Senate Education
Oversight Subcommittee

Report on the SC School for the
Deaf and Blind

March 2017

Members of Subcommittee:

Senator Greg Hembree, Chairman
Senator John Matthews
Senator Darrell Jackson, Sr.
Senator Tom Young, Jr.
I. Agency at a Glance

Mission

Mission Statement:
The mission of the South Carolina School for the Deaf and the Blind (SCSDB) is to ensure that the individuals they serve realize maximum success through high quality educational programs, outreach services, and partnerships.

Vision Statement:
SCSDB’s vision for the future is to be the statewide leader in education and accessibility for individuals who are deaf, blind, or sensory multi-disabled.

History

Established in 1849 by Reverend Newton Pinckney Walker and wife Martha Hughston Walker as the Cedar Springs Asylum, to educate deaf children. The school soon expanded to serve blind children as well. In 1856, the state purchased the land, built a new building (later named Walker Hall) and took over operation of the school. The Cedar Springs Academy was opened in 1977 to serve the needs of children suffering from various physical conditions in addition to being deaf or blind. The SC School for the Deaf and Blind has now been in operation for 167 years.

Governing Authority:

The School is governed by an eleven member Board of Commissioners appointed by the Governor for terms of six years.

Each of the seven congressional district must be represented by a board member and four members are appointed at large. Of the members appointed at large, one must be deaf, one must be blind, one must represent the interests of persons with multiple handicaps, and one shall represent the general public. Additionally, the State Superintendent of Education and the Executive Officer of the Department of Health and Environmental Control are ex officio members of the board.

The Board meets regularly (typically four times annually) to address policy issues and other business matters of the school. Meeting notices and minutes are available on the school’s website. Board members actively
participate in the meetings and public votes are taken and recorded in the minutes appropriately. When vacancies occur on the Board, the agency takes immediate steps to notify the Governor’s Office and secure a new appointment.

<table>
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<tr>
<th>Representing</th>
<th>Position Title</th>
<th>Current Members</th>
<th>Appointed By</th>
<th>Appointed Date</th>
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<td>1st Congressional District</td>
<td>Vice-Chair</td>
<td>Brawley, W. Scott</td>
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<td>Secretary</td>
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<td>Superintendent of Education</td>
<td></td>
<td>John Payne (Molly Spearman)</td>
<td>Ex-Officio</td>
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<tr>
<td>Executive Officer of DHEC</td>
<td></td>
<td>Tara P. Carroll (Catherine Heigel)</td>
<td>Ex-Officio</td>
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**SCSDB Philosophy**

As the public perception of individuals with disabilities has evolved, so too has the philosophy of the SCSDB. For many years, it was presumed that deaf and blind students were de facto limited in their academic potential. That said, the school attempted to ensure that students did attain these more limited goals and gain a measure of self-sufficiency. Over time, it has been recognized that improved technology and teaching methods better allow the communication of concepts and have eliminated many of the educational barriers for deaf and blind students. In recognition of these advances, the school now emphasizes the idea that they are educating students who happen to be deaf and/or blind and the faculty require the same academic rigor as any other school district in the state with students expected to amass the required Carnegie credits and meet all other requirements for high school graduation.


**Structure**

Although, as the name suggests, the agency functions primarily as a school. Unlike other diploma granting entities (such as the Department of Juvenile Justice and the Palmetto Unified School District) SCSDB has eschewed the classification of a local education agency (LEA) and retained the identity of a state agency for administrative purposes. The SC School for the Deaf and Blind has four distinct programmatic areas. These include the three on campus programs of the School for the Deaf, School for the Blind and Cedar Springs Academy (CSA). A fourth and separate program is the outreach operation which provides services to deaf and blind students throughout the state in their local school districts and homes. The agency director holds a superintendent certification and each of the three on campus schools has a separate principal as does the Applied Academics Center. The outreach program has a separate director who works in the Columbia Office located at the Synergy Office Park near Bush River Road.

