

*Health & Human Services Issues*

**Schools for Deaf Children**

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Government Services Management Consulting  
for  
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## Issue Statement:

Over the past several years, enrollments at North Carolina's three schools for the deaf have declined. The single most important factor contributing to the decline is the requirement that the public school system offer services to all children including the hearing impaired. This paper is an analysis of whether operating three residential institutions is a necessary and cost-effective method for educating hearing impaired children.

## Background

North Carolina operates three residential schools for children that are hearing impaired. The three schools are:

- North Carolina School for the Deaf (NCSD) in Morganton (K-12)
- Eastern North Carolina School for the Deaf (ENCSD) in Wilson (K-12)
- Central North Carolina School for the Deaf (CNCSD) in Greensboro (K-8)

North Carolina has the capacity to educate 1,093 students in its schools for the deaf and hard of hearing. Each school has a residential, day, and preschool program. The capacity for each program varies by school. (See Exhibit 1.) For fiscal year 1991-92, the average utilization rate for the three schools was 51.5 percent; the residential occupancy rate was 62.3 percent; and the day occupancy rate was 34.3 percent. (See Exhibit 2.) Over the last five years, total occupancy in the three schools has decreased by 12.4 percent. The residential and day programs at NCSD and CNCSD have experienced a decline in enrollment.

**Exhibit 1**  
**School Capacity at the Three Schools for the Deaf**

	Day	Residential	Total
North Carolina School for the Deaf	170	280	450
Eastern North Carolina School for the Deaf	138	265	403
Central North Carolina School for the Deaf	112	128	240
TOTAL	420	673	1,093

Source: Department of Human Resources, Division of Services for the Deaf and Hard of Hearing

**Exhibit 2**  
**1991-92 Utilization Rates for North Carolina's Schools for the Deaf**

	Day	Residential	Total
North Carolina School for the Deaf	33.5%	54.3%	46.4%
Eastern North Carolina School for the Deaf	45.7%	76.6%	66.0%
Central North Carolina School for the Deaf	21.4%	62.3%	36.7%
Average for three schools	34.3%	62.3%	51.5%

Source: Department of Human Resources, Division of Services for the Deaf and Hard of Hearing

The budget for North Carolina's three schools for the deaf is \$19,126,857 for 1992-93. This is an 19.6% increase over the 1989-90 budget of \$15,995,968. (See Exhibit 3.) The fiscal year 1992-93 budget for administration (excluding teachers and other program budget items) is \$6,135,142.

**Exhibit 3**  
**Fiscal Year 1992-93 Budget for North Carolina's Schools for the Deaf**

	NCSD	ENCSD	CNCSD	Total
Administration	\$2,067,561	\$2,466,265	\$1,601,316	\$6,135,142
K-12 Education Costs	\$4,259,559	\$4,342,177	\$1,725,818	\$10,327,554
K-12 Transportation	\$97,829	\$316,290	\$68,577	\$482,696
Preschool Education Costs	\$710,626	\$750,034	\$621,507	\$2,082,176
Preschool Transportation	\$43,701	\$38,754	\$16,834	\$99,289
<b>TOTAL</b>	<b>\$7,179,276</b>	<b>\$7,913,520</b>	<b>\$4,034,061</b>	<b>\$19,126,857</b>

Source: 1992-93 Budget for the Division of Services for the Deaf and Hard of Hearing, Department of Human Resources

The total number of positions reported in the budget for fiscal year 1992-93 was 580. (See Exhibit 4.) The total number of positions has remained since fiscal year 1989-90.

**Exhibit 4**  
**School Staff for Fiscal Year 1992-93**

	Staff	Staff/Student Ratios
North Carolina School for the Deaf	215	1.03/1
Eastern North Carolina School for the Deaf	238	.89/1
Central North Carolina School for the Deaf	127	1.44/1
TOTAL	580	1.06/1

Source: Department of Human Resources 1991-93 Budget

The policy on educating deaf and hard of hearing children in North Carolina is centered on education in the least restrictive environment. According to *The Procedures Governing Programs and Services for Children with Special Needs* the least restrictive environment is defined as "that to the maximum extent possible, children with special needs shall be educated with children who are not handicapped". To meet this policy, the North Carolina Department of Public Instruction and the Department of Human Resources have developed a cooperative agreement that addresses the placement of deaf children in the public schools.

