

State of Arizona
Office
of the
Auditor General

PERFORMANCE AUDIT

**ARIZONA COUNCIL
FOR THE
HEARING IMPAIRED**

Report to the Arizona Legislature
By Debra K. Davenport
Acting Auditor General
August 1999
Report No. 99-14

The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. His mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, he provides financial audits and accounting services to the state and political subdivisions and performance audits of state agencies and the programs they administer.

The Joint Legislative Audit Committee

Senator Tom Smith, Chairman
Representative Roberta Voss, Vice-Chairman

Senator Keith Bee
Senator Herb Guenther
Senator Darden Hamilton
Senator Pete Rios
Senator Brenda Burns
(ex-officio)

Representative Robert Burns
Representative Ken Chevront
Representative Andy Nichols
Representative Barry Wong
Representative Jeff Groscost
(ex-officio)

Audit Staff

Dale Chapman – *Manager*
and Contact Person (602) 553-0333
Ann Orrico – Audit Senior
Anita Rifkin – Staff

Copies of the Auditor General's reports are free.
You may request them by contacting us at:

Office of the Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018
(602) 553-0333

Additionally, many of our reports can be found in electronic format at:

www.auditorgen.state.az.us



DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA
DEPUTY AUDITOR GENERAL

August 13, 1999

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Ms. Sherri Collins, Director
Arizona Council for the Hearing Impaired

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Council for the Hearing Impaired. This report is in response to a May 27, 1997, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the Sunset review set forth in A.R.S. §§41-2951 through 41-2957.

Currently, there is a shortage of interpreters in Arizona. Further, only 76 of the State's approximately 400 interpreters meet national minimum interpreting standards. To address this shortage, the Council has proposed licensing all interpreters as a means of encouraging them to increase their skill levels to match or exceed national minimum standards. However, licensure is more likely to further decrease the supply of interpreters since it would limit the number who could practice in Arizona, increase costs for consumers, and restrict entry into the interpreting profession. Instead of pursuing licensure, we recommend that the Council prepare a strategic plan for legislative consideration for increasing the supply of qualified interpreters. As part of this plan, the Council should work with the Legislature, the State's two existing interpreter training programs at Phoenix College and Pima Community College, and the three Arizona universities to establish a four-year bachelor's degree interpreter training program.

The report also discusses the Council's inefficient inventory management methods that have led to a potential loss of over \$200,000 in state-owned teletypewriters (TTYs) and increased costs to distribute TTYs. The Council is unable to account for over 800 of the approximately 7,000 TTYs it has distributed in the past 13 years. Additionally, the

August 13, 1999

Page -2-

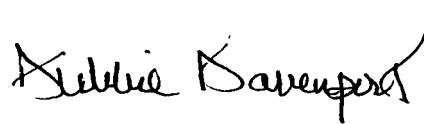
Council maintains excessive inventories of TTYs, which increases the program's operating costs. To ensure efficient distribution of TTYs, the Council should consider contracting out this function.

As outlined in its response, the Council agrees with all of the findings. However, it has chosen a different method for implementing needed improvements in the inventory control and distribution of TTYs. Rather than exploring contracting out the function, as we recommend, the Council prefers to retain the function and make needed internal improvements.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on August 16, 1999.

Sincerely,

A handwritten signature in black ink that reads "Debbie Davenport". The signature is written in a cursive style with a prominent flourish at the end of the name.

Debbie Davenport
Acting Auditor General

Enclosure

SUMMARY

The Office of the Auditor General has conducted a performance audit and Sunset review of the Arizona Council for the Hearing Impaired, pursuant to a May 27, 1997, resolution of the Joint Legislative Audit Committee. The audit was conducted as part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2951 through 41-2957.

The Arizona Council for the Hearing Impaired serves as a statewide information and referral center for Arizona's deaf and hard-of-hearing population. As part of its duties, the Council administers a telecommunications program to purchase, distribute, and repair teletypewriter (TTY) devices as well as a telecommunications relay system to make public telephone service available to Arizona's deaf and hard-of-hearing consumers. Further, the Council certifies qualified interpreters for the deaf and hard-of-hearing for the court system. The Council consists of 19 members and is supported by 9 staff.

The Council Should Take a Stronger Role in Ensuring An Adequate Number of Qualified Interpreters (See pages 9 through 18)

For many deaf and hard-of-hearing individuals, the services of an interpreter offer the only effective means for communicating with the hearing world. However, Arizona does not have enough qualified interpreters to meet the needs of its deaf and hard-of-hearing population. The Council believes that the standard for interpreters who are qualified to work in a variety of settings and situations should be certification by the Registry of Interpreters for the Deaf (RID), a national professional organization; or the National Association of the Deaf (NAD). Currently, only 76 of the more than 400 interpreters working in Arizona are RID certified. Many of the remaining interpreters are less skilled and work in settings such as school districts, where job requirements are not as stringent.

Arizona lacks enough qualified interpreters for the deaf and hard-of-hearing.

The State lacks qualified interpreters mainly because there are not enough interpreter training programs. While Arizona has two associate degree training programs, nationally certified interpreters agree that a bachelor's degree program, such as those that universities in some other states have, would better prepare interpreters to become nationally certified and qualified to interpret in a broad range of settings.

To address this shortage of qualified interpreters, the Council proposes licensing all interpreters, using higher licensure requirements to encourage them to meet RID's or NAD's minimum standards. However, regulation literature does not support licensing as a first step. Not only is it difficult to demonstrate public harm from not licensing interpreters, but requiring licensing could further limit the supply of interpreters, increase the costs for consumers, and restrict entry into the profession.

Council should work to develop a sufficient pool of interpreters instead of seeking interpreter licensure.

Instead of seeking to license interpreters at this time, the Council should focus its efforts on developing a larger pool of qualified interpreters. To do so, the Council should develop a comprehensive strategic plan for legislative consideration that includes specific actions needed to increase the number of qualified interpreters in Arizona, along with potential funding sources, estimated costs, target dates of completion, and expected results and impacts for implementing its strategies. As part of this effort, the Council should work with the Legislature, the two existing interpreter training programs, and the three Arizona universities to explore the possibility of developing and implementing a bachelor's degree program. Further, the Council should work with the University of Arizona to ensure that the university's newly established educational interpreter training program receives continued funding and seek to expand the program to include training for a broader variety of settings beyond educational interpreting.

