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South Carolina Legislative Audit Council

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Report to the General Assembly

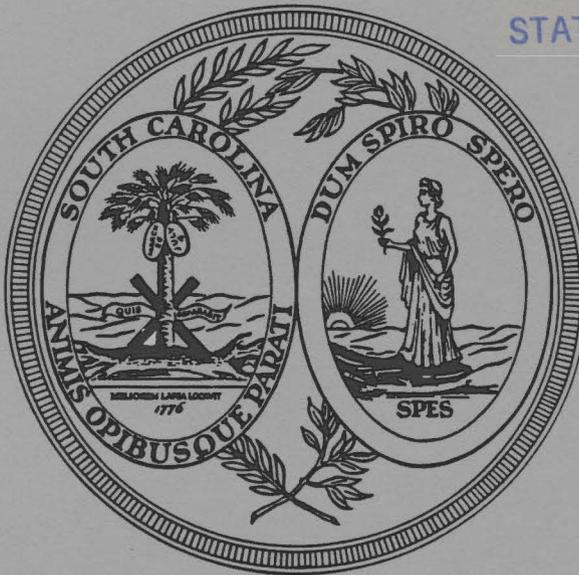
December 1992

A Review of the South Carolina School for the Deaf and the Blind

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Report to the General Assembly

**A Review of the
South Carolina
School for the Deaf
and the Blind**

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December 1992

A Review of the South Carolina School for the Deaf and the Blind

Members of the General Assembly who were concerned about allegations of mismanagement at the South Carolina School for the Deaf and the Blind (SCSDB) requested the Legislative Audit Council to audit the school. Employees and former employees had filed personnel grievances, lawsuits, and complaints to the U. S. Department of Education's Office of Civil Rights concerning the school and its management practices.

Our review did not duplicate the work of other auditors or deal with issues to be resolved in the legal system. Our 17 audit objectives included a variety of educational, personnel management, and financial and administrative issues relevant to the management of the school.

In some areas we found no major problems with SCSDB's management and operations. However, we identified problems that have had an impact on the school's ability to function effectively. Two overall areas of concern emerged from our work at the school.

- SCSDB has not always allocated resources appropriately.
- The school has not followed sound personnel management practices.

For example, management has not allocated sufficient resources to students in areas such as:

- Textbooks needed for classroom instruction.
- Orientation and mobility services required by student educational programs.

In addition, the school has:

- Retained surplus funds.
- Not used available resources for textbooks.
- Allocated resources to employ a full-time housekeeper for the president's home.

Improvements are needed in personnel management. We identified several examples where the school has not complied with state laws, regulations and policy in areas such as:

- Hiring of relatives.
- Hiring of top-level employees.
- Conducting personnel evaluations.
- Conducting exit interviews.

The findings in each major chapter of our audit are summarized below.



Educational Issues

We found that the school for the blind does not have adequate textbooks for its students. We identified five potential sources that SCSDB could use to obtain textbooks. However, the school has not taken full advantage of these resources and may have violated copyright law by making unauthorized copies of published materials.

We reviewed the provision of orientation and mobility (O&M) instruction to blind school students and found that students in our sample received an average of 62% of the services they were scheduled to receive. The school has canceled students' classes to provide O&M services to outside entities. Also, the school does not always employ substitute teachers when teachers are absent.

We also found that the blind school did not hold annual individualized education program (IEP) meetings for 14 (29%) of the students in our sample. These annual planning meetings are needed to ensure oversight of each student's educational program and are required by state and federal law.

We found that an average of 82% of required speech/language services were provided in the deaf elementary school. However, participation in speech/language services is low in the deaf middle school, and deaf high school students received just 49% of the services required by student IEPs. The deaf school does not require high school students to attend scheduled speech/language sessions.

SCSDB's attendance policy has not been enforced consistently. Blind school officials were not aware of the school's policy and have not enforced an attendance policy. The deaf school has generally implemented the school's policy, and deaf school students had better attendance records.

We also reviewed the school's implementation of its child protection policy and its controls to ensure that students admitted to the school meet admissions criteria. We found no major problems in these areas.



Personnel Issues

We reviewed SCSDB's employment of the school president's wife and found the school does not have adequate controls in place to ensure that it fully complies with state laws and regulations governing the employment of related employees.

We found that the president's wife:

- Was employed longer than allowed by law.
- Was supervised by an employee who reported to the president.
- Was improperly paid with state funds for one job.

Since 1989, the school has assigned a state employee as a full-time housekeeper at the president's home on the campus. Employing a personal housekeeper paid for with state funds might violate state law.

We reviewed the personnel files of 32 top-level SCSDB employees and found no evidence that 4 (13%) of these employees met minimum training and experience requirements for the positions they held. The school has no screening procedures to ensure that only qualified employees are hired.

The school has not conducted employee performance evaluations as required by state regulation and policy. We found that 88 (36%) of 249 required performance evaluations in our sample were not completed.



Administrative and Financial Issues

Although authorized to do so, SCSDB does not collect the local share of Education Finance Act (EFA) funds for its multihandicapped students. For the 1992-93 school year, the school could obtain as much as \$138,000 by collecting these funds. We also reviewed payment forms submitted to SCSDB's parent infant program and found no material problems.

We reviewed the oversight role of the SCSDB Board of Commissioners and the school's place in the structure of state government in relation to the State Department of Education (SDE). We found no material problems. However, improved coordination and administrative savings could result if SCSDB were placed administratively under SDE. SCSDB officials are opposed to consolidation. They stated that SDE has no experience in directly operating schools, and that the deaf and blind communities should retain input in the school's governance.

SCSDB's response to our audit is on page 49.

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Executive Summary

Members of the General Assembly who were concerned about allegations of mismanagement at the school requested us to audit the South Carolina School for the Deaf and the Blind (SCSDB). Employees and former employees had filed personnel grievances, lawsuits, and complaints to the U.S. Department of Education's Office of Civil Rights concerning the school and its management practices.

We designed our review not to duplicate the work of other auditors or to interfere with issues to be resolved in the legal system, but rather to examine a range of issues relevant to the school's management. Our 17 audit objectives, listed on page 1, covered a variety of educational, personnel management, and financial and administrative issues.

While we found no major problems with management in some areas, we found problems in other areas that affected SCSDB's ability to function effectively.

In areas where we found no significant problems with SCSDB's management and operations, our recommendations are suggestions for improvement. However, we identified some problems that have had an impact on the school's ability to function effectively. Two overall areas of concern emerged from our work at the school:

Allocation of Resources—We identified areas where management has not allocated sufficient resources to students. For example, some students have not received textbooks or services outlined in their educational programs. On the other hand, the school has maintained surplus funds, has not used available resources for instructional materials, and has allocated resources to such questionable uses as a full-time housekeeper for the president's home. Management should establish a method to assess and appropriately prioritize the school's needs.

Management has not always appropriately allocated the school's resources.

Personnel Management—We identified several examples where the school has not complied with state laws, regulations and policy in areas such as hiring and staffing, personnel evaluations, hiring of relatives, and exit interviews. Improvements in personnel management are needed to better ensure a qualified and motivated staff.

The findings in each of the broad areas of our review are summarized as follows.

Educational Issues

We found that the school for the blind does not have adequate textbooks.

Students have not always received services as scheduled.

We found that the school for the blind (a division of SCSSDB, see p. 5) does not have adequate textbooks for its students. We identified five potential sources that SCSSDB could use to obtain textbooks. However, the school has not taken full advantage of these resources and may have violated copyright law by making unauthorized copies of published materials (see p. 9).

We reviewed the provision of orientation and mobility (O&M) instruction to blind school students and found that students in our sample received an average of 62% of the services they were scheduled to receive. The school has canceled students' classes to provide O&M services to outside entities. Also, the school does not always employ substitute teachers when teachers are absent (see p. 14).

We also found that the blind school did not hold the annual individualized education program (IEP) meetings for 14 (29%) of the students in our sample. These annual planning meetings are needed to ensure oversight of each student's educational program and are required by state and federal law (see p. 15).

We found that an average of 82% of required speech/language services were provided in the deaf elementary school. However, deaf high school students received just 49% of the services required by student IEPs. The deaf school does not require high school students to attend scheduled speech/language sessions (see p. 17).

SCSSDB's attendance policy has not been enforced consistently. Blind school officials were not aware of the school's policy and have not enforced an attendance policy. The deaf school has generally implemented the school's policy, and deaf school students had better attendance records (see p. 20).

We found no major problems with SCSSDB's implementation of its child protection policy or with its controls to ensure that students who are admitted to the school meet admissions criteria (see pp. 22, 26).

Personnel Issues

The school has not ensured compliance with state laws and regulations governing the employment of relatives.

Some top-level staff did not meet minimum training and experience requirements.

Administrative and Financial Issues

We reviewed SCSSDB's employment of the president's wife and found the school does not have adequate controls in place to ensure that it fully complies with state laws and regulations governing the employment of related employees. We found that the president's wife was employed longer than allowed by law, was supervised by an employee who reported to the president, and was improperly paid with state funds for one job (see p. 29).

Since 1989, a state employee has been assigned as a full-time housekeeper at the president's home on the campus. Employing a personal housekeeper paid for with state funds might violate state law (see p. 32).

We reviewed the personnel files of 32 top-level SCSSDB employees and found no evidence that four (13%) of these employees met minimum training and experience requirements for the positions they held. The school has no screening procedures to ensure that only qualified employees are hired (see p. 33). Also, the school has not conducted employee performance evaluations as required by state regulation and policy. We found that 88 (36%) of 249 required performance evaluations in our sample were not completed (see p. 35).

Although authorized to do so, the school does not collect the local share of Education Finance Act (EFA) funds for its multihandicapped students. For the 1992-93 school year, the school could obtain as much as \$138,000 by collecting these funds (see p. 39). We also reviewed payment forms submitted to SCSSDB's parent infant program and found problems that were not material (see p. 40).

We reviewed the oversight role of the SCSSDB Board of Commissioners and the school's place in the structure of state government in relation to the State Department of Education (SDE). We found no material problems. However, improved coordination and administrative savings could result if SCSSDB were placed administratively under SDE. SCSSDB officials are opposed to consolidation. They stated that SDE has no experience in directly operating schools, and that the deaf and blind communities should retain input in the school's governance (see p. 40).

Executive Summary

Introduction and Background

Audit Objectives

Members of the General Assembly requested that we conduct a performance audit of the South Carolina School for the Deaf and the Blind (SCSDB). Their request asked us to review several specific allegations directed toward the school. These included concerns about hiring irregularities, inappropriate use of state and federal funds, substandard services to students, rearrangement of the staff for personal needs, and a mandated “like-mindedness” which has caused the systematic demotion and/or firing of employees not concurring.

In addition, the chairman of the SCSDB Board of Commissioners and the school’s president requested that we conduct an audit of the school in order to assure “. . . compliance with all state and federal laws and regulations, and to assure the special services and programs being offered the sensory impaired population of South Carolina are not compromised”

We conducted survey work at SCSDB and consulted with the audit requestors to clarify the issues and define specific audit objectives. The 17 objectives which resulted from this process fell into three general categories: educational issues, personnel management, and administrative and financial issues. Our objectives (with references to discussion of our findings) were as follows.

Educational Issues

- 1 Determine whether the school has provided adequate textbooks and instructional materials to students in the blind school and the deaf school (see p. 9).
- 2 Determine whether students in the blind school and the deaf school have received related services as specified in student individualized education programs (IEPs) (see p. 13).
- 3 Determine whether the school has ensured that student attendance at the deaf school and the blind school comply with requirements (see p. 20).
- 4 Determine the adequacy of the school’s child protection policy and its implementation (see p. 22).

- 5 Determine whether SCSDB's current students meet the school's admissions criteria (see p. 26).

