

Agency Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	88.61	88.61	88.61	88.61	88.61	88.61	0.00	0.00%
Personal Services	4,812,010	5,416,726	5,442,017	5,448,903	10,228,736	10,890,920	662,184	6.47%
Operating Expenses	998,606	924,330	1,066,475	1,028,684	1,922,936	2,095,159	172,223	8.96%
Capital Outlay	0	0	0	0	0	0	0	n/a
Total Costs	\$5,810,616	\$6,341,056	\$6,508,492	\$6,477,587	\$12,151,672	\$12,986,079	\$834,407	6.87%
General Fund	5,300,570	5,946,429	6,023,430	5,977,886	11,246,999	12,001,316	754,317	6.71%
State Special	417,370	293,924	402,089	416,728	711,294	818,817	107,523	15.12%
Federal Special	92,676	100,703	82,973	82,973	193,379	165,946	(27,433)	(14.19%)
Total Funds	\$5,810,616	\$6,341,056	\$6,508,492	\$6,477,587	\$12,151,672	\$12,986,079	\$834,407	6.87%

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 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, operating under the authority of Title 20-8-101 through 121, MCA, 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 mission of the school is to provide students with the "building blocks" to become independent, contributing members of society.

MSDB executes its mandated duties with 84.03 FTE and four programs: administration, general services (grounds and buildings), student services (residential), and education. In FY 2006 MSDB served a total population of 2,614, an 8.1 percent increase over the 2,418 served in FY 2004. The population served includes students enrolled in the education program, individuals receiving educational and audiological evaluations, outreach programs serving families and children ages 0 to 21 and public schools, and students attending summer and weekend programs.

Agency Highlights

Montana School for the Deaf and Blind Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The executive proposes increasing the budget by \$0.9 million when compared to the 2009 biennium ◆ Present law adjustments are \$0.8 million, primarily for statewide present law adjustments ◆ \$0.1 million in new proposals for expanded services for early intervention 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ Federal revenues could be increased, reducing the need for general fund ◆ The legislature may wish to consider the policy options in relation to services 	

provided to visually and hearing impaired students in the Montana educational system

- ◆ MSDB does not provide specific, measurable, time-bound objectives for its 2011 biennial goals

Agency Discussion

The executive proposes overall increases of almost \$0.9 million when compared with the 2009 biennium. General fund support for MSDB is 6.9 percent higher in the 2011 biennium. The majority of the increases are the result of statewide present law adjustments for personal services costs. Both state special revenues derived from the state trust income account and federal funds are decreased in the 2011 biennium.

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 Legislative Fiscal Division recommends that the legislature review the following:

- Goals, objectives and year-to-date outcomes from the 2009 biennium
- Goals and objectives and their correlation to the 2011 biennium budget request

Any issues related to goals and objectives raised by LFD staff are located in the program section.

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 for brevity by the LFD.

- **Agency Market** – MSDB’s agent target market ratio for the 2011 biennium under the 2008 market survey is 85 percent for entry and 100 percent within five years of employment.
- **Obstacles** – The main obstacles identified by MSDB is funding the personal services costs

Funding

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

Total Agency Funding 2011 Biennium Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Administration Program	\$ 953,040	\$ 7,690	\$ -	\$ 960,730	7.40%
02 General Services	1,081,249	-	-	1,081,249	8.33%
03 Student Services	2,618,702	-	38,320	2,657,022	20.46%
04 Education	7,348,325	811,127	127,626	8,287,078	63.82%
Grand Total	<u>\$ 12,001,316</u>	<u>\$ 818,817</u>	<u>\$ 165,946</u>	<u>\$ 12,986,079</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 transfers from the School Trust Income and Interest account of about \$620,000 over the 2011 biennium. The executive proposes appropriations from these transfers as part of the state special revenue fund support for MSDB.

Statutory Appropriations

The figure 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 figure is provided so that the legislature can get a more complete picture of agency operations and associated policy.

Statutory Appropriations Montana School for the Deaf and Blind					
Purpose	MCA #	Fund Source	Fiscal 2008	Fiscal 2010	Fiscal 2011
<i>Direct bearing on State agency operations</i>					
Tuition payments for out of state residents	20-8-107	SSR	\$93,348	\$93,368	\$93,368

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.

The state special revenues statutorily appropriated to the MSDB are derived from tuition payments for out of state residents attending the school.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	5,300,570	5,300,570	10,601,140	88.33%	5,810,616	5,810,616	11,621,232	89.49%
Statewide PL Adjustments	694,595	649,442	1,344,037	11.20%	601,814	571,300	1,173,114	9.03%
Other PL Adjustments	(20,856)	(20,730)	(41,586)	(0.35%)	(20,856)	(20,730)	(41,586)	(0.32%)
New Proposals	49,121	48,604	97,725	0.81%	116,918	116,401	233,319	1.80%
Total Budget	\$6,023,430	\$5,977,886	\$12,001,316		\$6,508,492	\$6,477,587	\$12,986,079	

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00%
Personal Services	321,057	323,545	328,168	329,127	644,602	657,295	12,693	1.97%
Operating Expenses	149,004	129,948	171,354	132,081	278,952	303,435	24,483	8.78%
Total Costs	\$470,061	\$453,493	\$499,522	\$461,208	\$923,554	\$960,730	\$37,176	4.03%
General Fund	467,901	451,333	495,771	457,269	919,234	953,040	33,806	3.68%
State Special	2,160	2,160	3,751	3,939	4,320	7,690	3,370	78.01%
Total Funds	\$470,061	\$453,493	\$499,522	\$461,208	\$923,554	\$960,730	\$37,176	4.03%

Program Description

The Administration Program staff provides purchasing, accounting, personnel functions, and management of business affairs for the school.

