . and useful management tool.	1 2 3 4 5

21. How would you best describe the organizational climate at ASDB?

22. How would you best describe the management style at ASDB?

III. ADDITIONAL INFORMATION

Please attach additional pages or answer on back page if the space provided is insufficient to answer the following questions. Again, your responses are anonymous and will be confidential.

1. What do you like best about working at ASDB/PDSD?

2. What do you consider the biggest problem on your job?

3. Do you have any specific suggestions for ways ASDB/PDSD may improve its performance? Please indicate the area, school, section (s), or unit (s) to which these suggestions apply.

IV. BACKGROUND INFORMATION

Please check the appropriate response. All information will be considered confidential.

1. I am a

   __ permanent full-time employee

   __ permanent part-time employee

   __ temporary, or volunteer

   __ Other (please specify) _____

2. I am a

   __ faculty member (i.e., principal, teacher, dean, etc.)

   __ administrative staff person

   __ clerical staff person

   __ other (please specify) _____

3. I work at

   __ ASDB (Tucson Campus)

   __ ADTEC

   __ PDSD

   __ Other (please specify) _____

4. I have been employed at ASDB for

   __ less than 6 months

   __ 6 months but less than 2 years

   __ 2-5 years

   __ more than 5 years

ARIZONA LEGISLATIVE COUNCIL

MEMO

April 7, 1987

TO: Douglas R. Norton, Auditor General

FROM: Arizona Legislative Council

RE: Request for Research and Statutory Interpretation (0-87-3)

This memo is sent in response to a request made on your behalf by William Thomson in a memo dated March 25, 1987.

FACT SITUATION:

Arizona Revised Statutes (A.R.S.) section 15-1203, subsection A states that:

> No child may be placed for the purpose of special education in an institution unless the institution has applied for and had issued a voucher pursuant to this article.

A.R.S section 15-1342, subsection A states that:

> Except when otherwise provided by law and subject to the provisions thereof, the board shall have control of admissions to the school.

Currently, the Arizona state school for the deaf and the blind (ASDB) is educating three children whose vouchers are "on hold" pending further documentation supporting the children's placement at ASDB and one child whose voucher was denied by the department of education. The voucher was denied because the child's school district of residence contends that it can provide an adequate educational program. Providing an education at the local level in the least restrictive environment is the overall intent of Public Law 94-142.

QUESTIONS PRESENTED:

1. Does ASDB's admissions statute allow the institution to overrule the department of education voucher denial and enroll a student?

2. Can students whose vouchers are "on hold" be placed and educated at ASDB?

3. Who is liable for a child's health, safety and welfare if the child is unlawfully enrolled at ASDB?

ANSWERS:

1. No. See discussion.

2. No. See discussion.

3. See discussion.

DISCUSSION:

1. The Education for All Handicapped Children Act of 1975 (P.L. 94-142, 89 Stat. 775, 20 U.S.C. sections 1401 through 1420) completely revised federal law regarding federal assistance for states for education of all handicapped children. In response, the Arizona legislature enacted laws providing for placement of handicapped children for special education in private institutions by the state department of corrections, the department of economic security and juvenile courts (Laws 1976, chapter 185) and comprehensive legislation providing for special education for all handicapped children (Laws 1977, chapter 89).

Laws 1977, chapter 89 added the provisions for the state permanent special education institutional voucher fund, including the following provision:

> For the fiscal year beginning July 1, 1978 and each fiscal year thereafter, no child may be placed for the purpose of special education, in an institution as defined in this article, unless the institution has applied for and had issued a voucher pursuant to this article.

Institution was defined as the ASDB and Arizona training programs at Coolidge, Phoenix and Tucson (the Arizona state hospital was added by Laws 1980, second special session, chapter 9, section 43).

A.R.S. section 15-1203, subsection A clearly states that a child may not be placed for the purpose of special education in an institution unless the institution has applied for and had issued a voucher. "It is a fundamental rule of statutory construction that plain, clear and unambiguous language of a statute is to be given that meaning unless impossible or absurd consequences may result." Balestrieri v. Hartford Accident and Indemnity Insurance Co., 112 Ariz. 160, 163, 540 P.2d 126, 129 (1975). A.R.S. section 15-1342, subsection A also clearly states that except when otherwise provided by law the board of directors of the ASDB has control of admissions to the school. Exceptions operate to restrict the general applicability of legislative language. Sutherland, Statutes and Statutory Construction section 47.11 (4th ed., Sands, 1984).