**Operations/Programs**

**Education Programs**

On campus, each of the schools is housed in separate buildings. Blind students attend classes in separate buildings from deaf students (in many states they are separate agencies) and the Cedar Springs Academy for the multisensory disabled is a separate entity as well. Both the School for the Deaf and the School for the Blind provide services for ages 5-21. Cedar Springs Academy extends the age range of services from 3-21. The school for the Deaf and the School for the Blind are degree granting institutions while Cedar Springs Academy awards certificates of attendance. The school operates on the same academic calendar as the local Spartanburg School District and uses the same pay scale for teachers.

Although the specific technologies and methods vary, the goals and services offered by the School for the Deaf and School for the Blind are similar. Each of the schools has a preschool, elementary, middle school and high school component. Both schools offer:

- Individualized preschool through high school academic programs utilizing state textbooks and a fully accredited curriculum that follows all state standards.

- A career preparation program based on the state’s Career and Technology Education curriculum standards, career exploration and applied academic activities leading to job training or postsecondary education, mainstreaming opportunities at local high schools and an independent living program.

**Cedar Springs Academy (CSA)**

In addition to the conditions of deafness and/or blindness, all of the students at the Cedar Springs Academy have one or more additional disabilities. In some cases, these disabilities are quite profound and present significant challenges both to the student and to the staff. The staff is continually exploring alternative means to facilitate communication for these students and to enhance their ability to physically function in the world. An extreme example of this was a deaf student with no control over his body. This left him unable to speak or sign and with no means to communicate he was unable to develop communication skills. The staff at CSA discovered that with an E-trans board, the student was able to communicate using eye movements directed at the board. He is now
capable of expressing his feelings and needs to his family. At the other end of the spectrum, some students at CSA thrive so well in the academic environment that they can choose to transfer to the School for the Deaf or the School for the Blind and continue on a diploma track. This school year, two CSA students showed so much progress that the staff and the family together determined that they should transfer to the appropriate school on campus.

**Residential versus Day Program**

Since the school accepts students from everywhere in the state, it is impractical for most students to return home every evening. Students residing outside of a 30 mile radius of the Cedar Springs location may elect to enroll in the residential program. These students live at the school from Sunday evening when they arrive until Friday afternoon when they return to their homes. The residential program provides the students the opportunity to participate in life skills education and affords them greater socialization opportunities with other deaf/blind students. While at the school, these students live in dormitories which vary in occupancy from two to a room to as many as eight in a room. The dormitories are also segregated between deaf students and blind students since it would be difficult for students to communicate with their counterparts from the other school. CSA students also have a separate dormitory. In terms of the academic setting, residential and day students attend the same classes and receive the same educational experience.

Due to parent/student interest, the school is considering a policy change to allow students within the geographic location of the facility to enroll in the residential program. Of the 209 students now enrolled on the campus, 83 are day students. Most of these reside within a 30 mile radius of the school. However, families living outside of the 30 mile limit can choose to transport the student themselves either to the school or to a school bus pick-up point should the family prefer to have the student living at home during the week. The administration believes that changing or eliminating the 30 mile exclusion for admission to the residential programs would afford all students the opportunity for the additional benefits gained from the more immersive experience of residence on campus. There are still many factors to consider and they do not anticipate revising this policy by the 2017-18 school year.

**Admissions**

All students at the SC School for the Deaf and Blind have an Individualized Educational Program (IEP). Admission into the School for the Deaf or the School for the Blind requires a student to have deafness or blindness that is educationally significant and be between the ages of five and twenty-one. Students enrolled in the Cedar Springs Academy must be between the ages of three and twenty-one, with a vision or hearing disability and at least one other physical or mental disability. The admissions criteria is defined in the following proviso.

6.3. (SDB: Admissions) Deaf, blind, multi-disabled and other disabled students identified by the Board of Commissioners as target groups for admission to the South Carolina School for the Deaf and the Blind may be admitted by the School either through direct application by parents or on referral from the local school district. The Board of Commissioners shall define the appropriate admissions criteria including mental capacity, degree of disability, functioning level, age, and other factors deemed necessary by the board. All placement hearings for admission to the South Carolina School for the Deaf and the Blind shall be organized by the School. The South Carolina School for the Deaf and the Blind shall obtain information from the local school district concerning the needs of the student and shall prepare an Individualized Education Plan for each student admitted. All parents applying for admission of their children must sign a statement certifying that they feel the South Carolina School for the Deaf and the Blind is the most appropriate placement which constitutes
the least restrictive environment for the individual student, based upon needs identified in the placement meeting and the Individualized Education Plan. The decision concerning placement and least restrictive environment shall be reviewed annually at the IEP Conference.