Program Highlights

Administration Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The executive requests <ul style="list-style-type: none"> ● Statewide present law adjustments ● Fixed cost workers' compensation management allocation
Major LFD Issues
<ul style="list-style-type: none"> ◆ Budget includes funds in FY 2011 for purchases paid off in FY 2010

LFD ISSUE	<p>Budget includes funds in FY 2011 for purchase paid off in FY 2010</p> <p>The Administrative Program increased operating expenses \$15,000 or 10.1 percent above the legislatively approved FY 2008 budget using program transfers of general fund from personal services in the Student Services Program. It should be noted that programs are allowed to transfer funds between programs and between expenditure levels to allow for unanticipated costs. Funding was used to offset costs for a telephone system upgrade. MSDB reimbursed the Department of Administration for the approximately \$74,000 cost of the system over a three year period beginning in FY 2008. The telephone system will be paid for in FY 2010. The legislature may wish to consider reducing the FY 2011 general fund appropriation for operating expenses by \$16,115 to reflect the reduced costs.</p>
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Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011
01000 Total General Fund	\$ 467,901	99.5%	\$ 495,771	99.2%	\$ 457,269	99.1%
01100 General Fund	467,901	99.5%	495,771	99.2%	457,269	99.1%
02000 Total State Special Funds	2,160	0.5%	3,751	0.8%	3,939	0.9%
02050 School Trust Interest/Income	2,160	0.5%	3,751	0.8%	3,939	0.9%
Grand Total	<u>\$ 470,061</u>	<u>100.0%</u>	<u>\$ 499,522</u>	<u>100.0%</u>	<u>\$ 461,208</u>	<u>100.0%</u>

General fund supporting the administrative program increases 3.6 percent between the 2009 and 2011 biennia. School trust interest/income is generated from trust lands granted by the federal government to the state for the benefit of MSDB. While less than 1 percent of the total funding, the increase of school trust interest/income is 78 percent higher in the 2011 biennium when compared to the 2009 biennium.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	467,901	467,901	935,802	98.19%	470,061	470,061	940,122	97.85%
Statewide PL Adjustments	23,982	(14,003)	9,979	1.05%	25,573	(12,224)	13,349	1.39%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	3,888	3,371	7,259	0.76%	3,888	3,371	7,259	0.76%
Total Budget	\$495,771	\$457,269	\$953,040		\$499,522	\$461,208	\$960,730	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					20,784					21,782
Vacancy Savings					(13,673)					(13,712)
Inflation/Deflation					9					9
Fixed Costs					18,453					(20,303)
Total Statewide Present Law Adjustments					\$25,573					(\$12,224)
Grand Total All Present Law Adjustments					\$25,573					(\$12,224)

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 for brevity by the LFD.

- o **Market Rate** - The Administration Program estimates the market ratio on October 1, 2008, after implementing the HB 13 pay adjustments, will be 96 percent of market for classified staff. The Administration Program does not make any exceptions on progression to market.
- o **Vacancy** - The program experienced no turn over in positions and did not generated vacancy savings.
- o **Legislatively applied vacancy savings** - The Administration Program was unable to attain the legislatively applied vacancy savings rate of 4 percent as all positions were filled during FY 2008. MSDB transferred unused

personal services appropriation authority from the Student Services Program to the Administration Program to fund all unfunded personal services costs.

- o **Pay Changes** – Position and pay changes outside of the increases given HB 13 were granted for management positions within the program. The increases were done to maintain internal pay equity between management and the contract professional staff.
- o **Retirements** - The program anticipates that 40 percent of its current workforce will be eligible for retirement in the 2011 biennium.

LFD COMMENT	<p>Retirement liability 16.6 percent of FY 2011 annual personal services budget</p> <p>The proposed FY 2011 budget for personal services is about \$329,000. As of October 2008, MSDB estimates the anticipated compensated absence liability for employees qualifying for full retirement in the 2011 biennium would be over 16.6 percent of the annual personal services budget. As discussed above, this program does not generally generate large vacancy savings. Options for payment of retirement payouts, should they occur, would be for the agency to leave the position vacant for several months or obtain a transfer from the Governor’s personal services contingency account to cover the costs if funds cannot be found elsewhere in the agency.</p>
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New Proposals

New Proposals	-----Fiscal 2010-----					-----Fiscal 2011-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6101 - Fixed Cost Workers Comp Mgmt Program Allocation											
01	0.00	3,888	0	0	3,888	0.00	3,371	0	0	3,371	
Total	0.00	\$3,888	\$0	\$0	\$3,888	0.00	\$3,371	\$0	\$0	\$3,371	

DP 6101 - Fixed Cost Workers Comp Mgmt Program Allocation - The Workers’ Compensation Management program at the Department of Administration was funded by the 2007 Legislature with a one-time-only (OTO) general fund appropriation. For the 2011 Biennium and beyond, the executive proposes the program be funded via a fixed cost allocation. The allocation is based upon the average number of payroll warrants issued per pay period. Because the program was approved as an OTO for the current biennium, it must be presented as a new proposal for the next biennium. Therefore, the allocation cannot be included as part of the standard present law fixed cost process.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	4.00	4.00	4.00	4.00	4.00	4.00	0.00	0.00%
Personal Services	150,655	171,583	162,294	163,315	322,238	325,609	3,371	1.05%
Operating Expenses	416,837	375,733	378,353	377,287	792,570	755,640	(36,930)	(4.66%)
Capital Outlay	0	0	0	0	0	0	0	n/a
Total Costs	\$567,492	\$547,316	\$540,647	\$540,602	\$1,114,808	\$1,081,249	(\$33,559)	(3.01%)
General Fund	567,492	547,316	540,647	540,602	1,114,808	1,081,249	(33,559)	(3.01%)
Total Funds	\$567,492	\$547,316	\$540,647	\$540,602	\$1,114,808	\$1,081,249	(\$33,559)	(3.01%)

Program Description

The General Services Program staff is responsible for general upkeep and maintenance of the school's eight buildings and 18.5 acre campus. The majority of the buildings were built between 1940 and 1984.