Personnel Issues

- 6 Determine whether the school's hiring of the president's wife and her employment at the school have been appropriate (see p. 29).
- 7 Determine whether the school has employed a housekeeper designated for the president's home, and, if so, whether this was an appropriate use of state resources (see p. 32).
- 8 Determine whether employees in professional and administrative positions at the school are qualified for their positions (see p. 33).
- 9 Determine whether employee performance evaluations have been performed as required (see p. 35).
- 10 Determine whether employee turnover at the school, especially in professional positions, has been excessive (see p. 36).
- 11 Determine whether SCSDB has conducted exit interviews, and if available, review them to determine why employees left the school (see p. 36).
- 12 Determine whether increases in SCSDB's budget have been spent in accordance with justifications for the increases (see p. 37).
- 13 Review terminations for cause, terminations for reductions in force, and demotions at SCSDB to determine whether the affected employees had their performance evaluated as required, and whether the demotions or terminations were appropriate (see p. 38).

Administrative and Financial Issues

- 14 Review the school's earmarked account to determine the propriety of the use of funds, including EFA funds (see p. 39).
- 15 Review contract management in the parent infant program (see p. 40).

- 16 Review the potential effects of government restructuring to place SCSDB under the same administrative authority as the State Department of Education (see p. 40).
- 17 Determine whether the SCSDB board has appropriately carried out its oversight role regarding alleged improprieties and whether an internal auditor is needed (see p. 42).

Scope and Methodology

We limited the scope of our review to areas relevant to each audit objective. For example, SCSDB is composed of four separate units—the blind school, the deaf school, the multihandicapped school, and the vocational division. Some of our educational objectives related to just two of the schools. Some of the personnel management objectives concerned specific groups of employees instead of all employees. Administrative and financial management objectives included specific programs or fund categories, and excluded a review of other programs and types of funds. For the most part, we did not review SCSDB's vocational division and facilities management. The period of review also varied with specific objectives, but generally we obtained data from 1989 through FY 91-92. We have specified the scope and period of review in our discussion of each audit area.

We identified a number of ongoing lawsuits, personnel grievances, and complaints to the United States Department of Education's Office of Civil Rights that involved SCSDB. We also reviewed the work of other auditors, including the State Auditor's Office, the Office of Audit and Certification of the Division of General Services, and medicaid auditors from the State Health and Human Services Finance Commission. We reviewed the State Department of Education's reports on the school's accreditation and compliance with federal requirements for education of pupils with disabilities. We defined the scope of our review to avoid duplication, both with specific issues currently in the legal system, and the prior work done by other auditors.

SCSDB records were the primary evidence we examined in conducting our audit. We reviewed the school's personnel and accounting records, as well as contracts negotiated by the school. We reviewed records of textbooks used at the deaf and blind schools and teachers' records of service to students. We also reviewed student records, including

students' individualized educational programs (IEPs), attendance records, and psychological, vision and hearing assessments. We also reviewed the school's child protection committee records. In addition, we obtained and reviewed some records from the Division of Human Resource Management (DHRM) and the State Department of Education (SDE).

We conducted interviews with SCSDB officials, and officials from other South Carolina state agencies. We also interviewed officials in other states and the federal government. We interviewed individuals and representatives of organizations with an interest in the school. We reviewed prior audit reports, and governmental and private organizations' reports on issues relevant to our audit objectives.

The primary criteria we used to measure our results included state and federal education laws and regulations, state personnel laws and regulations, SCSDB personnel and child protection policy, the school's admissions criteria, and opinions of the state Office of the Attorney General and the State Ethics Commission.

We reviewed the adequacy of the school's management controls to ensure compliance with laws, regulations and contractual legal requirements. We also examined controls used to assure the quality of the school's programs and services to students.

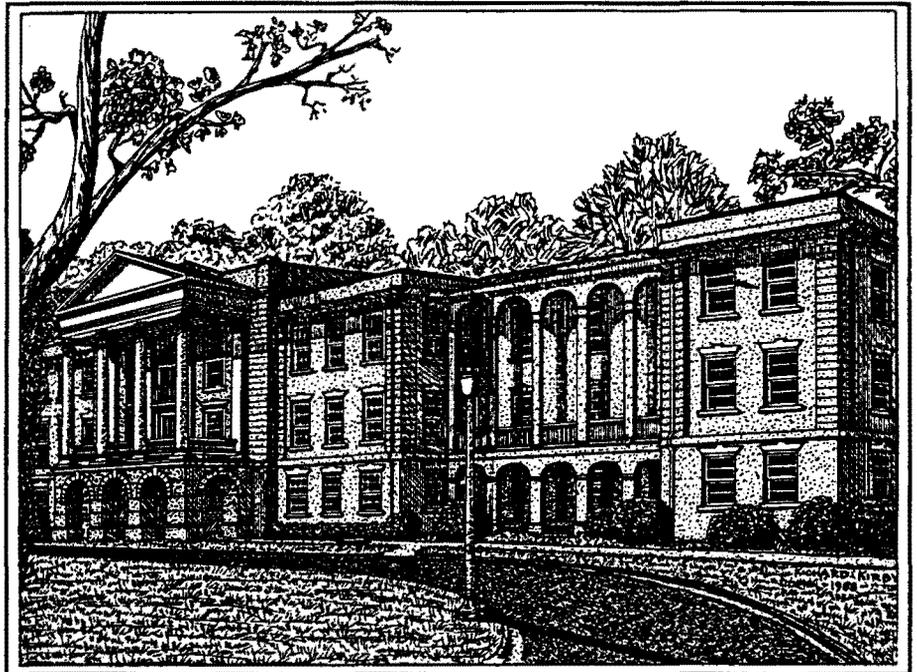
We used statistical sampling techniques to review the delivery of related services to students and to evaluate the school's employee performance evaluations. We determined our sample sizes based on a 90% confidence level. To achieve our audit objectives, we relied on some computer-processed data from the SCSDB student data base which we concluded could be unreliable. However, when this data was viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations in this report are valid.

This audit was conducted in accordance with generally accepted government auditing standards.

Background

The South Carolina School for the Deaf and the Blind (SCSDB) was originally established in 1849 as a private institution by the Reverend Newton Pinckney Walker. The school property and surrounding land at Cedar Spring in Spartanburg County were purchased by the state in 1856. The school has expanded from a single building, Walker Hall, constructed in the late 1850s, to a campus with 28 major buildings.

Walker Hall, South Carolina
School for the Deaf and the Blind



SCSDB offers a residential primary and secondary education to children with severe visual and hearing impairments from across the state. The school has four educational divisions:

- The school for the deaf.
- The school for the blind.

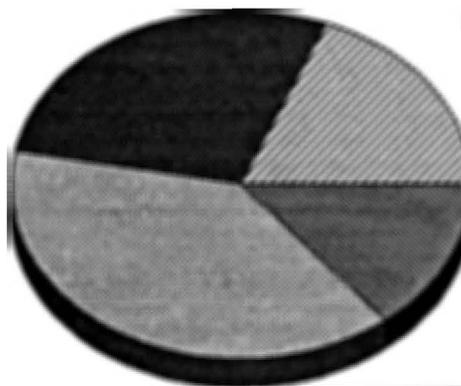
- The school for the multihandicapped.
- The division of vocational programs.

The school for the deaf and the school for the blind offer educational programs for hearing- and visually-impaired primary and secondary students. The multihandicapped division serves students who have at least two primary handicapping conditions, one of which must be a vision or hearing impairment. The division of vocational programs provides secondary and postsecondary deaf, blind, and multihandicapped students with training and experience to enable them to function as independent members of society. Total on-campus enrollment for FY 90-91 was approximately 513 students (see Graph 1.1).

Graph 1.1: South Carolina School for the Deaf and the Blind, Enrollment FY 90-91

School for the Multihandicapped

143 Students (28%)



Vocational School
97 Students (19%)

School for the Blind
74 Students (14%)

School for the Deaf
199 Students (39%)

Source: South Carolina School for the Deaf and the Blind Annual Report 1990-91.

The school is governed by a board of nine members appointed by the Governor. Each of the six congressional districts is represented by one member, and there are three members at large. One of the at-large

members must be deaf and one must be blind. The State Superintendent of Education and the commissioner of the Department of Health and Environmental Control are ex-officio members of the board.

SCSDB is supported by appropriations from the General Assembly, as well as federal and other funds. The school's total budget for FY 91-92 was \$14 million, of which \$10.2 million was state general funds. The school was allocated a staff of 383 full-time equivalents (FTEs) for FY 91-92. Because many SCSDB employees do not work full time, there are more than 400 employees.

Chapter 1
Introduction and Background

Educational Issues

We examined issues related to the education that students receive at the South Carolina School for the Deaf and Blind. Discussion of these areas follows.

Textbooks and Instructional Materials

The blind school does not have adequate textbooks for its students. In addition, SCSDB has not used all resources available to obtain books and instructional materials.

The school's accreditation standards, adopted by the State Board of Education, require that SCSDB provide "adequate personnel, facilities, equipment, and supplies to insure a quality program in all subject areas." Adequate textbooks and instructional materials are necessary for the school to meet this mandate.

Students in South Carolina public schools use textbooks from the *Catalogue of Adopted Textbooks for Use in South Carolina Public Schools*. Books from this catalog are paid for by the state. The school for the deaf uses textbooks from the state-adopted list. However, large-print and braille books are not available in the catalog. The blind school must use other means to obtain textbooks (which may cost more than \$100 each) for students who cannot read standard print. The following discussion outlines problems we found in providing textbooks to blind and visually impaired students.

Blind School Textbooks

There is a shortage of textbooks for some visually impaired students. According to the principal, the school's first priority is to obtain textbooks needed by the 26 students who are "mainstreamed," that is, students who take classes in local public schools. SCSDB management has not allocated sufficient funds to provide books for the 47 students who receive their academic instruction at SCSDB.

From information provided by teachers about the texts they use and the number of copies available, we identified a shortage of more than 170 books. Instead of providing textbooks, the school frequently takes standard-print texts and uses a photocopy machine to enlarge the text and make copies for the students. Teachers must transcribe, by hand, books

SCSDB management has not allocated sufficient funds to provide books for the 47 students who receive their academic instruction at SCSDB.

into braille for the students. For example, teachers reported the following situations:

- A civics teacher with 11 students has only 1 copy of the textbook used for the class; 11 copies are made for the students. This teacher reported that she does not have a teacher's edition for five of the books she uses in her classes.
- A third-grade math teacher has one large-print copy of the textbook used by the six students in the class.
- A science teacher with 11 students has only 1 copy of a workbook used in the class; she enlarges the text and makes copies for the students. She has 8 standard-print copies of a biology text; however, 5 of the 11 students are braille readers and 3 others need large print.

Potential Sources of Materials

We identified five sources SCSDB could use to obtain textbooks, some at no cost to the school. However, SCSDB has not taken full advantage of these resources.

SCSDB has not made maximum use of materials available through the American Printing House for the Blind (APH).

The school can obtain large-print and braille books from APH through federal funding provided to eligible blind students. Each year the blind school receives an allowance (\$13,281 in federal FY 91-92). The school uses the APH allowance to obtain textbooks, equipment, and repairs on its equipment, primarily brailers (a typewriter-like machine that produces braille text). However, the school has not used all the funds it has been allocated. In FY 89-90 and FY 90-91, the blind school turned back \$2,911 and \$1,467, respectively, in APH funds to be reallocated to other schools. Although SCSDB's multihandicapped school was not in the scope of our review, we noted that the multihandicapped school returned \$4,323 of its \$4,652 allocation from APH for FY 89-90.

SCSDB has not accessed the services provided by the State Department of Education (SDE) in acquiring textbooks for visually impaired students.

SCSDB has not used available resources to obtain textbooks for blind school students.

The Office of Programs for Exceptional Children at the State Department of Education obtains large-print and braille books for school districts. Districts select books from the state-adopted list (none of which are in large print or braille), and order them from SDE. The office obtains the needed books in large print or braille from a variety of sources, including volunteer groups and other states, at no cost to the districts. SDE also maintains lists of the materials on a central computer and has a braille depository. An SDE official stated that she knew of no reason that SCSDB could not participate in this service, although the school might have to pay for the books. However, there is no evidence that SCSDB has requested to participate in the service.

SCSDB has unrestricted surplus funds that could have been used for textbooks.

