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# REPORT OF THE STATE AUDITOR

COLORADO SCHOOL FOR THE DEAF  
AND THE BLIND  
PERFORMANCE AUDIT  
JANUARY 1990

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STATE OF COLORADO

OFFICE OF STATE AUDITOR  
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TIMOTHY M. O'BRIEN, C.P.A.  
State Auditor

Legislative Services Building  
200 East 14th Avenue  
Denver, Colorado 80203

January 24, 1990

**Members of the Legislative Audit Committee:**

This report contains the results of a performance audit of the Colorado School for the Deaf and the Blind. This performance audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits as directed by the Legislative Audit Committee.

This report presents our findings, conclusions, and recommendations and the responses of the Department of Education.



**TIMOTHY M. O'BRIEN  
State Auditor**

**Colorado School for the Deaf and the Blind  
Performance Audit  
January 1990**

**Authority, Purpose, And Scope**

This audit of the Colorado School for the Deaf and the Blind (CSDB) was conducted under the authority of Section 2-3-103, C.R.S., which authorizes the State Auditor's Office to conduct audits of all departments, institutions, and agencies of state government as directed by the Legislative Audit Committee. This audit was conducted according to generally accepted government audit standards. Audit work was performed during October 1989 through January 1990.

As part of our audit, we reviewed documents, interviewed persons in Colorado and in other states, and analyzed data. Our review focused on the following issues:

- Alternatives to better meet the educational needs of sensory-impaired students in Colorado
- Inefficiencies in current service delivery which can reduce costs
- Protection of children at CSDB from risk of abuse
- Improved usage of current facilities

**Overview**

The Colorado School for the Deaf and the Blind has served the needs of sensory-impaired children through day and residential programs for pre-school-to-12th-grade students since 1874. Recently, problems with this facility prompted this and other reviews. These problems include buildings that are now obsolete, in need of asbestos removal, difficult to remodel, and expensive to repair. In addition, enrollments have declined, the student population has changed, and operating costs have risen. Members of the General Assembly requested this review to determine if other alternatives can better meet the educational needs of sensory-impaired students in Colorado.

We conclude that Colorado should have a more comprehensive system of educating the deaf and the blind. This system should emphasize service at the local level. The following briefly describes the system that we are proposing and the elements of this system already in place but needing augmentation. We also present improvements needed in the current School that can be made while the new system is being developed.

*For further information on this report, contact the Auditor's Office at (303) 866-2051.*

## Colorado Should Emphasize Local Provision of Services

After consultation with a variety of experts in the field of special education to the deaf and the blind, we conclude that Colorado should develop an educational system in which services are provided primarily through the local school districts. Most deaf and/or blind students can be served well in the local schools with lower financial cost to the state. To accomplish this, we see a need for the following:

- **Better Oversight by the Department of Education:** The Department does not adequately oversee education for deaf and/or blind students in Colorado. To ensure that services are available and coordinated in the local districts and statewide, the Department will need to exercise active and vigorous oversight of the services provided.
- **Improved Supplemental Services:** A number of districts reported that they are unable to serve sensory-impaired students. Statewide, there will be a need for services to supplement what is available in the local districts to ensure that deaf and/or blind students get the education they need. These might include family/infant intervention programs, support services to families, outreach programs, transitional and specialized educational segments, and special in-service training to regular teachers.
- **Better Criteria for Inclusion in the System:** Current enrollment criteria at the School may limit inappropriately the students permitted to enroll in the School. To ensure that all students who need specialized services have access to them, the Department will have to establish clear definitions of who is eligible to participate in these services, statewide diagnostic services to identify those who are eligible, and enhanced staffing processes to identify educational needs for those who are eligible. The Department will also have to eliminate the method used by parents to bypass staffing decisions.
- **Improved Method of Funding:** The current system of funding education for the sensory impaired encourages school districts to enroll their deaf or blind students in the School to shift the costs to the state. The Department will need to propose a system of funding which distributes the funding of these services more fairly between the state and local districts. This new system should not encourage shifting of students to the state school as is presently done.
- **More Focused Residential Placements:** The current system encourages long-term residential placements. When necessary for educational needs, residential placements (in which a student lives in a facility) will be used for most students for limited programmatic purposes. That is, a student may be admitted to a short-term residential program to learn specific skills. The student then will return to the local school. For the small proportion of students who may need more extensive residential services, these will be available for specific educational needs. However, the placement may be to foster care or group homes rather than to a large central facility.

**We recommend that the Department of Education improve Colorado's service to sensory-impaired students by developing immediately a plan to move Colorado's system of educating sensory-impaired students to emphasize education at the local level. The plan should address the elements listed above.**

#### **Department of Education Response:**

Agree. The Department will develop a statewide plan that addresses the needs of sensory-impaired students by June 30, 1990.

**We also recommend the Department of Education ensure that this plan identifies savings to be achieved from a reduction in students and facilities at the CSDB and a process for transferring some of these funds to help develop the new service-provision system.**

#### **Department of Education Response:**

Agree. The plan will outline both initial and projected cost savings, a process and recommendations for funding new services within current resources.

**We further recommend the Department of Education fully implement this plan, along with needed statutory changes, as quickly as possible, but no later than June 1992.**

#### **Department of Education Response:**

Partially agree. While all efforts will be made to implement the plan by June 1992, full implementation will be affected by the legislative process (both budgetary and legislative), decisions regarding students currently being served, and constraints regarding personnel utilization.

### **Immediate Improvements in School Needed**

While the Department is developing and implementing a comprehensive system to educate locally sensory-impaired students in Colorado, some changes to the existing Colorado School for the Deaf and the Blind are needed immediately.

### **Children at Risk**

The state is responsible for protecting the students in its care from potential abuse. We found that the School's personnel practices and documentation of follow-up actions are not sufficient to ensure that students are protected from inappropriate or abusive acts. **We recommend that the School develop procedures and criteria for criminal record checks of staff and teachers, verify that staff or teachers are not listed on the Central Registry of Child Protection, and document actions taken to address abusive incidents.**

### **Department of Education Response:**

Agree. The Department has ensured that the School has developed and implemented criteria for criminal record checks on all staff employed at the School and a process for verifying that staff are not listed on the Central Registry of Child Protection.

### **Inappropriate Placements**

In the current School, we encountered two types of placements that appear to be inappropriate. One type results from parents overriding the staffing team decisions and placing the student in the School at state expense. The other involves placement in the residential program on other than established educational criteria. To address the parent option, **we recommend that the School define acceptable reasons for placement based on educational need and apply those reasons to all students. For the residential program, we recommend that the School ensure that all residential placements serve a true educational purpose.**

### **Department of Education Response:**

Agree. The Department will ensure that CSDB develops, adopts, and implements appropriate criteria for all new placements based on educational need and ensures that all new residential placements serve an educational purpose by June 30, 1990.

### **Funding Issues**

We discovered three areas in which the School can decrease expenditures or increase revenues. These include:

- **Applying for federal impact funds:** We estimate that the School foregoes almost \$100,000 per year because it does not apply for these funds.
- **Providing financial assistance to graduates:** Although we found no current examples of this, statutes authorize the School to provide financial assistance to its graduates. We believe this should be eliminated from statute because it discriminates against non-CSDB students.
- **Reducing energy rates:** The School could save as much as \$30,000 in natural gas costs annually by purchasing natural gas directly from the supplier. A rate review could also reduce electricity costs.

**We recommend that the School directly address each of these areas in the immediate future.**



**Department of Education Response:**

Partially agree. The Department will ensure that all three areas identified in the report are adequately addressed. However, it is important to note that the CSDB has requested a clarification from Washington regarding Federal Impact Aid funding and is still awaiting a ruling by the U.S. Department of Education as to whether they are eligible for such funding. The second area will require a legislative change and will, therefore, need to be addressed as a part of a more global legislative change package that will be recommended by the Department next session (1991). The natural gas is being explored immediately, and, based on this exploration, decisions will be made prior to the new fiscal year (July 1990).

**Facilities Review**

As part of this audit, facilities consultants reviewed the adequacy and usage of the current CSDB buildings and campus. They concluded that the property has limited alternative uses, although some alternatives were suggested for investigation. They suggest that the highest and best use of the property at this time is continued use as a facility for the sensory impaired. However, to reduce operating and maintenance costs, they proposed the consolidation of programs and closure of six of the 18 buildings. This would result in projected savings of at least \$300,000 per year and a decrease in over \$700,000 in capital construction requests. **We recommend that the Department of Education develop and implement a plan to consolidate programs and close under-utilized buildings.**

**Department of Education Response:**

Agree. Based on a careful review of the facilities study, a plan will be developed by June 30, 1990, and implemented over the next two years to consolidate programs and close under-utilized buildings.