Program Highlights

General Services Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ The executive proposes reducing general fund: <ul style="list-style-type: none"> • To reflect the reduction in energy conservation bond costs and other one-time operating costs in FY 2008 • Due to replacing a school van with a Motor Pool leased vehicle ◆ The reductions are partially offset by statewide present law adjustments

Program Narrative

In FY 2008, the General Services Program replaced a number of deteriorating concrete sidewalks which can pose hazards to its visually impaired students. In addition, the program installed a video surveillance system to increase security and reduce vandalism on the campus, replaced doors throughout, and installed hardware for an expanded computer network. Maintenance costs are approximately 24.9 percent of operating expenses in the 2011 biennium.

Utilities comprise 43.6 percent of the operations budget in the 2011 biennium. As energy prices fluctuate, the amount available for maintenance projects on campus is adjusted.

In FY 2009, the program anticipates replacing a portion of the carpet and linoleum in one of the cottages using funding provided by a private donor. MSDB has included a request to the Long Range Building Program for funding in the 2011 biennium to replace carpet and linoleum in the residential cottages.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 567,492	100.0%	\$ 540,647	100.0%	\$ 540,602	100.0%
01100 General Fund	<u>567,492</u>	<u>100.0%</u>	<u>540,647</u>	<u>100.0%</u>	<u>540,602</u>	<u>100.0%</u>
Grand Total	<u>\$ 567,492</u>	<u>100.0%</u>	<u>\$ 540,647</u>	<u>100.0%</u>	<u>\$ 540,602</u>	<u>100.0%</u>

The executive requests a 3.0 percent decrease in general fund for this program.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	567,492	567,492	1,134,984	104.97%	567,492	567,492	1,134,984	104.97%
Statewide PL Adjustments	17,784	17,739	35,523	3.29%	17,784	17,739	35,523	3.29%
Other PL Adjustments	(44,629)	(44,629)	(89,258)	(8.26%)	(44,629)	(44,629)	(89,258)	(8.26%)
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$540,647	\$540,602	\$1,081,249		\$540,647	\$540,602	\$1,081,249	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					18,402					19,464
Vacancy Savings					(6,763)					(6,804)
Inflation/Deflation					9,608					10,424
Fixed Costs					(3,463)					(5,345)
Total Statewide Present Law Adjustments					\$17,784					\$17,739
DP 1 - Energy Conservation Bonds	0.00	(7,000)	0	0	(7,000)	0.00	(7,000)	0	0	(7,000)
DP 2 - Operating Cost Reduction - Lease Vehicle	0.00	(1,757)	0	0	(1,757)	0.00	(1,757)	0	0	(1,757)
DP 8 - Pgm 02 Correct Duplicate Budget Entry	0.00	(35,872)	0	0	(35,872)	0.00	(35,872)	0	0	(35,872)
Total Other Present Law Adjustments	0.00	(\$44,629)	\$0	\$0	(\$44,629)	0.00	(\$44,629)	\$0	\$0	(\$44,629)
Grand Total All Present Law Adjustments					(\$26,845)					(\$26,890)

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 for brevity by the LFD.

- **Agency Market** - The General Services program estimates the market ratio on October 1, 2008, after implementing HB 13 pay adjustments, will be 85 percent of market. However, the market ratio for two maintenance workers is estimated to be below 80 percent of the target in FY 2009. The program does not make any exception on progression to market for positions in this program.
- **Vacancy** – Maintenance workers positions have a high turn-over rate in this program. To address this issue, MSDB reclassified one position based on the skill levels required and applied the 0.6 percent included in HB 13 for discretionary purposes such as market progression, job performance, or employee competencies to all maintenance positions.
- **Legislatively applied vacancy savings** – Due to significant decreases in the program workers' compensation insurance premiums and receipt of a large refund on the premium costs, the program was able to offset the required vacancy savings with the reductions in workers' compensation insurance costs.
- **Pay Changes** – The program did not grant any pay changes outside those approved in HB 13.
- **Retirements** – This program does not have any employees eligible for retirement in the 2011 biennium.

DP 1 - Energy Conservation Bonds - MSDB spent \$18,300 in FY 2008 on energy conservation bonds funded through the Department of Environmental Quality (DEQ) for projects which generate energy savings. DEQ is charging the school \$11,300 in each year of the 2011 biennium for energy conservation bonds, which is a reduction of \$5,000 from the base year.

DP 2 - Operating Cost Reduction - Lease Vehicle - The school is requesting a Motor Pool lease van to replace a school van that has high mileage. This decision package makes a reduction in operating costs for a school owned van that will be replaced. The lease vehicle is budgeted under the Education Program.

DP 8 - Pgm 02 Correct Duplicate Budget Entry - MSDB moved personal services authority from the Student Services Program into operating authority in the General Services Program in the FY 2008 base year. The personal services authority was restored in the base personal services calculations in the Student Services Program and it appears in the operating base authority of the General Services Program. This removes \$35,872 in the General Services Program from the operating expenses for each year of the 2011 biennium.