Until a bachelor's degree program is established, the Council should encourage potential interpreters to consider participating in the Western Interstate Commission for Higher Education's undergraduate student exchange program, which would allow Arizona residents to attend interpreter training programs in other western states at reduced costs. Finally, the Council

should take steps to attract potential students to the interpreting field by promoting job opportunities and potential earnings

Poor Inventory Control Process Has Resulted in Loss of State Property (See pages 19 through 27)

The Council is unable to account for approximately \$200,000 worth of state-owned TTYs.

The Council's poor inventory management practices have resulted in the loss of more than \$200,000 worth of state-owned teletypewriters (TTYs) for the deaf, hard-of-hearing, and speech impaired and have driven up inventory management costs. Since 1986, the Council has distributed more than 7,000 state-owned TTYs, which allow Arizona's deaf, hard-of-hearing, and speech-impaired citizens to communicate with the hearing world by connecting directly to telephones or telephone lines. However, the Council recently confirmed the loss of over 880 TTY devices it had previously distributed and may be unable to account for many more because its inventory system does not have accurate and complete information about where TTYs are located. The Council has also not adequately controlled the process by which TTY recipients can exchange their broken devices at 22 police stations statewide, and its failure to use proper inventory management methods has meant that it carries an excessive amount of inventory.

To ensure the efficient distribution and tracking of TTY devices, the Council should consider contracting out this function and develop a request for proposal (RFP) to determine whether this is a feasible option. Based on information from other states, contracting out TTY distribution would transfer responsibility to the contractor for carrying inventory, tracking distribution, and managing repairs and exchanges. In addition, the Council's RFP should include provisions for training recipients, tracking inventory, and repairing and replacing broken TTYs, as well as performance standards to facilitate monitoring. A local nonprofit organization serving the deaf and a private company that distributes TTYs in other states have expressed interest in such a contract. If responses to the RFP indicate that contracting is not feasible, the Council should improve the program's efficiency by implementing an off-the-shelf, user-friendly database to improve tracking; using nonprofit organizations for the deaf as TTY ex-

change sites instead of police stations and ensuring that exchange procedures are adhered to by the exchange sites; developing policies and procedures to better control the distribution, exchange, and recipient training processes; and implementing appropriate inventory management methods to eliminate excess TTY inventory.

**Other Pertinent Information
(See pages 29 through 31)**

During the audit, other pertinent information was gathered concerning the State's telecommunications relay service. Through a federally mandated relay service, the Council provides Arizona's deaf, severely hard-of-hearing, and speech-impaired citizens with a means for communicating by telephone with the hearing world. Through this relay service, Arizona's hearing and speech-impaired residents can place various types of telephone calls such as calls to local, interstate, international, and nationwide toll free numbers. In addition, while federal regulation does not require that states provide relay service customers with access to 900 numbers, Arizona makes this service available to its relay customers. Four of the 11 other states contacted during the audit provide similar access. Although the callers must pay the charges billed by the 900-number companies, state monies pay for the relay service time for these calls. Arizona relay customers rarely make use of this service and have completed only 5 calls to 900 numbers during a 6-month period, costing taxpayers about \$42 in relay service time.

TABLE OF CONTENTS

	<u>Page</u>
Introduction and Background	1
Finding I: The Council Should Take a Stronger Role in Ensuring an Adequate Number of Qualified Interpreters	9
Background.....	9
State Lacks Sufficient Number of Qualified Interpreters	10
Council’s Proposal to Increase Supply of Interpreters Through Licensure Is Not Likely to Succeed	12
The Council Should Take Steps to Develop an Adequate Pool of Qualified Interpreters	14
Recommendations	18
Finding II: Poor Inventory Control Process Has Resulted in Loss of State Property	19
Background.....	19
Inventory Management Marked by Losses, Inaccurate Records, and Poor Controls	20
Council Maintains Excessive Inventory	22

TABLE OF CONTENTS (concl'd)

	<u>Page</u>
Finding II (cont'd)	
Council Should Improve TTY Distribution Program	24
Recommendations.....	27
Other Pertinent Information.....	29
Relay Service Provides Communications Access to the Deaf, Hard-of-Hearing, and Speech Impaired.....	29
Council Interested in Providing New Relay Service Technologies	31
Sunset Factors	33
Agency Response	

Table

Table 1	Arizona Council for the Hearing Impaired Statement of Revenues, Expenditures, and Changes in Fund Balance Years Ended June 30, 1997, 1998, and 1999	4
---------	---	---

INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the Arizona Council for the Hearing Impaired (Council) pursuant to a May 27, 1997, resolution of the Joint Legislative Audit Committee. This audit was conducted as part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2951 through 41-2957.

Council's Purpose and Responsibilities

The Arizona Council for the Deaf was established by the Legislature in 1977 as an advocacy program for Arizona's deaf citizens. In 1985, responsibility for the State's hard-of-hearing population was added and the Council's name was changed to the Arizona Council for the Hearing Impaired. Since that time, the Council has served as a statewide information referral center for Arizona's deaf and hard-of-hearing population, with its mission being:

To improve the quality of life for deaf and hard-of-hearing Arizona residents by serving as a referral and information source for them as well as other consumers, legislators, government agencies, and businesses.

The Council's responsibilities include the following:

- **Information and referral**—The Council disseminates information through several sources. The Council receives many phone calls each day asking for information and referrals with questions such as how to obtain low-cost hearing aids, where to find health or legal professionals who know sign language, and how to identify qualified interpreters. In addition, the Council publishes bimonthly newsletters and the Executive Secretary (Director) hosts a weekly television program called "Sign Out," which discusses issues affecting the deaf and hard-of-hearing in sign language. Finally, Council members and staff attend various public events

such as seminars, conventions, and the Arizona State Fair, to increase awareness of the deaf and hard-of-hearing population's needs and the services the Council provides.

Council provides information and referral, court interpreter certification, TTY distribution, and telecommunications relay services.