Staff at the school assess students and make a recommendation to the parents regarding the appropriate setting for the student. This recommendation might be for enrollment into one of the on campus schools or outreach services provided in the student’s local school district and/or home. Ultimately, the family makes the final determination regarding the preferred setting for the student’s education. The exception to this is if, in the opinion of the staff, attendance in the on campus programs would pose a safety concern to the other students or if the school were unable to accommodate the physical care needs of the student.

The current enrollment at the school is:

<table>
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<th>School for the Deaf</th>
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<tr>
<td>School for the Blind</td>
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<tr>
<td>Cedar Springs Academy</td>
<td>84</td>
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<td>Total</td>
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Outreach

The SC School for the Deaf and Blind outreach program serves students in their local school district and home setting. This program serves approximately 1,500 students state-wide and utilizes no direct state appropriations. Instead, it is funded through a combination of fees for service from the local school districts, EIA funding, Babynet funding and Medicaid reimbursements. Local school districts contract with SCSDB to provide instructional services to students and training for school staff. The specific services provided are determined by the needs of the students. Because the demand for services can change as students move or graduate, etc., teachers in the outreach program are hired on a contract basis (much like teachers in school districts) allowing for maximum flexibility in the program. This does not preclude teachers from continuing to teach in the program indefinitely and even spending an entire career as an outreach teacher. The outreach program also offers an early childhood component that serves families with preschool age children in the home. The agency has consolidated the number of outreach offices and now has only two. These are located in Columbia and Charleston. These coupled with the school in Spartanburg effectively cover the regions of the state. Most of the teachers are able to use their homes as a base since the majority of their work takes place at local schools and students’ homes. Often the local school district will supply the outreach teachers with office space as needed.

Early Childhood (Birth to Age 3) program

The school also addresses the specific needs of deaf and blind children from birth to age three with funding from Babynet. Beginning next year, this program will begin expanding to encompass children from birth to age four and then to age five the following year. The concern is that, having assisted children with early learning and development, some of the progress made will be lost between age three and age five when the children are eligible for the normal Pre-K school program.
Kelly’s Kids

Serving children from ages 6 weeks to 3 years, the Kelly’s Kids Program was established in 2007 as a partnership between the SC School for the Deaf and the Blind and Spartanburg County First Steps Early Head Start. With a 1 to 4 teacher-child ratio, the program provides quality, individualized care to eligible children who are deaf, blind, multi-sensory disabled and typically developing. To encourage development, the program offers instruction in American Sign Language to encourage communication, book nooks filled with large-print and picture books, a theatre/dress-up center to cultivate imagination and a block stacking center to develop fine motor skills as well as art activities to stimulate the senses and physical activities to develop gross motor skills.

Vocational Training

To prepare students for employment and/or continued education in post-secondary, career, or technical institutions, SCSDB operates an Applied Academics program. Career exploration is available to middle school students while high school students are afforded opportunities to learn in a wide range of Career and Technology Education courses. Some of the services offered include:

- Occupational concentrations in digital art and design; horticulture, plant and animal systems; carpentry; hospitality management and operations; architecture and construction; marketing, sales, and service; hospitality and tourism; early childhood education; marketing management; small engine repair; and food services and dietetics
- Additional classes such as driver’s education, career awareness, independent living skills, and self-advocacy skills
- Transition services from high school to employment or continued education

Health/Guidance

SCSDB has two campus Health Centers: (1) the Main Health Center, and (2) the Cedar Springs Academy Health Center, located respectively on the upper and lower ends of campus. A wide range of medical supports are available for students as nursing and medical staff are made available around-the-clock to serve the needs of students during the school day, and during afternoon and evening residential hours. The school also contracts with a local physician to serve as the Medical Director for both Health Centers, as well as a nurse practitioner to provide additional campus medical care as needed. Daily care is provided by 11 registered nurses. Individual Healthcare Plans are created for each child who requires on-going medical care. Examples of daily services include tube feedings, catheterizations, inhalation therapy, hormone injections, flu vaccines, and administration of daily medications. Medical staff routinely care for students with Type 1 and Type 2 diabetes, seizures, asthma, hormone deficiencies, allergies, and a variety of other conditions which require both monitoring and treatment.