**LFD
COMMENT**

The funding was used to assist with the costs of the maintenance projects highlighted in the program discussion.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	29.74	29.74	29.74	29.74	29.74	29.74	0.00	0.00%
Personal Services	1,054,888	1,253,478	1,216,234	1,219,721	2,308,366	2,435,955	127,589	5.53%
Operating Expenses	106,900	112,731	110,067	111,000	219,631	221,067	1,436	0.65%
Total Costs	\$1,161,788	\$1,366,209	\$1,326,301	\$1,330,721	\$2,527,997	\$2,657,022	\$129,025	5.10%
General Fund	1,142,628	1,339,022	1,307,141	1,311,561	2,481,650	2,618,702	137,052	5.52%
Federal Special	19,160	27,187	19,160	19,160	46,347	38,320	(8,027)	(17.32%)
Total Funds	\$1,161,788	\$1,366,209	\$1,326,301	\$1,330,721	\$2,527,997	\$2,657,022	\$129,025	5.10%

Program Description

The Student Services Program provides residential care for out-of-district children living at the school. The program operates 24 hours a day, 7 days a week. By statute, MSDB provides supervised transportation for students to return home once a month during the school year. The residential program includes two cottages, each having three wings connected by a food service building. One of the wings is used for the campus infirmary.

Program Highlights

Student Services Program Major Budget Highlights
◆ The agency proposes no changes except statewide present law adjustments
Major LFD Issues
<ul style="list-style-type: none"> ◆ Given the long term nature of the vacancies in this program, the legislature may wish to consider restricting the portion of personal services appropriation attributable to the vacancies ◆ MSDB needs to provide specific goal and objective measurements based on the baseline determined during the 2009 interim

Program Narrative

The costs of providing residency for students and student travel to their homes each month are wholly supported by the general fund. Non-employee travel costs increase 61.5 percent in the 2011 biennium when compared to the 2009 biennium and comprise 50.1 percent of the operating expenses. Costs of providing meals to the students comprise more than 44 percent of operating expenses in the 2011 biennium. Federal funds for the national school lunch program provide support for about 39 percent of the costs of providing meals to the students.

2009 Biennium Major Goals

The following provides an update of the major goals monitored by the Legislative Finance Committee (LFC) during the 2009 interim.

The LFC monitored the MSDB goal to provide the highest quality of residential care for residential students inclusive of 24 hour health care services, food services that meet nutritional standards, a full range of recreational and social opportunities, a program which promotes the development of a positive self-concept, and effective independent life

skills. The measureable objectives (performance measures) selected for review included the following:

- Annual parent satisfaction survey
- Annual student satisfaction survey
- Annual staff satisfaction survey
- Quarterly measurement of medication and treatment procedures
- School Foods Program audit
- Food service facility inspection report
- Usage and number of recreation and extra curricular opportunities at Mustang Center
- Summary of student incidence reports
- Pre/post assessment results for students in Independent Living Skills Program

Successes

MSDB reported the following successes in June 2008:

- Overall positive response of parents on the residential program – 93 percent
- Overall positive response of students on the residential program – 91 percent
- 95 percent of the students felt the cottage staff expects them to do their best
- Overall positive response of cottage staff – 87 percent

Challenges

Included in the measurements was an inspection of the food service facilities to be conducted by the Cascade County Health Department. MSDB contacted the health department on October 1, 2007 and May 1, 2008 to request this inspection but as of June 2008 it had still not occurred. MSDB will continue to contact the health department so that the food service facilities can be inspected.

While overall MSDB had positive responses on all three surveys, MSDB identified areas where improvements can be considered. Now that MSDB has baseline information, the school needs to develop performance targets and strategies to achieve performance improvements.

2011 Biennium Major Goals

LFD COMMENT	The performance measurement process, whereby members of the LFC meet with state agencies to discuss progress on specific goals, was fully implemented in the 2009 interim. MSDB presented measurable data in June 2008 for the majority of its objectives. This data is considered the baseline for the school and can be used to measure progress in FY 2009 and the 2011 biennium.
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LFD ISSUE	MSDB needs to include specific measurements for the 2011 biennium in their objectives
	<p>As discussed above, MSDB established baseline data in FY 2008 for their goal of providing high quality care to the residential students of the school. Potential areas of improvement include:</p> <ul style="list-style-type: none"> o Increasing the number of responses on parent satisfaction surveys - 30 percent were returned o Increasing the number of parents who report they feel the cottage keeps them informed of activities – 73 percent felt they were informed o Increasing the number of children participating in outside games – 81 percent played outside in FY 2008 o Increasing the number cottage staff responding to the staff survey - 46 percent responded in FY 2008 o Increasing the number of staff who feel the staff development/training is worthwhile – 67 percent reported it was in FY 2008 o Decreasing the number of major student infractions reported in the 2011 biennium – 23 infractions were reported by the cottages and 18 were reported by the school o Decreasing the number of infirmary admits over the year – 24 in FY 2008 o Increasing the post assessment results for the Independent Living Skills Program – students ranged from 75 to 95 percent <p>As discussed in the agency overview, MSDB is required to submit specific and quantifiable objectives which the legislature can use to establish appropriations policy. The legislature may wish to discuss with MSDB how they can provide measurable targets for the 2011 biennium based on the baseline information developed during the interim as a part of their budget deliberations for monitoring by the LFC during the upcoming interim.</p>