- **Court Interpreter Certification**—The Council has the authority to establish qualifications for interpreters used by the courts and to issue certificates of competency to those interpreters. A.R.S. §12-242 requires that a qualified interpreter be provided for any deaf person who is a party to a court proceeding or who has been arrested and taken into custody. According to rules promulgated by the Council, interpreters who are certified by a national professional organization and can show documentation that they have a certain number of hours interpreting can obtain certification from the Council. Since 1997, its first year of operating this program, the Council has certified 32 interpreters for the courts.
- **TTY Distribution Program**—Since 1986, the Council has operated a program that provides telecommunications devices known as teletypewriters (TTY) free of charge to Arizona's deaf, hard-of-hearing, and speech-impaired population. To qualify, the applicant must be an Arizona resident and submit an application signed by a physician, audiologist, hearing aid dispenser, or speech pathologist certifying the applicant's hearing or speech impairment. The Council also provides training on how to use the device, as well as a means for exchanging broken or damaged TTYS. (See Finding II, pages 19 through 27, for more information on the Council's TTY Distribution Program.)
- **Arizona Relay Service**—The Council ensures that public telephone service is made available to the deaf, hard-of-hearing, and speech-impaired through a telecommunications relay service. Since August 1998, the Council has contracted with Sprint Communications to provide relay service for the State of Arizona. A relay service enables two-way communication between an individual who uses a TTY or other nonvoice communication device and an individual who does not use such a device. The Sprint relay facility is located in Tucson and is available 24 hours a day, 7 days a week, including holidays.

The Council's primary role regarding the relay service is to monitor the contract with Sprint to ensure that contract provisions are being met. For example, the Council reviews monthly data to ensure that Sprint is fulfilling its contractual obligation to answer 90 percent of all Arizona relay customer calls within 10 seconds. Further, the Council receives and addresses consumer complaints regarding the relay service. The contract terms call for the Council to pay Sprint \$1.26 for every minute a caller is connected to the party they are calling. Since the contract's inception, Arizona relay service customers' average monthly use has been approximately 260,000 minutes.

Council Membership

The Council is composed of 19 volunteer members who are appointed by the Governor and serve three-year terms. As required by statute, five members must be deaf and five members must be hard-of-hearing. In addition, the Council includes one member each from the Departments of Economic Security, Health Services, and Education, and the Arizona School for the Deaf and Blind at Tucson or the Phoenix Day School for the Deaf. Further, statute prescribes that the Council should have one representative from each of the following professions: audiologist, licensed physician, hearing aid dispenser, and interpreter selected from the Arizona Registry of Interpreters for the Deaf. Finally, one member must be a parent of a deaf person. The Council is required to meet at least four times a year, but typically meets every other month, for a total of six times a year.

Organization and Budget

To support its operations, the Council received approximately \$4 million for fiscal year 1998-99 (see Table 1, page 4). While the Council typically receives over \$250,000 annually in General Fund Appropriations, in fiscal year 1998, the Council reverted over \$25,000 back to the General Fund because its expenditures were less than its appropriation for that fiscal year. The Council's primary source of monies is the Telecommunications Fund

Table 1

**Arizona Council for the Hearing Impaired
Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 1997, 1998, and 1999
(Unaudited)**

	1997	1998	1999
	(Actual)	(Actual)	(Estimated)
Revenues:			
State General Fund appropriations	\$ 253,000	\$ 257,400	\$ 262,235
Use taxes ¹	4,284,354	4,880,214	5,288,070
Intergovernmental	10,137	74,876	82,100
Interest on investments	42,621	48,403	45,531
Other		254	
Total revenues	<u>4,590,112</u>	<u>5,261,147</u>	<u>5,677,936</u>
Expenditures:			
Personal services	224,370	195,624	223,425
Employee related	47,212	49,092	51,250
Professional and outside services ²	3,774,907	3,511,889	4,179,600
Travel, in-state	9,659	8,210	8,700
Travel, out-of-state	707	2,462	9,100
Other operating	279,522	379,942	763,200
Capital outlay	5,187	23,098	
Total expenditures	<u>4,341,564</u>	<u>4,170,317</u>	<u>5,235,275</u>
Excess of revenues over expenditures	<u>248,548</u>	<u>1,090,830</u>	<u>442,661</u>
Other financing uses:			
Net operating transfers out	345,000 ³		
Reversions to the State General Fund	1,167	25,593	9,200
Total other financing uses	<u>346,167</u>	<u>25,593</u>	<u>9,200</u>
Excess of revenues over expenditures and other uses	(97,619)	1,065,237	433,461
Fund balance, beginning of year	<u>2,520,956</u>	<u>2,423,337</u>	<u>3,488,574</u>
Fund balance, end of year	<u>\$2,423,337</u>	<u>\$3,488,574</u>	<u>\$3,922,035</u>

¹ Includes Telecommunication Device for the Deaf (TDD) Fund revenue since the Council administers the Fund. The Fund's primary revenue source is the Telecommunication Excise Tax levied as a surcharge on local telephone bills.

² Professional and outside service expenditures are primarily to the State's telecommunications relay service provider. In 1998, the Council received approximately \$271,000 in federally-mandated expenditure reimbursements from the service provider. The reimbursements were used to offset expenditures.

³ In accordance with Laws 1996, Chapter 2, 5th Special Session, the entire amount was transferred from the TDD Fund to install a phone system at the Phoenix Day School for the Deaf.

Source: The Arizona Financial Information System *Revenues and Expenditures by Fund, Program, Organization, and Object; Trial Balance by Fund*; and *Status of Appropriations and Expenditures* reports for the years ended June 30, 1997 and 1998; and the Council estimated financial activity for the year ended June 30, 1999 (actual amounts not available at the time of this report).

for the Deaf. Monies in this fund are derived from a telecommunications excise tax levied on telecommunications companies and passed on to Arizona telephone customers in the form of a monthly excise tax. For fiscal year 1998-99, this tax is expected to generate approximately \$5.3 million for the fund. The Council uses the majority of these monies to operate a statewide telephone relay system. In addition, the fund also provides monies for the Council's telecommunications device distribution program.

The Council is allocated 9 full-time equivalent positions, including a director. The Council's director also implemented a statewide task force to study issues concerning the deaf and hard-of-hearing and make recommendations. The task force is made up of members from the deaf and hard-of-hearing community, as well as interpreters and representatives of state agencies and private organizations. The task force has been meeting since June 1998 and plans to finalize a report containing its issues and recommendations that is to be presented to the Governor and the Legislature during the fall of 1999.