In FY 90-91 and FY 91-92, SCSDB carried forward \$235,883 and \$249,491, respectively, in unrestricted funds. These funds could have been used to cover expenses of the school's programs and operations. An additional \$15,982 carried forward from FY 91-92 was restricted by the FY 91-92 appropriation act to be used "for the purpose of covering expenses in the blind school."

SCSDB does not regularly budget funds for the purchase of textbooks for the blind school.

Despite the unavailability of large-print and braille books on the state-adopted list and the relative expense of these materials, the principal stated that for FY 91-92, she had no budgeted source of funds to purchase textbooks. We reviewed purchase orders from the school's supply accounts and from other sources provided by the school. We identified approximately \$700 in blind school expenditures for books for FY 91-92

(through March 20, 1992). We also identified approximately \$1,975 spent in FY 90-91 for blind school textbooks.

SCSDB has not requested funding for textbooks.

We reviewed the school's annual budget requests from FY 89-90 through FY 92-93 and found no evidence that the school asked for funding for textbooks and instructional materials.

By not allocating sufficient resources to textbooks and instructional materials for the blind school and not acting to remedy inadequacies, SCSDB has not ensured a quality program for its blind students. In addition, by regularly copying textbooks for student use, the school may be violating federal copyright laws (see below).

Recommendations

- 1 The South Carolina School for the Deaf and the Blind should contact the State Department of Education for assistance in obtaining textbooks for students in the blind school.
- 2 The South Carolina School for the Deaf and the Blind should maximize use of its allocation from the American Printing House for the Blind to purchase textbooks and materials for blind students.
- 3 If necessary, the South Carolina School for the Deaf and the Blind should use its surplus funds to provide textbooks and materials for students at the blind school.

Copyright Law Provisions

Copying all or part of copyrighted material, without prior permission of the copyright owner, generally violates the provisions of the Copyright Act of 1976. The "fair use" doctrine (Section 107 of the act) allows for reproduction of copyrighted works in some cases in an educational setting. However, the guidelines for this exception do not allow either unauthorized copying that substitutes for the purchase of books or

unauthorized copying of "consumable" works, such as workbooks. Civil and criminal penalties may be imposed for copyright infringement.

According to documents we reviewed, staff at the blind school regularly copy books because management has not provided the resources to purchase them. We found no evidence that the school has asked publishers for permission to copy.

Recommendation

- 4 The South Carolina School for the Deaf and the Blind should obtain publishers' permission before making copies of copyrighted material.
-

Services Provided to Students

Federal law requires state and local educational agencies to provide effective special education to meet the individual needs of each handicapped child. Students at SCSDB also receive related services, such as speech or physical therapy, that are necessary for the children to benefit from their education.

Federal law requires that each child has an individualized education program (IEP) which summarizes the child's present educational performance, establishes educational goals and objectives, and specifies which services the child will receive. The IEP is developed and revised annually in a meeting that includes a representative of the school and the child's teacher, and may include the child's parents and other interested parties.

We selected a random sample of student IEPs in the blind school and the deaf school and examined school records to determine if certain related services were provided to students as required (see Appendix A). We identified several areas where service could be improved, as discussed below.

Orientation and Mobility Services for Blind Students

Orientation and mobility (O&M) instruction assists blind and visually impaired people in traveling independently. Students are taught orientation skills that help them to know where they are in relationship to other things in the environment. Mobility instruction enables them to get from one place to another independently and safely, by using a cane.

We selected a random sample of 48 blind school students for our review of O&M services.

Orientation and Mobility Services and SCSDB Priorities

Thirteen (27%) of the 48 students in our sample received orientation and mobility instruction. These 13 students received an average of only 62% of the O&M service they were scheduled to receive during our period of review (September 1991 through March 1992).

The low rate of service delivery can be attributed in part to SCSDB priorities. Although some reasons that students were not served could be expected, such as the student's absence from school, we identified other factors impeding the delivery of service that were questionable.

For example, the orientation and mobility instructors give priority to SCSDB contracts to provide service to outside entities. The school has contracted with the Commission for the Blind and with local school districts to provide O&M services for their clients and students. According to SCSDB records, the O&M instructors missed sessions with their students because of obligations to contractual clients. O&M instructors also missed sessions because of SCSDB committee meetings, school projects such as a gift wrap sale, and because they had to act as substitutes for teachers who were absent.

SCSDB has not ensured that it provides services to its students before soliciting contracts from outside entities.

SCSDB has not ensured that it provides services to its students before soliciting contracts from outside entities. The principal of the blind school stated that they must give priority to outside contracts because the school is legally obligated to provide the service. However, according to federal law governing education of the handicapped, the school is also legally obligated to provide services specified in student IEPs.

Scheduling of O&M Services

We found that the amount of service the O&M instructors scheduled for some students did not relate to IEP requirements. For example, one student's IEP required her to receive two hours each week, but the school scheduled her for only one hour. Two students were scheduled to receive two hours of service a week, when their IEPs required one hour.

Individualized Education Program Meetings

The blind school did not hold annual IEP meetings, as required by state and federal law, for 14 (29%) of the 48 students in our sample. Therefore, we could not determine whether or how much orientation and mobility instruction these students were to receive.

Federal regulation 34 C.F.R. §300.343 and State Board of Education regulation 43-243 require annual IEP meetings for all students in special education. Noncompliance with federal education requirements could result in loss of federal funding for SCSDB.

Blind school officials stated that the IEP meetings were not held for some students whose parents did not indicate they would attend. However, the lack of parental attendance does not affect the requirement to have an annual meeting for each student. The school is responsible for oversight of its students' progress, whether or not the parents participate.

Integrity of Records

We identified 14 student files that did not have documentation of IEP meetings. After our review, school employees added paperwork that was backdated to indicate that the meetings were held. According to a blind school official, the staff updated the files and put in paperwork to document the meetings, although the meetings were not actually held. There is no way to determine from student files which IEP meetings were actually conducted.

As required by the General Accounting Office *Government Auditing Standards*, we reported the falsification of information in student files to SCSDB's president. The president notified us that he reported this matter to legal and educational authorities and took corrective disciplinary action.

Use of Substitute Teachers

SCSDB does not usually hire substitutes when teachers are absent.

The blind school's O&M instructors sometimes missed sessions because they had to fill in for other teachers who were absent. The principal of the blind school stated that the school has no resources to hire substitute teachers. They cannot hire substitute teachers as other public schools do, but must pull staff from different areas to fill in when teachers are absent.

We asked the principals of the deaf school and the multihandicapped school about their use of substitutes. These principals said that it is not their policy to hire substitutes unless a teacher will be absent for an extended period, such as maternity leave. Other staff members are pulled from their regular assignments to cover for absent staff members. These principals said it is a problem to find substitutes qualified to work with multihandicapped students, or who can communicate with deaf students. However, the school could seek to develop a list of qualified substitutes by consulting former employees and other local school districts.

When a SCSDB teacher or staff member assumes the responsibilities of an absent staff member, that employee's own regular duties or teaching assignments are less likely to be fulfilled. Also, although we could find no state requirement that schools must hire substitutes when teachers are absent, an SDE official stated that it is general practice for schools to hire substitutes. The standards relating to quality of instruction in the school's defined minimum program might not be met when there are no substitutes.

Recommendations

- 5 The school for the blind should ensure that its students receive required orientation and mobility services prior to contracting with outside entities.
- 6 The school for the blind should ensure that orientation and mobility instructors schedule services to meet students' IEP requirements.
- 7 The school for the blind should hold annual individualized educational plan meetings for each of its students.
- 8 The school for the blind should ensure the integrity of its student records and not add and backdate IEP documentation for meetings not held.

- 9 The South Carolina School for the Deaf and the Blind should develop a roster of qualified substitute teachers and teacher assistants. Whenever possible, the school should hire substitutes when teaching staff members are absent.

Speech/Language Services for Deaf Students

Speech therapy concentrates on helping students produce sounds and practice the production of sounds. Language therapy can help students with conversational skills, vocabulary development and word use.

We reviewed the provision of speech/language services to a random sample of 81 students in the deaf school. The following discusses what we found at each level of the deaf school.

Elementary School

We found no material problems with the provision of speech/language services for elementary students. Generally, speech/language therapy is provided in the elementary school as a part of classroom instruction. Each class is scheduled to receive one hour of language-based therapy each week. Some students also receive additional small group or individual therapy. The IEPs of 34 students in our sample from the elementary school specified that the students were to receive one hour of speech/language therapy weekly. One student's IEP required two hours a week.

Speech/language services were provided 82% of the time required in the elementary deaf school.

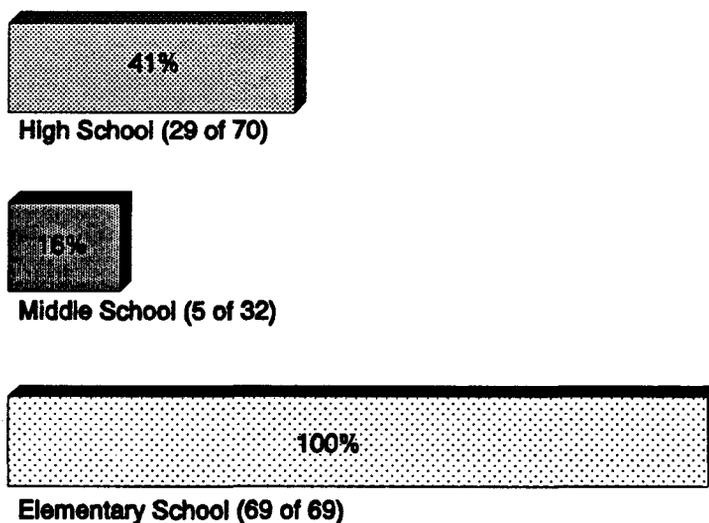
Based on periods for which records were available (see Appendix A), speech/language services were provided an average of 82% of the time required. The level of service provided to individual classes ranged from 61% to 98% of the required amount. The records provided evidence that classes were sometimes rescheduled or made-up when they were missed because of school holidays or absences.

Middle School

Participation in speech/language services was lower for SCSDB middle school students (grades 6-8) than for elementary or high school students. None of the eight middle school students in our sample received speech/language services for 1991-1992. One student was supposed to be

evaluated for speech/language services, but the evaluation was not completed. We obtained information about the percent of students receiving speech/language services at all levels of the deaf school, and found the lowest participation (16%) at the middle school level (see Graph 2.1).

Graph 2.1: Percent of Deaf School Students Receiving Speech/Languages Services



On a list given to the assistant principal of the middle school, the speech/language teachers recommended that nine current middle school students receive speech/language services in 1991-92. However, only three of these students have received services. Participants at the annual IEP meetings for the other six students decided that these students would not have speech/language services. The speech/language teachers did not attend any of these IEP meetings.

High School

High school students have received an average of 49% of the speech/language service required by their IEPs. Attendance is low in part because SCSSDB does not require that students attend their speech/language sessions.

As specified in their IEPs, 14 (47%) of the 30 high school students in our sample were to receive speech/language services. Thirteen of these students received some services in school year 1991-92 and one received none.

According to the speech/language teacher who provides services to high school students, students frequently do not attend their scheduled speech sessions for no apparent reason. In a review of this teacher's service records for March 1992, we found 13 instances where "student did not attend session" was indicated as the reason the session was not held. She stated that it is the student's responsibility to attend, and she does not necessarily inform school administrators when students are absent.

The deaf school does not require high school students to attend scheduled speech/language sessions.

The principal of the deaf school stated that attendance at speech sessions should be encouraged, but lack of attendance is not a disciplinary matter; students are not punished for not attending. He said that being forced to go to speech can be frustrating for deaf students, and students are encouraged to develop self-esteem that is not related to whether they can speak.

However, the decisions made at student IEP meetings are SCSSDB's legal obligations. The school has allocated resources to provide speech/language services to students. These resources are not used effectively when the school does not ensure that students attend.

Recommendations

- 10 The school for the deaf should ensure that decisions about speech/language services made at IEP meetings are implemented.
- 11 The school for the deaf should require that students attend scheduled speech/language sessions.