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 1,142,628	98.4%	\$ 1,307,141	98.6%	\$ 1,311,561	98.6%
01100 General Fund	1,142,628	98.4%	1,307,141	98.6%	1,311,561	98.6%
03000 Total Federal Special Funds	19,160	1.6%	19,160	1.4%	19,160	1.4%
03167 National School Lunch	<u>19,160</u>	<u>1.6%</u>	<u>19,160</u>	<u>1.4%</u>	<u>19,160</u>	<u>1.4%</u>
Grand Total	<u>\$ 1,161,788</u>	<u>100.0%</u>	<u>\$ 1,326,301</u>	<u>100.0%</u>	<u>\$ 1,330,721</u>	<u>100.0%</u>

The Student Services Program general fund support increases 5.6 percent in the 2011 biennium when compared with support provided in the 2009 biennium. The program receives a small amount of federal funds from the national school lunch program. The federal program is based on the number of students served and does not include increases for higher food costs.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	1,142,628	1,142,628	2,285,256	87.27%	1,161,788	1,161,788	2,323,576	87.45%
Statewide PL Adjustments	164,513	168,933	333,446	12.73%	164,513	168,933	333,446	12.55%
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%
Total Budget	\$1,307,141	\$1,311,561	\$2,618,702		\$1,326,301	\$1,330,721	\$2,657,022	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----				-----Fiscal 2011-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					212,022					215,654
Vacancy Savings					(50,676)					(50,821)
Inflation/Deflation					3,167					4,100
Total Statewide Present Law Adjustments					\$164,513					\$168,933
Grand Total All Present Law Adjustments					\$164,513					\$168,933

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 for brevity by the LFD.

- o **Market Rate** - The Student Services Program estimates the market ratio on October 1, 2008, after implementing HB 13 pay adjustments, will be 95 percent of market for classified staff and 92 percent for licensed professional staff. The program used vacancy savings, the 0.6 percent discretionary funding included in HB 13, and the per educator component to increase salaries in relation to market.
- o **Vacancy** – The Student Services Program has high turn over rates with the cottage life attendants. To address this issue, MSDB applied the 0.6 percent included in HB 13 for discretionary purposes to the cottage life positions that completed child care worker certification.

LFD ISSUE	<p>Program has long term vacancies</p> <p>The determination of which cottage wings are open and staffed depends on the total census of residential students, their ages, and gender. During FY 2008, the Student Services Program left selected positions vacant. A review of positions shows that an LPN position has been vacant since April 2005 and two institutional attendants have been vacant, one since February 2007 and one since August 2007. Due to the vacancies, the program was able to transfer \$51,000 from personal services to operating costs in other programs to cover unanticipated costs. The executive includes \$73,687 in FY 2010 and \$73,757 in FY 2011 in personal service costs for these positions. The student residential population in FY 2008 was 22, and MSDB estimates the population will remain at this level in the 2011 biennium. MSDB staff the cottages based on the age and gender of the children and is hesitant to reduce their approved FTE in case the staffing needs change over the next biennium as students graduate and others join the school.</p> <p>Option: Given the long-term nature of the vacancies in this program, the legislature may wish to consider restricting the portion of the personal services appropriation attributable to the vacancies.</p>
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- **Legislatively applied vacancy savings** – The Student Services Program used selected vacant positions to attain the legislatively applied vacancy savings.
- **Pay Changes** – As discussed under market rate above, the program used vacancy savings, discretionary funding included in HB 13, and the per educator component to increase program staff salaries to the range indicated by the market survey. These increases are contained as part in the personal service statewide adjustments shown in the table.
- **Retirements** – The program anticipates that 6 percent of its current workforce will be eligible for retirement in the 2011 biennium. As of October 2008, the anticipated compensated absence liability for employees qualifying for full retirement was \$43,480.

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	49.87	49.87	49.87	49.87	49.87	49.87	0.00	0.00%
Personal Services	3,285,410	3,668,120	3,735,321	3,736,740	6,953,530	7,472,061	518,531	7.46%
Operating Expenses	325,865	305,918	406,701	408,316	631,783	815,017	183,234	29.00%
Total Costs	\$3,611,275	\$3,974,038	\$4,142,022	\$4,145,056	\$7,585,313	\$8,287,078	\$701,765	9.25%
General Fund	3,122,549	3,608,758	3,679,871	3,668,454	6,731,307	7,348,325	617,018	9.17%
State Special	415,210	291,764	398,338	412,789	706,974	811,127	104,153	14.73%
Federal Special	73,516	73,516	63,813	63,813	147,032	127,626	(19,406)	(13.20%)
Total Funds	\$3,611,275	\$3,974,038	\$4,142,022	\$4,145,056	\$7,585,313	\$8,287,078	\$701,765	9.25%

Program Description

The Education Program provides an education for children with hearing and/or sight loss that prevents them from receiving a quality education in their local schools. The Education Program serves visually and hearing impaired children who remain in their local school districts by providing deaf/blind educational support services to the students' local schools. The program also offers "mainstream" programs for on-campus students in a joint effort with the Great Falls public school system. Additionally, pursuant to 20-8-102(3), MCA, the school is charged with the responsibility of tracking a child identified as hearing or visually impaired from the time of impairment identification through the child's exit from intervention or educational services.