Audit Scope and Methodology

This audit focuses on the Council's efforts to fulfill its responsibilities regarding the State's deaf and hard-of-hearing population. Several methods were used to study the issues addressed in this audit, including:

- Reviewing Council meeting minutes from January 1996 through November 1998 and attending Council meetings for January 1999 and March 1999 to gain an understanding of the Council's role and efforts in serving Arizona's deaf and hard-of-hearing population;
- Reviewing various documents and computer reports regarding the Council's TTY distribution program and telephone relay service to document the Council's inventory and contract-monitoring methods;

- Surveying and/or reviewing information such as statutes and polices and procedures regarding TTY distribution programs, telephone relay services, and interpreter regulation from 14 other states to identify best practices;¹
- Observing telephone relay service operations at Sprint's Tucson relay facility to obtain an in-depth understanding of this service;
- Obtaining information from the University of New Mexico, Western Oregon University, and Bloomsburg University in Pennsylvania regarding their bachelor's-level interpreter training programs to determine degree requirements and program goals and objectives;
- Interviewing officials from local and national nonprofit organizations, other state agencies, and the federal government; such as Valley Center for the Deaf, Community Outreach Program for the Deaf, the Arizona Departments of Education and Economic Security, the University of Arizona, the Arizona Interpreter Quality Assessment System, the Registry of Interpreters for the Deaf, the National Association for the Deaf, and the Federal Communications Commission to obtain general information on the quality of services provided by the Council and specific information related to the programs provided by the Council; and
- Interviewing eight Council members and eight Council staff, including the Director.

¹ The following 11 states were surveyed regarding TTY distribution and relay services because they were identified as having notable programs or programs similar to Arizona's: California, Colorado, Connecticut, Illinois, Kentucky, Louisiana, Massachusetts, Nevada, New Mexico, Texas, and Utah. Further, legislation and/or policies and procedures from the following 6 states that regulate interpreters in some form were reviewed: Alabama, Kentucky, Minnesota, Missouri, Texas, and Utah. Additionally, officials from the states of Kentucky and Texas were interviewed regarding interpreter regulation.

This report presents findings and recommendations in two areas:

- The Council needs to take steps to increase the number of qualified interpreters for the deaf and hard-of-hearing within the State; and
- The Council should consider contracting out its TTY distribution program, or, if this is not feasible, make improvements to the program, as the current inventory-tracking system does not allow the Council to properly account for all the TTYs it has distributed.

In addition, the report contains Other Pertinent Information regarding the State's telecommunications relay service.

This audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the Arizona Council for the Hearing Impaired Chairman, Council members, and Council staff for their cooperation and assistance throughout the audit.

(This Page Intentionally Left Blank)

FINDING I

THE COUNCIL SHOULD TAKE A STRONGER ROLE IN ENSURING AN ADEQUATE NUMBER OF QUALIFIED INTERPRETERS

The Council needs to take action to increase the number of qualified interpreters in the State. With the passage of the Americans with Disabilities Act of 1990, the demand for interpreters for the deaf and hard-of-hearing greatly increased. Despite the demand, Arizona currently lacks an adequate pool of interpreters who are qualified to meet the State's deaf and hard-of-hearing population's needs. To increase the number of qualified interpreters and ensure that only qualified interpreters provide services to deaf and hard-of-hearing consumers, the Council proposes licensing all interpreters practicing in the State. Regulatory research and the experiences of other states suggest, however, that licensing is not needed, and will be ineffective in addressing the need for interpreters. Rather than considering licensure, the Council should focus on increasing the number of qualified interpreters in the State by advocating for a four-year training program and promoting interpreter career opportunities.

Background

The Americans with Disabilities Act increased the demand for interpreters for the deaf and hard-of-hearing.

For many deaf and hard-of-hearing individuals, the services of an interpreter offer the only effective means for communicating with the hearing world. Interpreters are needed in a variety of settings, including the courts, schools, and hospitals. With the passage of the Americans with Disabilities Act of 1990 (ADA), the demand for interpreters greatly increased as many public and private organizations were now required to provide qualified interpreters to facilitate communication between hearing persons and deaf or hard-of-hearing persons. The ADA specifies that a qualified interpreter is one who is able to interpret effectively, accurately, and impartially both receptively and expressively, using any necessary specialized vocabulary.

Finding I

Qualified interpreters meet or exceed minimum standards set by one of two national organizations.

The Council believes the best way to ensure that an interpreter meets ADA's specifications is through professional credentials provided by the Registry of Interpreters for the Deaf (RID), or the National Association of the Deaf (NAD). RID (a national professional organization), and NAD have established minimum interpreting standards and issue certificates to interpreters who can demonstrate that they meet or exceed these minimum standards. Both national certification processes are intensive, including written or oral as well as performance examinations that assess language and communication skills in addition to knowledge of ethics. According to the Council, a qualified interpreter is one who possesses RID or NAD certification.¹

State Lacks Sufficient Number of Qualified Interpreters

Arizona is currently limited in its ability to generate sufficient numbers of interpreters available to serve its deaf and hard-of-hearing population. Currently, the number of interpreters available in the State is not sufficient to meet this population's interpretation requirements. Moreover, the existing interpreter training programs in the State are not sufficient to build an adequate pool of interpreters with appropriate qualifications.

Arizona suffers from a shortage of qualified interpreters.

Shortage of interpreters for the deaf— Arizona lacks a sufficient number of qualified interpreters to meet the needs of the State's deaf and hard-of-hearing population. While the Council reports that there are over 400 practicing interpreters and interpreters in training within the State, only 76 of these interpreters are RID certified, and thus considered qualified to interpret for a broad range of situations.² Qualified interpreters who possess the skills to interpret under various circumstances are in high demand, as accurate interpretation is required in situations such as court proceedings and complex medical settings. For example, the Arizona Attorney General's Office recently issued an advisory

¹ The Council considers all RID-certified interpreters as qualified. Further, of the five levels of NAD certification, the Council recognizes interpreters certified at levels IV or V as qualified.

² NAD was unable to provide the number of NAD-certified interpreters in Arizona.

to all Arizona health care providers indicating that they cannot discriminate against persons who are deaf or hard-of-hearing by denying them the services of a qualified interpreter when necessary for effective communication. Further, an Arizona Department of Education official notes that school districts are unable to obtain a sufficient number of qualified interpreters and must often accept lower-level, uncertified interpreters to fulfill the interpreting needs of various schools around the State.

Arizona's two interpreter training programs do not prepare graduates for national certification.