### Recommendation Locator

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
1	25	Develop plan for new system.	Department of Education	Agree	6/90
2	26	Propose a shift in funds to develop new system.	Department of Education	Agree	6/90
3	26	Implement new system.	Department of Education	Partially agree	6/92
4	29	Improve protection of children at CSDB.	Department of Education	Agree	4/90
5	31	Document actions taken in response to suspected child abuse.	Department of Education	Agree	6/90
6	32	Implement and enforce reasonable placement criteria.	Department of Education	Agree	6/90
7	34	Develop and enforce reasonable residential criteria.	Department of Education	Agree	12/90
8	35	Review and document placement decisions at CSDB.	Department of Education	Agree	6/91
9	36	Maintain an adequate register of residential students.	Department of Education	Implemented	4/90
10	39	Obtain thorough title search of CSDB property.	Department of Education	Agree	6/90
11	39	Implement facilities report.	Department of Education	Agree	6/90
12	40	Apply for federal financial support.	Department of Education	Partially agree	6/90

### Recommendation Locator

Rec. No.	Page No.	Recommendation Summary	Party Addressed	Agency Response	Implementation Date
13	41	Repeal the section of law providing tuition support to CSDB graduates.	General Assembly	Agree	1/91
14	41	Reduce energy costs.	Department of Education	Agree	6/90

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# Colorado School for the Deaf and the Blind

## Description

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### Statutory Authority for CSDB

The Territorial Legislature established the Colorado School for the Deaf and the Blind in 1874. The State Constitution provides the following authority for the School:

Educational, reformatory and penal institutions, and those for the benefit of insane, blind, deaf and mute, and other such institutions as the public good may require, shall be established and supported by the state, in such a manner prescribed by law.

The Constitution does not specifically mention the creation of a School for the Deaf and the Blind. However, Colorado statute authorizes a Colorado School for the Deaf and the Blind in Colorado Springs.

The goal of the School is to provide educational and support services to children under 21 years old who, by reason of impairment of their sense of hearing or sight or both, cannot be advantageously educated in other schools or educational institutions of the state.

The CSDB has defined its mission as follows:

To provide quality programs and services for sensory-impaired children based upon identified individual needs.

Statutes also create an advisory board to the School that comprises five persons appointed by the Governor. The board advises the Commissioner of Education on the management of the School. It also advises the State Board of Education on school policies.

## CSDB Expenditures and FTE

The following exhibit shows the staff FTE, expenditures, and funding sources for the CSDB. Most (86%) of the financial support for the school is from the General Fund. The school also receives some cash funds from federal grants.

The exhibit shows school expenditures have increased from \$5,433,439 in FY 1987 to \$5,690,260 in FY 1989.

<b>School for the Deaf and the Blind Expenditures, FTE, and Funding Sources for Fiscal Years 1987 to 1989</b>			
	<b>Fiscal Year</b>		
	<b>1987</b>	<b>1988</b>	<b>1989</b>
Expenditures	\$5,433,439	\$5,579,220	\$5,690,260
FTE	184	175.3	170
<b>Funding Sources:</b>			
General Fund	\$4,537,094	\$4,699,007	\$4,885,010
Cash	896,345	880,213	805,250
Total	\$5,433,439	\$5,579,220	\$5,690,260
Source: Department of Education Budget Request Documents.			

## The Costs-Per-Student at CSDB

**In 1988-89 the average CSDB student cost was almost \$29,000.**

The average cost-per-student has risen. The average cost-per-student at CSDB for the 1988-89 school year was \$28,885. This represents an increase of about 27 percent since the 1985-86 school year. When adjusted for inflation, the School's average cost-per-student rose about eight percent over the past four years.

For the 1988-89 school year, the average residential student cost \$38,755. This amount includes \$20,475 per student for residential costs and \$18,280 in educational costs. The average day student cost was \$18,280.

The following reasons are given for increasing costs at the School:

- Staffing has not decreased with declining enrollments. As a result, per capita costs have increased.
- The School believes it is serving more expensive, multiple-hand-icapped students.

## How Many Visually and Hearing-Impaired Children Live in Colorado?

According to the Colorado Department of Education, 1,275 deaf and/or blind children received special education services in Colorado in 1988.

The following exhibit shows the number of visually and hearing impaired children in Colorado from 1980 to 1988 excluding those attending the School. The exhibit shows a fairly consistent number of children with visual and hearing impairments. In 1964 and 1965, a rubella epidemic caused the number of handicapped children to increase. This group of children has now passed through the educational system.

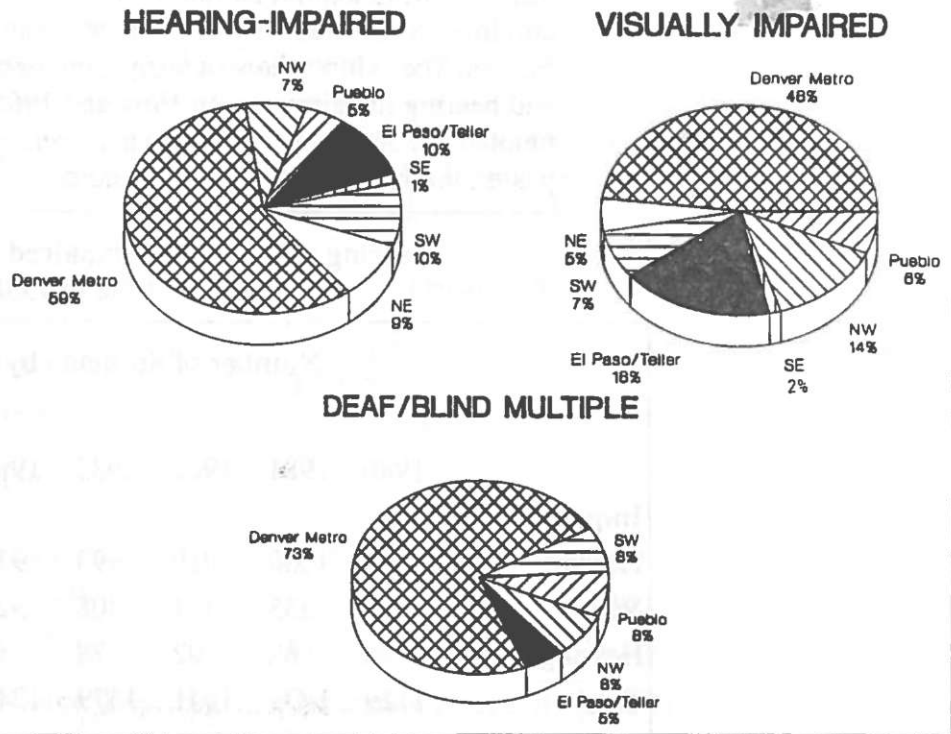
<b>Hearing and Visually-Impaired Students in Colorado 1980 to 1988</b>									
<b>Number of Students by Year</b>									
	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>Impairment</b>									
Hearing	793	1030	1018	993	932	900	860	846	902
Visual	310	333	331	308	325	321	320	307	285
Hearing/Visual	26	68	92	78	89	87	94	88	88
<b>Total</b>	<b>1129</b>	<b>1431</b>	<b>1441</b>	<b>1379</b>	<b>1346</b>	<b>1308</b>	<b>1274</b>	<b>1241</b>	<b>1275</b>
<p>Source: State Auditor's Analysis of Colorado Department of Education Enrollment Reports.</p> <p>Note: These numbers exclude the students attending CSDB.</p>									

As the exhibit shows, in 1988, there were 285 children with visual and 902 children with hearing impairments. Eighty-eight children had both impairments. The consistency over time in the number of children with hearing and/or visual impairments is similar to the patterns occurring in rest of the nation.

## Where Are Hearing and Visually Impaired Children Located?

Visually and hearing impaired children live throughout the state. However, they seem to concentrate most in the Denver metropolitan area and other front-range communities. The following exhibit shows the distribution of these children in Colorado exclusive of the CSDB.

**Geographic Location of Sensory-Impaired Students Excluding the Colorado School for the Deaf and the Blind, 1989**



Source: State Auditor's Office Analysis of Department of Education Enrollment Reports.