Program Highlights

Education Program Major Budget Highlights
<ul style="list-style-type: none"> ◆ In addition to Statewide Present Law Adjustments, which comprise the bulk of the increase, the executive requests: <ul style="list-style-type: none"> • An additional \$90,000 in general fund support for early intervention services • Leasing a motor pool van to replace a school owned vehicle with high mileage ◆ The budget includes program goals relating to the on campus education program and outreach services provided to school districts around Montana
Major LFD Issues
<ul style="list-style-type: none"> ◆ Federal revenues could be increased, reducing the need for general fund appropriations ◆ The legislature may wish to consider the policy option of serving blind and deaf students at MSDB or in the students' local school district ◆ MSDB should establish additional state special revenue accounts to clarify the source of the fund balance in the school trust income and interest account and allow for a determination of the amount of ongoing general fund needed by the program

Program Narrative

The Education Program provides for both educational needs of students on their campus and outreach services to students in 92 school districts throughout Montana. In FY 2008 the on-campus education program expended about \$2.4 million in general fund. The outreach program expended \$0.7 million in general fund.

2009 Biennium Major Goals

The following provides an update of the major goals monitored by the Legislative Finance Committee (LFC) during the 2009 interim.

The LFC monitored the following program goals:

- Provide an education for deaf and blind students which allows them to access education professionals, peers, communication, and learning which is not available in their home districts and which allows them to achieve their highest level of independence
- Increase staff and reduce caseloads for the outreach program to increase contact and service to additional students in the 2009 biennium
- Recruit and retain highly qualified staff within 3 months of vacancy announcement

Successes

- The Education Program was able to increase the percentage of market for licensed professional staff to 92 percent of market for the 2008 survey.
- Increased staffing in outreach services allowed reduced student to outreach worker ratios while increasing the number of children served.

Challenges

The outreach program surveys indicated 40 percent of parents say the students' needs are being met in the classroom, 60 percent of those responding do not. Given the increasing number of visually or hearing impaired children remaining in their local school districts and receiving services through the outreach program, MSDB and the local school districts will need to work to develop strategies to improve the classroom experience for these children.

LFD ISSUE

Should students be serviced at MSDB or their local school districts?

The population of residential students at MSDB has declined over the last several years from a high in FY 2002 of 42 students to 22 in FY 2008 as more and more youth are served in their local communities. The trend to serving children in their local communities appears to have some associated challenges. A survey of parents of visually or hearing impaired students served in local school districts shows 60 percent of those surveyed indicated their student's needs were not being addressed in the classroom. MSDB surveyed families in the outreach program whose students can be served at MSDB. 14 families indicated they would consider placing their children at MSDB if weekly transportation home was provided. Of the 14, 10 of the families had children under the age of 12. Currently, statute requires MSDB to provide transportation home each month. MSDB has determined it would require an additional \$266,542 in FY 2010 to provide weekly transportation home to the students identified to attend the school.

The survey did not request additional information on the services or the type of student needs that were not being addressed in local districts. The policy decision for legislative consideration is whether additional children should go into MSDB or whether additional resources can or should be provided in local school districts.

Option: The legislature may wish to request additional information from the Office of Public Instruction on a determination what services the parents feel are missing and how they can be addressed. A component of how the needs can be addressed should include the associated costs of providing the services in the local school district.

2011 Biennium Major Goals

The 2011 goal of the Outreach Services Program is to serve as a resource center providing information, technical assistance, evaluation, counseling, and referral services as well as leadership to: (1) parents of deaf and blind children from birth through age 21; (2) public schools in Montana who have deaf and blind children enrolled; and (3) organizations and individuals concerned with services to deaf and blind children.

The 2011 goal of the on-campus educational program is to provide students placed in the campus-based program with a comprehensive curriculum and instruction from preschool to 12th grade that includes vocational education, extracurricular activities, social education, and support services comparable to educational opportunities afforded to non-disabled children.

LFD
ISSUE

The objectives provided to meet these goals over the 2011 biennium are not specific, measurable or time-bound.

For example, to meet the outreach services goal, MSDB provides the following objectives:

- Review consumer satisfaction surveys conducted annually to ensure needs are being met effectively
- Increase the amount of training accessible to parents, educators, and others working with deaf and blind children
- Process referrals on newly identified infants/toddlers and ensure that appropriate services are in place within 6 months of identification

Of the three objectives above, only one has a time-bound measurement included. Baseline information on consumer satisfaction surveys referenced above was determined through the LFC performance measurement process and is available to establish performance measurement targets for the 2011 biennium. The number of training sessions provided to parents in FY 2008 can also be determined and used to establish targets for the 2011 biennium. The legislature may wish to discuss with MSDB how it can provide appropriately written objectives to its goals and be measured.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as recommended by the Governor.

Program Funding Table							
Education							
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget	
	FY 2008	FY 2008	FY 2010	FY 2010	FY 2011	FY 2011	
01000 Total General Fund	\$ 3,122,549	86.5%	\$ 3,679,871	88.8%	\$ 3,668,454	88.5%	
01100 General Fund	3,122,549	86.5%	3,679,871	88.8%	3,668,454	88.5%	
02000 Total State Special Funds	415,210	11.5%	398,338	9.6%	412,789	10.0%	
02050 School Trust Interest/Income	415,210	11.5%	398,338	9.6%	412,789	10.0%	
03000 Total Federal Special Funds	73,516	2.0%	63,813	1.5%	63,813	1.5%	
03012 E.C.I.A. Chapter I	73,516	2.0%	63,813	1.5%	63,813	1.5%	
Grand Total	\$ 3,611,275	100.0%	\$ 4,142,022	100.0%	\$ 4,145,056	100.0%	

The Education Program is funded by general fund, state special revenue generated from income on school trust lands, reimbursements from school districts for large print and Braille materials, tuition reimbursements for out of state students attending MSDB, and federal grants used to meet special educational program needs.

