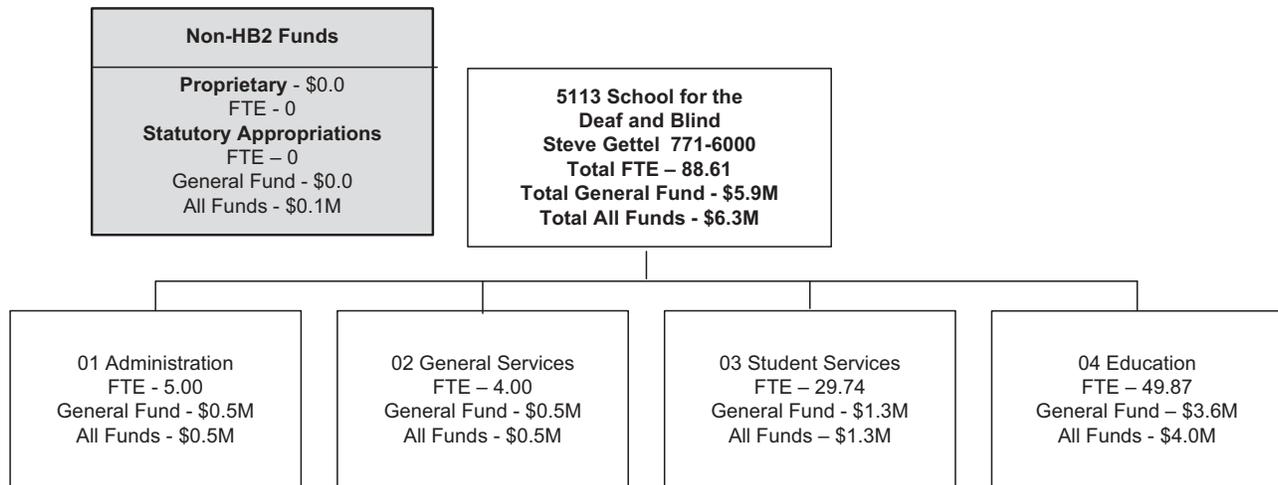


**Agency Budget Comparison**

The following table summarizes the total executive budget for the agency by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	88.61	88.61	87.36	87.36	88.61	87.36	(1.25)	(1.41%)
Personal Services	5,396,578	5,496,967	5,511,251	5,513,733	10,893,545	11,024,984	131,439	1.21%
Operating Expenses	881,906	888,391	840,115	804,717	1,770,297	1,644,832	(125,465)	(7.09%)
<b>Total Costs</b>	<b>\$6,278,484</b>	<b>\$6,385,358</b>	<b>\$6,351,366</b>	<b>\$6,318,450</b>	<b>\$12,663,842</b>	<b>\$12,669,816</b>	<b>\$5,974</b>	<b>0.05%</b>
General Fund	5,865,460	5,953,456	6,000,578	5,967,474	11,818,916	11,968,052	149,136	1.26%
State Special	333,818	348,929	268,731	268,919	682,747	537,650	(145,097)	(21.25%)
Federal Special	79,206	82,973	82,057	82,057	162,179	164,114	1,935	1.19%
<b>Total Funds</b>	<b>\$6,278,484</b>	<b>\$6,385,358</b>	<b>\$6,351,366</b>	<b>\$6,318,450</b>	<b>\$12,663,842</b>	<b>\$12,669,816</b>	<b>\$5,974</b>	<b>0.05%</b>

The following is the agency organizational chart, with contact information. The chart has been modified by the LFD to include the FY 2010 base budget FTE, general fund, and total funds for each program. As applicable, total agency proprietary funds and statutory appropriations, along with associated FTE, are also shown.



**Agency Description**

**Mission Statement:** As part of Montana's educational system, the Montana School for the Deaf and the Blind is committed to promote and provide free and appropriate educational opportunities statewide, for children who are deaf, hard of hearing, blind, low vision, and deaf-blind ages birth to twenty-one. This comprehensive education ensures these children achieve their greatest potential for independence and success.

The Montana School for the Deaf and Blind (MSDB), located in Great Falls, is part of Montana's educational system, and under the policy and governance of the State Board of Public Education. The school is a state funded special purpose school with a residential option for children and adolescents whose hearing or sight is a barrier to receiving proper education in the public schools of the state. MSDB also provides outreach educational services and serves as a resource center for parents of deaf and blind children, as well as state public schools and organizations that serve sensory impaired children.

The school consists of four programs with the following functions:

- Administration (5.0 FTE) - purchasing, accounting, personnel functions, and overall management of the school
- General Services (4.0 FTE) - upkeep and maintenance of school facilities and grounds of the 18.5 acre campus

- Student Services (29.74 FTE) - round-the-clock residential care for children residing at the school, including general supervision, meal services, and support services
- Educational Services (49.87 FTE) –residential, outreach, and mainstream educational programs

### Agency Highlights

<b>Montana School for the Deaf and Blind</b>
<b>Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor proposes to increase the school’s budget by .05%, due primarily to statewide present law adjustments and the executive’s proposed personal services reduction</li> <li>◆ The major initiative in this budget is the executive’s personal services reduction</li> </ul>
<b>Legislative Action Issues</b>
<ul style="list-style-type: none"> <li>◆ Personal services reductions may negatively impact the school’s ability to provide a quality education for sensory impaired students</li> <li>◆ If the legislature increases the quality educator payment, an adjustment to this budget is required by statute</li> </ul>

### Agency Discussion

#### *Goals and Objectives:*

State law requires agency and program goals and objectives to be specific and quantifiable to enable the legislature to establish appropriations policy. As part of its appropriations deliberations the legislature may wish to review the following:

- Goals, objectives and year-to-date outcomes from the 2011 biennium.
- Critical agency goals, objectives, and anticipated outcomes and their correlation to the executive's budget request for the 2013 biennium.