A.R.S. section 15-1204, subsection D prescribes that:

> D. The director of the division of special education shall develop requirements for the approval of vouchers, pursuant to this section, including the requirement that the person be educationally evaluated.

A.R.S. section 15-1205, subsection A states that:

> A. An application for a voucher pursuant to this article shall not be approved unless the child has been educationally evaluated and recommended for placement in accordance, as nearly as practicable, with the conditions and standards prescribed by the superintendent of public instruction pursuant to rules and regulations of the state board of education.

The state board of education has prescribed by rule special education standards for the public schools and state supported institutions, including the ASDB, special education voucher program policies and procedures and due process standards relating to special education. A.C.R.R. R7-2-401, R7-2-404 and R7-2-405.

The general rule applied to statutes granting powers to administrative agencies is that only those powers are granted which are conferred either expressly or by necessary implication. Sutherland at section 65.02 (1986). The ASDB has not been given the power either expressly or by implication under A.R.S. section 15-1342 to overrule the department of education division of special education and enroll a pupil after denial of a voucher. It is restricted in admitting pupils and is expressly prohibited from doing so under A.R.S. section 15-1203 in the fact situation described. A school district has the obligation under federal and state law to provide special education to all handicapped children within the school district, and if the department of education determines after evaluation of the child that the school district in which the child resides has a special education program appropriate to the child's educational needs, then the child should be placed in the school district's program.*

2. As discussed in the answer to question 1, no child may be placed for the purpose of special education at ASDB unless ASDB has applied for and had issued a voucher after evaluation of the child and recommendation for placement at the ASDB. A.R.S. sections 15-1203 and 15-1205 and A.C.R.R. R7-2-401 and R7-2-404. However, A.R.S. section 15-1205, subsection D provides:

> D. Nothing in this article shall be construed to prevent a child who has not been educationally evaluated from being placed in an institution if such placement is for the purpose of residential and custodial care only.

Therefore, a child may be placed for residential purposes at the ASDB but may not attend a special education program at the school prior to evaluation of the child and application for and approval of the permanent special education institutional voucher.

3. The fact situation implies that in at least four situations the parent, guardian or other person who has custody of the handicapped child voluntarily enrolled the child at ASDB for the provision of special education only or for special education and residential and custodial care. Whether the enrollment is lawful or unlawful and any number of other factors may or may not be relevant if a cause of action arises relating to the child's health, safety and welfare, and the liability of any person would have to be determined on a case-by-case basis by the courts.

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*Placement of a child in a special education program is subject to approval of the child's parent or guardian, who may request a due process hearing to determine the appropriateness of the child's placement. See A.R.S. sections 15-764, 15-766 and 15-767 and A.C.R.R. R7-2-405.

CONCLUSION:

The ASDB may not enroll a handicapped child for special education before approval or after denial of approval of an application for a special education institutional voucher by the department of education. Liability of any person for a cause of action which arises relating to the health, safety and welfare of a child enrolled at the ASDB would have to be determined on a case-by-case basis by the courts.

cc: William Thomson, Director
Performance Audit Division

ARIZONA LEGISLATIVE COUNCIL

MEMO

April 27, 1987

TO: Douglas R. Norton, Auditor General

FROM: Arizona Legislative Council

RE: Request for Research and Statutory Interpretation (0-87-4)

This memo is sent in response to a request made on your behalf by William Thomson in a memo dated April 3, 1987.

FACT SITUATION:

There are currently six students attending the Arizona state school for the deaf and the blind (ASDB) tuition free whom ASDB's attorney general representative considers to be enrolled illegally. After investigation, the attorney general's office concluded that guardianships were awarded to Arizona residents so that the children would not have to pay out-of-state tuition. An ASDB employee was awarded guardianship of one of the Mexican Nationals. ASDB's attorney general representative notified ASDB verbally and in writing that the six students are enrolled at ASDB illegally. However, the attorney general has not issued a formal written opinion on this matter.

The children in question were all born in Mexico to Mexican National parents. The children's parents admit paying the majority of their children's incidental expenses when the children are at ASDB and maintain that they intend for their children to return to Mexico at the completion of their schooling. Further, all the children return to their parents' homes in Mexico during extended vacations and live at ASDB, and not at their guardians' homes, when in Arizona.