This agreement stipulates that a school-based committee will evaluate and screen hearing impaired children for appropriate placement. The committee will then oversee the development of the individualized education program (IEP) and ensure that the IEPs are reevaluated annually. An administrative placement committee reviews the recommendation from the school based committee and makes the final decision regarding classification and placement of the student.

### **Findings**

***Finding 1: North Carolina has excess capacity in its schools for the deaf.***

Since 1986-87, the total enrollment in the three schools for the deaf has declined by an average of 12.4 percent. For 1991-92 the average occupancy rate at each school is equal to or below 66%. At the current occupancy rates, there are a total of 530 spaces available to educate children in the schools for the deaf. Of the total available space, 276 spaces are available in the day school and 254 spaces are available in the residential program. The trend in decreased enrollments is consistent across all three schools and has occurred despite an

increase in the general population. See Exhibit 5.

***Finding 2: North Carolina public schools serve almost three times the number of deaf children as do the schools for the deaf***

As a recipient of federal education aid, the North Carolina public school system is required to offer educational services to all children including the hearing impaired. Consequently, the public schools in North Carolina educate more students than the three schools for deaf children combined. North Carolina's three schools for deaf children educated 563 students during the 1991-92 school year. The State's public school system, on the other hand, educated 1,477 children during the 1991-92 school year.

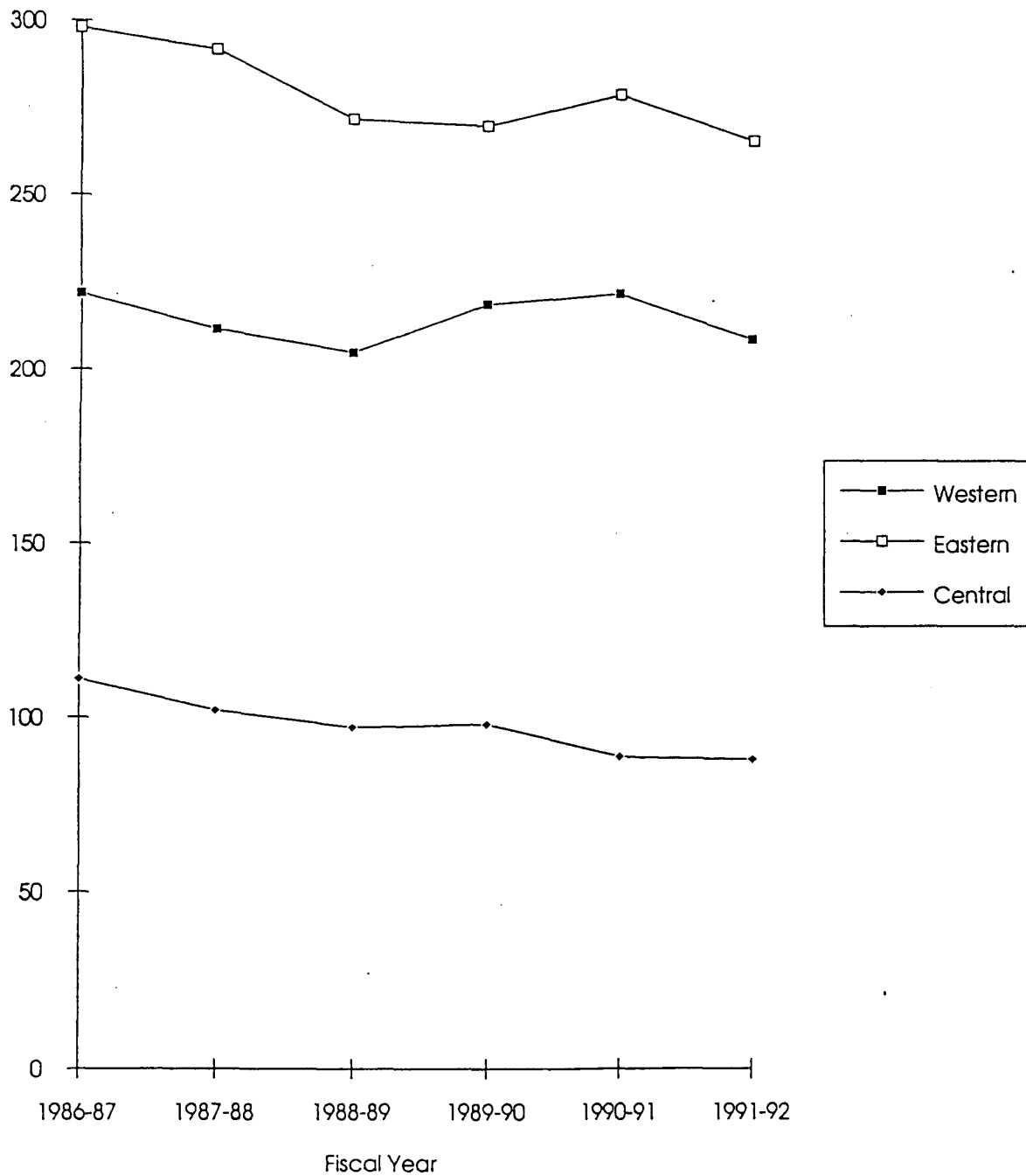
***Finding 3: The cost for educating children in the schools for the deaf is significantly higher than the cost of educating these children in North Carolina's public schools.***