#### 2011 Biennium Goals

The following provides an update of the goals monitored by the LFC during the 2011 biennium.

- Ability to recruit and retain qualified educators and staff
  - During the 2008-09 school year, the school was able to fill critical positions within three months of posting
- Students receive an education that allows for them to achieve their highest level of independence
  - The school has started to survey students and parents regarding the educational program. In addition the school has begun to collect post-graduation data
- Increase outreach services provided in home school districts
  - During FY 2009, the school completed 4,367 outreach visits, a threefold increase over the previous year
- Student services provides high quality residential care
  - The school has established a process to track student, parent, and community satisfaction with the residential care program. The program received higher than satisfactory marks

### 2013 Biennium Goals

During the interim the LFC met with the agency to select critical goals and performance measurements for the legislature to consider during the appropriation process. The identified critical goals are:

- Provide outreach services in home school districts

### **Agency Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- **Labor Market Experience** - The school has been effective in filling vacancies in teaching, outreach, and professional education support staff. This has been largely due to the market adjustment funds appropriated by the 2007 Legislature. The applicant pool size for these positions remains small. Being able to offer a competitive salary is critical to filling vacancies that occur in these positions.

The highest turnover rates occur in the lowest paid positions including maintenance workers in the General Services Program, student care workers in the Student Services program, and teaching assistants and the lifeguard in the Education Program. Additionally, the school has problems in finding substitutes to work in both the Student Services and Education programs. Multiple recruitments have occurred to find substitutes and fill vacancies that have occurred in teaching assistants and the lifeguard.

- **Pay Philosophy** - Staff covered by the broadband pay plan (pay plan 20) typically come in at 80% of market. This will continue to be the practice into the 2013 biennium. The school's focus in pay for teachers and professional support staff has been to improve their pay relative to the Great Falls market. The 2007 legislature appropriated funds for a market adjustment for staff in these positions. There is a concern that if salary schedules for these positions remain stagnant, the problem of not being able to attract and retain qualified staff will resurface.
- **Obstacles** - For positions requiring licensure and or certification the number of qualified candidates interested in coming to Montana continues to shrink. This is primarily due to the lack of training programs in Montana and fewer training programs regionally and across the country as federal funds for low incidence training programs remains unchanged from 15 years ago.

With a small administrative staff and no human resource staff it has been difficult to find time to develop evaluation tools and pay factors and integrate the agency's core competencies into pay plan 20. Compensation for performance and skill factors could improve retention of classified hourly staff.

If the school cannot improve entry salaries for classified hourly staff, the potential impact will be continued high turnover in these positions. Additionally, if the school cannot improve salaries for teachers and professional support staff going into the 2013 biennium, it could impact the ability to recruit and fill vacancies that occur.

### *Agency Overview*

#### **5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this agency

Total 5% Reduction Plan Identified by Agencies, By Division Included and Not Included in Executive Budget 2013 Biennium			
Program/DP Number/Description	FTE	General Fund	% Of Total
<u>Student Services</u>			
<i>Included in Executive Budget</i>			
55400 4% Personal Services Reduction	1.39	\$41,204	7.1%
Subtotal Included in Executive Budget		\$41,204	7.1%
<i>Not Included in Executive Budget</i>			
Personal Services Reduction		\$75,390	12.9%
Subtotal Not Included in Executive Budget		<u>\$75,390</u>	12.9%
Total Student Services Program		\$116,594	20.0%
<u>Education Services</u>			
<i>Included in Executive Budget</i>			
55400 4% Personal Services Reduction	1.87	\$113,334	19.4%
Subtotal Included in Executive Budget		\$113,334	19.4%
<i>Not Included in Executive Budget</i>			
Personal Services Reduction		\$207,561	
Operational Adjustment*		\$146,076	25.0%
Subtotal Not Included in Executive Budget		<u>\$353,637</u>	60.6%
Total Educational Services		\$466,971	80.0%
<u>Total Reduction Plan</u>			
Included in Executive Budget		\$154,538	26.5%
Not Included in Executive Budget		<u>429,027</u>	73.5%
Total Agency Reduction Plan		<u>\$583,565</u>	
*This amount is for both the education services program and the general services program, the plan submitted was not specific.			

The 5% reduction plan for the school totals \$583,565 for the biennium. The executive budget includes \$154,538 of this reduction in DP55400 – 4% personal services reduction in both the Student Services and Education Programs. The remaining \$429,027 of the plan is not included in the executive request and would reduce expenditures by a further 3.42%. According to the agency’s plan, the remaining funds would be removed from the operational budget in the form of deferral of maintenance activities and a reduction in educational materials.

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ISSUE

Total Plan is Less than 5%

The executive 5% plan is only 4.6% of the base budget. The amount of the plan should be \$595,334 for the biennium or an additional \$11,769.