United States immigration and naturalization service (INS) records show that the children have neither student visas nor resident alien status. In addition, several of the children do not have border crossing permits. INS maintains that if the children do not possess one of the aforementioned documents they are classified as "illegal aliens", regardless of their legal status as wards of Arizona residents.

Several sections of state law appear to be germane to this matter. Arizona Revised Statutes (A.R.S.) sections 15-1342 through 15-1345 define ASDB's admission criteria. A.R.S. section 15-1342, subsection A gives ASDB's board of directors complete control of admission to the school except where otherwise provided by law. A.R.S. section 15-1343, subsection A defines the conditions under which a child can be admitted to the school and A.R.S. section 15-1345, subsection B provides for the admission to the school of children from other states and countries upon the prepayment of tuition.

In addition, A.R.S. sections 15-823 and 15-824 address admission criteria for public schools. A.R.S. section 15-823, subsection B provides for the admission to Arizona schools and school districts of children who are not residents of Arizona upon the payment of a reasonable tuition. A.R.S. section 15-824, subsection B defines, to a limited extent, how the residence of a child is determined.

There is at least one federal court ruling which may b pertinent to this issue. "Rabinowitz v. New Jersey State Board of Education ... supports the hypothesis that the word 'All' in Pub. L. 94-142 gives handicapped children a right superceding normal residency standards. ... School districts must provide an education for all handicapped minors living within their borders." 26 Ariz. L. Rev. 729, 737 n. 65 (1984).

QUESTIONS PRESENTED:

1. Is it legal for Mexican Nationals to be at ASDB tuition free?

2. Because the attorney general's office has already informed ASDB that the students are enrolled illegally, who is responsible for the continuing tuition cost?

3. Can ASDB officials be held personally responsible for tuition reimbursement to the state since the school failed to follow attorney general legal advice?

4. Is it proper for an ASDB employee to obtain guardianship of a student for the purpose of obtaining residency?

5. How does the ruling in Rabinowitz v. New Jersey State Board of Education impact upon the propriety of charging nonresident handicapped children tuition to attend Arizona public schools?

ANSWERS:

1. through 5. See discussion.

DISCUSSION:

1. A.R.S. section 15-1343 provides:

> A person is entitled to an education in the school for the deaf and the blind without charge if he is a resident of this state between the ages of six and twenty-one years, of suitable capacity and good moral character, and is:
>
> 1. Blind or blind to an extent that he cannot acquire an education in the common schools of this state; or
>
> 2. Deaf or deaf to an extent that he cannot acquire an education in the common schools of this state; or
>
> 3. So defective in speech that he cannot acquire an education in the common schools of this state. (Emphasis added.)

A.R.S. section 15-1345 provides:

> A. Persons older than the age specified in section 15-1343 and persons who are not residents of this state may be admitted to the school if its capacity will permit, but no person shall be received into or retained in the school to the exclusion or detriment of those for whom it is especially founded.

B. Children from other states amd countries may have the benefits of the school by complying with the conditions of admission for state citizens and by advance payment to the superintendent of an amount fixed by the board. (Emphasis added.)

A.R.S. sections 15-1343 and 15-1345 clearly provide for admission of persons from other states and countries on certain conditions, including payment of an amount, i.e., tuition, fixed by the board of directors of ASDB. "It is a fundamental rule of statutory construction that plain, clear and unambiguous language of a statute is to be given that meaning unless impossible or absurd consequences may result." Balestrieri v. Hartford Accident and Indemnity Insurance Co., 112 Ariz. 160, 163, 540 P.2d 126, 129 (1975).

A Mexican National may establish residency in this state for purposes of obtaining a free public education at ASDB regardless of his legal status under the Immigration and Nationality Act of 1952, as amended (8 U.S.C. sections 1101 et seq.). See Plyler v. Doe, 457 U.S. 202, 102 S. Ct. 2382, 72 L. Ed. 2d 786 (1982). Under A.R.S. section 15-1343 a person is entitled to a free public education at ASDB if he is a resident of this state. Generally a minor's residency is determined by that of the minor's parents or legal guardian.* The fact situation indicates that the parents of the children in question are Mexican Nationals who are both residents and domiciliaries of Mexico. (In Plyler, the children and their parents were illegal aliens who resided in the school district.) The fact situation also indicates that the children have had guardians appointed for them who are residents of this state, but this is not determinative of the issue of the children's residency. The parents of those children may not change their child's residency (or domicile) in Mexico simply by having a resident of this state appointed as a guardian of their child.** Those children must be actually physically present and reside in this state. The fact situation indicates that the children are actually residents of Mexico who live with their parents when not in attendance at ASDB and they do not reside with their guardians. As was the case in School District No. 3 of Maricopa County v. Dailey, 106 Ariz. 124, 471 P.2d 736 (1970), the appointment of a guardian was in name only and the children continue to reside with and be under the control of their parents. Therefore, they are not entitled to a free public education at ASDB. A Mexican National who is not a resident of this state must pay tuition pursuant to A.R.S. section 15-1345, subsection B to attend ASDB.***