Current training programs do not sufficiently prepare interpreters—The shortage of qualified interpreters results in part because of the fact that interpreter training programs currently available in the State do not sufficiently prepare graduates for a broad range of interpreting requirements. Within Arizona, there are currently two associate-degree level two-year interpreter training programs available. According to many nationally certified interpreters, as well as other experts in the field, a two-year training program is not sufficient to properly prepare the graduate to become nationally certified and to interpret in various settings, such as courtroom proceedings or hospital emergency rooms. A two-year program condenses needed training and requires students to concurrently learn sign language and interpreting skills. As such, students in two-year programs have not spent sufficient time developing these skills to interpret for various settings or to obtain national-level certification.

Most professional interpreters agree that a four-year bachelor-degree level program better prepares graduates to be qualified interpreters. Specifically, a four-year interpreter training program allows sufficient time for the student to become fluent in sign language before beginning interpreter classes. Many four-year programs also allow for internships or other practical experience opportunities that further increase the students' interpreting abilities. Moreover, according to RID, a wide range of general knowledge is an important factor in becoming a successful interpreter because it allows interpreters to interpret in a variety of settings that include many topics. A four-year training program allows more opportunities to increase an interpreter's general knowledge. Although Arizona's universities do not offer a four-year program, 17 universities throughout the country offer bachelor- or graduate-level interpreter training

programs. For example, Bloomsburg University in Pennsylvania offers a Bachelor of Science degree in interpreting. One of the program's objectives is to prepare individuals for RID certification.

Council's Proposal to Increase Supply of Interpreters Through Licensure Is Not Likely to Succeed

Council believes licensure will resolve interpreter shortage.

To address the need for greater numbers of qualified interpreters, the Council would like to license all interpreters in the State. The Council believes this action would encourage interpreters to attain sufficient skills to meet RID's minimum standards. However, regulation literature indicates several problems with using licensure as a first step in increasing the supply of interpreters.

Council proposes licensure to address interpreter quality—To increase the number of qualified interpreters and ensure that only qualified interpreters provide services to deaf and hard-of-hearing consumers, the Council proposes licensing all interpreters practicing in the State. If given licensure authority, the Council would rely on RID or NAD certification as the minimum standard, according to the Council's Director. Currently, only interpreters who work in the court system must meet this standard. However, the Council believes that requiring licensure for all interpreters, regardless of the setting they interpret in, would encourage lower-level or uncertified interpreters to improve their skills sufficiently to meet the minimum standards and thus increase the number of qualified interpreters in the State.

Although the Council wants to regulate interpreters, it realizes that licensure would be a long-term goal. If licensure were to occur today, the majority of current interpreters in the State would not be eligible to practice because they lack qualifications at the level the Council has proposed. While the Council proposes allowing sufficient time for interpreters to obtain the additional training needed, it has not developed any formal plans or strategies for increasing the number of qualified interpreters in the State.

Need for licensed interpreters not supported—While the Council believes that licensure would encourage interpreters to upgrade their skills to meet minimum standards, literature suggests that licensing interpreters would not be appropriate or necessary at this time. Specifically:

- **Licensure potentially limits supply**—Regulation literature cautions that licensure tends to limit supply, increase costs for consumers, and restrict entry into the profession being regulated. Therefore, licensing might further constrict the supply of interpreters available to practice in Arizona. As stated previously, if licensure were to take place at this time, only the 76 RID-certified interpreters would be legally permitted to do the work that over 400 interpreters are currently performing. Further, literature indicates that because the demand for this reduced availability of interpreters would rise, the hourly rates charged would also likely rise.
- **Licensure no guarantee that interpreters will upgrade skills**—New requirements provide no guarantee that interpreters will upgrade their skills. For example, the State of Texas began certifying interpreters in the early 1980s to increase the number of qualified interpreters within Texas. Texas’ program contains certification levels that do not meet national minimum interpreting standards and therefore do not qualify a person to provide interpretation services in all settings. Texas continues to suffer from a shortage of qualified interpreters. Almost 70 percent (over 900) of the State’s 1,300 state-certified interpreters do not meet national minimum interpreting standards and are not qualified to interpret in variety of situations, such as court proceedings or hospital visits.
- **Difficult to demonstrate public harm**—Regulation literature also states that typically, licensure is put into place in order to protect the public when unlicensed practices pose serious risk to life, health, or well-being. However, attempting to document specific instances of harm caused by unqualified interpreters is difficult as there are many factors, aside from the interpreter’s qualifications, involved in a communication that could result in harm. For example, problems with communication cannot always be blamed on

Argument for licensure is not supported by literature.

the interpreter, as the deaf or hearing persons involved may not have expressed themselves fully or accurately.

Moreover, a mechanism for identifying a qualified interpreter and complaining about alleged harm caused by an interpreter already exists. As previously discussed, RID and NAD have established minimum standards and provide rigorous certification processes to distinguish interpreters who meet or exceed the minimum standards. Further, RID has a grievance process through which both deaf and hearing consumers can complain about a RID-certified interpreter.

The Council Should Take Steps to Develop an Adequate Pool of Qualified Interpreters

Instead of pursuing licensure, the Council should work to develop a larger pool of qualified interpreters by focusing its efforts on expanding interpreter training programs and developing interest in the interpreter profession. While a few other states regulate interpreters in some way, Arizona's lack of sufficient training to prepare interpreters for licensure and lack of interpreters who could meet the standards for regulation does not make the State a good candidate for interpreter regulation at this time. Therefore, if some form of regulating interpreters is considered, it should not be considered until a sufficient pool of qualified interpreters has been developed.

Council needs plan to increase number of qualified interpreters—Similar to other states, the Council should devise plans for developing a greater pool of qualified interpreters in the State. In the early 1990's, Kentucky identified its lack of qualified interpreters as a crisis situation and appointed a special task force in 1994 to study the problem. While this task force recommended that licensure would benefit the state's deaf and hard-of-hearing population, it recognized the need to increase the number of interpreters in the state prior to mandating licensure. As such, the task force developed a strategic plan, outlining the need for more training through expanded interpreter training programs. Specifically, Kentucky's strategic plan addressed

critical needs, such as the need to implement a four-year interpreter training program, secure funding for such a training program, and engage in a concerted effort to recruit interpreters. Kentucky's plan also identified potential funding sources, estimated costs, target dates of completion, and expected results and impacts for implementing its strategies.