Student Attendance

Our review of student attendance at the deaf school and the blind school (excluding the multihandicapped school) found that SCSDB's attendance policy has not been enforced consistently. The blind school has not implemented any attendance policy. The deaf school has generally implemented the school's policy, but some improvements could be made.

SCSDB Attendance Policy

Under the Education Improvement Act (EIA) of 1984, the State Board of Education established regulations to provide a system for encouraging improved student attendance. Regulation 43-274 defines lawful and unlawful absences and requires that (1) a district's board of trustees, or its designee, approve or disapprove any student's absence in excess of ten days, and (2) that districts have intervention plans and policies that go into effect after three consecutive unlawful absences or a total of five unlawful absences.

The board of the School for the Deaf and the Blind adopted an attendance policy to comply with these regulations in March 1985. As discussed below, the policy has not been enforced consistently. Also, it is outdated; for example, it refers to SCSDB personnel positions that no longer exist.

Blind School Attendance

Blind school administrators were not aware of the school's attendance policy. In addition, the blind school has no attendance requirements that students must meet, and students are not penalized for excessive absences. The blind school does not distinguish between lawful and unlawful (or excused and unexcused) absences, in part because administrators are not aware of the school's requirement to do so.

The blind school has not enforced SCSDB attendance policy.

By not implementing an attendance policy, the blind school has not provided the necessary support to encourage student attendance. For school year 1991-92, blind school students missed an average of 15 days of school. Thirteen (18%) students missed 20 or more days, and 5 students missed more than 50 days. Attendance problems are more common than in the deaf school.

Deaf School Attendance

The deaf school has generally implemented the SCsDB attendance policy. The principal has sent letters to all parents explaining the school's policy and stressing that regular attendance is mandatory. The deaf school keeps records of excused and unexcused absences and has taken action when students have an excessive number of unexcused absences. The school notified the parents of the six deaf school students who had more than ten unexcused absences for 1991-92 that their children would not receive credit and would have to repeat this year's school work.

For school year 1991-92, deaf school elementary, middle, and high school students missed an average of seven days of school. Twelve (8%) students missed 20 or more days, and 2 missed more than 50 days. The deaf school's implementation of SCsDB attendance policy may have a positive effect on student attendance.

Policy Review Needed

The deaf school is not in complete compliance with SCsDB policy. The school's policy requires specific interventions when students are absent for a certain number of days and specific documentation of these interventions. For example, when a student has missed three consecutive days or when three unlawful absences have occurred, the school is required to contact the parents and document that contact in the student's record. Other intervention procedures require the school's social worker to make a home visit and develop an attendance plan with the student's parents. We could find no evidence that these intervention policies have been followed.

Recommendations

- 12 In consultation with the State Department of Education, the South Carolina School for the Deaf and the Blind should review and update the school's attendance policy.
- 13 The South Carolina School for the Deaf and the Blind should ensure that the blind school, the deaf school and the multihandicapped school are informed of the school's attendance policy, and that each school implements controls to provide consistent policy enforcement.

Child Protection

The South Carolina School for the Deaf and the Blind has a committee that is responsible for reviewing all suspected incidents of child abuse. The school has developed child protection policies and procedures for the committee, composed of four members appointed by the president, to follow when conducting investigations.

We reviewed the records of all 77 cases reported to the committee during the 1990-91 academic year to determine if the agency followed its policy for handling child protection cases. The school divides cases into three categories:

- Possible abuse cases that happened in the child's home or local community.
- Cases where possible abuse occurred on the school's campus or while the child was under the supervision of the school.
- "Limited action taken" cases, those considered by the child protection committee to be minor incidents that were reported but did not require any action by the school or DSS.

All three categories may involve possible abuse between an adult and a student or between students (which may result from a lack of adult supervision).

Overall, we found no major problems with the agency's investigating and handling of reported abuse. However, several areas could be improved.

We found no major problems with SCSDB's investigation of reported abuse.

Committee To Meet

The school's policies and procedures require that for each report of abuse, the entire child protection committee meet to review all relevant information and make its findings and recommendations to the president. We found no evidence that the entire committee ever met to discuss a case. Also, according to a school official, the committee never met as a whole during the academic year of 1990-91.

While there may be reasons the full committee cannot meet for every report of abuse, the school's policy does not allow for a quorum of less than the entire committee.

Notification of Parents

School policy states that, "In all cases of possible abuse the student's parents or guardian will be notified within 48 hours of the initial report to the Committee."

In 15 (39%) of the 39 cases recorded as occurring under the supervision of or on the premises of the school, there was no evidence that the parents were notified of the incidents. We identified examples where students were alleged to have exhibited inappropriate sexual behavior, and their parents were not notified.

According to SCSDB officials, many of the children involved in these incidents already receive counseling services, and their counselors have weekly contact with the children's parents. The incidents of alleged abuse may have been relayed as part of the counselors' ongoing communication with the parents.

In 9 of the 20 cases recorded as "limited action taken," we found no documentation that the parents were notified of the incident.

According to the chairperson of the child protection committee, the Department of Social Services (DSS) has instructed the school not to notify the parents of incidents which do not happen under the school's supervision or occur off the premises of the school. DSS is to handle all aspects of such cases, including notification. DSS investigators told us that the local DSS office is responsible for parent notification when suspected abuse occurs outside of the school's supervision. The school's policy, however, does not reflect this exception to notifying parents.

DSS Notification

According to school policy, ". . . the Child Protection Committee shall determine if the Department of Social Services should be notified of the allegation of abuse." In cases of possible abuse which occurred in the child's home or community (not under the supervision of the school), SCSDB policy states that DSS must be notified.

In 24 (62%) of the 39 cases where alleged abuse occurred under the supervision of SCSDB or on campus, there was no evidence in SCSDB files that DSS was notified. We did not review the committee's decisions on whether or not to notify DSS. However, the committee has not

consistently documented the reasons for its decisions. We found that a reason for not notifying DSS was given in 11 cases.

DSS was notified in 15 (83%) of the 18 cases where alleged abuse occurred in the child's home or somewhere other than the school. In one case, because DSS called the school, notification was not necessary. In the remaining two cases, there was no evidence that DSS was notified.

DSS was not notified in 17 (85%) of the 20 "limited action taken" cases.

The decision to notify DSS was always made by one committee member and the president, by two committee members or by two committee members and the president. There is no evidence that the entire committee met on any of these cases, as required by school policy, to determine if DSS should be notified.

Notifying Reporter of Action

School policy requires the committee to notify the person who first reported the incident that action was taken as a result of the report. There was evidence in 62 (81%) of the files that the reporter had been notified.

In an additional four (6%) cases, reporter notification was not necessary because the reporter was the supervisor who had to follow up on the case, or the reporter was otherwise involved in the disposition of the case and aware of the outcome.

President Notification

School policy requires the committee to make a written report of the findings from its investigation and submit recommendations to the president.

School records indicate that the president was not notified, either in writing or verbally, of a reported allegation of abuse in 6 (8%) of the 77 cases.

Record Keeping

The school maintains a log that records the time frame in which the reported incidents occurred, the participants, whether the incident occurred at the child's home or under the supervision of the school and other information such as the child's age, race, and sex.

Improvements in record keeping could help the committee in carrying out child protection policies and procedures. For example, the committee's log does not contain information showing whether the case was investigated, the disposition of the case or the date the file was closed.

The school has developed a checklist to ensure that all steps of the procedure have been completed. However, the committee does not always document on its checklist when required steps are completed. For example, the checklist does not indicate whether follow-up plans of action were submitted by division directors to the president or who was responsible for notifying the student's parents.

Conclusion

Although we found no evidence that the committee's actions did not adequately protect children, the South Carolina School for the Deaf and the Blind has not consistently adhered to its policies and procedures regarding child protection. The school should review its current child protection policies and procedures to determine where revisions are needed in areas such as parent notification and committee meetings.

To improve record keeping, the school should strengthen management controls already in place, such as ensuring various policies and procedures are implemented. This could help to ensure that child protection cases are handled thoroughly and consistently.

Recommendations

- 14 The South Carolina School for the Deaf and the Blind should comply with its child protection policy or amend it to provide reasons for exceptions.
- 15 The South Carolina School for the Deaf and the Blind should consider allowing for a quorum of the child protection committee to meet instead of all members.

- 16 The South Carolina School for the Deaf and the Blind should clarify under what circumstances parents will be notified of cases of possible abuse.
- 17 The child protection committee of the South Carolina School for the Deaf and the Blind should maintain a case log that includes the disposition of the case and the date the file was closed after completion of all steps of the procedure.
- 18 The child protection committee should complete its checklist, in its entirety, for each case. The committee should add steps to the checklist to indicate whether a follow-up plan of action was submitted to the president and who was responsible for contacting the parents.

Admissions Criteria

We obtained admissions statistics from SCSDB for school year 1991-1992 and found that most students who apply have been admitted (see Table 2.1). We reviewed student records to determine if students who attend the school met admissions criteria, and found no material problems with students meeting the criteria.

Table 2.1: SCSDB Admissions,
School Year 1991-92

School	Applicants			
	Received	Eligible	Rejected	Admitted
Deaf	35	35	0 ^a	35
Blind	13	13	0	12 ^b
Multihandicapped	26	19	7 ^c	19
Total	74	67	7	66

- a One applicant screened as ineligible prior to admissions decision.
- b One applicant did not come to SCSDB after being accepted.
- c Three applicants screened as ineligible prior to admissions decision.

Source: South Carolina School for the Deaf and the Blind.

We found no material problems with students meeting SCSDB admissions criteria.

The SCSDB Board of Commissioners establishes admissions criteria. In addition to ensuring that students meet the criteria, SCSDB must also determine that placement at the school is appropriate and offers the least restrictive environment in which the child's educational needs may be met. The child's parent(s) must support the placement decision.

Our review was limited to determining whether students met the board's admissions criteria; we omitted consideration of least restrictive environment placement. In response to a complaint, least restrictive environment placements at the school for the deaf were investigated by the United States Department of Education's Office of Civil Rights (OCR). The OCR investigation had not been completed as of September 1992.

The board has established minimum guidelines for mental ability (IQ) and vision and hearing loss. We selected criteria for the children's mental ability (IQ) and handicapping conditions (see Table 2.2) and reviewed hearing, vision and psychological assessments for students in each school. As stated above, we found no material problems.

Table 2.2: Selected SCSDB Admissions Criteria

School	IQ	Handicapped
Deaf	69 or greater	Hearing loss of 40 dB or greater in the better ear with correction
Blind	69 or greater	Visual acuity 20/50 or less ^a
Multihandicapped	25 or greater	Meet vision or hearing criteria above and have one additional handicap

^a Additional qualifying conditions include progressive eye disease or limitations of visual field.

Chapter 2
Educational Issues

Personnel Management

We examined issues relating to personnel management at the school. Discussion of these areas follows.

Nepotism

Between March 1988 and June 1991, the SCSDB Board of Commissioners approved the hiring of the school president's wife to perform three separate jobs. The president's wife earned a salary of \$35 per hour for two of the part-time positions, and \$2,444 per month in another position. We examined employment records to determine if SCSDB administered her employment in compliance with state nepotism laws and regulations and ethics commission opinions.

State Personnel Regulation 19-707.02(J) and §8-5-10 of the South Carolina Code of Laws, in effect during the scope of our review, generally restricted agencies' hiring of relatives of employees. According to an attorney general's opinion (clarifying these provisions) provided the school in January 1990, the president's wife could work at the school under the following conditions:

- The period of employment must be temporary, not to exceed 120 days. (A letter we received from the Division of Human Resource Management stated that the 120 days of temporary employment begin when an individual is hired and include all consecutive calendar days, as opposed to days in a work week, equivalent hours or accumulated days worked.)
- The board, rather than the president, must hire the individual.
- The supervisory chain for the individual must eliminate any supervision, control or influence of the president.

The following describes our findings for each of the three assignments.