The exhibit shows that 48 percent of the visually impaired and 59 percent of the hearing-impaired children live in the Denver metropolitan area. Few children with these impairments live in rural Colorado. When necessary, local school districts and Boards of Cooperative Educational Services (BOCES) serve these children. BOCES are regional service providers that coordinate and supply services to rural areas.

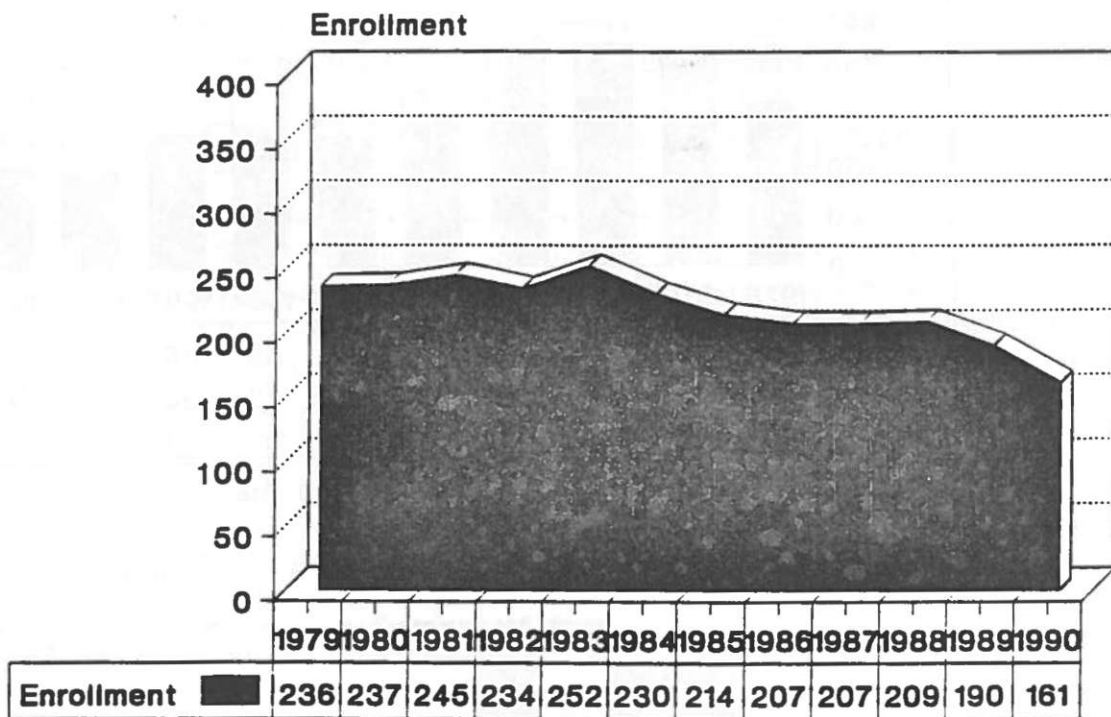
## CSDB Enrollments Have Declined

**Enrollments at CSDB have declined 32 percent over the last decade.**

Enrollments at the CSDB have declined. The following exhibit shows the enrollments at the School from the 1979 to 1989 (September 1989) school years. Enrollments have declined 32 percent over this period, from 236 to 161 students.



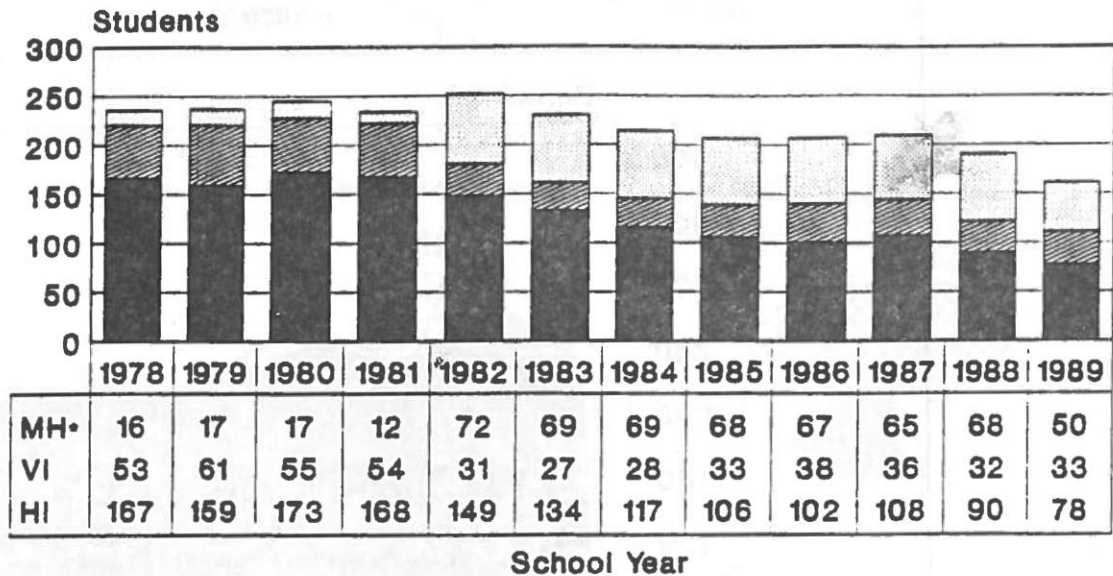
**Total Student Enrollments at the Colorado School  
for the Deaf and the Blind,  
1979 To 1990**



Source: State Auditor's Office Analysis of CSDB Enrollment Reports.

While total enrollments have declined, the mix of sensory impairments has changed over time. The following exhibit shows the numbers of hearing-impaired, visually impaired, and multiple-handicapped served by CSDB since 1979. Over the past decade, the proportion of CSDB students with multiple handicaps has increased. However, the number of multiple-handicapped decreased by 26 percent from 1988 to 1989.

**Colorado School for the Deaf and the Blind Student Enrollments  
by Type of Impairment, 1978 to 1989**



Note:

MH: multiple handicap-does not include non-sensory impaired students

■ HI    ▨ VI    □ MH+

VI: visually impaired  
HI: hearing-impaired

Source: State Auditor's Office Analysis of CSDB Enrollment Reports.

Decline in total CSDB enrollment occurred while the number of visually and hearing-impaired students in Colorado has remained relatively stable. This means more visually and hearing-impaired students are being served by local school districts and BOCES.

## Why Are Enrollments at CSDB Down?

**Public Law 94-142 and the improved ability of local districts to serve handicapped children have decreased CSDB enrollment.**

The decline in enrollments at CSDB is similar to those at other state schools for the deaf and the blind. Declining enrollments are due to the following factors:

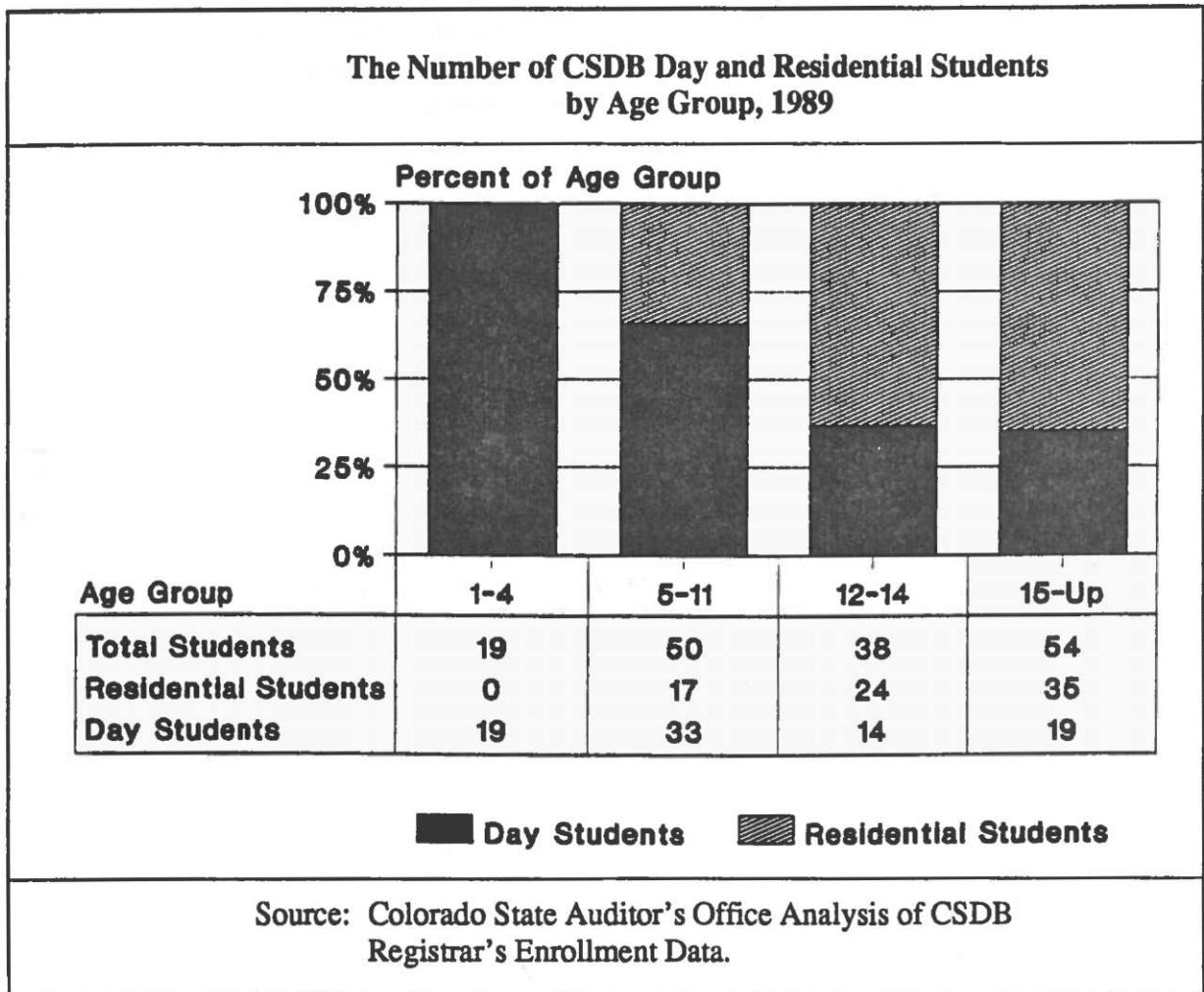
- Public Law 94-142 emphasis on mainstreaming handicapped children into regular schools and providing educational services at the local level
- Improved ability of local school districts to serve handicapped children
- The passing of the effect of the 1964-65 rubella epidemic, which caused blindness and deafness in children

Further, parents expressed the following reasons for withdrawing their children from the School:

- Dissatisfaction with the academic programs at CSDB
- Concerns over inadequate residential supervision and allegations of improper behavior among students

## Characteristics of CSDB Students

The following exhibit shows the number of day and residential students at CSDB by age in 1989. As the exhibit shows, 76 students are residential and 85 are day students. However, it also demonstrates that the CSDB is mostly a day-student facility for younger children and a residential school for older students.



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# Alternatives for Educating the Deaf and the Blind

## Chapter 1

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At the outset of the audit, we recognized numerous problems with the Colorado School for the Deaf and the Blind. The school facility was out-of-date, difficult to remodel, and had asbestos problems and under-utilized space. In addition, we noted that with declining enrollments, shifting client population, and rising operating costs, some alternatives to the current situation were essential. Among our objectives in the audit was to identify specific alternatives for educating the deaf and the blind in Colorado.

As we reviewed the literature, interviewed program staff from other states, and discussed the issues with various experts in education for the sensory-impaired, we recognized there is no consensus on the ideal educational system for the deaf and the blind. Nevertheless, we obtained sufficient information to enable us to conclude that an educational system should possess certain characteristics .

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### **The ideal system serves children at the local level.**

This ideal system of local delivery of services to sensory-impaired children should have the following features. The local school district should be able to provide educational services to virtually all sensory-impaired students. The Department of Education should be responsible to oversee the system of delivering services. Funding should be organized so that services are based on identified student needs rather than on economic incentives or cost shifting. Sensory-impaired students should receive services based on system-wide criteria.

Although some of these elements are present in Colorado, their emphasis and organizational structure should be changed substantially. We are proposing that the Department of Education take the necessary steps to improve Colorado's current system. The new system would make the local district the primary service provider for sensory-impaired students. The system would rely less on centralized services, such as CSDB.

## Local Provision of Services to Students and Families

National trends suggest that, in an ideal service delivery system, most children should be educated at local schools rather than in a separate school for only handicapped students. Also known as "mainstreaming," this approach has the following advantages:

- Handicapped children share educational and social experiences with non-handicapped children as much as possible.
- Children live at home with their families. When residential services are necessary, settings are located as close to the child's family as possible.

Mainstreaming integrates children with handicapping conditions into non-handicapped society. It attempts to give children a full, productive, and normal life.

## Mainstreaming System Already in Place

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**Almost 1300 sensory-impaired children are served locally.**

Enrollment figures show that Colorado already has a primarily local service-delivery system. Almost 1,300 sensory-impaired students are integrated into the public schools. In 1988, Colorado school districts and Boards of Cooperative Educational Services served about 900 hearing-impaired, 285 visually impaired, and 88 visually and hearing-impaired students. If more resources to serve sensory-impaired students were available to local schools, more local schools would be able to provide adequate services.

The current Colorado system of delivering services to sensory-impaired students falls short of the ideal service delivery system. Many of the elements of this ideal system are already present, but they are not present to the extent that they need to be.

## Mainstreaming Needs Assistance

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**Currently, some sensory-impaired children cannot be served locally.**

One of the main shortcomings of the current system is that school districts and BOCES cannot now appropriately serve all sensory-impaired children. Although local school districts and BOCES are serving most sensory-impaired children, they cannot presently serve them all. According to our survey of school districts and BOCES:

- **For the blind:** One-third report they are able to serve legally blind children in some cases. Five percent said they could not serve them at all. A quarter said they could not serve totally blind children, and another quarter said they could under certain conditions.

- **For the deaf:** One-quarter report they could serve hearing-impaired children under certain circumstances. A quarter said they could not serve totally deaf children, and a quarter said they might be able to serve totally deaf children.
- **For the multi-handicapped deaf or blind:** About one-half said they might be able to serve sensory-impaired children with other impairments. About 15 percent said they could not serve these children at all.

We do not believe that local school districts can now serve all children currently enrolled at CSDB. About 62 percent (100 students) of CSDB students are enrolled there because the local school districts said they could not adequately serve them.

The fact that some school districts say that they cannot serve some sensory-impaired students now does not rule out the possibility that they could serve these students in the future. To accomplish more local provision of services, the Colorado Department of Education will have to approach problems on a system-wide basis.

## Department of Education Oversight Has Been Inadequate

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**Department oversight has not ensured that service to sensory-impaired children has been adequate.**

The Colorado School for the Deaf and the Blind is by law under the supervision, management, and control of the Colorado Department of Education. As such, the Department should be overseeing the School and other services to sensory-impaired children.

The Department of Education does not adequately oversee CSDB and the services for sensory-impaired children. We found that the Department has not:

- Ensured that adequate system-wide coordination is present.
- Developed, implemented, and evaluated long-term strategic plans for serving sensory-impaired children.
- Made sure that leadership was provided in serving sensory-impaired children.

The Department should ensure that all sensory-impaired students, regardless of where they live, receive appropriate educational services. If services are not available at the local level, the Department should assist local agencies in developing and sharing them. In this regard, the Department may also

provide supplemental services to local school districts or Boards of Cooperative Educational Services (BOCES).