While Kentucky's General Assembly passed an interpreter licensure law in 1998, actual licensing will not begin until 2003. Just as Kentucky's efforts began with the development of a strategic plan, the Council should develop a comprehensive strategic plan for legislative consideration to address the issue of expanding interpreter training programs within Arizona. The plan should include specific actions necessary to increase the number of qualified interpreters in Arizona, along with potential funding sources, estimated costs, target dates of completion, and expected results and impacts. The Council's plan should also include the following steps:

- **Working to establish a four-year interpreter training program**—The Council should work with the Legislature, the two existing interpreter training programs, and the three Arizona universities to explore developing and implementing a four-year bachelor degree program. While a 1996 study conducted by the Valley Center of the Deaf identified the need for a four-year interpreter training program to increase the number of qualified interpreters in Arizona, action to establish such a program has not been taken. Therefore, the Council should contact officials in the State of Kentucky as well as agencies for the deaf and hard-of-hearing in other states to learn more about strategies they pursued in developing a four-year interpreter training program. Further, the Council should consider contacting universities with four-year interpreter training programs to learn more about the requirements for establishing such programs.

Implementing a four-year interpreter training program is an important step in increasing the number of qualified interpreters in the State.

In addition, the Council should work with the University of Arizona to help expand their newly developed interpreter training program. The University of Arizona, Department of Education's Deaf Studies program was recently awarded a three-year, \$754,000 grant from the U.S. Department of Education to fund a bachelor's degree program in educational

interpreting, a program specifically designed to prepare candidates for interpreting in educational settings. The university will begin offering classes in this program during the fall 1999 semester and expects to enroll at least 10 to 20 students. However, because this grant will sustain the program for only three years, the Council should work with the university to seek continued funding and expansion of the program to include interpreter training for a broader variety of settings beyond educational interpreting.

- **Recruiting students for training programs**—The Council should take steps to attract potential students for interpreter training programs by educating the public about the benefits such a career offers. Some Phoenix and Tucson area high schools offer American Sign Language classes to assist students in fulfilling a foreign language requirement. The Council could conduct presentations at these high schools to educate sign language students about the opportunities available to them should they wish to pursue a bachelor's degree in sign language interpreting.

Specifically, the Council could present information that promotes interpreting as a profession that can offer full-time assignments in a variety of settings for nationally certified interpreters, along with the potential to earn \$40,000 to \$50,000 annually. Further, the Council should also take advantage of other forums to attract individuals to the interpreting profession. For example, the Council could publicize potential earnings and job opportunities for interpreters by distributing information at the conferences, seminars, and fairs it typically attends. Further, the Council could make this same information available through organizations that serve the deaf and hard-of-hearing population as well as community college and university career centers and local job fairs.

- **Promoting attendance at out-of-state interpreter training programs**—Until a four-year program is implemented, the Council should explore the possibility of establishing a means for Arizona residents to attend four-year interpreter training programs in other states. For example, the Council could work with other local or national organizations for interpreters or the deaf and hard-of-hearing, such as RID or NAD, to

set up scholarships for students interested in interpreting as a career.

Additionally, the Council should encourage Arizona residents interested in becoming interpreters to consider participating in the Western Interstate Commission for Higher Education's undergraduate exchange program. The Commission's mission is to help member states meet workforce and educational needs. Through the Commission's exchange programs, students from participating western states can enroll in designated programs in other participating states at one-and one-half times the resident tuition rate. The Arizona Board of Regents, the Commission's governing body, recently agreed to participate in the Commission's undergraduate exchange program, beginning with the fall 2000 semester. Therefore, Arizona residents interested in becoming interpreters can potentially attend schools in other western states at costs below out-of-state tuition rates. For example, the University of New Mexico as well as Western Oregon University offer students from other participating western states the opportunity to attend their sign language interpretation training programs.

Regulation should not be considered until pool of qualified interpreters is sufficient for the State's needs.

Pool of qualified interpreters needed before regulation can be considered—Only after these efforts are in place and a sufficient pool of qualified interpreters is established should the Council determine whether it believes regulation is still necessary. Based on regulation literature, certification of interpreters would be more appropriate than licensure. Certification would allow interpreters who meet the Council's minimum standards to use the title of certified interpreter, while allowing those who do not possess this title to continue to practice. Licensure, on the other hand, would allow only those interpreters meeting the Council's minimum standards to practice interpreting in the State. The Council could certify interpreters in a manner similar to its current statutory mandate of certifying interpreters for the court system. Specifically, the Council requires interpreters wishing to become certified to interpret in Arizona courts to show proof of RID certification and a minimum number of hours interpreting. If necessary, certification of interpreters for settings other than the courts could be handled in a similar manner. Further, while certification would allow uncertified interpreters to practice, it

would also allow consumers to choose whether they want or need to hire a state-certified interpreter, since there are many routine situations where the higher standards of national certification are neither necessary nor practical.

Recommendations

1. The Council should work to develop a comprehensive strategic plan for legislative consideration that includes specific actions necessary to increase the number of qualified interpreters in Arizona, along with potential funding sources, estimated costs, target dates of completion, and expected results and impacts for implementing these actions.
2. As part of the strategic plan, the Council should work to:
 - a. Implement a four-year bachelor degree interpreter training program. This would include working with the University of Arizona to seek continued funding for its newly established educational interpreter training program and expand the program to include interpreter training for a broader variety of settings beyond educational interpreting; and
 - b. Attract students to the interpreter profession by conducting presentations or distributing information about potential earnings and job opportunities at high schools offering American Sign Language classes; conferences; seminars; fairs; community organizations that serve the deaf and hard-of-hearing; and community college and university career centers.
3. Until a four-year bachelor degree interpreter training program is established, the Council should explore options that would allow interested Arizona students to attend programs in other states, such as:
 - a. Working with local or national organizations for the deaf and hard-of-hearing or interpreter organizations to establish scholarships; or
 - b. Encouraging Arizona residents interested in becoming interpreters to consider participation in the Western Interstate Commission on Higher Education's undergraduate exchange program so that they could potentially attend schools in other western states at costs below out-of-state tuition rates.

FINDING II

POOR INVENTORY CONTROL PROCESS HAS RESULTED IN LOSS OF STATE PROPERTY

The Council's poor inventory management practices have resulted in the loss of more than \$200,000 in state-owned teletypewriters (TTYs) for the deaf, hard-of-hearing, and speech impaired. Inventory management efforts are also plagued by a computer database that contains incomplete or inaccurate data, inadequate control over the TTY exchange process, and insufficient inventory planning. To improve the program's efficiency, the Council should consider contracting out this function or taking steps such as implementing a new tracking system and developing written policies and procedures to strengthen its inventory management practices.