LFD ISSUE MSDB Should Establish Additional State Special Revenue Accounts to Clarify the Amount of General Fund Needed to Support the Program

The state special revenue account includes several funding sources, used for different purposes, and appropriated by different means. MSDB uses the state school trust income/interest account to record:

- o Transfers of income generated on school trust lands used to provide support for MSDB
- o Statutorily appropriated tuition reimbursements for out of state students attending MSDB, required to be used for educational purposes
- o Miscellaneous reimbursements from school districts for large print and Braille materials used to reduce the operational costs of providing the materials

State accounting policy states that state special revenue funds are used to account for the proceeds of specific revenue sources restricted to expenditure for specified purposes. According to the policy, sub-accounts within the state special revenue funds are used to account for specific revenue sources and their related expenditures. School trust income is appropriated by the legislature primarily to provide support for the Education Program, although it can be used through the agency to provide services to the deaf and blind. The figure below shows various revenue sources recorded in the school trust income and the related fund balance.

20-8-107, MCA requires that MSDB use the funds paid for out-of-state tuition for educational purposes. These funds are statutorily appropriated for this purpose and do not require additional legislative approval in the general appropriations act. It is unclear if the legislature has been appropriating in the general appropriations act funds which are already statutorily appropriated. The portion of the fund balance generated from out of state tuition is not readily apparent.

Fiscal Year	School Trust Transfers In	Out of State Tuition	Rentals	Student Tuition	Fund Balance
2000	\$249,919	\$143,853	\$4,065		\$191,542
2001	\$279,140	\$165,106	\$4,868		\$280,255
2002	\$298,306		\$6,789		\$215,135
2003	\$299,569	\$1,783	\$6,365	\$1,783	\$134,669
2004	\$299,049	\$923	\$3,335	\$923	\$120,918
2005	\$318,818	\$3,788	\$1,346	\$3,788	\$132,771
2006	\$290,605	\$70,349	\$1,496	\$70,349	\$185,718
2007	\$323,431		\$1,421	\$76,075	\$215,106
2008	\$334,289		\$1,446	\$83,098	\$169,647

20-8-110, MCA states that school trust land income shall be for the use and benefit of the blind and deaf. The school trust land income has, by statute, a broader use. For example, the funds could be used also be used to support the Student Services Program or the General Services Program as both benefit the students attending MSDB. If the fund balance in the school trust income and interest account has been generated through higher than anticipated transfers of school trust income, the legislature could consider offsetting general fund with the increased school trust income.

Option: To clarify the source of the fund balance in the school trust income and interest account and to allow for determination of an appropriate amount of general fund support for the program, the legislature may wish to require the executive to establish separate sub accounts for the state special revenues received by MSDB.

LFD ISSUE Federal Revenues Could Be Increased Reducing General Fund

The Legislative Audit Division conducted a performance audit on MSDB which was issued in June 2008. The summary of the report discussing funding states:

MSDB receives a portion of IDEA federal grant funds but may be eligible to receive additional funds. Similarly, MSDB has never received Title I grant funds. Free and reduced lunch counts can be used in both formula grants as the poverty factor instead of using district census poverty data. By doing so, MSDB could potentially receive an additional \$27,000, in federal funds.

LFD ISSUE (CONT.) The report recommends MSDB and the Office of Public Instruction (OPI) work together to examine efforts to increase federal funds for MSDB. The executive proposes reductions in the federal funds granted by OPI and increases general fund to offset the costs.

Option: The legislature may wish to request MSDB and OPI determine MSDB’s eligibility for additional federal funds. If MSDB qualifies for the additional funds, the legislature may wish to increase federal revenues and decrease general fund appropriations in the Education Program.

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 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	3,122,549	3,122,549	6,245,098	84.99%	3,611,275	3,611,275	7,222,550	87.15%
Statewide PL Adjustments	488,316	476,773	965,089	13.13%	393,944	396,852	790,796	9.54%
Other PL Adjustments	23,773	23,899	47,672	0.65%	23,773	23,899	47,672	0.58%
New Proposals	45,233	45,233	90,466	1.23%	113,030	113,030	226,060	2.73%
Total Budget	\$3,679,871	\$3,668,454	\$7,348,325		\$4,142,022	\$4,145,056	\$8,287,078	

Present Law Adjustments

The “Present Law Adjustments” table shows the primary changes to the adjusted base budget proposed by the Governor. “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 2010-----					-----Fiscal 2011-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					526,818					528,291
Vacancy Savings					(149,078)					(149,132)
Inflation/Deflation					16,314					17,803
Fixed Costs					(110)					(110)
Total Statewide Present Law Adjustments					\$393,944					\$396,852
DP 2 - Extracurricular Compensation	0.00	26,938	0	0	26,938	0.00	26,938	0	0	26,938
DP 3 - Motor Pool Lease Vehicle	0.00	8,299	0	0	8,299	0.00	8,425	0	0	8,425
DP 8 - Pgm 04 Correct Duplicate Budget Entry	0.00	(11,464)	0	0	(11,464)	0.00	(11,464)	0	0	(11,464)
Total Other Present Law Adjustments	0.00	\$23,773	\$0	\$0	\$23,773	0.00	\$23,899	\$0	\$0	\$23,899
Grand Total All Present Law Adjustments					\$417,717					\$420,751

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 for brevity by the LFD.