Risk Of Adopting The 5% Plan

The executive budget includes elimination of 3.26 FTE in Student Services and the Education Program, which is approximately 80% of the base reduction plan. Because a majority of the school’s FTE are funded based on the length of the school year, this reduction actually translates to 4.23 fewer employees during the school year. Because this plan requires FTE reductions in Student Services and the Education Program, it may impact the ability of the school to provide a supervised environment and meet educational goals outlined in student Individual Education Plans (IEP), and provide a quality education.

The actual positions are not clearly defined by the executive. However, in the school’s 5% reduction plan accompanying language indicates that the targeted positions are cottage life attendants, outreach coordinators, and a campus based education position. The employees in these positions work directly with sensory impaired youth at the school and in local school districts.

**LFD ISSUE CONT.** If the legislature chooses to reduce the number of cottage life attendants in the Student Services program, there will be fewer staff individuals to assist with the activities of daily living, provide general supervision, and help youth increase their independence. The school could address this issue through leaving other program positions, such as food service, administration, or infirmary open. In addition, the school could reduce the number of campus based students in the residential program. This would shift the educational obligation back to the local school districts and the Outreach Program.

The second reduction is targeted to the Outreach Program and the Campus Educational Program. Both reductions could delay or prevent a student from meeting goals outlined in the student Individual Education Plans. A reduction in outreach services could result in reduced services to local school districts that may or may not have any expertise available in the education of sensory impaired children to pick up the workload. Campus based reductions could also result in students having reduced services, a reduction that could be enough to decrease the student’s ability to meet educational goals of the IEP. The workload for current staff would increase.

The risks outlined above could cumulatively reduce the school’s ability to meet its mission of providing a quality education ensuring sensory impaired children achieve their greatest potential for independence and success.

However the risk of the plan must also be balanced with the declining enrollment in the campus based program. If campus based enrollment continues to decline, could the school absorb the reductions without sacrificing quality? Or is this the time for the legislature to consider the potential reductions in conjunction with evaluating the need for a campus based program? The issue for the legislature is how can the specialized services be delivered to sensory impaired students statewide at the most reasonable cost, and perhaps the least restrictive environment.

As part of the budget deliberations process, the legislature may wish to consider a means to ensure a quality education is delivered, such as:

- Request and review a reduced operational plan from the school detailing the level of service that could be provided on the executive’s budget request, including projected service provisions
- Discuss a means of evaluating the need for delivering services in campus based program given declining enrollment AC and potentially establishing a method to provide quality services on a state wide basis at a lower cost
- Require performance monitoring of the educational program during the 2013 biennium either through the Legislative Finance Committee or the Education and Local Government Interim Committee

**Funding**

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2013 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration Program	\$ 916,206	\$ 7,704	\$ -	\$ 923,910	7.29%
02 General Services	992,824	-	-	992,824	7.84%
03 Student Services	2,740,790	-	30,786	2,771,576	21.88%
04 Education	<u>7,318,232</u>	<u>529,946</u>	<u>133,328</u>	<u>7,981,506</u>	<u>63.00%</u>
Grand Total	<u>\$ 11,968,052</u>	<u>\$ 537,650</u>	<u>\$ 164,114</u>	<u>\$ 12,669,816</u>	<u>100.00%</u>

MSDB’s programs are funded primarily with general fund, augmented by federal funding from the Individuals with Disabilities Education Act and the school lunch program. It also receives revenues generated from school trust lands. The executive budget estimates \$263,000 each year of the biennium in trust land revenues. Revenues fluctuate based upon the activities occurring on school lands. Tuition for out-of-state students is statutorily appropriated to the school. Unlike other public schools, the school does not have the ability to levy property taxes to support school programs.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,865,460	5,865,460	11,730,920	98.02%	6,278,484	6,278,484	12,556,968	99.11%
Statewide PL Adjustments	185,455	152,339	337,794	2.82%	123,219	90,291	213,510	1.69%
Other PL Adjustments	26,938	26,938	53,876	0.45%	26,938	26,938	53,876	0.43%
New Proposals	(77,275)	(77,263)	(154,538)	(1.29%)	(77,275)	(77,263)	(154,538)	(1.22%)
<b>Total Budget</b>	<b>\$6,000,578</b>	<b>\$5,967,474</b>	<b>\$11,968,052</b>		<b>\$6,351,366</b>	<b>\$6,318,450</b>	<b>\$12,669,816</b>	

**Agency Issues**

Role of MSDB

Since its inception as a one-room school in the 19<sup>th</sup> century, MSDB it has evolved from a residential program to a campus based program with outreach services to support sensory impaired students remaining in their home districts. Over time this evolution has changed the role from a specialized school to a resource center with alternatives for service delivery. The challenge of the legislature is to fund the school in a manner that recognizes this transition, as well as the many unique challenges to the school, including the specialized nature of the staff and attendant recruitment and retention issues, and Montana’s rural nature.

The transition has resulted in fewer residential students and an increase in support services delivered in local school districts as per table below. To balance resources between residential services and outreach services, each must be funded at a level where students can make progress under their IEPs and achieve their greatest potential for independence and success. To assure that this is achieved, the legislature may wish to examine the outcomes for students under both programs. This could be done through utilizing the performance measurement project of the Legislative Finance Committee or through directing the Board of Public Education, which serves as the school’s board of trustees, to develop measures to assure progress is measured in both programs.