Athletics

The School for the Deaf and Blind operates an active athletics program to encourage students to embrace the concepts of teamwork, sportsmanship and commitment to fitness and scholastic achievement. The programs include basketball, cheerleading, football, flag football, goalball, soccer, Special Olympics, track & field, volleyball and wrestling. Students who participate in the sports programs must follow all team rules, cooperate and successfully participate in academics and adhere to residential student guidelines. Participation is highly encouraged with 131 students from the various on campus schools taking part in the available opportunities.
Varsity athletes are determined to be eligible according to the bylaws of the South Carolina High School League academic standings and physical evaluation.

Walker Foundation

Established in 1979, The Walker Foundation is the private, non-profit fundraising arm for The South Carolina School for the Deaf and the Blind. The stated goal of the Walker Foundation is to support the SC School for the Deaf and the Blind and Cedar Springs Academy through fund raising and relationship-building efforts across the state and to maximize each student’s individual opportunities for success. The Walker Foundation has a separate governing Board and employs an Executive Director and other staff. The employees of the Foundation are hired by SCSDB as temporary/grant time limited positions.

In FY 15, the Foundation had revenues of $662,027. This was lower than the previous year in which the foundation generated revenues of $949,443. In FY 15, approximately 48 percent of the total expenditures ($312,983) were for salaries and other expenses with the remaining 52 percent, $344,603, used to support the activities of the school. The Foundation has assets on hand of approximately $2.4 million.

Throughout the year, the Foundation sponsors various fund raising activities to benefit the school. This year will be the seventh year of the annual chili cook-off and the fourth year for the sporting clays shooting tournament.

In recent years, the Foundation has been instrumental in funding the construction of an athletic field house for the students, securing funding for a retail training center to prepare students for future employment in the retail sector and providing funding for incidental amenities to improve the students’ quality of life at the school including support for the athletics programs at the school.

The relationship between the SC School for the Deaf and Blind and The Walker Foundation is described in an affiliation and support agreement signed by the Board Chairmen of both entities. This agreement specifies that the Foundation will reimburse the school for staff salaries and the employer share of any fringe benefits as well as other operating costs including a car from the car pool as well as computer, phone, copying and mailing costs. However, the agreement specifies that the school will provide office space for the consideration of $1.00. The agreement does not contain any information regarding the fundraising target of the foundation or the goals and objectives to which these funds will be applied. Instead, these issues are discussed informally between the chairmen of the two boards and the directors of the entities involved.

Transportation

Employing a staff of 29 individuals, the transportation office maintains and operates a fleet of twenty-seven buses, seventeen cars, three vans, five trucks, a backhoe and various miscellaneous work vehicles. Approximately 200 students are transported to and from the school weekly. This includes daily local routes for day students and bi-weekly trips for residential students, two daily trips to transport students to local schools for main-steaming as well as field trips and athletic excursions. The buses log a total of 8,000 miles per week. On the longer routes transporting students east, the routes end at the coast and the school has determined that it is more cost effective to have the drivers and the bus remain at the destination from Friday until they make the return trip to the school Sunday evening.
Buses: The school administration indicated that the current bus fleet is in acceptable condition and expressed no concerns about the age or mileage of the buses. They anticipate selling two of the older buses and reducing the total number of buses to 25.

Cars: Eleven of the seventeen cars at the school are signed out permanently and one is no longer operational. The cars permanently assigned are for the functions of outreach, nursing staff, security and one for driver’s education. The remaining five vehicles are available to be signed out by staff as needed.

Service Vehicles: This includes the three vans, five trucks, three “gator” utility vehicles, three golf carts as well as a backhoe, tractor and a forklift.