The average cost across all three schools for providing day educational services for deaf children is approximately \$15,745 a year (see Exhibit 6). The average cost per student for a resident in the three schools for the deaf is \$32,033 (\$15,745 for day programs and \$16,288 for residential services). These costs do not include the preschool children, educated at an average cost of \$14,042 per year.

The incremental cost of educating a hearing impaired student in the public schools ranges from \$5,000 for special electronic hearing enhancements to as high as \$15,000 to \$20,000 for a full-time interpreter. These costs can be less for the local public school if it is already educating hearing impaired students. Although the average costs per student in North Carolina public schools is about \$5,000, the cost of adding one more student to a school or class room is minimal.

## Exhibit 5

### Total Enrollments at North Carolina Schools for the Deaf



Source: Division of Services for the Deaf and Hard of Hearing, North Carolina Department of Human Resources

**Exhibit 6**  
**Annual Cost/Student in North Carolina's Schools for the Deaf**

	NCSD	ENCSD	CNCSD	Total/Average
Day Program:				
Fiscal Year 1992-93 Budget	\$3.5 M	\$3.4 M	\$1.6 M	\$8.5 M
Enrollment*	187	266	88	541
Cost/K-12 student	\$18,600	\$12,822	\$18,511	\$15,745
Residential program:				
Fiscal Year 1992-93 Budget	\$2.4 M	\$2.7 M	\$1.3 M	\$6.4 M
Students served	131	195	67	393
Residential cost/resident	\$18,356	\$13,989	\$18,935	\$16,288
Preschool program:				
Fiscal Year 1992-93 Budget	\$1.2 M	\$1.0 M	\$0.8 M	\$3.0 M
Enrollment	76	80	61	217
Cost/preschool student	\$15,451	\$12,986	\$13,670	\$14,042

\* Day enrollment numbers include residential students and non-residential students.

M = millions.

Source: The Division of the Deaf and Hard of Hearing, 1992-93 Budget and North Carolina 1991 - 1993 State Budget

### Recommendations

***Recommendation 1: North Carolina should offer services to deaf children in two rather than three schools/residential facilities.***

North Carolina can serve the residential needs of the deaf students it is now serving in two rather than three facilities. The Eastern and Western schools for the deaf have sufficient capacity to absorb the residential enrollment at the Central School. The Division of Services for the Deaf and Hard of Hearing projects 67 residential enrollments for the 1992-93 fiscal year. These enrollments could be transferred to either the 149 vacant residential slots at the Western school or the 70 vacant residential slots at the Eastern school or shared between both schools.