Montana School for the Deaf and Blind								
Student Enrollment Counts								
Fiscal Year	2003	2004	2005	2006	2007	2008	2009	
<b>Campus Program</b>								
Education Program – Deaf	48	51	52	54	51	38	34	
Education Program – Blind	25	24	23	20	19	20	19	
Transition Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>2</u>	
Total Campus Program Students	<u>73</u>	<u>75</u>	<u>75</u>	<u>74</u>	<u>70</u>	<u>62</u>	<u>55</u>	
<b>Outreach Services</b>								
Outreach Services – D/HH Students	89	95	88	99	100	142	141	
Outreach Services – VI Students	188	188	174	187	212	242	229	
Outreach Services – Deaf/Blind Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>5</u>	<u>8</u>	
Total Outreach Program Students	<u>277</u>	<u>283</u>	<u>262</u>	<u>286</u>	<u>318</u>	<u>389</u>	<u>378</u>	

Secondly, the legislature may wish to consider the financial resources needed to operate the residential school on declining enrollments. Operational costs are incurred for the school regardless of the number of students at the school. This includes operating the recreational center, staffing the food services program, and maintaining the campus. The legislature may wish to examine alternative delivery systems for these services such as contract services in order to reduce the cost and the operational burden to the school. To do this the legislature could direct the school to examine such options and provide the legislature with feedback. The legislature could then evaluate the options and determine if the savings should be reinvested in the educational programs of the school.

Options

- Establish performance measurement program to ensure students who participate in the residential program and the outreach program achieve similar results
- Request that the school evaluate the ability to convert operational costs to contract services and report on the outcomes to the next legislature

**Statutory Appropriations**

The following table shows the total statutory appropriations associated with this agency. Because statutory appropriations do not require reauthorization each biennium, they do not appear in HB 2 and are not routinely examined by the legislature. The table is provided so that the legislature can get a more complete picture of agency operations and associated policy.

Statutory Appropriations Department of Natural Resources and Conservation					
Purpose	MCA #	Fund Source	Fiscal 2010	Fiscal 2012	Fiscal 2013
<i>Direct Bearing on Agency Operations</i>					
Tuition Payments for Out-Of-State Students*	20-8-107	SSR	\$58,259	\$0	\$0
Total Statutory Appropriations			\$58,259	\$0	\$0

\* The school currently does not have any out-of-state students

As appropriate, LFD staff has segregated the statutory appropriations into two general categories: 1) those where the agency primarily acts in an administrative capacity and the appropriations consequently do not relate directly to agency operations; and 2) those that have a more direct bearing on the mission and operations of the agency.

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	340,043	323,683	336,991	336,165	663,726	673,156	9,430	1.42%
Operating Expenses	148,449	137,113	143,933	106,821	285,562	250,754	(34,808)	(12.19%)
<b>Total Costs</b>	<b>\$488,492</b>	<b>\$460,796</b>	<b>\$480,924</b>	<b>\$442,986</b>	<b>\$949,288</b>	<b>\$923,910</b>	<b>(\$25,378)</b>	<b>(2.67%)</b>
General Fund	485,214	456,857	477,166	439,040	942,071	916,206	(25,865)	(2.75%)
State Special	3,278	3,939	3,758	3,946	7,217	7,704	487	6.75%
<b>Total Funds</b>	<b>\$488,492</b>	<b>\$460,796</b>	<b>\$480,924</b>	<b>\$442,986</b>	<b>\$949,288</b>	<b>\$923,910</b>	<b>(\$25,378)</b>	<b>(2.67%)</b>

### Program Description

The Administration Program includes purchasing, accounting, personnel functions, and overall management the school.

### Program Highlights

<b>Administration Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The Governor proposes to decrease this program's budget by 2.67% from the previous biennium</li> <li>• General fund decreases by 2.67% due to statewide present law adjustments</li> </ul>

### Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Administration Program							
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013	
01000 Total General Fund	\$ 485,214	99.3%	\$ 477,166	99.2%	\$ 439,040	99.1%	
01100 General Fund	485,214	99.3%	477,166	99.2%	439,040	99.1%	
02000 Total State Special Funds	3,278	0.7%	3,758	0.8%	3,946	0.9%	
02050 School Trust Interest/Income	<u>3,278</u>	<u>0.7%</u>	<u>3,758</u>	<u>0.8%</u>	<u>3,946</u>	<u>0.9%</u>	
Grand Total	<u>\$ 488,492</u>	<u>100.0%</u>	<u>\$ 480,924</u>	<u>100.0%</u>	<u>\$ 442,986</u>	<u>100.0%</u>	

The program is predominantly funded with general fund. A small portion of funding comes from the school trust interest and income account.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	485,214	485,214	970,428	105.92%	488,492	488,492	976,984	105.74%
Statewide PL Adjustments	(8,048)	(46,174)	(54,222)	(5.92%)	(7,568)	(45,506)	(53,074)	(5.74%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$477,166</b>	<b>\$439,040</b>	<b>\$916,206</b>		<b>\$480,924</b>	<b>\$442,986</b>	<b>\$923,910</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					10,989					10,129
Vacancy Savings					(14,041)					(14,007)
Inflation/Deflation					16					16
Fixed Costs					(4,532)					(41,644)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$8,048)</b>	<b>\$480</b>	<b>\$0</b>	<b>(\$7,568)</b>		<b>(\$46,174)</b>	<b>\$668</b>	<b>\$0</b>	<b>(\$45,506)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$8,048)</b>	<b>\$480</b>	<b>\$0</b>	<b>(\$7,568)</b>	<b>0.00</b>	<b>(\$46,174)</b>	<b>\$668</b>	<b>\$0</b>	<b>(\$45,506)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any pay exceptions.
- o **Program Specific Obstacles** - The main obstacle this program is facing is offering competitive salaries in recruiting and keeping staff in skilled positions. The school is currently reviewing its pay plan rules for staff covered by the broadband pay plan (20). The current plan, which was adopted prior to the 2009 legislative session, moved employees to market within 5 years of employment. Funding is the main issue in keeping with this plan.
- o **Vacancy** - The program did not experience any vacancies this biennium.
- o **Legislatively Applied Vacancy Savings** – The Administration Program did not generate vacancy savings. A program transfer was necessary to cover the vacancy savings rate assessed this program.
- o **Pay/Position Changes** - Staff covered by the broadband pay plan (20) received the raise contained in the pay plan bill for FY 2009 and the bonus payment contained in the pay plan bill for FY 2010. Funding was included in the pay plan bills for the raise and bonus payment.
- o **Retirements** - Two employees are eligible for full retirement in the 2013 biennium. The estimated compensated leave liability is \$65,448.