Educational Consultant for Grant

In January 1988, the SCSDB board chairman requested an opinion from the State Ethics Commission concerning the propriety of contracting with the president's wife to provide consulting services under a grant the school

received. In March 1988, the Ethics Commission informed SCSDB that:

. . . the spouse of the President may offer for and receive the contract to provide the services, provided the President takes no action regarding the preparation of contract specifications, award of the contract, signing off on the contract, or taking any other action regarding the contract.

School records indicate that the president signed a contract to hire his wife for this job in January 1988. Because she was hired as a special contract employee, the school did not have to comply with state nepotism laws and regulations. However, the president's signing the contract was in conflict with the State Ethics Commission opinion, which the school received two months after he contracted with his wife.

School records also indicate that, although she began her employment on January 4, 1988, the board did not approve her hiring until March 3, 1988.

Part-Time Educational Consultant

On September 21, 1989, the board approved the hiring of the president's wife for consulting services for "a variety of educational purposes." School records indicate that she was employed in this job from August 2, 1989, through June 2, 1990, and thus began employment prior to actual board approval on September 21, 1989. According to board minutes, the board did not allow her employment to begin retroactively.

Board minutes state that the compensation for these services was to be at a rate of \$35 per hour, not to exceed \$15,000. However, school payroll records indicate that she was paid \$16,713, or \$1,713 more than the board authorized. In addition, she was employed for 319 days, 199 days more than the 120 days allowed by law, and was paid more than \$10,400 for work in excess of 120 days.

Grants Writer

On June 7, 1990, the board approved the hiring of the president's wife as a part-time grants writer for a period not to exceed 120 work days. School records indicate that she actually worked 315 days, from August 20, 1990, through July 1, 1991. She was paid more than \$14,300 for the 195 days worked in excess of the allowable period.

In addition, board minutes indicate that this position was being made available to the agency by the Foundation for the Multihandicapped, Blind and Deaf of South Carolina, and that the position would be paid for with foundation funds. Foundation records indicated that \$20,000 would be available to the school to fund this position. However, of the \$22,243 paid to the president's wife to perform these services, as well as the \$1,647 paid by the school in employer contributions, only \$18,839 was reimbursed by the foundation. We could find no evidence that the school's board authorized state funds to be used for any of the president's wife's salary and employer contributions.

Supervisory Relationship

SCSDB records indicate that the employee who supervised the president's wife reported directly to the president. We could find no evidence that his wife reported outside of his supervisory chain of command. Therefore, SCSDB did not follow the 1990 attorney general's opinion stating that the supervisory chain for the individual must eliminate any supervision, control or influence of the president.

Conclusion

The school does not have controls in place to ensure that it fully complies with state laws and regulations governing the employment of related employees. When the school does not fully comply with state nepotism laws, there is an appearance of impropriety which can affect staff morale and reduce public confidence in the agency's hiring practices. From January 1988 through June 1991, the president's wife was paid approximately \$62,000, and worked for an employee directly supervised by her husband. Approximately \$25,000 of this amount was paid after she worked the maximum legal number of days.

Recommendations

- 19 The South Carolina School for the Deaf and the Blind should establish controls to ensure that work performed by related employees is in compliance with state laws and regulations on nepotism.
- 20 The South Carolina School for the Deaf and the Blind should establish controls to ensure that payment for services does not exceed approved payment amounts.

- 21 The South Carolina School for the Deaf and the Blind should comply with opinions received from the Office of the Attorney General and the State Ethics Commission. When in doubt, the school should receive opinions in writing before proceeding with the action in question.
- 22 The South Carolina School for the Deaf and the Blind should request that the Foundation for the Multihandicapped, Blind and Deaf of South Carolina reimburse the school for all costs of the grants writer position.

Housekeeper at the President's Home

Since 1989, a state employee has been assigned as a full-time housekeeper at the president's home on the campus.

The housekeeper had previously worked at the school in the food services department. She was transferred to housekeeping and assigned exclusively to work at the president's home. There is no evidence in the SCSDB board's minutes that the board approved this arrangement.

This employee performs tasks, such as washing and ironing clothes, cooking, and washing dishes, that are outside the duties prescribed for her job title. In addition, her job description states that one of the main functions of the job is to supervise the work of other custodians. She does not supervise employees and her salary is higher, in part, because of the supervisory responsibilities the job description requires.

Employing a personal housekeeper, as described above, paid with state funds might violate state law. Section 129.9 of the FY 91-92 appropriation act states:

. . . salaries paid to officers and employees of the State . . . shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto . . .

This arrangement may also be a violation of the state Ethics, Government Accountability and Campaign Reform Act of 1991 if the president has used his employment to obtain an "economic interest."

Section 8-13-100(11)(a) defines "economic interest" as:

. . . an interest distinct from that of the general public in a . . . transaction or arrangement involving . . . services in which a public official . . . or public employee may gain an economic benefit of fifty dollars or more.

We contacted three similar state agencies, which serve students, that have directors or superintendents living in state-owned residences (Wil Lou Gray Opportunity School, John de la Howe School, and the Department of Youth Services). These institutions do not spend state funds for housekeeping or maintenance services for employees residing in state-owned houses.

If there is a need for the president to hold state-related functions at his house on occasion, the school's housekeeping department could provide necessary services then. We could find no justification for a state employee to be assigned full-time as the president's housekeeper.

Recommendations

- 23 The South Carolina School for the Deaf and the Blind should discontinue expending state resources for personal housekeeping services at the president's house. This position should be reassigned to provide services for students.
- 24 The Board of Commissioners of the South Carolina School for the Deaf and the Blind should request the State Ethics Commission to determine if the school's employment of a personal housekeeper paid with state funds is a violation of state ethics laws.

Qualifications of Management

We reviewed the personnel files of 32 top-level employees at the school to determine if they met minimum training and experience requirements for the positions they held. We found no evidence that four (13%) employees met the minimum training and experience requirements.

We asked the Budget and Control Board's Division of Human Resource Management (DHRM) to review the qualifications of these four

employees. The response from DHRM stated that, based on their personnel records, three employees did not meet the minimum training and experience requirements of the jobs they held. In the fourth case, a DHRM official responded that it was not possible to determine from the documents whether required college course work had been completed.

State regulation 19-707.02.I mandates that any person appointed to a permanent state position meet the minimum training and experience requirements established by DHRM. These requirements specify the minimum standards that would help ensure an applicant's ability to perform the duties if hired.

We found no evidence that four top-level employees met minimum training and experience requirements.

We found no evidence that three of these classified employees had met the minimum requirements for their positions, as required by state regulation.

- **Controller**—We found no evidence in the employee's personnel file that this person had 15 semester hours in accounting or accounting related courses, as required.
- **Director of Counseling and Assessment**—We found no evidence in the employee's personnel file that this person had a master's degree in psychology, as required.
- **Senior Librarian II**—We found no evidence that this person has a master's degree in library science or any professional library experience, as required. (This employee was temporarily assigned to this position and according to DHRM, employees in temporary positions must meet minimum training and experience requirements.)

In addition, we found no evidence in an assistant principal's personnel file that he had five years experience in teaching the handicapped, as required by the school's job description. Although this position is unclassified and there are no state requirements for this position, the school established requirements of its own. As indicated by a DHRM official, internal requirements should be followed to avoid possible inconsistent or unfair employment practices.

The school has no procedures in place to ensure that only qualified employees are hired. The personnel office does not screen applications to ensure applicants are qualified. Individual supervisors are responsible for verifying work experience, education and other qualifications for the position.

Recommendations

- 25 The South Carolina School for the Deaf and the Blind should require that the school's personnel office screen the applications to ensure that applicants meet minimum training and experience requirements before their applications are sent to agency management for review.
 - 26 The South Carolina School for the Deaf and the Blind should hire only persons who meet the minimum qualifications of the positions being filled.
-

Employee Performance Evaluations

The South Carolina School for the Deaf and the Blind has not conducted employee performance evaluations as required by state regulation and policy. We reviewed a random sample of personnel files of school employees and found that 88 (36%) of 249 performance evaluations required for the years 1989, 1990 and 1991 had not been completed. Ten employees received no evaluations during this period.

State regulation 704.02(A) requires that agencies develop an employee performance management system (EPMS) to evaluate the performance and productivity of its employees. The Division of Human Resource Management developed an employee performance management system model policy, which the school adopted as its policy, stating that all employees shall be evaluated annually. This policy explains how the agency should conduct employee evaluations.

We found that 88 (36%) of 249 required performance evaluations were not completed.

The EPMS form is used to provide an accurate and objective method to evaluate employees. The supervisor and employee develop a performance plan that identifies what is to be accomplished during the review period and how results will be measured. At the end of the review period, the supervisor completes the evaluation document based on the employee's performance for that period.

Without formal performance evaluations, supervisors cannot adequately assess the quality of an employee's work. For example, we found one employee who had been reprimanded for substandard performance. However, his job performance had not been evaluated since the reprimand in 1988.

Recommendation

- 27 The South Carolina School for the Deaf and the Blind should complete employee performance evaluations as required by state regulation and policy.
-

Employee Turnover

The South Carolina School for the Deaf and the Blind had a higher than average rate of employee turnover in FY 90-91. The rate of employees leaving the agency (18%) was greater than the rate experienced by all state government (12%). However, SCSDB management has not analyzed the reasons for the agency's turnover (see p. 37).

We also reviewed employee turnover rates at SCSDB for FY 85-86 through FY 89-90 and compared the school's turnover rates to the rates for all state employees. We found that SCSDB had somewhat lower turnover than all state government for FY 85-86 and did not differ significantly from the state as a whole from FY 86-87 through FY 89-90.

We obtained further information for FY 90-91 on turnover rates for higher level employees (grade 30 and above), and for educational professionals employed by state agencies. For these groups, turnover at SCSDB was also higher than the state average for that year. For example, SCSDB's turnover rate for higher-level employees was 30%, compared to 20% for all state government. The turnover rate for the school's educational professionals was 29%, while the rate for all state government was 16%.

Employees may leave their positions for a number of reasons, and a higher than average turnover rate does not necessarily indicate a management problem. However, according to officials with the Division of Human Resource Management, there is a cost from employee turnover. Agencies with high turnover experience a loss in productivity resulting from the hiring and training process. These agencies may be unable to maintain service delivery. DHRM officials recommend that managers analyze turnover information, consult employee exit interviews to determine the causes of employee turnover, and implement new management policies if indicated.

Exit Interviews

The South Carolina School for the Deaf and the Blind has not followed a state regulation that requires agencies to have a process for obtaining and reviewing the reasons for employee turnover.

State regulation 19-708.07 requires agencies to establish a procedure for obtaining separation information from each employee who leaves state employment and to make a reasonable effort to interview the employee. The regulation also states that agencies should develop and use an exit interview form, maintain a file of exit interviews and summarize the information for management review.

In addition, page 12 of the SCsDB employee handbook provides that employees leaving agency employment will be granted exit interviews. However, the school could provide records for just two exit interviews conducted for employees who left the school between June 30, 1990, and December 31, 1991.

Sixty-nine employees left SCsDB during FY 90-91. However, SCsDB management does not have adequate information to evaluate the causes of the school's employee turnover.

Recommendation

28 The South Carolina School for the Deaf and the Blind should follow state regulation 19-708.07. SCsDB management should regularly review and analyze information collected from exit interviews.

Use of New Positions

The South Carolina School for the Deaf and the Blind has not always used new state-funded positions as authorized by the General Assembly.

In FY 89-90, the General Assembly appropriated to the school 10.27 new full-time equivalent positions (FTEs) and approximately \$224,000 to fund these positions. SCsDB did not use 3.27 of these FTEs and approximately \$70,000 as authorized. For example, the school requested and received 5 FTEs for teacher assistants and youth counselors, but used 2.37 FTEs for these positions.

In FY 90-91, SCSDB requested and received 5 additional FTEs and approximately \$68,000 for teacher assistants and youth counselors. The school did not use 1.79 of the FTEs and approximately \$7,100 as authorized. The excess state funds and FTEs were "lumped" with other FTEs and personnel funds, to be used for other personnel purposes.