## Supplemental Services Are Important

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**Supplemental services such as infant intervention and family support are needed.**

In the continuum of needed services, a separate school for the deaf and the blind, which may include residential service, represents one end. At the other end is the mainstream classroom, in which children live with their families and attend local public schools. Between these two extremes, is a need for various supplementary services to enable individual students to receive their education as close to their local school districts as possible. In the system we are proposing, the Department of Education ensures that a variety of supplemental services is available to local school districts. These services may include programs like the following:

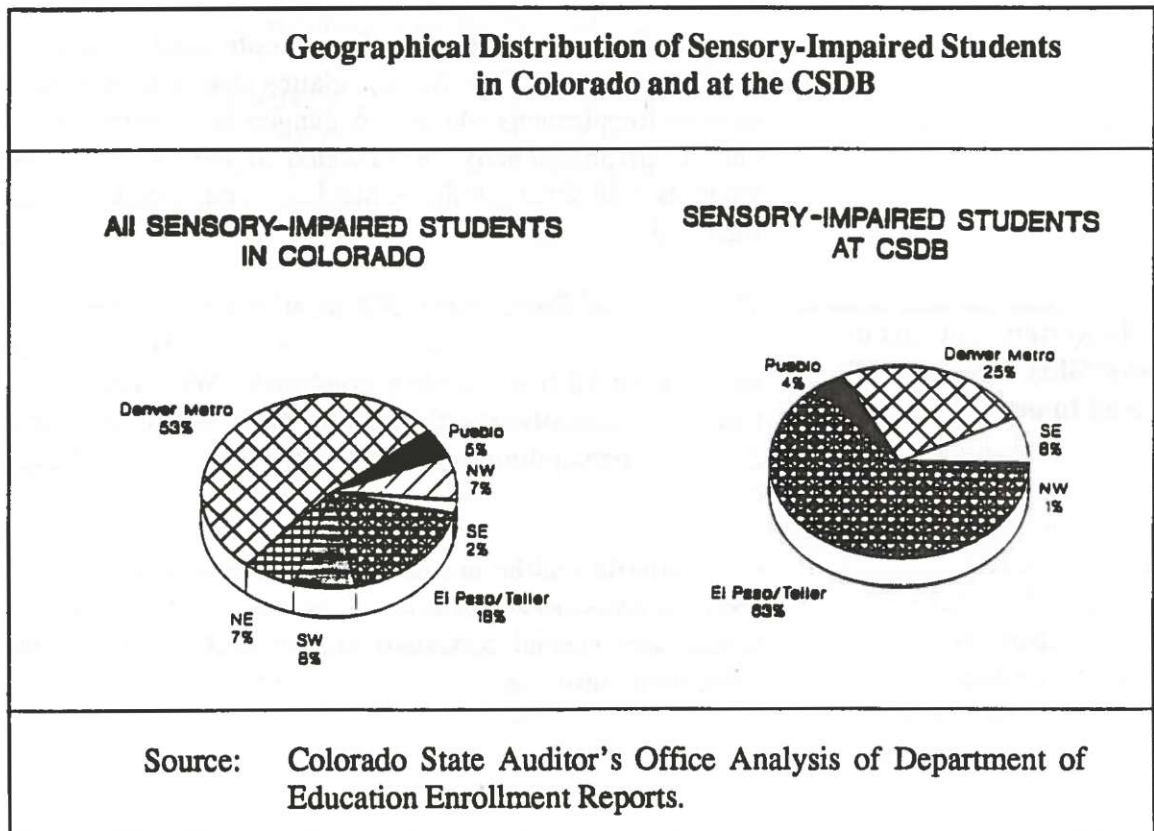
- **Family/infant intervention programs:** These programs work with parents and infants in developing early communication skills.
- **Support services for students and families:** These might include communication skills, counseling, and family respite.
- **Outreach programs to local school districts:** These include curricula, diagnostics, teacher training, and information on orientation and mobility training.
- **Resource centers:** These centers provide resources to educate deaf and blind students statewide. For example, some states distribute phones for the deaf, blind reading materials, tapes, and hearing aids.
- **Transitional and educational segmented programs:** These special programs provide short-term training for students to learn specific skills. Under these programs, the specialized facilities view themselves as teaching skills and then returning the children to the mainstream. Parents and children can be given intensive summer workshops.
- **In-service training:** This training is available for school district staffs to ensure that sensory-impaired students are effectively served.

## School Districts Appear to Shift Costs to the CSDB

**Sixty-three percent of CSDB's enrollments are from the Colorado Springs area.**

Some school districts may rely on CSDB to provide services that the districts could provide but choose not to. For example, the school districts surrounding the Colorado School for the Deaf and the Blind may be using the School as an auxiliary to their districts rather than developing their own programs for the sensory-impaired. This condition is illustrated by the fact that students from El Paso and Teller counties are significantly over-represented at the School. Some parents of sensory-impaired children may move to Colorado Springs because of the CSDB. However, the size of the difference leads us to believe that this may not be the only reason.

The following exhibit shows the distribution, by location, of both sensory-impaired students statewide and at CSDB. Of CSDB's total enrollment, 63 percent live in either El Paso or Teller counties, although only 18 percent of all sensory-impaired students in Colorado live in these counties. Potentially, these children could be served by the local school districts in Colorado Springs.





State and federal laws mandate local school districts to provide programs for handicapped children. Yet, the Department of Education has not taken action to ensure that all local school districts develop and implement adequate programs to serve sensory-impaired students. We believe that this violates the spirit of federal and state law requiring such programs.

## **Some Sensory-Impaired Students Are Not Being Served**

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**Some sensory-impaired children are not being served adequately by the current system.**

About 60 percent of Colorado's special education directors, with knowledge about who is enrolled at CSDB, believe that some special educational groups are not being served by the School that should be. Consequently, they believe children in these groups are not served adequately by the current system. The directors identified the following groups:

- Severe/profound sensory-impaired and multiple-handicapped
- Severe emotional/behavioral sensory-impaired
- Trainable developmentally disabled sensory-impaired

CSDB officials disagree with the perceptions of these special education and BOCES directors. The School claims that it is serving all children with sensory impairments who are not dangerous to themselves or others and who cannot advantageously be educated at the local districts. This includes students with severe multiple handicaps, emotional problems, and developmental disabilities.

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**The system's program eligibility requirements need to be reviewed.**

The Colorado Department of Education has suggested that CSDB review student eligibility requirements in light of the state's policy to provide services for all handicapping conditions. We recommend the Department examine and resolve the discrepancy between special education and BOCES directors' perceptions and the School's practices, and take action as necessary.

Clear criteria will be needed for deciding what services should be present and used and who will be eligible for them. A staffing process will be needed which uses special education experts and parents to identify needs and appropriate services.

## Parent-Option Placements

**The parent-option allows parents to override staffing decisions.**

In Colorado, parents may override decisions made by local school district staffing teams regarding the educational placement of their sensory-impaired child. That is, parents may enroll their child at the Colorado School for the Deaf and the Blind even if such enrollment is not recommended by staff at the local school district. This is referred to as a parent-option placement.

Some special educators believe that parent-option placements run contrary to the intent of federal law. Federal law requires that educational placement decisions be made by a team of which the parents are a part, not by an individual. If the parents disagree with the team decision, they may appeal it to the Commissioner of Education. This due process is guaranteed by federal law.

Currently, no specific statutory authority exists for parent-option placements. However, a portion of the statute opens eligibility for the School to almost "every blind, deaf, or mute citizen of Colorado under the age of 21." Yet, the state annually spends about \$2 million on these placements. This is because the state pays most costs associated with CSDB placement including residential costs. Parents pay only for transporting their child between home and CSDB. The state should not be obligated to pay the costs of a placement that is not recommended by the staffing team.

We believe that the Department should recommend statutory change to eliminate parent-option placements. If this is not possible, it should determine the feasibility of requiring parents to bear all or a portion of the costs of parent-option placements.

## The Funding System

The current system of funding education does not fairly distribute the costs of educating sensory-impaired children between state and local governments. Under the current system the state pays school districts an additional \$3,613 (Average Revenue Base or ARB) for providing special education services to an impaired child. This amount is often inadequate to cover the educational costs of serving severely impaired children. Because educational costs often exceed funding, there has been an economic incentive for school districts to place sensory-impaired children in programs less costly to the district. For example, the current system allows school districts to give up the ARB and pay transportation costs to enroll children at CSDB. This amount is considerably lower than the almost \$40,000 it costs to provide services and residence for a student at CSDB.

Other states require school districts to pay part of the costs for sensory-impaired children. For example:

- California requires districts to pay a portion of the costs to enroll a child at its school for the deaf and the blind.
- In Connecticut local school districts must pay tuition to educate multiple-handicapped children. This practice discourages districts from unnecessarily placing students in state facilities.
- New Mexico requires local school districts to share the costs of its deaf day schools.

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**The funding system should fairly distribute the responsibility between the state and the local governments.**

As Colorado's system serves more sensory-impaired children at the local level, costs will rise for local school districts. This means that additional funds will be necessary to serve children. The Department needs to review and redesign the current funding system to ensure that costs to serve sensory-impaired children are fairly distributed between the state and local governments.

Another consideration of a Department review of the funding system is to decide which sensory-impaired students will be eligible for additional funding. The system should link the amount of funding to the needs of the students and determine who is eligible for additional resources.

## Residential Placement Option

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**Residential services should be short-term.**

Some deaf or blind students may need residential services for some of their education. This system should make residential services available if needed. However, it should not assume that students need residential services their entire educational careers. Rather, it should provide specific programs, such as vocational education or braille, on a short-term basis. The student then returns to the local school district for regular education services. The ideal system views a residential placement as a short-term rather than long-term option for students. It meets the needs of the student and then re-integrates the student into the mainstream setting as soon as possible. If residential placement is needed, criteria are well defined to eliminate unnecessary and costly residential placements.