- o **Market Rate** - The Education Program estimates the market ratios on October 1, 2008, after implementing HB 13 pay adjustments, will be 84 percent of market for classified staff and 92 percent of market for licensed professional staff. In order to address statewide shortages the program exempts the following positions from the agency policy on entry market ratio of 96 percent of market:

- School psychologist
- Physical therapist
- Speech therapist
- Occupational therapist
- Audiologist
- Orientation mobility specialist

- **Vacancy** - While new positions were vacant during the long recruitment process, the Education Program was able to retain current staff. Positions approved by the 2007 Legislature were filled for the FY 2009 school year.
- **Legislatively applied vacancy savings** - The school received a large refund on its workers' compensation policy due to improved safety and reduced benefit claims over the last few years, which reduced personal service costs in FY 2008. Difficulty in filling several new positions approved by the 2007 Legislature until FY 2009 also created sufficient vacancy savings to fulfill the legislatively required vacancy savings.
- **Pay Changes** - Recruitment and retention funding granted by the 2007 Legislature, per educator component funding, and the 0.6 percent discretionary funds allocated in HB 13 were used to move positions in the Education Program closer to 100 percent of market.
- **Retirements** - The program anticipates that 22 percent of its current workforce will be eligible for full retirement in the 2011 biennium. As of October 2008, the anticipated compensated absence liability for employees qualifying for full retirement was \$93,100.

DP 2 - Extracurricular Compensation - The Montana School for the Deaf and the Blind pays extracurricular compensation to employees who sponsor after school activities. Amounts paid to employees are contained in a collective bargaining agreement with the Montana Education Association/Montana Federation of Teachers. Salaries and benefits total \$26,938 per year.

DP 3 - Motor Pool Lease Vehicle - The executive proposes a motor pool lease vehicle to replace a school van that has high mileage. The lease vehicle will be used to transport students.

DP 8 - Pgm 04 Correct Duplicate Budget Entry - MSDB transferred personal services appropriation authority into operating expenses appropriation authority in FY 2008. The personal services authority was restored in the statewide present law adjustment for FY 2010 and FY 2011. It is also included in the general fund appropriations request for operating expenses. This removes \$11,464 in the operating expenses for each year of the 2011 biennium.

New Proposals

Program	FTE	Fiscal 2010				Fiscal 2011				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Early Intervention Services 04	0.00	45,233	0	0	45,233	0.00	45,233	0	0	45,233
DP 4 - Tuition Authority Increase 04	0.00	0	67,797	0	67,797	0.00	0	67,797	0	67,797
Total	0.00	\$45,233	\$67,797	\$0	\$113,030	0.00	\$45,233	\$67,797	\$0	\$113,030

DP 1 - Early Intervention Services - This proposal provides home-based early intervention services on a bimonthly basis to 35 families of sensory impaired children. Research has shown providing early intervention services to sensory impaired infants by six months of age and younger increases their ability to compete at age-level with their non-handicapped peers when entering educational services.

The following information is provided so that the legislature can consider various performance management principles when examining this proposal. It is as submitted by the agency, with editing by LFD staff as necessary for brevity and/or clarity.

Justification: Deafness and blindness are low incidence disabilities that have a profound effect on the normal acquisition of language and concept development, communication, socialization skills, and independence. Appropriate educational intervention services to meet the unique developmental needs of children ages birth through 5 years of age who are deaf, hard-of-hearing, blind, or low vision are necessary to ensure proper development.

Project Outcome: Goals of this proposal include:

- Through an Individual Family Service Plan (IFSP) or Individual Education Plan (IEP), implement home-based services within 3 months of identification of a vision or hearing loss and maintain those services until the IFSP or IEP team determines the early intervention services are no longer necessary or until the child transitions to the K-12 education setting.
- Employ a sufficient number of trained, part-time family advisors across the state to provide regular, reliable and quality home-based education and information to parents and family of each child served by the program.
- Provide disability specific curriculum based training to family advisors through the Sensory Impaired Home Intervention (SKI-HI) and Vision Impaired In-service in America (VIISA) programs offered through the SKI-HI Institute or similar education and developmental-based family training programs.
- Mitigate communication, language, spatial, and social delays for children with deafness or blindness so that they will enter kindergarten with the best potential for global skill development that corresponds to their chronological age.

Performance Criteria: Progress will be measured through:

- The number of children receiving services through the Family Advisor Program (qualitative)
- The number of referrals and implementation of services (quantitative)
- Percentage of family advisors trained in approved curriculum used for home-based services (quantitative)
- Results of developmental assessments used to measure growth of communication, language, spatial and social growth (quantitative)
- Program effectiveness measured through consumer satisfaction surveys (qualitative).

Milestones:

- One-time implementation of services will be measured within 3 months of MSDB receiving a referral for a child with a qualifying disability
- Developmental assessments will be conducted on entrance and exit from the program as well as annually during the period each child is receiving services from a Family Advisor

FTE: The school will contract with part-time family advisors to provide home-based services. Typically, the advisors are professionals in the field of deafness or blindness or have extensive experience with deafness or blindness and the curriculum models used with home-based services.

Funding: This new proposal would be funded from the general fund at a cost of \$90,466 for the 2011 biennium.

Obstacles: Challenges include:

- Identifying potential family advisors with appropriate background knowledge of the developmental and educational needs of deaf or blind children within each community where qualifying children live to ensure that on-time services are provided.
- Providing adequate public information about the Family Advisor Program so that the general public is aware of this service.

Risks: Without disability specific training for these families, deaf or blind children are at risk of not developing the skills necessary to enter kindergarten ready to learn to read, write, socialize and communicate on a level with their non-disabled peers.

DP 4 - Tuition Authority Increase - This decision package would increase authority to utilize tuition revenue fund balance.

**LFD
COMMENT**

As discussed above, the use of a single account for multiple sources of state special revenue makes it difficult to determine the revenue source generating the fund balance used in this decision package. Refer to LFD Issue under funding for additional information and considerations for the legislature.