Security

The school has implemented a system of cameras throughout the campus, key card access to buildings, and alarm systems targeted to the school population. These alarm systems provide visual displays for the deaf students and audible warnings for the blind students specifying the specific emergency condition such as weather or an intruder etc. Spartanburg County provides two School Resource Officers to the school and the school employs security guards at the property to man the gate and patrol the grounds. Previously the school relied upon a contractual service to provide the security guards at the gate. However, the administration explained that the contractor had failed to adequately perform in compliance with the contract. Therefore the school ultimately elected not to renew the contract instead hiring the security guards from the service that were assigned to the school. These security guards had been at the school in the employ of multiple contractors and the school determined that it was beneficial to hire these individuals who already possessed knowledge of the school’s security practices and familiarity with the student population. The administration indicated that there have not been any significant security issues at the school.

Physical Facilities

Located approximately five miles southeast of the City of Spartanburg, on 168 acres the campus of the school is adjacent to Croft State Park. There are forty-one buildings on the campus ranging from the 82,190 square foot Herbert Center to the 320 square foot lawn mower shop. Most of the facilities are in serviceable condition and some have been renovated over the past few years. The main administration building (Walker Hall) is an historic structure from 1848 that has undergone multiple renovations. A new Career Center for Applied Academics is currently under construction with completion anticipated in the Spring of 2017. However, there are some buildings that have been deemed to need significant improvement or replacement. To date, much of the repair and replacement has been done in a piece meal fashion as needs became apparent. This has resulted in some changes in course when it was later determined that the initial plan to refurbish or replace a building was not feasible. Examples of this include the Robertson Hall building which received an appropriation of $2 million but the actual cost of renovation proved to be $4 million. Another $2 million was appropriated to construct a new child development center. It was later determined that due to factors such as enrollment and building capacity, a greater need existed to replace the deaf elementary school. Despite an appropriation of $500,000 for roof replacement, Thackston Hall has been all but abandoned and is only utilized on a part time basis by the Kelly’s Kids program. It has since been determined that replacing the roof would not be cost effective. These projects have been placed on hold pending the completion of a comprehensive Campus Plan which the agency intends to have prepared by an outside contractor. Another infrastructure concern at the aging campus is gas lines. The school has experienced sporadic ruptures in the gas lines and on one occasion was forced to initiate a campus evacuation. The campus plan is expected to address the architectural and engineering requirements needed to systemically remedy these deficiencies over time.
**Finance:**

**Funding History**

The SC School for the Deaf and Blind has had a steady history of state appropriations. Like most agencies, the school experienced a decline in state appropriations beginning in FY 09. However, the state appropriations have since returned to pre-recession levels.

The school derives less than half of its available revenue from state appropriations. In addition to direct appropriations, the school also receives revenue from the following funding sources:

- Education Finance Act (state portion)
- Education Improvement Act
- Federal Grants
- Medicaid Reimbursements
- Fee for Services, etc.

**APPROPRIATION/ALLOCATION HISTORY**

The graph shows the history of state appropriations and total allocation from 2007-08 to 2016-17.

**FY 2016 Revenues**

The pie chart illustrates the distribution of revenues for FY 2016:

- State Appropriation: 49%
- EFA/EIA: 26%
- Federal Grants: 10%
- Other: 9%
- Medicaid: 7%
Many of these sources fluctuate with the number and needs of students served. This flexible funding coupled with the more constant state funding provides the school with a good balance to meet both fixed expenses and variable costs associated with demand for services.

**Budget Request**

In the FY 17 budget request, SCSDB did not ask for any additional General Funds. The agency did request authorization to use $950,000 in other funds currently available for the outreach program and to transfer $500,000 from the Thackston Hall roof replacement project to the Early Childhood Development Center project and utilize these funds to build a new Deaf Elementary School. These requests were included in the final appropriations act.

For the FY 18 budget request, the agency has indicated a need for an additional authorization of $1 million to expend cash on hand to fund increased costs in various existing programs operated by the school. The request includes $250,000 in recurring General Funds for replacement of furniture/equipment and assistive devices to address the accessibility needs of students in order to remain compliant with the ADA. The request for recurring funds will allow the school to furnish future buildings once constructed and establish a replacement schedule. Finally, a $150,000 non-recurring appropriation has been requested to contract with vendors to develop a campus master plan.