According to SCSDB and Budget and Control Board officials, there is an 18-month period from the time positions are requested until legislative approval. Agency needs can change during that time. According to a Budget and Control Board official, agencies should have the flexibility to use new positions to reflect needs that have changed.

Recommendation

29 The South Carolina School for the Deaf and the Blind may wish to consider returning excess FTEs and related funds if they are not needed as authorized.

Terminations and Demotions

We reviewed the personnel files of 53 employees who had been terminated for cause, terminated due to a reduction in force, or demoted at SCSDB from January 1989 through December 1991. We did not, however, include in this review those employees who have appeals that have been or will be heard by the state grievance committee or who have lawsuits pending regarding their terminations or demotions.

We reviewed these files to determine if the proper procedures, as required by state personnel regulations and by school policy, were carried out. Based on the evidence in the files, we found no evidence of noncompliance with school policy and state regulation.

Administrative and Financial Issues

We performed a limited review of the school's financial management, including the acquisition and use of Education Finance Act (EFA) funds and the payments to contract employees in SCSDB's parent infant program.

We also considered whether the school would benefit from the establishment of an internal auditor position and the potential effects of government restructuring that would place SCSDB under the same administrative authority as the State Department of Education. Discussion of these areas follows.

Additional Funding Available

We reviewed the sources of funds deposited to the school's "earmarked" account and provisos restricting their use. We found that section 32.13 of the FY 91-92 appropriation act has allowed the school to carry forward all revenue generated by the school, regardless of the source of the funds used to generate the revenue, to be used for "covering the school's expenses and operations." Based upon this proviso, and discussions with officials at the State Auditor's office, we did not review the propriety of the use of funds in the earmarked account, or determine whether any funds were due the state general fund.

For 1992-93, the school could obtain as much as \$138,000 by collecting the local share of EFA funds.

In conjunction with our review, we found that the South Carolina School for the Deaf and the Blind does not charge local school districts their share of Education Finance Act funds for multihandicapped students, as authorized by section 32.4 of the FY 92-93 appropriation act. The school is authorized to collect the state and local share of EFA funds for students who were enrolled in the multihandicapped school after June 1, 1982. SCSDB does collect the state share of EFA funds. For the 1992-93 school year, based on SDE's calculations, the school could obtain as much as \$138,000 by collecting these funds from local districts.

The school has been authorized to collect the local share of EFA funds since FY 82-83. If SCSDB collected these funds from local school districts, state appropriations to the school could be reduced.

Recommendation

- 30 The South Carolina School for the Deaf and the Blind should charge local school districts their share of EFA funds for students enrolled in the multihandicapped school.
-

Parent Infant Program Payments

The school's parent infant program is designed to provide early direct home intervention services to hearing- and/or multisensory-impaired children under three years of age. SCSDB contracts with parent advisors who serve as counselors to assigned families. One advisor in each region of the state serves as a regional coordinator, or supervisor. Parent advisors and regional coordinators are paid for services such as conducting home visits to assigned clients and attending regional program meetings and training sessions.

We reviewed payment forms submitted to SCSDB's parent infant program during calendar year 1991 to determine if parent advisors and regional coordinators (who are SCSDB contract employees) were being compensated in accordance with their contract terms. We found no material problems. However, some items of lesser significance were communicated separately in a letter to agency management.

Organizational Structure

We reviewed the organizational structure of the South Carolina School for the Deaf and the Blind (SCSDB) and its relationship to the State Department of Education (SDE). Both SCSDB and SDE have educational missions. SCSDB provides comprehensive educational, vocational and developmental services to deaf, blind and multihandicapped individuals. SDE is responsible for providing a system of elementary and secondary education for all students in the state, including those with hearing, visual and other handicaps.

Although SCSDB must provide education that meets the standards prescribed by the State Board of Education and administered by SDE, the school operates independently. The school is governed by and accountable to a board of nine commissioners appointed by the Governor (see p. 5).

We contacted officials in seven other southeastern states to obtain information about the administrative structure of residential schools for the deaf and the blind. Most of the schools in the states we contacted are administratively part of their respective state departments of education (see Table 4.1). Just two other states, Alabama and Florida, have residential schools with independent governing boards for deaf and blind students.

Table 4.1: Governance of Residential Schools for Deaf and Blind

State	Agency Governing Schools
Alabama	Independent Governing Board
Florida	Independent Governing Board
Georgia	Department of Education
Mississippi	Department of Education
North Carolina	Department of Human Resources
South Carolina	Independent Governing Board
Tennessee	Department of Education
Virginia	Department of Education

The South Carolina Commission on Government Restructuring recommended that SCSDB become a part of a cabinet department for public instruction. The commission also considered the administrative structure of other independent state-funded schools, such as John de la Howe School and Wil Lou Gray Opportunity School. We did not examine the role of these or other independent schools.

The commission's report cited the importance of coordination in the state's educational programs. We found some evidence, particularly in the areas of textbooks and instructional materials and student attendance (see pp. 9, 20), that SCSDB has not always coordinated effectively with SDE. The commission's report also found that SCSDB and SDE each provide its own pupil transportation and administrative services, such as personnel administration, budget and finance, purchasing, and information resource management. Reduced costs for transportation and

administrative services could result if SCSSDB were administered through SDE.

However, the role of SCSSDB's board could be compared to that of the boards that govern local school districts. The chairman of the SCSSDB Board of Commissioners stated that he is in favor of the school's retaining its independent structure and is opposed to consolidated government. He said that SDE has no experience in directly operating schools, and SCSSDB could lose funding from private donors if consolidation occurred.

Other SCSSDB officials stated it is important for the deaf and blind communities to have continued influence over the school's governance. While members of the SCSSDB board do not have to meet any educational or professional qualifications, one board member must be deaf and one must be blind.

SCSSDB Board Member Terms

Four of the nine members of SCSSDB's Board of Commissioners have terms that have expired. One member's term expired in 1989. The chairman and two other members have terms that expired in 1991. These members are serving until they are reappointed or replaced. In January 1991, the school's president requested that the governor's office expedite the appointment process.

Recommendation

31 The Governor's Office should review appointments to the SCSSDB board and consider reappointing or replacing members whose terms have expired.

Board Oversight

We reviewed SCSSDB board minutes, interviewed the chairman of the school's Board of Commissioners, and attended board meetings to evaluate the oversight role of the board. Our review indicated that the board has carried out oversight responsibilities.

The Board of Commissioners of the South Carolina School for the Deaf and the Blind is required by law to meet at least once annually at the

school. In 1990 and 1991, the board met four times each year, twice a year at the school.

The board is informed about school activities at board meetings and, in the interim, by the president. The board chairman stated that he has obtained information from other agency staff when appropriate. The school does not have any employees who report directly to the board other than the president. Some other agencies with similar state appropriations have at least one internal auditor.

While we found evidence that the board has carried out oversight responsibilities, the state auditor's office and general services' office of audit and certification have cited the school for internal control and procurement problems. The addition of an internal auditor position could improve the school's management and accountability. The board's chairman stated that, although he felt the board was well informed, he would not be opposed to the addition of an internal auditor or similar staff position.

Recommendation

32 The Board of Commissioners of the South Carolina School for the Deaf and the Blind may wish to consider establishing an internal auditor function.

Chapter 4
Administrative and Financial Issues

Appendices

Methodology for Review of Services to Students

We selected random samples at a 90% confidence level of students in the blind school (48 students) and of students in the deaf school (81 students). We reviewed student individualized education programs (IEPs) for school year 1991-1992 to determine whether the blind school students were to receive orientation and mobility (O&M) services and whether the deaf school students were to receive speech/language services. We examined teachers' records to find out whether SCSSDB provided the amount of service specified in the student IEPs.

Our period of review was from September 3, 1991 (approximately two weeks after the start of school) through March 31, 1992. We took school holidays into account when we determined how much service should have been provided during the period.

Blind School

Because not all blind school students had IEP meetings for 1991-1992 (see p. 14), we could not determine the amount of O&M service required for all the students in our sample. Thirteen students in the sample received O&M service, but we could only determine the amount of service required for seven students who had IEP meetings. Four of the other six did not have an IEP meeting, but O&M instructors established goals for these students and scheduled classes for them. To include all 13 students in our review, we measured the provision of O&M service by comparing it to the amount the O&M instructors scheduled for the 13 students.

Deaf School

For the elementary school, we reviewed the available speech/language records for each class to determine whether the class was provided; we did not review individual student attendance. For the high school students, we reviewed individual student attendance at scheduled sessions.

Records of Service Provision

The speech/language teachers were not required to keep individual service records prior to February 1992. They could not provide any records for the elementary school for November or December 1991, and only four of

the eight elementary classes had records for October 1991. We did not evaluate the service provided to the one elementary school student in the sample who received individual speech therapy, because records were available only for February and March 1992.

Some teachers did not keep formal service records. We relied on the informal records maintained in teacher planning books for one orientation and mobility instructor and one speech/language teacher.

Agency Comments

Appendix B
Agency Comments

SOUTH CAROLINA SCHOOL FOR THE DEAF AND THE BLIND

JOSEPH P. FINNEGAN, JR.
PRESIDENT

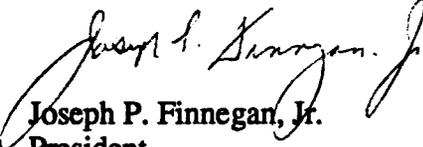
December 3, 1992

Mr. George L. Schroeder
Director
Legislative Audit Council
400 Gervais Street
Columbia, S. C. 29201

Dear Mr. Schroeder:

Enclosed please find a copy of our agency's response to the Legislative Audit Council's audit report of the South Carolina School for the Deaf and the Blind. We are generally pleased with the overall report and appreciate the cooperation demonstrated by you and your staff.

Sincerely,


Joseph P. Finnegan, Jr.
President

Agency Comments: Background And Response Summary

Background

In July of 1991, the South Carolina School for the Deaf and the Blind and several members of the Spartanburg County Legislative Delegation requested a legislative audit in response to unspecified allegations of fraud, waste, mismanagement, and violations of state and federal law. These allegations had been made by three former, disgruntled employees. The positions of two of these former employees had been eliminated in an agency reorganization designed to more efficiently manage personnel costs and to offer handicapped students enhanced training opportunities.

Response Summary

After 18 months of intense investigation by the Legislative Audit Council and numerous other authoritative and regulatory agencies, we are pleased to report that no claims of fraud, waste or mismanagement have been substantiated. No violation of state or federal laws has been presented.

We have learned that our programs and services can stand up to even the most intense scrutiny, and we have received some valuable suggestions and recommendations for improvement. We were aware of most of the areas in need of improvement, but we are appreciative for the documentation needed to take action in some areas.

We have learned that our programs and services can stand up to even the most intense scrutiny, and we have received some valuable suggestions and recommendations for improvement.

This audit gave us the opportunity to look at our work from the perspective of an outsider looking in. We always welcome the suggestions of observers and seek to utilize their ideas to improve the quality of the programs and services we offer. We realize, however, that short-term observers without special education background do not have the benefit of knowing the day-to-day decision-making process, the special needs of our clients, or the history behind a particular decision. While we respect and appreciate the unique perspective of the audit team, we recognize our responsibility to evaluate their suggestions carefully, to point out inaccuracies, and to speak out against those suggestions we believe would not be in the best interest of the children and adults served by our agency.

Allocation Of Resources --There are several areas in which we disagree strongly with the audit team. Our management team and Board of Commissioners *have* allocated resources as appropriately as possible within the unpredictable budgetary environment of the last three years. Funding *has* been allocated for textbooks for students who can be educated with the traditional textbook approach. And the provision of housekeeping services for state-owned buildings *has not* taken resources allocated to student programs and services.

Personnel Management -- We do agree that there is need for improvement in the area of personnel management, and we began taking action in this area in the fall of 1990 with the assignment of a new division director responsible for personnel management. In addition, an agency reorganization decreasing the number of departments within this particular division gave the division director more time to concentrate on personnel concerns. Even though great progress has been made in this area, we recognize that additional improvements are needed and plan to continue making changes.