## Change in Facilities Usage Needed

In the alternative system we are proposing, children live at home with their families. Schools do not place children in residential settings, except when absolutely necessary and for a limited time. When residential services are necessary, settings are located close to the student's family. These residential settings may include group homes or foster care families located in the student's community. These settings should provide sensory-impaired children with special services. They should also address the student's need to be with other students with similar impairments for purposes of socializa-

tion, recreation, and mutual support. This system would obviously change the role of the CSDB.

## Shift Dollars From Operation of CSDB to Develop New System

Our audit and the review done by the facilities consultant indicate the potential for savings. These may result from changes in the operation of the CSDB through the closure of some buildings, a reduction in number of students, and more efficient operating methods (see page 27). We believe some of these funds should be shifted to support development of the proposed service delivery system. This will improve educational service for the sensory-impaired while saving money.

## Conclusion

The Department of Education has the responsibility to see that as many sensory-impaired students are integrated (mainstreamed) into the regular classroom as possible. This will require improvement of existing education services at the local level. Improvements to the local ability to serve sensory-impaired children will require planning and implementation of new approaches to educating sensory-impaired students. We recommend the Department develop and implement a plan to address each of the components listed earlier.

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## Recommendation No. 1

The Department of Education should develop immediately a plan to move Colorado's system of educating sensory-impaired students to emphasize education at the local level which includes:

- a. Oversight by the Department.
- b. Services provided locally through school districts.
- c. Services to supplement school districts.
- d. Enrollment criteria.
- e. Elimination of parent-option placements.
- f. Adequate funding.
- g. Appropriate facilities at appropriate locations.

**Department of Education Response:**

Agree. The Department will develop a plan that addresses the statewide need of sensory-impaired students, emphasizes education at the local level, and addresses all of the components listed in the audit report by June 30, 1990.

**Recommendation No. 2**

The Department of Education should ensure that this plan identifies savings to be achieved from a reduction in students and facilities at the CSDB and a process for using some of these funds to develop the new service provision system.

**Department of Education Response:**

Agree. The plan will outline both initial and projected cost savings, a process, and recommendations for funding new services within current resources. Support from the General Assembly, however, may be required in implementing the proposed plan.

**Recommendation No. 3**

The Department of Education should fully implement this plan, including any needed statutory changes, as quickly as possible, but no later than June 1992.

**Department of Education Response:**

Partially agree. While all efforts will be made to implement the plan by June 1992, full implementation will be affected by the legislative process (both budgetary and legislative), decisions regarding students currently being served, and constraints regarding personnel utilization.

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# IMPROVEMENTS NEEDED IN CURRENT COLORADO SCHOOL FOR THE DEAF AND THE BLIND

## Chapter 2

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While the Department is developing the comprehensive system of educating sensory impaired children recommended in Chapter 1, some changes to the existing Colorado School for the Deaf and the Blind are needed immediately. This chapter addresses these changes.

### Children at Risk

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**Children at CSDB are particularly vulnerable to abuse.**

Because of youth, handicap, residential isolation, and limited communication skills, CSDB students are particularly vulnerable to child abuse. The state is responsible to protect students from potential abuse. The School personnel practices and documentation of actions taken are inadequate to effectively protect students from abusive situations.

### Inadequate Personnel Practices

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**CSDB procedures are insufficient to protect students from potentially abusive situations.**

The School's personnel and hiring practices are insufficient to protect the School and its students from potentially difficult or abusive situations. We found the following problems which place the children at risk of abuse.

- **No Criminal Background Checks of Employees:** The School does not contact the Colorado Bureau of Investigation to conduct criminal record searches of its employees. The School's personnel unit reports that it has attempted to get criminal histories from the Bureau in the past. However, the Bureau did not return the information requested. The Bureau says it is unaware of instances when it did not supply requested information to the School.
- **No Written Personnel Procedures and Criteria:** Personnel staff report that they have no formal screening procedures for prospective employees. Instead, they subjectively determine to what extent

they will screen an applicant. They make at least two personal reference checks for staff that will be left alone with children. They make other reference checks only if they feel something is wrong.

Further, personnel staff do not have criteria by which to evaluate criminal histories. The School's policy and procedure manual authorizes the School to dismiss a teacher or special services professional who has been convicted of a felony. It does not address which cases warrant dismissal and which do not.

- **No Check of the Central Registry of Child Protection:** The School does not check either current or potential employees' names against the Central Registry of Child Protection. The Department of Social Services keeps the Registry to monitor confirmed child abuse/neglect victims and perpetrators in Colorado. Conviction is not required for persons to be included on the Registry. However, Social Services has concluded that child abuse has occurred. Agencies use the Central Registry to screen applicants and employees of licensed, child-care facilities.

As a result of these problems, the School has had a number of personnel difficulties. School management was not aware of all of these incidents.

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**Some current employees have arrest records.**

- **Criminal backgrounds:** We found evidence of arrests for burglary, resisting an officer, and shoplifting among staff. We were unable to document convictions.
- **Screening procedures for applicants:** Several years ago, the School hired and briefly employed as a dormitory supervisor a man who had been imprisoned three times for rape. The School learned of his criminal record only after he had resigned.
- **Central Registry of Child Protection:** We found one match on the Central Registry.
- **Incidents of abuse:**
  - Between staff and students: Internal documents show that abusive incidents have occurred. Since September 1984, seven incidents were reported involving inappropriate or abusive behavior between staff and students. Although CSDB administrators state that these were properly reported, no indication was given in the files of action taken by the School. School administrators report that they have not prosecuted any staff members for child abuse or neglect during this period.

- Among students: In the past five and one-half year period, 45 cases of inappropriate/abusive incidents between students were reported. About one-third dealt with sexually abusive behavior. Another third dealt with sexual incidents between consenting students. Less than 10 percent dealt with physical abuse. Most of the reported incidents involved residential students in settings outside of the classroom.

The local county Department of Social Services believes that the amount of activity reported at the School is not alarming. However, at least one set of parents notified us that they removed their child from the School because of sexual activity among the students.

The School is similar, in many ways, to facilities licensed through the Department of Social Services. They both provide 24-hour residential group care for 5 or more children between the ages of 5 and 21 years old. Both facilities are responsible for children in their care. The Department of Social Services' regulations for residential, child-care facilities require each facility to:

- Have written screening and hiring procedures which include exploring for history of child battering, child abuse, child molestation, child neglect, or previous criminal convictions.
- Make reasonable efforts to evaluate the overall emotional health and stability of each job applicant.

However, administrators of the School do not have access to information on the Central Registry. By statute, the Department of Social Services is the only state department which has access to information on the Registry.

We propose the state view the current School for the Deaf and the Blind as similar to a child care facility licensed by the Department of Social Services. The similarities suggest the need for better personnel practices and for access to the information on the Central Registry concerning current or future employees.

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## **Recommendation No. 4**

The Colorado School for the Deaf and the Blind should improve its protection of its students by:

- a. Working with the Colorado Bureau of Investigation to develop and implement written policies and procedures to screen job applicants for criminal offenses.



- b. Developing and implementing criteria concerning the types and degrees of felony convictions that will be acceptable for employees.
- c. Following up on felony arrests of current employees to determine if convictions were made and apply the criteria developed to the current staff with felony convictions.
- d. Requiring all staff to verify that their names do not appear on the Central Registry of Child Protection and developing a procedure to follow if they do.
- e. Proposing a statutory change to the General Assembly to permit the School to request information on specific employees or applicants for employment from the Central Registry of Child Protection.

### **Department of Education Response:**

Implemented. The Department has insured that CSDB has developed and implements 1) written policies and procedures to screen job applicants for criminal offenses and 2) criteria concerning what, if any, types and degrees of felony convictions would be acceptable for employees. These policies and procedures ensure that there is a follow-up on any felony arrests to determine if convictions were made. The School will apply the criteria to all employees. The Department has ensured that all staff have verified that their names do not appear on the Central Registry of Child Protection and that if any name does appear on the list there has been appropriate follow-up as defined in its policies and procedures. This process has become a prerequisite to employment for all new employees. A request for statutory change will be made by the Department regarding access of the School to the Central Registry during the 1991 legislative session.