**Program Budget Comparison**

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	155,398	167,187	165,918	166,351	322,585	332,269	9,684	3.00%
Operating Expenses	353,369	376,229	330,106	330,449	729,598	660,555	(69,043)	(9.46%)
<b>Total Costs</b>	<b>\$508,767</b>	<b>\$543,416</b>	<b>\$496,024</b>	<b>\$496,800</b>	<b>\$1,052,183</b>	<b>\$992,824</b>	<b>(\$59,359)</b>	<b>(5.64%)</b>
General Fund	508,767	543,416	496,024	496,800	1,052,183	992,824	(59,359)	(5.64%)
<b>Total Funds</b>	<b>\$508,767</b>	<b>\$543,416</b>	<b>\$496,024</b>	<b>\$496,800</b>	<b>\$1,052,183</b>	<b>\$992,824</b>	<b>(\$59,359)</b>	<b>(5.64%)</b>

**Program Description**

The General Services program provides general upkeep and maintenance of school facilities and grounds of the 18.5 acre campus.

**Program Highlights**

<b>General Services Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor proposes to decrease this program’s budget by 5.64% from the previous biennium</li> <li>◆ The general fund reductions are attributed to statewide present law adjustments</li> </ul>

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table							
General Services							
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013	
01000 Total General Fund	\$ 508,767	100.0%	\$ 496,024	100.0%	\$ 496,800	100.0%	
01100 General Fund	508,767	100.0%	496,024	100.0%	496,800	100.0%	
Grand Total	<u>\$ 508,767</u>	<u>100.0%</u>	<u>\$ 496,024</u>	<u>100.0%</u>	<u>\$ 496,800</u>	<u>100.0%</u>	

The program is funded with general fund.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	508,767	508,767	1,017,534	102.49%	508,767	508,767	1,017,534	102.49%
Statewide PL Adjustments	(12,743)	(11,967)	(24,710)	(2.49%)	(12,743)	(11,967)	(24,710)	(2.49%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
<b>Total Budget</b>	<b>\$496,024</b>	<b>\$496,800</b>	<b>\$992,824</b>		<b>\$496,024</b>	<b>\$496,800</b>	<b>\$992,824</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					17,433					17,884
Vacancy Savings					(6,913)					(6,931)
Inflation/Deflation					(21,444)					(19,817)
Fixed Costs					(1,819)					(3,103)
<b>Total Statewide Present Law Adjustments</b>		<b>(\$12,743)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,743)</b>		<b>(\$11,967)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,967)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$12,743)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,743)</b>	<b>0.00</b>	<b>(\$11,967)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,967)</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – There are no pay exceptions in this program.
- o **Program Specific Obstacles** - The main obstacle this program is facing is offering competitive salaries in recruiting and keeping staff in skilled positions. The school is currently reviewing its pay plan rules for staff covered by the state pay plan 20. The current plan, which was adopted prior to the 2009 legislative session, moved employees to market within 5 years of employment. Funding is the main issue in bringing staff to market within 5 years of employment with the school.
- o **Vacancy** - There has been turnover in two maintenance worker positions. The main factor involved with the turnover is the hourly wage paid these positions. The school has not been able to address the hourly wage paid these positions due to funding and pay equity issues with other staff that are in the same pay band under pay plan 20. The vacancies increased the workload for the other two staff in this program. This resulted in some maintenance items not being addressed until all positions were filled.

<b>LFD COMMENT</b>	The inability of the program to retain staff could create a risk to the infrastructure of the facilities. If positions cannot remain filled, routine maintenance is delay and could create costlier repairs at a later date.
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- o **Legislatively Applied Vacancy Savings** - In FY 2010 this program generated sufficient vacancy savings to cover the applied rate.
- o **Pay/Position Changes** - No adjustments were made outside of the state pay plan.
- o **Retirements** - One employee is eligible to retire at an estimated compensated leave liability of \$12,758.