**Selected Strengths Identified By The Legislative Audit
Of The South Carolina School For The Deaf And The Blind**

Child Protection

Board Of Commissioners' Oversight

School For The Deaf Attendance Policy

Admissions Controls

Compliance With School Policy And
State Regulations In Termination Of Employees

While the nature of audits is to identify potential "problems," we were pleased by the number of strengths verified during this process.

Even though the nature of audits is to identify potential "problems," a number of strengths were verified during the process. In addition, a number of allegations against the school were proven to be incorrect.

Strengths Identified -- While the nature of audits is to identify potential "problems," we were pleased by the number of strengths verified during this process. Despite earlier allegations to the contrary, the Legislative Audit has shown:

- There are no major problems with SCSDB's investigating and handling of reported abuse. The evidence examined indicated that the school's Child Protection Committee works well.
- The school's Board of Commissioners has appropriately carried out oversight responsibilities.

**Audits/Monitors
Of The S. C. School
For The Deaf And The Blind**

August 1991 - November 1992

**S.C. Health And Human
Services Finance Commission**
Focus: Medicaid Reimbursement

State Auditor
Focus: Fiscal Audit FY 1988 - '89

State Auditor
Focus: Fiscal Audit FY 1990 - '91

**General Services Division,
State Budget And Control Board**
Focus: Procurement

S.C. Department Of Education
Focus: Fiscal Audit

S.C. Department Of Education
Focus: Program Audit Regarding
Special Federally Funded Program

**U.S. Department Of Education
Office Of Civil Rights**
Focus: Enrollment Procedures/
Admissions Criteria

Legislative Audit Council
Focus: 17 Specific Objectives
(See Pages 1-3 Of This Report)

U.S. Department Of Agriculture
Focus: Financial And Program
Compliance For School Lunch
And Breakfast Program

Job Training Partnership Act (JTPA)
Focus: Financial And Program
Compliance Of Student
Work/Training Program

- Adequate controls are in place to ensure that students who are admitted to the school meet the school's admissions criteria.
- SCSDB students are receiving all of the related services specified in their individualized education programs with the exception of some orientation and mobility sessions and some speech/language services, and these areas are being actively addressed.
- There are no material problems with the provision of speech/language services for elementary students.
- The supply of textbooks in the School for the Deaf and the School for the Blind's Mainstreaming Program is appropriate in the opinion of the audit team.
- The School for the Deaf stresses regular attendance and has taken appropriate action when students have had an excessive number of unexcused absences.
- There are no material problems with the way Parent Infant Program advisers and regional coordinators are paid.
- SCSDB has complied with school policy and state regulation in the audit team's review of employees who have been terminated for cause, terminated due to a reduction in force, or demoted at SCSDB.

Even though confidentiality restrictions at the time of this writing have limited our ability to take action on much of the information provided by the audit team, we have already taken action on many of the team's recommendations and suggestions. That action, along with our concerns, is described in the pages that follow.

We will take further action when the report is made public.

Space limitations prohibit us from addressing all of the issues introduced in the audit report's summary section here. However, we will address each of these issues in the appropriate following sections: Educational Issues, pages 55-59; Personnel Management, pages 60-64; and Administrative and Financial Issues, Pages 65-67.

Eighteen months of intense investigation by the Legislative Audit Council and numerous other authoritative and regulatory agencies have not substantiated claims of fraud, waste and mismanagement. No violation of state or federal laws has been presented. (See chart at left for a complete listing of audits/monitors of the South Carolina School for the Deaf and the Blind during the last year and a half.)

Agency Comments: Educational Issues

We were concerned that the auditors did not appear to have appropriate qualifications to evaluate educational issues. To our knowledge, none of the auditors had any professional training or background in the field of education or in the unique area of education of the sensory impaired. It has, however, been our experience that audit, accreditation and other evaluative groups normally have expertise in the area they are surveying. We believe that the lack of professional expertise in the field of education of the sensory impaired greatly limited the audit team's ability to evaluate educational issues.

Textbooks and Instructional Materials

Although we do not disagree with the recommendations in this section, since all of our schools/programs need additional resources to purchase books, materials and equipment, we do, however, disagree with much of the information and the conclusions outlined in this section. We were perplexed by the auditors' concerns regarding textbooks in the School for the Blind's Center-based Program, but we were pleased that the auditors did not identify a textbook problem in any of our other three schools or in the School for the Blind's Mainstreaming Program (a cooperative arrangement whereby 20-25 of our blind students attend a regular public school with full-time resource room teachers and support services provided by SCSDB).

Blind School Textbooks

We have had considerable difficulty in obtaining braille and large print books for the students in the School for the Blind's Mainstreaming Program in a timely manner. We were, however, surprised to learn that the audit team felt that there was a shortage of textbooks in the School for the Blind's Center-based Program serving 47 students who receive all of their academic instruction at SCSDB. We disagree strongly with their conclusions.

Traditional textbooks and traditional teaching techniques simply do not benefit most of the students in the School for the Blind's Center-based Program.

A large number of students in the School for the Blind's Center-based Program have mental or physical handicaps in addition to blindness. Traditional textbooks and traditional teaching techniques simply do not benefit most of the students in the School for the Blind's Center-based Program. *Even if an additional \$100,000 were suddenly donated for use in the School for the Blind's Center-based Program, the educational best interests of the blind center-based students would dictate that the vast majority of the money be used more effectively in areas other than textbooks.*

In response to the special needs of the students in the School for the Blind's Center-based Program, we have chosen to allocate our limited resources to qualified professionals who can be much more valuable to this particular group of students than traditional textbooks can be. The School for the Blind Center-based Program

	1991-'92 S.C. Department of Education Approved Standards (Teacher/Student Ratio)	1991-'92 S.C. School For The Blind Center-Based Program (Teacher/Student Ratio)
Kindergarten	1 to 6	1 to 3
Grades 1 - 5	1 to 8	1 to 4.7
Grades 6 - 8	1 to 10	1 to 5
Grades 9 - 12	1 to 60 daily	1 to 15 daily

Note: In classes where six or more visually impaired students are enrolled, teacher assistants are assigned in addition to the certified teachers as shown above.

The S.C. School for the Blind Center-Based Program assigns a much higher number of teachers to each student than standards approved by the S.C. Department of Education require.

It should be noted that in May 1992 the S.C. State Department of Education Accreditation Office issued the School for the Blind a "4" classification. This classification indicates that the school met all standards prescribed by the State Department of Education . . .

maintains a very low student/teacher ratio which is very costly. The overall School for the Blind's 1991 - '92 ratio of one teacher per 3.8 students was considerably better than standards approved by the State Department of Education. (The chart above gives more specific information on the teacher/student ratio in the Center-based Program.)

As a result of this favorable student/teacher ratio, teachers are able to use more hands-on materials suitable for teaching employability concepts and independent living skills. Examples of materials used in these classrooms might include check books, pay checks, household bills, job application forms, talking calculators, abacuses, measuring devices, and adaptive equipment for the blind, to name just a few.

It should be noted that in May 1992, the S.C. State Department of Education Accreditation Office issued the School for the Blind a "4" classification. This classification indicates that the school met all standards prescribed by the State Department of Education for a defined minimum program. A lack of textbooks for center-based students was not indicated in this audit report.

New technology is replacing traditional teaching methods and textbooks in the School for the Blind.

While the School for the Blind has determined that traditional textbooks written at grade level are not the most appropriate means for educating many of its center-based students, funds have been allocated for instructional materials in the Center-based Program. *New technology is replacing traditional teaching methods and textbooks in the School for the Blind.* Recently, the SCSDB library began acquiring descriptive videos, a new technology which audibly describes the visual elements of a videotape while the action is taking place. In 1991, the school acquired a computer scanner which allows non-traditional teaching materials to be transferred from print to braille quickly and easily. In 1988, the School for the Blind used the vast majority of a \$58,000 legislative appropriation to equip a computer lab with specialized programs designed to help students improve their reading and writing skills.

Potential Sources Of Materials

We were aware of and *have* sought to utilize the potential textbook sources identified in the audit report. We regret that the space limitations of the Legislative Audit Council make it impossible to adequately address each of these sources here. We disagree with the audit team's analysis in this area and wish to point out that SCSDB *has* made use of the materials available through the American Printing House for the Blind; that SCSDB *has* accessed, requested and utilized the services and materials provided by the State Department of Education; and that SCSDB *has* budgeted funds and requested funding for the purchase of textbooks in the School for the Blind.

Copyright Law Provisions

We are appreciative to the audit team for calling potential violations of the copyright laws to our attention and have taken steps to assure that these potential violations do not occur.

Orientation and Mobility Services For Blind Students

The report revealed some circumstances (committee meetings and school projects) that have caused instructors to miss on-campus orientation and mobility sessions. We were not aware of these circumstances, but as a result of the report, we have directed the current orientation and mobility supervisor to ensure that similar circumstances do not conflict with orientation and mobility training in the future.

Because there are only a dozen or so orientation and mobility instructors located in the state of South Carolina, efficiency and economy dictate that SCSDB share its resources with other agencies serving the blind. By contracting with the Com-

mission for the Blind and local school districts, it is possible to serve more blind individuals with the limited number of instructors available. *This pooling of resources saves taxpayers the high cost of placing a valuable orientation and mobility instructor, if one could be found, in a school district or agency where his services would be underutilized.*

SCSDB is currently recruiting an additional orientation and mobility instructor. When this instructor is employed, many of the concerns described in the audit report will be eliminated.

Use Of Substitute Teachers

We are opposed to the audit team's recommendation that "the school should hire substitutes when teaching staff members are absent." We believe that the audit team's lack of professional expertise in the field of education of the sensory impaired caused them to reach this erroneous conclusion.

The special needs (communication, medication, behavior techniques, etc.) of our students make it undesirable to bring in short-term substitutes who are not knowledgeable of the students' special needs. Each school has several teacher aides who know the students, have appropriate communications skills, and have substitute responsibility as part of their position descriptions.

Since our classes are small (considerably smaller than regular public school classes), it is possible to cover when a teacher is absent for a short period of time. When a teacher is going to be absent for an extended period of time, we do make arrangements for a qualified, long-term substitute.

The special needs (communication, medication, behavior techniques, etc.) of our students make it undesirable to bring in short-term substitutes who are not knowledgeable of the students' special needs.

The audit report stated that "the standards relating to quality of instruction in the school's defined minimum program might not be met when there are no substitutes." It should be noted that as recently as May 1992, the S.C. State Department of Education Accreditation Office issued the South Carolina School for the Deaf and the Blind a "4" classification. This classification indicates that the school met all standards prescribed by the State Department of Education for a defined minimum program. The units of operation that received the "4" classification were as follows: Blind and Elementary Schools, Deaf Elementary and High Schools, Multihandicapped School, and Board of Commissioners School Operations.

We have made a deliberate management decision to keep our regular class ratios small and not to budget limited funds for short-term substitutes. Our intention was to provide high quality services to our students while pursuing fiscal responsibility.

Speech/Language Services For Deaf Students

Elementary School - We were pleased to see that the audit team "found no material problems with the provision of speech/language services for elementary students." It is our belief that speech/language services should be emphasized in the early years to determine the potential to develop speech.

High School - We agree that more effort could be made to ensure that students participate in speech/language sessions.

Student Attendance

We are appreciative for the information provided in this section. We were pleased to learn that the School for the Deaf is taking appropriate action when students have an excessive number of unexcused absences. We agree that there are several areas in need of improvement, and we will follow the audit team's recommendations.

Child Protection

We were very pleased with the overall findings in the area of child protection. The fact that "no major problems with SCSDB's investigation of reported abuse" were found and that no evidence was found that SCSDB did not adequately protect children is very positive. Also, we appreciate the recommendations made in this area, and we will give serious consideration to pursuing/implementing them. This is certainly an area of great importance to us, and we are always seeking ways to improve the quality of this service/program.