Background

Arizona Revised Statutes mandate a statewide program to purchase, repair, and distribute telecommunications devices to deaf, severely hard-of-hearing, or speech-impaired individuals. TTYs are state-owned property distributed by the Council to assist deaf, hard-of-hearing, and speech-impaired consumers to communicate with the hearing world by connecting directly to telephones or telephone lines. Approximately 25 states throughout the country have similar equipment distribution programs.

The Council distributes state-owned TTYs to Arizona's deaf, hard-of-hearing, and speech-impaired population.

Since 1986, the Council has distributed over 7,000 TTYs to eligible residents in the State. The Council handles all aspects of the program, from processing eligibility applications for TTYs to training people how to use them to exchanging broken devices. The process begins when an individual submits an application to the Council, signed by an audiologist, speech pathologist, physician, or hearing aid dispenser certifying that the applicant has a hearing or speech impairment. According to the rules promulgated by the Council, TTYs can be issued to appli-

cants once they receive training and demonstrate that they can send and receive messages. A Council employee travels throughout the State on a regular basis to conduct training sessions and distribute TTYs.

Inventory Management Marked by Losses, Inaccurate Records, and Poor Controls

Inadequate processes for tracking and exchanging TTYs hinder the Council's ability to properly account for the TTYs it distributes to Arizona's deaf, hard-of-hearing, and speech-impaired citizens. The Council cannot account for at least 880 TTYs distributed since 1986, when the program was first implemented. Inaccurate and incomplete data in its tracking system and poor control over the TTY exchange process contribute to the Council's inability to account for all TTYs distributed.

*Council unable to account for more than \$200,000 in TTYs—*The Council cannot account for at least 12 percent of the more than 7,000 TTYs distributed since the program's inception. Since the TTYs are state-owned property, the Council must maintain appropriate control over these devices and ensure that the TTYs stay with the individuals who received them. However, the Council recently discovered that it is unable to account for over 880 TTYs that it had previously distributed. Based on an average per-unit cost of \$249, the loss of these TTYs represents a potential loss of up to \$220,000 over the years for the State.

The Council is unable to account for all the TTYs it has distributed.

*Tracking system contains inaccurate and incomplete data—*Problems with the Council's system for tracking TTYs mean that the loss of these devices could be greater than the Council has already identified. The Council uses a database to store information such as TTY recipient names, addresses, and phone numbers, as well as the model and serial number of each recipient's assigned TTY. However, this data is often not reliable because some records are incomplete or inaccurate. Current Council staff said that previous staff did not keep complete or accurate records of the TTY program.

Therefore, in 1997, when the Council implemented the database currently in use, the inaccurate and unreliable information was passed to the new system. Current Council staff have attempted to rectify this situation by sending out a series of form letters to obtain up-to-date information on each known TTY recipient. The database's unreliable information makes these efforts difficult because some addresses may be outdated or incomplete, so the Council is unable to locate some recipients.

Current Council staff are also not proficient in operating the database software. As a result, they are unable to accurately extract data, such as the number of TTYs distributed, returned, or sent out for repair or surplus. While the Council attempted to obtain training to help its staff become proficient in database operations, the needed training was difficult to find, and once identified, the cost proved to be prohibitive. To date, Council staff still lack the training necessary to effectively track TTY inventory.

Inadequate management of the TTY exchange process—Inadequate control over TTYs exchanged through various sites around the State further contributes to the Council's insufficient inventory-tracking system. Since 1995, the Council has had informal agreements with several police stations throughout Arizona to exchange state-owned TTYs in need of repair for used TTYs in good working condition. Currently, 22 police stations statewide act as TTY exchange sites. Police stations were selected as exchange sites because of security and access. However, the Council has not properly managed the TTY exchange process for several reasons:

- **Tracking procedures not always followed**—While there are no formal agreements that specify exchange requirements, the Council has attempted to establish some procedures to guide the process. For example, when a state-owned TTY is exchanged, police officers should complete an inventory information card and send it to the Council so that the exchange can be properly noted in the Council's database. Further, the Council requested that the police stations submit monthly inventory reports, showing the number of TTYs available for distribution and the number in need of repair. However, inventory cards are often not sent to the

Council, or they are sent with incomplete information, and some police station exchange sites do not submit monthly inventory reports at all. For example, a review of 5 months' worth of inventory reports, from July 1998 through November 1998, revealed that the number of police stations reporting per month ranged from 1 to 16.

- **Multiple exchange sites make tracking difficult**—The number of exchange sites adds to the difficulty in tracking TTY inventory activity. The Council originally selected police stations to provide convenient access to the exchange process for all TTY recipients statewide. In order to control inventory activity at the 22 police stations located throughout the State, the Council has attempted to periodically visit these sites to inspect and replenish inventory levels. However, 8 police stations in outlying areas have not been visited for at least 1 year. Further, 4 additional sites have been visited only once during calendar year 1998. The lack of visits, combined with the lack of inventory information from these police stations, means that the Council does not have reliable data on the number of devices actually in the exchange sites' inventory.

Police stations also appear to have disadvantages related to enhancing access. Although police stations were chosen as exchange sites because people can easily access them 24 hours a day, Council staff report that the deaf community is uncomfortable with this choice because the atmosphere is often intimidating and not conducive to dealing with this population's concerns. For example, a deaf person wishing to exchange a TTY may find it difficult to communicate because the police station may not have any staff who know sign language.

Excessive inventory increases program's operating costs.

Council Maintains Excessive Inventory

The Council maintains excessive inventory, which increases its program operating costs. Council staff have decided that at least 170 TTY devices should be on-hand at all times. If TTY inventory falls below 170, the Council places an order to bring inventory levels back up to or above this reorder point. However, this

inventory amount appears to have been arbitrarily set because the Council has not performed analyses to support the need to maintain 170 units in inventory or determined an appropriate inventory level.

Inventory management literature indicates that organizations should carefully study their inventory needs and suggests that keeping too much inventory on hand results in high inventory carrying costs, which include costs for storage space, damage, and obsolescence, and are considered one of the highest costs of product distribution programs. By maintaining an inventory of at least 170 TTYs at all times, the Council has tied up more than \$40,000 for the cost of these devices and is requiring more storage space than necessary, despite having limited office space.