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	29.74	29.74	29.24	29.24	29.74	29.24	(0.50)	(1.68%)
Personal Services	1,166,592	1,255,537	1,260,748	1,260,879	2,422,129	2,521,627	99,498	4.11%
Operating Expenses	123,994	111,000	124,403	125,546	234,994	249,949	14,955	6.36%
<b>Total Costs</b>	<b>\$1,290,586</b>	<b>\$1,366,537</b>	<b>\$1,385,151</b>	<b>\$1,386,425</b>	<b>\$2,657,123</b>	<b>\$2,771,576</b>	<b>\$114,453</b>	<b>4.31%</b>
General Fund	1,275,193	1,347,377	1,369,758	1,371,032	2,622,570	2,740,790	118,220	4.51%
Federal Special	15,393	19,160	15,393	15,393	34,553	30,786	(3,767)	(10.90%)
<b>Total Funds</b>	<b>\$1,290,586</b>	<b>\$1,366,537</b>	<b>\$1,385,151</b>	<b>\$1,386,425</b>	<b>\$2,657,123</b>	<b>\$2,771,576</b>	<b>\$114,453</b>	<b>4.31%</b>

### Program Description

The Student Services program provides round-the-clock residential care for children residing at the school. This includes general supervision, meal services, and support services.

### Program Highlights

<b>Student Services Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor proposes to increase this program's budget by 4.3% from the previous biennium</li> <li>◆ The increase in general fund is attributed to the difference between present law adjustments and the personal services reduction</li> <li>◆ Federal funds decrease due to adjustments in school lunch funding</li> </ul>
<b>Major LFD Issues</b>
<ul style="list-style-type: none"> <li>◆ The Governor's personal service reduction could have a negative impact on the cottage life program</li> </ul>

### Program Narrative

#### *5% Reduction*

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The amounts allocated by the executive for this program is \$116,594 general fund for the biennium. The executive included, \$41,204 of this amount in DP 55400 – 4% general fund personal services reduction. If the legislature adopted the 5% reduction, this program would eliminate another 0.89 FTE. If the total reduction was made, this program's general fund budget would increase by 1.47% rather than 4.3%.

For a further discussion, see the New Proposals section of this narrative.

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 1,275,193	98.8%	\$ 1,369,758	98.9%	\$ 1,371,032	98.9%
01100 General Fund	1,275,193	98.8%	1,369,758	98.9%	1,371,032	98.9%
03000 Total Federal Special Funds	15,393	1.2%	15,393	1.1%	15,393	1.1%
03167 National School Lunch	15,393	1.2%	15,393	1.1%	15,393	1.1%
<b>Grand Total</b>	<b>\$ 1,290,586</b>	<b>100.0%</b>	<b>\$ 1,385,151</b>	<b>100.0%</b>	<b>\$ 1,386,425</b>	<b>100.0%</b>

This program is funded predominantly by general fund. The program also receives federal school lunch funding.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	1,275,193	1,275,193	2,550,386	93.05%	1,290,586	1,290,586	2,581,172	93.13%
Statewide PL Adjustments	115,157	116,451	231,608	8.45%	115,157	116,451	231,608	8.36%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	(20,592)	(20,612)	(41,204)	(1.50%)	(20,592)	(20,612)	(41,204)	(1.49%)
<b>Total Budget</b>	<b>\$1,369,758</b>	<b>\$1,371,032</b>	<b>\$2,740,790</b>		<b>\$1,385,151</b>	<b>\$1,386,425</b>	<b>\$2,771,576</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					168,134					168,291
Vacancy Savings					(53,386)					(53,392)
Inflation/Deflation					409					1,552
<b>Total Statewide Present Law Adjustments</b>		<b>\$115,157</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,157</b>		<b>\$116,451</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,451</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$115,157</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,157</b>	<b>0.00</b>	<b>\$116,451</b>	<b>\$0</b>	<b>\$0</b>	<b>\$116,451</b>

**Program Personal Services Narrative**

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - The program does not have any pay exceptions.
- o **Program Specific Obstacles** - The main obstacle this program is facing is the qualified applicant pool is very

small. In addition, the hourly staff has the summer months off (with no pay) and one weekend per month and holidays the staff has reduced hours due to student travel, thus a reduction in available hours to work. Staff is not able to collect unemployment during the summer months and many must seek secondary employment during those times. There are no training programs in Montana for cottage life attendants with an emphasis on working with sensory impaired children.

- o **Vacancy** - There is high turnover in cottage life attendant positions. There are several factors that impact this starting with (1) shift schedules worked; and (2) low hourly wage paid. The school implemented a training program where employees receive 40 hours of training based on a college curriculum. Employees receive an hourly wage increase after completing their probationary period and having successfully passed this training program. This is contained in a collective bargaining agreement that covers these employees. Vacancies increase the workload put on other employees. This causes increased overtime in some cases and puts pressure on this program to find substitutes suitable to work in this program. The Student Services Program as well as the Education Program have a difficult time finding substitutes who can work when staff is on paid leave or when vacancies occur.
- o **Legislatively Applied Vacancy Savings** - The program had to intentionally hold positions open to generate the applied vacancy savings rate.

<b>LFD COMMENT</b>	The program experienced a personal services vacancy savings rate of 6.35%, which is an off set between excess hours for cottage life attendants due to overtime and training and empty or partially filled positions in the food service and infirmary programs.
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- o **Pay/Position Changes** - Staff covered by the broadband pay plan 20 received the raises contained in the pay plan bill for FY 2009 and the bonus payment contained in the pay plan bill for FY 2010. Funding was included in the pay plan bills for each year.
- o **Retirements** - Six employees will be eligible to retire at an estimated compensated leave liability of \$91,554. This represents 20% of the staff.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction										
03	(0.50)	(20,592)	0	0	(20,592)	(0.50)	(20,612)	0	0	(20,612)
<b>Total</b>	<b>(0.50)</b>	<b>(\$20,592)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,592)</b>	<b>(0.50)</b>	<b>(\$20,612)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,612)</b>

DP 55400 - 4% Personal Services Reduction - The executive recommends a 4% reduction of personal services funded with general fund. This request represents a general fund biennial decrease of \$41,204 in personal services for the biennium. This package eliminates 0.50 FTE.