**Staffing**

The School for the Deaf and Blind has 294.49 authorized FTE’s, of which 180.88 are state funded positions. The turnover rate for the school is approximately 12% which is below the state-wide average for non-higher education agencies. The agency has stated that they have no difficulty in retaining employees.

SCSDB has indicated that it is sometimes difficult to recruit new employees in non-certified staffing positions. The reason cited for this difficulty is that the pay scale is comparable to other school districts and state agencies but the requirements to perform these jobs are more demanding. These jobs often require an ability to interact with the students. This can require a knowledge of American Sign Language (ASL), the ability to assist some students who have specific medical and mobility needs as well as a knowledge of best practices for assisting blind students in navigating the campus. Another issue that the school must manage is the leave schedule for teaching staff.

Although the school operates on a traditional school calendar, unlike school districts, which employ teachers on an annual contract, teachers at SCSDB are state employees. This means that they receive the same leave as other state employees which can range from 15-30 days depending upon longevity. In order for the teachers to take their earned personal leave time during the school year, the school must fill the classroom vacancies in their absence. The administration states that teachers cooperate in scheduling their time off and though sometimes difficult this situation is manageable.
II. Issues

A. Student Activity Fees Proviso

Proviso 6.1 allows the School for the Deaf and Blind to collect a student activity fee of up to $40.00 based upon the students’ family income. The school reports that this fee generates insignificant revenue. Of greater concern, the school has interpreted the federal law requiring that a free education be provided in the least restrictive environment as preventing them from insisting upon parents remitting this fee. This has resulted in an inconsistent collection policy in which remittance of the fee is essentially voluntary. The administration of the school agrees that deletion of this proviso would not adversely impact the operations of the school or the services received by the students.

Instead, the activity fee is only received when parents elect to voluntarily provide these funds. The school administration indicates that voluntary contributions to the school by parents generate more revenue than the activity fee produces.

Legislative Recommendation: Since the activity fee is not uniformly collected and generates very little income it is recommended that proviso 6.1 be deleted from the appropriations act.

B. Adult Vocational Program Fees Proviso

Proviso 6.4 authorizes the School for the Deaf and Blind to charge appropriate tuition, room and board, and other fees to students accepted into the Adult Vocational Program. However, this program is no longer offered at the school and there are no plans to have this program in the future. The school does not consider the proviso necessary and has requested that it be deleted.

Legislative Recommendation: Since the program for which the fee is authorized no longer exists, it is recommended that proviso 6.4 be deleted from the appropriations act.

C. Student Maintenance Fee

Under S.C. Code §59-47-90, the SC School for the Deaf and Blind is authorized to charge a maintenance fee. However, the school indicates that this fee is no longer charged and produces no revenue for the school.

Legislative Recommendation: Since the fee cited in the law is no longer charged, it is recommended that S.C. Code §59-47-90 be deleted.

D. Other Funds Accrual

The cash balance in the agency’s special revenue accounts has more than doubled from $6.5 million at the end of FY 13 to $17.7 million at the end of FY 16. This was due partially to transfers from state allocations to an account for capital projects. However, higher than anticipated revenues from fees for services and Medicaid reimbursements coupled with inadequate budget authority to expend the funds also accounted for much of the growth in the cash balance. Since SC Code Section 11-9-125 specifically directs state agencies to “draw down and expend federal and other funds before spending state general fund appropriations whenever possible” this cash accrual over time may be in violation of the state statute.

Agency Recommendation The School should develop a plan to begin expending the other fund balances that have accumulated and request the additional allocation authority in the budget request submission to allow them to expend these funds in accordance with this plan.
**Legislative Recommendation**  The appropriate subcommittee of the Senate Finance Committee may wish to obtain and approve the agency plan for expending the other funds balance and monitor the expenditures to ensure that they conform to the agency’s plan.