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## **Inadequate Documentation of Follow-up**

**We could not determine if disciplinary action following abusive incidents is adequate.**

Reports from staff, internal files, and parents state that abusive and inappropriate behavior problems exist among the students. However, documentation is not clear whether the School adequately deals with these incidents.

We could not determine if the disciplinary action is inadequate, the documentation is inadequate, or both. In several cases, a child was recommended for counseling with School counselors. Documentation did not say whether counselling occurred. In most of the abuse cases, documentation that staff

contacted the Department of Social Services consisted only of a name of the person to be contacted. We could not determine if Social Services was actually contacted in all cases. Even in incidents in which one child was repeatedly involved, we did not find documentation of action taken by the School.

We recognize that some inappropriate activity will take place among students. However, the School should ensure that these incidents are not repeated. Documentation should be clear on all follow-up activity for every inappropriate or abusive incident.

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## Recommendation No. 5

The Colorado School for the Deaf and the Blind should improve its protection of its students by documenting all actions to address inappropriate or abusive incidents among students.

### Department of Education Response:

Implemented. The Department has insured that the CSDB has developed and implemented a process that provides written documentation that a follow-up of all critical incidents occurs.

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## Inappropriate Placements

In the current School, we encountered a number of placements into the School itself and into the residential program that do not appear to meet established educational criteria. These placements cost the State a considerable amount and have no reasonable basis in law or school policies. They include parent-option placements and residential placement of local students.

### Parent-Option Placements

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**Parent-option placements cost the state almost \$2 million a year.**

Colorado parents may override a decision made by a local district staffing team regarding the educational placement of their sensory-impaired child. The parents may place their child at the Colorado School for the Deaf and the Blind even if such enrollment is not recommended by staff at the local school district. Over a third of the children at CSDB are enrolled at the School as a result of parent-option, costing the state about \$2 million per year.

Parents of these children give the following reasons for choosing to place their children at CSDB despite the recommendation of the staffing team:

- They believe the local school districts are unable to meet the needs of their children. Some had enrolled their children in programs at local districts and were dissatisfied with the progress their children made.
- They want their children educated and socializing with children with similar impairments.
- They think CSDB offers the best education for their children and see staff at the School as experts in educating the deaf and the blind.

However, many placements at the School are related more to family problems than to educational needs. A 1987 study revealed that almost half of all placements at the School were the result of a family situation in which a child was at risk of abuse or neglect or the family was unwilling or unable to provide proper support regarding the child's handicap.

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**Parent-option placements at CSDB need to be reviewed.**

The School and the Department should review current parent-option placements. Those in which educational need is not the primary concern are inappropriate. The School and the Department of Education should define acceptable placement reasons, based on educational criteria. They should then review the reasons for parent-option placements and apply the acceptable reasons to current and future applicants and students. Where the reasons for a child's placement relate to a difficult family situation, they should connect the family and student with appropriate social services.

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## **Recommendation No. 6**

The Department of Education should ensure that the Colorado School for the Deaf and the Blind develops, implements, and enforces reasonable placement criteria by:

- a. Reviewing the reasons for parent-option placements and applying acceptable criteria.
- b. Connecting the family and student with social services if appropriate.

## **Department of Education Response:**

Agree. The Department will ensure that the CSDB develops, adopts, and implements appropriate criteria for all new placements based on educational need and that all new placements serve an educational purpose by June 30, 1990.

The CSDB will review all new parent-option placements in relation to the new placement criteria.

As a part of its increased outreach role, the Department and CSDB will work with both state and local social services departments to develop the capacity for additional social services.

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## Residential Placements

The criteria for residential placements developed by the Colorado School for the Deaf and the Blind are poorly defined and too broad to be meaningful. As a result, children are inappropriately in residence at CSDB. Residential placements often appear to be unrelated to a student's educational needs. The state pays about \$20,000 more annually per resident than it does for a day student.

According to CSDB policy, students may reside on the CSDB campus for the following reasons:

- Their families do not live in the immediate Colorado Springs metropolitan area.
- Their family environments are restrictive. The children face deprivation in the following areas: language, social/emotional, mobility, behavioral management, care, and supervision.
- The students need intensive instruction in daily living skills as provided through CSDB's residential programs.
- The students desire to participate in CSDB's extra-curricular activities, such as athletics or other social organizations.

Of 74 students in residence at CSDB, 19 are from El Paso county. Of these, over half reside at CSDB to participate in after-school sports. Most of these students could clearly attend the School day program and still participate in sports. For example, one resident deaf student drives himself and another CSDB resident to and from their homes in El Paso county. The School allows these students to reside on campus to participate in after-school sports.

The School also permits parents whose children are enrolled in the day program to temporarily enroll their children as residents if the parents leave town for business or vacations.

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**In 1986, a State Auditor's report recommended that reasonable residential criteria based on educational need be developed.**

In 1986, the State Auditor's Office recommended that the Colorado School for the Deaf and the Blind develop and enforce reasonable residential enrollment guidelines based on sound educational criteria. This recommendation was not implemented. We, therefore, repeat the recommendation. It is important that strong guidelines be developed and enforced to ensure that potential abuses be avoided.

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### **Recommendation No. 7**

The Colorado School for the Deaf and the Blind should develop and enforce residential enrollment criteria that include the following:

- a. All residential placements must serve a true educational purpose.
- b. The specific educational needs met through residential placement are documented on each child's individual educational program.
- c. A review of current residential placements ensures that all are educationally necessary.

### **Department of Education Response:**

Agree. The Department will ensure that the CSDB develops and enforces residential enrollment criteria that serve an educational purpose and that the reasons for residential placements are documented on the IEP. All residential placements will require an annual review staffing to ensure that the placement is based on an educational need. The Department will also ensure that all current residential placements from El Paso and Teller County are carefully reviewed and reconsidered for their appropriateness at their upcoming annual reviews, and no later than December 1990. These criteria will also apply to all new placements.

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## **Documentation and Record Retention**

The Colorado School for the Deaf and the Blind places too little attention on preparing and retaining accurate and complete records. We found problems in the following two areas:

- Placement decisions are not well documented.
- Records on residential students are not maintained.

## Placement Decisions

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**Placement decisions at CSDB are not documented.**

Currently, information regarding the specific reasons children are placed at CSDB is unavailable. Neither CSDB nor the school districts document, beyond indication of a parent-option or team decision, the reasons students are placed at CSDB.

Decisions to enroll children at CSDB should be documented in the students' files to justify the placement and plan the educational program. According to state and federal law, any placement in a special education program should be based on identified needs. These needs should be identified, documented, and included in a student's individual educational program. Failure to document placement reasons has at least three consequences:

- Staffing teams may find it difficult to develop goals for each child to meet before the child is able to re-enroll at the local school district.
- School districts may be unable to assess the adequacy of their special education programs if they do not know why they cannot serve a child with a particular need.
- The state may be bearing the educational and residential costs of inappropriate CSDB placements.

The School should ensure that specific reasons for placement are identified and documented in each student's individual educational program.

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### Recommendation No. 8

The Colorado School for the Deaf and the Blind should determine the specific reasons for each student placement and document the reasons on each student's individual educational program.

#### Department of Education Response:

Agree. The Department will ensure that the CSDB identifies and documents the reasons for each student's placement both in the records and on the IEP. When appropriate, these reasons will also be used to set appropriate exit criteria.

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## Residential Student Records

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**Temporary residential placements are not documented.**

The Colorado School for the Deaf and the Blind does not maintain a permanent record of the students transferring temporarily from the day program into the residential program. Day students may temporarily reside at CSDB to undergo diagnostic testing, to learn independent living, to participate in sports, or to accommodate the family who does not want the student at home.

However, CSDB cannot document which students stayed in the dormitories, the dates they stayed, or the reasons they were in residence. Without this information, CSDB cannot be sure if the students who are supposed to be in the dormitories are indeed there. This has serious implications regarding the safety of the students, state liability for the students, and the cost to the state for providing residential care.

CSDB's residential program is similar to residential child-care facilities licensed through the Department of Social Services. Social Service regulations require that residential child-care facilities maintain a permanent register on each child in residence. For each child, the register contains identifying information, admission date and reason, and discharge date and to whom discharged. The School should maintain a similar register for all residential students, regardless of the length of their stay.

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### Recommendation No. 9

The Colorado School for the Deaf and the Blind should maintain a register of all children in residence that contains:

- a. Identifying information.
- b. Dormitory information.
- c. Admission date and reasons.
- d. Discharge date and to whom discharged.