Agency Comments: Personnel Management

Nepotism

As the audit report indicates, the SCSDB Board of Commissioners approved the selection of Dr. Margaret Finnegan for three part-time, temporary assignments between March 1988 and June 1991. However, implications that Dr. Finnegan's employment was not fully within state regulations are simply incorrect. State regulations were given serious and careful consideration upon the initiation of each period of employment. Opinions from both the State Ethics Commission and the State Attorney General's Office were requested regarding Dr. Finnegan's selection. In each case, the school's management and board made a conscientious decision to utilize Dr. Finnegan's unique skills and abilities to:

- Provide coordination for the development of a statewide sign language training program.
- To introduce new teaching methods and educational philosophies to the school's staff.
- To seek additional funding for the school's academic and statewide and regional outreach programs.

When evaluating the cost of bringing in distant (and high priced) consultants to address SCSDB needs versus the cost of utilizing a local resource, the Board of Commissioners chose the more cost-efficient and effective route.

Dr. Finnegan was eminently qualified to perform the above services for the agency. She is nationally known for her expertise in the field of education of the deaf. She holds a doctorate in educational psychology with a minor in linguistics, a master's in deaf education, and a bachelor's in English. She has taught in schools for the deaf and at colleges, and is sought nationally to consult for educational programs for the deaf. She has received several scholarships and fellowships. She has written articles for various publications and has made numerous professional presentations on educational issues at national conferences.

The Board of Commissioners had frank, open discussions regarding the employment of Dr. Finnegan and determined that the agency simply could not afford *not* to take advantage of the skills and knowledge of such a highly qualified, *local* professional. When evaluating the cost of bringing in distant (and high priced) consultants to address SCSDB needs versus the cost of utilizing a *local* resource, the Board of Commissioners chose the more cost-efficient and effective route.

During the three-and-a-half year period Dr. Finnegan assisted the agency, she earned an average salary of \$17,458.56 per year. Due to the availability of federal and Foundation funds, only \$16,067 in state funds was expended for her services. As a part-time, temporary employee, she was afforded no benefits. However, more than \$145,972 in grant money can be attributed to Dr. Finnegan's efforts in addition to the high quality services provided by her that cannot be measured in dollars and cents. The utilization of Dr. Finnegan's skills and abilities was a good investment by anyone's standards!

We will address each of the three part-time, temporary positions Dr. Finnegan held in the sections that follow.

Educational Consultant for Grant

As indicated in the Legislative Audit Council's report, the nepotism laws did not apply to the services provided by Dr. Finnegan in the educational consultant for grant position.

The procurement of Dr. Finnegan's services as an educational consultant for grant has received scrutiny by the State Ethics Commission, the State Auditor, the State Procurement Auditors, and now by the Legislative Audit Council. Even with these intense reviews, nothing has been found that indicates an actual impropriety or violation of law.

Part-time, Temporary Educational Consultant

As a result of staff interest in Dr. Finnegan's work and qualifications, the chairman of the Board of Commissioners approved her part-time, temporary employment to serve as a consultant to various projects/activities at SCSDB for the 1989-'90 school year beginning in August. At its next quarterly meeting held in September 1989, the Board gave formal, unanimous approval for Dr. Finnegan to serve as a part-time, temporary consultant for the 1989-'90 school year.

State regulations in effect at the time of Dr. Finnegan's employment as a part-time, temporary educational consultant expressly exempted all employees who were hired to work for 120 days or less from the nepotism restriction. The audit team interpreted the allowable period of employment to be 120 consecutive *calendar* days, but the agency interpreted the allowable period of employment to be 120 *work* days. *The number of hours worked by Dr. Finnegan in the part-time, temporary educational consultant position translates to 76 work days -- well under our interpretation of the 120 day restriction.*

Part-time, Temporary Grants Writer

A total dollar value of \$145,972, in grant money coming to the school, can be attributed to Dr. Finnegan's services.

As a result of the services performed by Dr. Finnegan as a part-time, temporary grants writer, the school was awarded a \$48,000 grant from the Federal Office of Substance Abuse and Prevention. Dr. Finnegan was instrumental in co-authoring a grant from the South Carolina Developmental Disabilities Council which has resulted in a total of \$72,972 to the school over the last three years. Additionally, a grant proposal authored by Dr. Finnegan on behalf of the Foundation for the Multihandicapped, Blind and Deaf of South Carolina resulted in a \$25,000 award. A total dollar value of \$145,972, in grant money coming to the school, can be attributed to Dr. Finnegan's services.

State regulations in effect at the time of Dr. Finnegan's employment as a part-time, temporary grants writer expressly exempted all employees who were hired to work for 120 days or less from the nepotism restriction. The audit team interpreted the allowable period of employment to be 120 consecutive *calendar* days, but the agency interpreted the 120 days to be *work* days. *The number of hours worked by Dr. Finnegan in the part-time, temporary grants writer position translates to 60 work days -- only half the maximum allowable amount by our interpretation.*

As was indicated by the audit report, the grants writer position was made possible by a grant to the agency by the Foundation for the Multihandicapped, Blind and Deaf of South Carolina.

Recommendation 23 of the audit report suggests that SCSDB should request that the Foundation for the Multihandicapped, Blind and Deaf of South Carolina reimburse the school for all costs of the part-time, temporary grants writer position. While disagreeing with the analysis contained in the audit report, the agency's administration has made inquiry and is awaiting a response.

Supervisory Relationship

Even though the agency believes that the nepotism law and personnel regulations in effect at that time did not apply to persons who were employed for 120 work days or less, the Board of Commissioners took the additional precaution of establishing a supervisory chain of command that excluded the president. Dr. Finnegan reported to the director of Support Services and Outreach Division who, in turn, reported directly to the SCSDB Board of Commissioners in regard to all issues relating to Dr. Finnegan's work. The board, not the president, hired Dr. Finnegan.

Conclusion

The agency feels that the recommendations in this section are ones which it, as well as all state agencies, should strive to achieve and, therefore, warrant consideration by the board, administration, and staff to develop specific strategies for implementation.

We agree with the broad objectives stated in the recommendations of this section of the report. We regret, however, that this particular section of the report contains errors and omissions that could lead to incorrect conclusions.

Housekeeper To The President's Home

It is not uncommon for employees to be assigned to state residences, and upon the recommendation of the chairman of the Board of Commissioners in November of 1988, a housekeeper was assigned in August 1989 to the state-owned building in which the SCSDB president resides. The employee's assignment was due to the agency's regular use of the home for agency functions. The president's home is located on the campus of the school in close geographical proximity to other administrative facilities. The current occupant has made the home functional for agency use, and the agency has made unprecedented use of the home.

The assignment of the employee coincided with and was limited to the regular nine-month school year. Subsequent to the chairman's recommendation, the board's personnel committee met and approved the assignment of the employee. The assigned employee did not come from a direct educational service area but rather from food service. No funds were taken away from educational services, and no new funds were sought or obtained by the agency to provide the services when implemented in 1989.

Qualifications Of Management

Many organizations do not require that documentation of an employee's coursework be on file. The same was true at SCSDB. This requirement did, however, become effective November 1, 1992 as the result of review and assessment of employment procedures by the school's management team. These revised employment procedures should ensure that qualified employees are hired and that documentation is on file to substantiate the employee's qualifications.

Employee Turnover

The reader should note that the turnover rate for all years reviewed, with the exception of one year, was about the same as other agencies or slightly lower than other agencies. A somewhat higher rate for one year does not indicate a problem and may, in fact, indicate major improvement within the agency.

It should be noted that residential facilities often have higher than average turnover rates because college students often hold jobs in the dormitories and after-school programs. These students usually leave their positions upon graduation.

Use Of New Positions

The state budget process frequently appropriates additional dollars to agencies for new positions and at the same time applies budget cuts. Agencies must deal with net dollars and positions available while attempting to meet needs in critical service areas which may have changed dramatically from when the budget was originally submitted a year prior to the legislative approval. As the Budget and Control Board official stated in the audit report -- agencies should have the flexibility to use new positions to reflect needs which have changed.

Agency Comments: Administrative And Financial Issues

Additional Funding Available

The auditors noted that SCSDB does not charge local school districts their share of Education Finance Act funds for multihandicapped students. Several years ago, the SCSDB Board of Commissioners made a deliberate decision not to collect these funds.

The Board of Commissioners agreed that a decision as to whether a student might benefit from the specialized services of SCSDB or any other state agency should be made with the best interest of the child in mind and without regard to local financial concerns.

Taxpayers in the local school districts already pay state taxes to support SCSDB and other state agencies. They should not be asked to divert funds from their local school districts to support any state agency.

The auditors argue that state appropriations to SCSDB could be reduced if these funds were collected. We would argue that taking funds from one school to support another does not result in a net gain for the state's taxpayers. It would, however, increase paperwork and administrative costs for both SCSDB and the local school districts. We submit that collecting these funds would actually result in an overall loss to the state's taxpayers.

Organizational Structure

The audit team contacted seven Southeastern states to determine organizational structure for their schools. Two of the states, Alabama and Florida, have independent governing boards. It should be noted that these two states are nationally acclaimed for the quality and unique variety of services they provide to deaf and blind children and adults. The two schools are widely recognized in the field of sensory impairment as model schools.

Five of the schools are administratively a part of a larger state agency. However, no mention is made of how this organizational arrangement is working in those states. No mention is made of the quality, quantity, and variety of services provided in those states compared to the states with independent agencies such as South Carolina.

In addition, the audit states that there is a potential of reduced costs should SCSDB be absorbed and/or operated by the State Department of Education. This would appear to be a very subjective statement and one we would question since no specifics were provided.

In fact, absorption by the State Department of Education would virtually eliminate SCSDB's ability to raise private funds. *Due to its independence, SCSDB has been able to access an additional \$1.5 million in private funding.* Private citizens simply would not choose to contribute to a large state agency. If actual savings could be substantiated, those savings would be greatly diminished with the elimination of private funds.

The current governmental structure has allowed SCSDB to develop early intervention programs, postsecondary programs, regional resource centers, and outreach services that are the envy of other states. It has enabled SCSDB to establish cooperative arrangements with other state agencies that are unprecedented outside South Carolina.

In addition, absorption by a larger agency would greatly diminish SCSDB's ability to garner public support. Independence enables SCSDB to generate considerable support through volunteer workers, employers of students, and in-kind donations.

The State Department of Education does not currently operate any direct instructional programs and, as a result, has no experience in this area. The State Department of Education does provide a valuable service to SCSDB and local school districts in its monitoring and consulting capacity. Local school districts and SCSDB should, however, retain the autonomy needed to serve the populations they know best.

Education is but one component of the South Carolina School for the Deaf and the Blind's mission. In addition to its educational role, SCSDB provides numerous outreach services to deaf and blind individuals, employers of the sensory impaired, parents of deaf and blind children as well as other state agencies, hospitals, and a wide variety of local governmental entities and businesses. Some examples of these services include interpreter referral, telephone relay, braille of print materials, and assessment services as well as a number of programs designed to integrate the sensory impaired into the workplace and the community. These diverse and vitally important functions would be lost because they do not fall within the mission of the Public Instruction Department as defined in the restructuring proposal.

Under the current form of state government, deaf and blind individuals regularly contribute to and directly influence decision making at the South Carolina School for the Deaf and the Blind. Through their services on the SCSDB Board of Commissioners, sensory impaired citizens play a vital policy-making role. Under the restructuring proposal, the SCSDB Board of Commissioners would be eliminated and, as a result, the views of deaf and blind citizens would not be heard on this critical decision-making level.

The current governmental structure has allowed SCSDB to develop early intervention programs, postsecondary programs, regional resource centers, and outreach services that are the envy of other states. It has enabled SCSDB to establish cooperative arrangements with other state agencies that are unprecedented outside South Carolina. It has made other states look at the South Carolina School for the Deaf and the Blind as an innovator with model programs worthy of copying.

**SCSDB Board Member
Terms**

Because SCSDB is a small agency, it is not unusual for board appointments to take a little longer. However, in this unusual situation wherein litigation that involves both the board and the school is in progress, the Governor has agreed that it would be in the best interest of the agency and of the state of South Carolina to leave the current board intact. We are appreciative for the Governor's support in this matter.



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