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*The statutes pertaining to ASDB and special education and federal law pertaining to education of handicapped children do not define a child's residence. A.R.S. section 15-824 does define the residence of the person having legal custody of the pupil (not the residence of the pupil) as the residence of a pupil for purposes of payment of tuition to school districts. See Chapp v. High School District No. 1, 118 Ariz. 25, 574 P.2d 493 (1978) and 79 Op. Atty. Gen. 79-143 (1979).

**See Chapp v. High School District No. 1, Id., Matter of Appeal in Maricopa Cty. Jud. Action, 140 Ariz. 7, 680 P.2d 143 (1984) and Anselmo v. Glendale Unified School Dist., App., 177 Cal. Rptr. 427, 124 Cal. App. 3d 520 (1981).

***A discussion of residency requirements for a free public education appears in Goldsmith, Martinez v. Bynum and Residency Requirements for Free Public Education, 26 Ariz. L. Rev. 729 (1984).

Please note that A.R.S. section 15-1346 is not relevant to the issue of residency of the children. That section provides that "/a/ ll persons from six through eighteen years of age, whose parents or guardians are residents of this state, may attend the school for the deaf and the blind for reasons of partial or total blindness, deafness or defective speech." A.R.S. sections 15-1343, 15-1345 and 15-1346 were all added by Laws 1929, chapter 93 at the time ASDB was established as a separate entity. Previously it was a department of the university of Arizona. As added by Laws 1929, chapter 93, section 20, A.R.S. section 15-1346 provided:

> All persons from six to eighteen years of age inclusive, whose parents or guardians are residents of this state, and who by reason of partial or total blindness or deafness are unable to obtain an education in the public schools of this state, shall under the provisions of this act be required to attend the Arizona State School for the Deaf and the Blind, unless such persons are being privately educated, or unless they are not subjects for admission to the deaf and blind institute of the State of Arizona.

In essence, it provided for compulsory school attendance of blind or deaf persons in a manner similar to A.R.S. section 15-802. Laws enacted by the legislature in 1976 and 1977 (Laws 1976, chapter 185 and Laws 1977, chapter 89) in response to the Education for All Handicapped Children Act of 1975 (P.L. 94-142; 89 Stat. 775; 20 U.S.C. sections 1401 through 1420) failed to either amend or repeal A.R.S. section 15-1346 to conform with the intent of state and federal law to provide for the education of handicapped children in the least restrictive environment and mainstream them to assure that they are educated with children who are not handicapped. In 1978, the legislature enacted corrective legislation amending A.R.S. section 15-1346 which removed the compulsory attendance provisions and simply authorized attendance at ASDB (Laws 1978, chapter 188, section 11).

2. Under article IX, section 7, Constitution of Arizona, the ASDB may not make a gift to the children in question in an amount equal to the tuition they must pay under A.R.S. section 15-1345. The parent or guardian of the child is primarily responsible for payment of the tuition, and ASDB must demand payment of the tuition for the children to remain at and receive the benefits of ASDB.

In School District No. 3 of Maricopa County v. Dailey, supra, the guardian brought a mandamus action against the school district to compel it to accept the pupils tuition free. The Arizona supreme court found the parents liable for the tuition, including back tuition. The school district had demanded payment of tuition for the two month period preceding the end of the school year as soon as it had knowledge of the nonresidency of the children and conditioned attendance for the next school year on payment of tuition for that year and the back tuition.

A.R.S. section 35-154 states:

> A. No person shall incur, order or vote for the incurrence of any obligation against the state or for any expenditure not authorized by an appropriation and an allotment. Any obligation incurred in contravention of this chapter shall not be binding upon the state and shall be null and void and incapable of ratification by any executive authority to give effect thereto against the state.