<b>LFD ISSUE</b>	<p><u>Potential Negative Impact</u></p> <p>The agency’s 5% plan indicates this reduction would come from the cottage attendant program. However, the corresponding FTE in the decision package are not identified. If this reduction comes from the cottage life attendant program, it could impact the school's ability to provide adequate supervision of students living in the cottage program.</p>
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Having sufficient staff to provide supervision of students during the after school, nighttime, and weekend hours is critical to student safety as well as the development of social, leisure and independent living skills. In order to maintain adequate staffing in the cottage program, school administration could opt to increase overtime costs by keeping other program positions vacant. At the time the 5% plan was written the program had 2.31 FTE vacant in the cottage attendant program, 1.54 FTE for administration and 2.00 FTE for food services. The legislature may wish to consider adjusting the reduction to a level that does not impact the cottage program by eliminating positions from the administration or food services.

**Program Budget Comparison**

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	49.87	49.87	49.12	49.12	49.87	49.12	(0.75)	(1.50%)
Personal Services	3,734,545	3,750,560	3,747,594	3,750,338	7,485,105	7,497,932	12,827	0.17%
Operating Expenses	256,094	264,049	241,673	241,901	520,143	483,574	(36,569)	(7.03%)
<b>Total Costs</b>	<b>\$3,990,639</b>	<b>\$4,014,609</b>	<b>\$3,989,267</b>	<b>\$3,992,239</b>	<b>\$8,005,248</b>	<b>\$7,981,506</b>	<b>(\$23,742)</b>	<b>(0.30%)</b>
General Fund	3,596,286	3,605,806	3,657,630	3,660,602	7,202,092	7,318,232	116,140	1.61%
State Special	330,540	344,990	264,973	264,973	675,530	529,946	(145,584)	(21.55%)
Federal Special	63,813	63,813	66,664	66,664	127,626	133,328	5,702	4.47%
<b>Total Funds</b>	<b>\$3,990,639</b>	<b>\$4,014,609</b>	<b>\$3,989,267</b>	<b>\$3,992,239</b>	<b>\$8,005,248</b>	<b>\$7,981,506</b>	<b>(\$23,742)</b>	<b>(0.30%)</b>

**Program Description**

The Education Program provides services in three different settings:

1. At the Great Falls campus for students whose impairments prevent them from receiving a quality education in their home school district;
2. Through mainstream services through the Great Falls campus in a joint effort with Great Falls public schools; and
3. Through outreach services for students who remain in their home districts.

The program is also responsible for tracking hearing or visually impaired students from the time of identification through the child’s exit from intervention or educational services.

**Program Highlights**

<b>Education Program Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The Governor proposes to decrease this program’s budget by 0. 3% from the previous biennium</li> <li>◆ The major initiative in this program is the reduction of general fund personal services</li> <li>◆ State special revenue decreases by 21.6% due to lower revenue estimates for the trust interest and income fund</li> </ul>

**Program Narrative**

*Goals and Objectives*

2013 Biennium Goal

The Legislative Finance Committee recommends the legislature consider the following critical goal and performance measurement(s) as part of its decisions on the executive's budget requests for this program.

- Ability to recruit and retain qualified educators and staff
- Provide outreach services in home school districts

**5% Reduction Plan**

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The amount allocated by the executive for this program is \$466,971 general fund for the biennium. The executive included \$113,334 of this amount in DP 55400 – 4% general fund personal services reduction. The remaining \$353,637, which would reduce the budget by a further 4.4%, is not included in the executive request.

According to the agency’s 5% plan, the remaining reduction would result in delayed maintenance and a reduction in the educational supply budget. The impact of this action could be increased maintenance costs at a later date due to delaying simple maintenance that could translate to major repairs. In addition, educational impacts to students could result from decreased access to quality materials resulting in lower test scores or the inability of the school to meet the student’s individual education plan.

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table						
Education						
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000 Total General Fund	\$ 3,596,286	90.1%	\$ 3,657,630	91.7%	\$ 3,660,602	91.7%
01100 General Fund	3,596,286	90.1%	3,657,630	91.7%	3,660,602	91.7%
02000 Total State Special Funds	330,540	8.3%	264,973	6.6%	264,973	6.6%
02050 School Trust Interest/Income	330,540	8.3%	264,973	6.6%	264,973	6.6%
03000 Total Federal Special Funds	63,813	1.6%	66,664	1.7%	66,664	1.7%
03012 E.C.I.A. Chapter I	63,813	1.6%	66,664	1.7%	66,664	1.7%
Grand Total	<u>\$ 3,990,639</u>	<u>100.0%</u>	<u>\$ 3,989,267</u>	<u>100.0%</u>	<u>\$ 3,992,239</u>	<u>100.0%</u>