**E. Admissions Policy**

The admissions policy at the school utilizes very few criteria for determining enrollment. If a student meets the basic criteria for receiving services then the determination about how the student is served is based upon the least restrictive environment as specified in the federal Individuals with Disabilities Education Act (IDEA). Generally, SCSDB interprets least restrictive environment as the choice of the student and parents. With the facilities and staff on hand, the school still has some unused capacity to accept additional residential students. However, should more students than are now being served through the outreach program elect to enter a residential program or if the school does begin accepting students from within thirty miles into the residential program, the maximum capacity could be reached at some point in the future.

**Agency Recommendation**

The school should consider revising the admissions policy in a manner that would provide the administration some discretion in admitting additional student to ensure that those most in need of residential services are admitted to the school should capacity restrictions prevent additional enrollment. This would require utilizing the existing criteria to prioritize students for enrollment in each of the three on campus programs.

**F. Transportation**

In addition to operating a fleet of 25 school buses and other vehicles, the SC School for the Deaf and Blind has a transportation department that performs the maintenance and repair for all of the school’s vehicles. With the school located only about 7 miles from the Spartanburg School District Six offices, portions of this operation might be redundant.

**Agency Recommendation**

The school may want to undertake a cost study to determine if some of the transportation functions could be performed by the local school district or a private contractor more efficiently.

**G. Foundation**

Under the terms of the affiliation and support agreement, the school provides office space to the Foundation for the consideration of one dollar. This nominal amount does not provide adequate compensation for the cost of the office space provided. The provision of office space in a state owned building without adequate compensation would equate to state financial support for the entity receiving the benefit of the office space. An Attorney General’s opinion on May 1, 2000 makes it clear that a state agency can contribute or donate public funds to a private non-profit corporation if it operates for a valid public purpose. However, the opinion is addressing the constitutionality of a proviso authorizing an agency to provide free office space.

**19.9. (MUSM: Foundation Office Rent)** Appropriate office and administrative space for the South Carolina Museum Foundation Chief Executive Officer and staff may be provided by the Museum Commission without rent reimbursement.

This opinion makes a clear distinction between this instance in which specific statutory authority exists allowing this arrangement and cases lacking said authority. The opinion cites two previous Attorney General’s opinions from 1993 and 1973 which concluded that colleges and universities could not loan or transfer public funds (including office space) to their respective foundations.
A subsequent opinion issued on February 14, 2001, went on to state that deleting the proviso language might not necessarily eliminate the agency’s ability provide the office space rent free. The reasoning behind this statement is that although express legislative authority would not exist, the agency’s enabling legislation might be sufficient to provide that authority. It is not clear if the SCSDB enabling legislation would satisfy this condition. Additionally, the Attorney General’s opinion stated the arrangement for office space might have tax implications for the Foundation. It should be noted that there have also been previous opinions relating to utilities that indicate state support renders the entity receiving the support a body politic and therefore subject to the Freedom of Information Act.

Agency Recommendation

It is recommended that the SCSDB either seek to have a proviso passed expressly granting the authority for the arrangement it has with the Walker Foundation for office space or begin charging the Foundation an agreed upon rate determined through a demonstrable process. Additionally, including language in the affiliation and support agreement stating the fundraising target for the Foundation and how these funds will be used for the school and students would allow for an objective determination of the relative success of the Foundation’s efforts on behalf of the school.

H. Campus Master Plan/Facility Study

The agency has determined that there is a need to contract with an outside entity to develop a comprehensive campus plan that will meet the infrastructure needs of the campus well into the future without hindering the operations of the school. The agency’s budget request includes $150,000 in non-recurring funds to accomplish this goal. The age and condition of some of the buildings and infrastructure on the campus make this essential to ensuring that the school is able to provide a safe environment for the students and avoid wasteful or redundant projects.

Agency Recommendation

Until an updated campus master plan can be completed the agency may wish to delay beginning any additional infrastructure projects to ensure consistency with the outline of the campus plan. Should the requested funding for the Campus Master Plan not be included in the state budget, the agency may wish to consider requesting authorization to utilize available cash balances to proceed with this project. This could include other funds or appropriations for infrastructure projects that have been delayed or abandoned.