B. Every person incurring, or ordering or voting for the incurrence of such obligations, and his bondsmen, shall be jointly and severally liable therefor. Every payment made in violation of the provisions of this chapter shall be deemed illegal, and every official authorizing or approving such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received.

A.R.S. section 35-196 states:

Any state officer or employee who illegally withholds, expends or otherwise converts any state money to an unauthorized purpose shall be liable, either individually or on his bond, for the amount of such money, plus a penal sum of twenty per cent thereof, and an action may be instituted by the director of the department of administration or the attorney general immediately upon the discovery thereof.

Under A.R.S. section 35-154, subsection B, liability for any unpaid tuition potentially exists for the parents and guardian of the child, members of the board of directors of ASDB and officers and employees of ASDB. Under A.R.S. section 35-196, potential liability exists for members of the board of directors of ASDB and officers and employees of ASDB.

The primary responsibility for payment of tuition lies with the parent or guardian of the child, but ultimately the liability for unpaid continuing tuition costs for the children at issue would have to be determined on a case-by-case basis by the courts. (See discussion of question 3.)

3. A.R.S. section 41-192, subsection A, paragraph 1 states that the attorney general shall "/b/e the legal advisor of the departments of this state and render such legal services as the departments require." A.R.S. section 41-193, subsection A, paragraph 7 states that the department of law shall "/u/pon demand by the legislature or either house thereof, any public officer of the state or a county attorney, render a written opinion upon any question of law relating to their offices. Such opinions shall be public records."

Unlike school district governing boards which are immune from personal liability for acts done in reliance upon written opinions of the attorney general pursuant to A.R.S. section 15-381, members of the board of directors of ASDB and officers and employees of ASDB are not immune by statute from personal liability for acts done in reliance on written or verbal opinions of the attorney general.

As a general rule, and apart from statute, a public officer or employee, when acting within the scope of his authority, is not liable for his official acts or omissions, that is, he is immune from a civil action for damages. The applicability of official immunity is decided on a case-by-case basis. A public officer acting outside the scope of his authority acts at his own risk and is liable when he goes beyond the powers of his office and commits wrongs under color of office. A public officer who is a member of a corporate or governmental body on which a duty rests cannot be held liable for the neglect of the duty of that body if he acts in good faith. If there is a refusal, neglect or failure with respect to the exercise of the power or discharge of the duties of the body, it is the default of the body and not of the individuals composing it. However, an illegal act or omission of a public body is the act of those members who actually participate in its

consummation and those members may be held personally liable for resulting damages. 67 C.J.S. Officers sections 206 and 207 (1978).

A public officer has no right to give away public monies and any public officer who wrongfully misappropriates public monies or who pays or authorizes the illegal payment of public monies is personally liable for such misappropriation or illegal payment. There is some authority that a public official who in good faith authorizes the improper expenditure of public monies is personally liable to repay the monies only if he fails to exercise due care or reasonable diligence in permitting the expenditures. In determining whether a public official acted with due care in authorizing the expenditure of public monies, the court may consider whether the impropriety of the expenditure was obvious, whether the official was alerted to the possible invalidity of the expenditure or whether the officer relied on legal advice. (Emphasis added.) Other authorities, including the Arizona supreme court, hold that where an expenditure is made by a public officer without authority of law, the reasonableness, practicability or expediency of the expenditure is no justification. Id. section 212. See Kirby v. State of Arizona, 62 Ariz. 294, 157 P.2d 698 (1945), Lee v. Coleman, 63 Ariz. 45, 159 P.2d 603 (1945) and Barbee v. Holbrook, 91 Ariz. 263, 371 P.2d 886 (1962).*

4. The law relating to the appointment of a guardian for the sole purpose of establishing residency of a child in this state was summarized in the discussion of question 1. The fact situation does not specifically explain why the ASDB employee was awarded guardianship of one of the children in question. However, regardless of the motivation of the ASDB employee, if ASDB conducts the evaluation of the child for placement in a special education program, an ASDB employee may not serve as a guardian of the child. A.R.S. section 15-1205, subsection B, paragraph 1 states:

> B. In determining the recommendation for placement the chief official of the institution shall consult at a minimum with the following:
>
> 1. The parent, guardian, person acting as a parent or surrogate parent of the child recommended for placement. For the purpose of special education placement, the placing agency or employees of the placing agency which provides direct education or care may not act as a guardian, as a parent or as a surrogate parent of the child. If the child is a ward of a state agency, neither that agency nor its employees may act as a surrogate parent of the child unless designated by the court as a surrogate. (Emphasis added.)