This program is predominantly funded with general fund. The program also utilizes school trust interest and income, as well as federal Individuals with Disabilities Education Act funds.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	3,596,286	3,596,286	7,192,572	98.28%	3,990,639	3,990,639	7,981,278	100.00%
Statewide PL Adjustments	91,089	94,029	185,118	2.53%	28,373	31,313	59,686	0.75%
Other PL Adjustments	26,938	26,938	53,876	0.74%	26,938	26,938	53,876	0.68%
New Proposals	(56,683)	(56,651)	(113,334)	(1.55%)	(56,683)	(56,651)	(113,334)	(1.42%)
<b>Total Budget</b>	<b>\$3,657,630</b>	<b>\$3,660,602</b>	<b>\$7,318,232</b>		<b>\$3,989,267</b>	<b>\$3,992,239</b>	<b>\$7,981,506</b>	

### Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					196,305					199,134
Vacancy Savings					(153,511)					(153,628)
Inflation/Deflation					(14,421)					(14,193)
<b>Total Statewide Present Law Adjustments</b>		<b>\$91,089</b>	<b>(\$65,567)</b>	<b>\$2,851</b>	<b>\$28,373</b>		<b>\$94,029</b>	<b>(\$65,567)</b>	<b>\$2,851</b>	<b>\$31,313</b>
DP 1 - Extracurricular Compensation										
	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$26,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,938</b>	<b>0.00</b>	<b>\$26,938</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,938</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$118,027</b>	<b>(\$65,567)</b>	<b>\$2,851</b>	<b>\$55,311</b>	<b>0.00</b>	<b>\$120,967</b>	<b>(\$65,567)</b>	<b>\$2,851</b>	<b>\$58,251</b>

### Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** – The program does not have any pay exceptions.
- o **Program Specific Obstacles** - The main obstacle this program is facing is offering competitive salaries in recruiting and keeping staff in skilled positions. There are no pre-service training programs in Montana for teachers for the deaf and hard of hearing and for teachers of the visually-impaired. Therefore, all teaching staff has to obtain their training out-of-state and the school has to compete nationally to recruit and retain staff in these positions. The 2007 legislature appropriated funds for market adjustments for teachers and professional support staff. This improved the school’s ability to recruit and retain these staff. The challenge going forward is to maintain competitive salaries in order for the school to be competitive in recruiting and retaining staff with specialized training in working with sensory impaired students.
- o **Vacancy** - The school has high turnover in Teacher Assistants. Teacher Assistants are required to possess or learn additional skills, including sign language and Braille, to work with the students. The rate of pay is a contributing factor for our turnover as they can easily find other jobs with a similar rate of pay or better without having to learn skills. The school does provide training to teacher assistants but has not been able to address pay rate. Due to the turnover, current staff was required to cover additional duties/assignments. Students did not have the same amount of access to individualized support.
- o **Legislatively Applied Vacancy Savings** - Some positions had to be partially filled or held vacant to generate vacancy savings.
- o **Pay/Position Changes** - The collective bargaining agreement that covers teachers and professional support staff provides a salary increase for members who complete an additional 10 semester college credit hours and move a lane on the teacher’s salary schedule (e.g., move from BA to BA+10). The school on average has 1 to 2 teachers each year that move on the schedule. Funding for pay increases resulting from teachers moving on the pay schedule is paid from vacancy savings.
- o **Retirements** - Eleven employees will be eligible for retirement at an estimated compensated leave liability of \$150,149. The actual impact at this point in time is uncertain. The school is working on memorandums of understanding with training programs outside of Montana from which potential qualified teachers and support specialists can be recruited. It is hopeful this will assist the school in recruiting qualified applicants.

DP 1 - Extracurricular Compensation - The executive requests a base adjustment of \$26,938 per year for compensation to employees who sponsor after school activities, which are not included in the base budget.

**New Proposals**

The “New Proposals” table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55400 - 4% Personal Services Reduction 04	(0.75)	(56,683)	0	0	(56,683)	(0.75)	(56,651)	0	0	(56,651)
<b>Total</b>	<b>(0.75)</b>	<b>(\$56,683)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$56,683)</b>	<b>(0.75)</b>	<b>(\$56,651)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$56,651)</b>

DP 55400 - 4% Personal Services Reduction - The executive recommends a 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of FTE. This decision package eliminates 0.75 FTE that are not specified, and \$113,334.

<b>LFD COMMENT</b>	<p>The agency did not identify the positions to be reduced in the budget submission. The corresponding plan, with minimal detail, indicates that the positions would be removed from the educational program. The additional information provided from the school provides two “what-if” scenarios describing what would occur if the reductions were taken in the campus program or the outreach program. At the time the plan was written, the program had 0.37 FTE vacant.</p>
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*The following information is provided so that the legislature can consider various performance measurement principles when examining this proposal. It is submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.*

**Reason For The Reduction – Executive Request**

**Affect on Program or Project Outcomes-** If reductions in FTE were made in the campus education program, these students would have less access to the curriculum and instruction identified in their Individual Education Program (IEP) goals. As a result the IEP goals for some students would not be met and for others a change in placement could be necessary.

If the reduction in FTE were made in the outreach program, this would result in less consultation and technical assistance to the local school districts that serve sensory impaired students across the state. Districts that do not employ teachers with the requisite training to teach sensory impaired children will find it difficult to meet the educational needs of these children, which in turn might increase the number of students referred to MSDB for placement.

**Adjusted Performance Criteria – Not provided.**

**FTE Impacts -** Reductions in FTE in outreach services would result in a redistribution of the case loads to the remaining consultants.

**Funding Impacts –** General fund only.

**Risks –** In adopting this proposal, it is possible that sensory impaired children will not receive appropriate educational opportunities, which may prevent the students from achieving their greatest potential for independence and success.