Day students now attending the Central School would have the option of attending local school, or transferring to one of the other two deaf schools.

We recommend that the State continue to offer services to preschool hearing impaired children in a more appropriately sized facility in the same area as the Central North Carolina School for the Deaf.

**Financial implications.** Although it is arguable that educating deaf children in the public schools costs less than educating deaf children in public schools, this analysis makes a conservative assumption that the educational costs are the same where ever the hearing impaired child is educated.

The fiscal year 1992-93 budget for K-12 day and residential services at the Central School is about \$2.9 million. This includes \$0.5 million in administrative costs, \$1.5 million for educational services, and \$0.9 million for residential services. (The preschool program budget is an additional \$0.8 million.)

By closing the Central School, the State would save 100 percent of the administrative costs for the day program and a substantial portion of the residential costs. The resident populations at the Eastern and Western schools are much larger than the population at the Central School. The addition of 30 or 40 students to the residential population at the Western and Eastern schools should not have a major impact on the administrative costs of operating those schools. Residential costs, however, may increase at the two schools as a result of increased residential population. Costs such as housekeeping, utilities, and medical services are likely to be sensitive to an increase in resident population. Absent data with which to calculate the marginal cost of adding a resident to the Western and Eastern schools, we assume a 50 percent decrease in the net cost of providing additional residential services.

Over the next nine years, the State should save \$8.5 million in reduced administration and residential costs.

Because the preschool program would continue near or at its present location, we do not expect a significant savings associated with the preschool program.

The projected savings are summarized in Exhibit 7 on the next page.

**Staff Implications.** If the Central North Carolina School for the Deaf is closed, 31 administrative, maintenance and other non-program staff for the residential and day school program would no longer be needed (see Exhibit 8). Public schools may need to hire additional staff to accommodate the influx of hearing impaired children that will choose their local school as an option. The other two schools for the deaf may need additional staff to accommodate additional residents and children that choose to remain in a deaf school.

**EXHIBIT 7**  
**Estimated Annual Savings from Consolidation of**  
**Schools for Deaf Children**

	Fiscal Year ending June 30 (\$ in millions)									
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Current operating cost	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1	\$19.1
Operating reductions	\$0.0	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Investments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net savings	\$0.0	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Cummulative savings	\$0.0	\$0.9	\$1.9	\$2.8	\$3.8	\$4.7	\$5.7	\$6.6	\$7.6	\$8.5

**EXHIBIT 8**  
**Estimated Savings from Staff Reductions**  
**(1992 dollars)**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Cumulative Staff Reductions	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)	(108)
Staff Increases	77	77	77	77	77	77	77	77	77
Net Staff Reduction	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)
Net Dollar Savings (in millions)	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9

Staff decreases at the Central School are likely to result in staffing increases at the Eastern and Western schools, and at local public schools if any former students of the Central School choose to attend their local public school.

**Service Implications.** The service level should remain the same if one of the three schools is closed. Children will have options for education that include, their local community school or one of the other schools for the deaf. Either option will provide the child with comparable education.

### **Implementation**

If the three schools for the deaf are consolidated into two schools, there are many challenges facing the State. First, this recommendation is not new. It has been attempted in the past without success. It has been difficult to implement because there is strong support from the deaf community. The deaf community feels strongly that North Carolina should maintain three schools for the deaf, even while enrollment continues to decline.

Another challenge facing implementation is that not all deaf and hearing impaired children can be educated in the public schools. Many of the students in the deaf school are not functioning at the grade level of their peers in the public schools. These children would have a difficult time matriculating into the public school system. However, the State would continue to operate two schools to meet the needs of such students.

### **References**

*An Examination of the Schools for the Deaf*, North Carolina Office of the State Auditor, 1990.  
*1992-93 Budget Request*, Division of the School for the Deaf, Department of Human

Resources. 1992.

*Assuring Access to a Quality American Life for North Carolina's Deaf and Hard-of-Hearing Citizens*, The Task Force on Quality Assurance for the Deaf and Hard-of-Hearing