### Department of Education Response:

Implemented. While the CSDB does maintain a registry of children enrolled in the residential program, the Department and CSDB will ensure that all of the components listed in the audit are included as a part of the record keeping process by April 1, 1990.

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## Facilities Review

As part of this audit, facilities consultants were hired to review the adequacy and utilization of the current CSDB facilities. Their report raises important issues regarding the current CSDB campus and facilities, including ownership rights, property values, space utilization, and future options. This report is available through the State Auditor's Office. The following summarizes the main points in that report.

### Ownership Rights

**A thorough review of property restrictions is needed.**

The CSDB campus is on a 31.5 acre parcel of land in central Colorado Springs. The consultant reviewed the deeds to this property to determine if restrictions on the property would affect the land value. A preliminary review of the deeds found no serious restrictions with two possible exceptions. One section was conveyed to the State twice, once with restrictions and once without. Another section is restricted to use as a playground even though buildings now exist on this parcel. The consultant recommended the Department obtain a thorough title review and formal legal opinion on the validity of the restrictions.

### Possible Alternative Uses of the Campus

The consultant concludes that the campus has limited value for alternative uses. Although the campus has a beautiful location, the real estate market is not currently favorable. In addition, the facilities have historical value and would be difficult to convert to private use. However, other compatible uses should be investigated. These include an Olympic Hall of Fame, an Olympic Training Facility, a higher education facility, and expanded state office facilities.

### Disposal Value of the Campus

The consultant estimated that the value of the site is about \$4 million. However, building demolition and asbestos removal costs amount to about \$2 million. Therefore, the effective value of the raw land is about \$2 million, assuming title restrictions are cleared. The consultant concludes that the property should not be sold at this time.

### Occupancy Strategies

The consultant concluded that the campus and facilities are too large for the number of students currently served. The amount of usable facility space is more than double what is needed. This results in higher operating costs at the School. In light of this, the consultants reviewed four options for continued occupancy of the campus:



1. Continue to function as presently.
2. Consolidate services into the most functional buildings and build new space as needed.
3. Consolidate operations and close unused buildings.
4. Consolidate operations and enable other state offices to use unused facilities. Further evaluation would be necessary to determine if state offices could be located in unused buildings.

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**Costs of operating the facility could be reduced by almost \$300,000 annually.**

The consultant recommends the third option which is to close six under-used buildings and consolidate programs into the remaining twelve. This would result in decreased costs of almost \$300,000 per year. In addition, over \$700,000 in capital construction requests would be unnecessary. Over 10 years, about \$3.5 million could be saved from closing the buildings.

## **Other Cost Savings**

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**Other opportunities for cost savings are present.**

While reviewing the property, the consultant also identified four areas where additional significant cost savings are possible. These savings would result from both operating costs and personnel reductions. The four areas include the following:

- Privatization of all or part of the laundry services
- Privatization of all or part of maintenance services
- Sale of football field (gross sales value of about \$1.1 million)
- Reduction in excessive administrative staff levels

All would require investigation by the School or Department to ensure that School needs are met while savings occur

In all of the areas above related to the CSDB property, the Department of Education should review the facilities consultant's report. It should then implement the occupancy strategy that maximizes savings while maintaining needed services.

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### **Recommendation No. 10**

The Department of Education should obtain a thorough title search and a formal legal opinion on the restrictions to the CSDB property to determine if any restrictions are applicable and limit the use of the property.

#### **Department of Education Response:**

Agree. The Department will use funds appropriated to CSDB to conduct a thorough title search and legal opinion on the CSDB property.

### **Recommendation No. 11**

The Department of Education should develop and implement a plan to consolidate programs and close under-used buildings on the CSDB campus, according to the 1990 Facilities Report.

#### **Department of Education Response:**

Agree. After a careful review of the Facilities Report, the Department and CSDB will, if appropriate, consolidate locations and close any under-utilized buildings on the CSDB campus. A plan will be developed by June 30, 1990, and fully implemented over the next two years.

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## **Funding Issues**

The state and CSDB need to address several funding and cost issues, regardless of what happens to CSDB services in the future. Action taken in these areas will result in the availability of funds that can be put to better use.

### **Federal Impact Funds**

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**CSDB did not apply for federal impact funds as required in a 1986 audit recommendation.**

Despite a 1986 audit recommendation, the CSDB still is not applying for federal impact funds. Forty-five CSDB students are eligible for a total of about \$100,000 per year in federal funds. Administrators in local Colorado school districts have developed and use applications forms for the funds. Until recently, the CSDB has not taken action on this recommendation. CSDB staff claim that the formulas are complex and difficult to understand. They also say the Department did not help with the recommendation.

As before, we think that School administration should be maximizing federal support for students enrolled at the School.

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## **Recommendation No. 12**

The Department of Education should develop and use procedures to apply for Public Law 874 funds for all eligible children receiving CSDB services.

### **Department of Education Response:**

Partially agree. The CSDB and Department have requested from Washington a formal opinion as to whether CSDB is eligible for Federal Impact Aid. Based on the information received, the CSDB has applied for Federal Impact Aid funds. However, they are estimated to be significantly less than estimated by the auditors.

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## **Financial Assistance to Graduates**

Statutes authorize CSDB to provide two types of financial assistance to CSDB graduates:

- Provide readers for blind persons who are residents of Colorado and graduates of CSDB who have enrolled in higher education or a music conservatory.
- Defray expenses of deaf persons who are residents of Colorado and graduates of CSDB who have enrolled at Gallaudet University.

We did not find any evidence that General Funds have been used to carry out this statute. Even had funds been available, this statute may discriminate against deaf and blind residents who did not graduate from CSDB. The majority of Colorado sensory-impaired high school graduates do not graduate from CSDB. These statutes could provide an inappropriate incentive for parents to enroll their children at CSDB under parent-option to obtain additional services.

The CSDB staff say that the statute allows them to use donated dollars to assist CSDB graduates. We do not believe that this statutory authorization is necessary to permit use of donations. We believe that the statute is potentially harmful and should be removed.

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## Recommendation No. 13

The General Assembly should consider repealing Section 22-80-115, C.R.S., which provides assistance to CSDB graduates.

### Department of Education Response:

Agree. The Department will request as a part of its comprehensive 1991 legislative package that Section 22-80-115, C.R.S., be repealed.

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## Energy Rates

CSDB pays utility costs that are higher than they should be. Specifically, the School paid about \$116,000 for natural gas in 1988. This cost could be reduced through direct purchase of natural gas. Electrical rates also may be higher than they need to be. The School has not reviewed electrical rates for at least four years to determine if a lower rate might be possible.

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**The CSDB could save about \$30,000 per year on natural gas bills.**

Rates paid for electricity and natural gas should be as low as possible. The Department of Institutions has reduced its costs by about 28 percent through direct-purchase of natural gas. State facilities that purchase gas from suppliers include Mesa College, Lookout Mountain School for Boys, and soon the Department of Military Affairs. Military Affairs estimates it will save 25 percent on its natural gas costs. A comparable savings at CSDB would result in annual savings of about \$30,000 per year in state funds.

On request from users, utility companies conduct rate review studies to decide if the users can purchase electricity at lower rates. Utility companies usually do not charge for rate studies.

We recommend that CSDB administrators adopt these and other proposals to reduce immediately the cost of energy at the School.

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## Recommendation No. 14

The Colorado School for the Deaf and the Blind should reduce its energy costs by:

- a. Directly purchasing natural gas from providers.

- b. Requesting a rate study from their utility company and convert to the lower rate if a rate change will reduce costs.

### **Department of Education Response:**

Agree. The Department and CSDB have made initial contacts to examine directly purchasing natural gas from providers and have requested a rate study from the utility company regarding electricity usage.

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## Distribution

### Copies of this report have been distributed to:

Legislative Audit Committee (12)  
Department of Education (3)  
Colorado School for the Deaf and the Blind (6)  
Advisory Board to the Colorado School for  
the Deaf and the Blind (5)

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Honorable Roy R. Romer, Governor  
Joint Budget Committee (3)  
Office of State Planning and Budgeting (2)  
Department of Administration  
Executive Director  
State Controller  
Depository Center, Colorado State Library (4)  
Joint Legislative Library (6)  
State Archivist (permanent copy)  
National Conference of State Legislatures (2)  
Legislative Legal Services

### Copies of the Report Summary have been distributed to:

Members of the Colorado General Assembly  
Legislative Program Evaluation Society (1)  
National Association of State Auditors,  
Comptrollers and Treasurers (1)

Report Control Number: 12078a