5. In Rabinowitz v. New Jersey State Bd. of Educ., 550 F. Supp. 481 (1982), the issue was the right of a severely handicapped eleven year old child to a free public education in New Jersey where she had resided for all but two months of her life. New Jersey law required that the child be domiciled within the school district to receive a free public education. New York law considered her a resident of New Jersey and refused to provide a free public education. The child's parents, who were residents and domiciliaries of New York, had placed her in a foster home when she was two months old because of their advanced ages and to provide her with the care she needed. The court stated that all that was sought by the plaintiff was what the Education for All Handicapped Children Act of 1975 requires - access to an education.

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*A.R.S. sections 35-197 and 38-443 impose criminal penalties on public officers and employees who are guilty of violations of the public finances laws and nonfeasance in public office.

> The court therefore holds that under these circumstances, where a handicapped child has been living in the state since she was two months old, and where the reasons for her being placed here were bona fide and not for purposes of obtaining a free education, and where to uproot her would be traumatic and dysfunctional, then the state has an obligation to provide the child with a free appropriate education pursuant to the dictates of the Act. Whether New Jersey is entitled to be reimbursed by New York for the cost of the education is not before the court. Instead, the court only decides that New Jersey has an obligation for providing the education. It is inconceivable that Congress would have intended any other result.

Id. at 490.

The court's holding is not contrary to the holdings of a majority of the courts regarding cases which deal with the question of residency only or residency and handicapped children. For a state to receive funding under the Act it must identify, locate and evaluate all children residing in the state who are handicapped. The court stated:

> To read a domicile requirement into the Act would be inconsistent with the statute's plain language. Congress intended that "all" handicapped children within a state would be educated, and, as the Supreme Court has recently noted, this right extends to the handicapped children "within /the state's/ borders."

Id. at 486.

The court specifically noted that:

> The finding that the child was sent into the state not for the purposes of receiving an education but rather for legitimate family reasons distinguishes this case from those where parents unilaterally selected an institution for their child. The court has no disagreement with the principle that a parent may not select an institution for a handicapped child without first obtaining state approval. (Citations omitted.)

Id. at 490.

Therefore, the propriety of charging nonresident handicapped children to attend public schools in this state does not appear to be impacted by the court's holding in Rabinowitz v. New Jersey State Bd. of Educ.

CONCLUSIONS:

1. A Mexican National who has established residency in this state may obtain a free public education at ASDB. However, a Mexican National who is not a resident of this state must pay tuition pursuant to A.R.S. section 15-1345, subsection B to attend ASDB. The children in question, whose parents are Mexican Nationals who reside in Mexico and intend to have their children reside in Mexico on completion of their education, are nonresidents of this state and may not attend ASDB tuition free.

2. The primary responsibility for payment of tuition lies with the parent or guardian of the child. However, if a gift of public monies in an amount equal to the tuition payable under A.R.S. section 15-1345 is made to the children in question, liability potentially exists for members of the board of directors and officers and employees of ASDB. Ultimately the liability for unpaid continuing tuition costs for the children at issue would have to be determined on a case-by-case basis by the courts.

3. ASDB officers and employees are not immune by statute from personal liability for acts done in reliance on the advice of the attorney general. Apart from statute, the applicability of official immunity is decided on a case-by-case basis. The court may consider whether the impropriety of the expenditure of public monies was obvious, whether the official was alerted to the possible invalidity of the expenditure or whether the officer relied on or failed to follow legal advice.

4. The law relating to the appointment of a guardian for the sole purpose of establishing residency of a child was summarized in the discussion of question 1. The parents of the children in question may not change their children's residency in Mexico simply by having a resident of this state appointed as a guardian of their children. The children must be actually physically present and reside in this state. Additionally, if ASDB conducts the evaluation of the child for special education placement, an ASDB employee may not serve as a guardian of the child.

5. The propriety of charging nonresident handicapped children to attend public schools in this state does not appear to be impacted by the court's holding in Rabinowitz v. New Jersey State Bd. of Educ.

cc: William Thomson, Director
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