Inventory management literature further indicates that organizations should calculate the exact point at which they should replenish inventory to minimize carrying costs. Using a formula that includes the amount of time it takes to receive an order from the supplier and the expected number of TTYs needed annually for distribution, the audit team calculated a reorder point. This calculation shows that the Council should not order additional TTYs until its inventory on-hand reaches 14 to 15 units.

The Council also has another practice that tends to drive up costs. In addition to setting its reorder point at 170 TTY units, the Council orders 50 TTY units when its inventory reaches this point. As with the reorder point, inventory management literature provides a method for calculating the number of units that should be ordered once the reorder point is reached, to further minimize carrying costs. This method takes into account the costs of placing an order, annual demand for the product, inventory carrying costs, and the average cost of one product unit, among other factors, to help an organization determine the ideal order quantity. As with the reorder point method, the appropriately determined order amount is another tool that could assist the Council in better managing its TTY inventory. However, the Council must begin collecting information, such as the cost of placing an order, the amount of its annual inventory carrying costs, and the annual demand for TTY devices to calculate an appropriate order amount.

Council Should Improve TTY Distribution Program

The Council should take steps to ensure the efficient distribution and tracking of TTY devices. Specifically, it should consider contracting out this function by developing a request for proposal (RFP) to determine whether this option is feasible. If contracting out the TTY distribution function is not feasible, the Council should enhance its inventory management efforts.

Council should consider contracting out TTY distribution to improve efficiency.

Private sector may be able to distribute TTYs more efficiently—

The Council should consider contracting out the TTY distribution program to better control and account for the distribution of these devices. Eight of 11 states with programs that were contacted during the audit contract out part or all of the TTY distribution process.¹ For example, Connecticut, Nevada, and Utah each contract with nonprofit organizations to distribute TTYs, provide training to users, and handle all other aspects of the TTY program. Contracting in this manner often eliminates the need for states to carry inventory, track distribution, and manage repairs and exchanges. It still allows states to maintain contact with deaf and hard-of-hearing consumers by retaining the role of certifying applications for program eligibility. Additionally, the Council could potentially reduce the costs of operating the TTY distribution program. Currently, the program's operating costs range from \$150,000 to \$180,000 per year, not including the costs of the TTY devices.

Since the costs of contracting out the TTY distribution function are difficult to verify, the Council should develop and issue an RFP to determine interest and cost. When developing the RFP, the Council should work with the State Procurement Office to include detailed requirements. Specifically, the RFP should include provisions for purchasing and distributing TTYs; training recipients; tracking inventory; reporting monthly, quarterly,

¹ Eleven states were contacted because they were identified as having programs that were notable or similar to Arizona's. The following 8 states contract out all or part of their TTY distribution programs: California, Connecticut, Illinois, Louisiana, Massachusetts, Nevada, Texas, and Utah. Kentucky and New Mexico operate the program through their agencies for the deaf and hard-of-hearing, while Colorado does not offer a state-sponsored TTY distribution program.

and annually to the Council on all aspects of the program; repairing and replacing broken TTY devices; and establishing three to four geographically based sites to handle distribution, training, and exchange services. For example, sites could be located in Phoenix, Tucson, Flagstaff, and possibly Yuma. Auditors' conversations with a local nonprofit organization that serves the deaf communities in Phoenix and Tucson as well as a private company that distributes TTYs in other states have revealed interest in operating the Council's TTY distribution program.

Further, the Council should establish measurable performance standards and develop a monitoring plan to ensure that the contractor performs according to contractually agreed-upon requirements. Performance standards the Council should consider incorporating into an RFP include the length of time it takes the contractor to distribute a TTY once it receives proper authorization, as well as expected inventory-tracking accuracy rates and customer satisfaction levels. Monitoring could include customer satisfaction surveys and random visits to training sessions. Additionally, the Council should incorporate penalties for nonperformance into the RFP, including the ability to cancel or modify the contract if the vendor does not perform according to the established performance standards.

Past problems with a previous private contractor illustrate the need for performance measures and contract monitoring. Specifically, a 1987 Auditor General report identified problems with the contractor operating the Council's TTY distribution program at that time (see Auditor General Report No. 87-13). The 1987 report noted problems with the training provided by the local nonprofit organization operating the program, and recommended that the Council amend its contract with the organization to establish a maximum size for TTY training classes and schedule training for persons of similar ages and abilities. Inclusion of performance measures and contract monitoring methods should alleviate similar problems in the future.

Inventory management improvements needed if contracting not feasible—If the responses to the RFP indicate that contracting out the TTY function is not feasible, the Council should take

steps to improve the efficiency of the existing program. Attention should be given to the following areas:

■ **Computer database**—The Council should implement an off-the-shelf database that is more user-friendly, allows easy access to training, and fits the Council’s needs for tracking distribution and placement of TTY devices. Additionally, the Council should ensure that its staff receive sufficient training to allow them to adequately operate the database and produce meaningful, accurate reports. The Council is currently exploring a database software package for other purposes, but this software could potentially be used for tracking the TTY distribution program.

■ **Exchange process**—The Council should take steps to ensure adequate control over the TTY exchange process. First, the Council should consider moving TTY exchange sites from the police stations to nonprofit organizations that work with the deaf community, such as Community Outreach Program for the Deaf in Tucson and Valley Center for the Deaf in Phoenix. Catholic Community Services, which operates both organizations, has expressed an interest in working with the Council to help serve the State’s deaf and hard-of-hearing population. Such a move could improve the process by placing it in the hands of organizations that are committed to serving Arizona’s deaf citizens.

Second, the Council should ensure that its exchange procedures are sufficient to properly handle and account for exchanged TTYs and provide the Council with accurate, up-to-date inventory information. Also, the Council should ensure that its exchange sites adhere to these procedures.

■ **Policies and Procedures**—The Council should develop and institute policies and procedures for accurate inventory management. Specifically, the Council should prepare a manual that defines policies and procedures for ordering, distributing, training recipients, tracking, and exchanging TTY devices.

■ **Inventory Management**—The Council should implement inventory management methods to eliminate its excessive

TTY inventory. Specifically, the Council should collect important information, such as the cost of placing an order, the amount of its annual inventory carrying costs, and the annual demand for TTYs, to use in calculating the appropriate amount of TTYs it should order, as well as when an order should be placed.

Recommendations

1. The Council should consider contracting out its TTY distribution program in order to improve efficiency by:
 - a. Developing and issuing an RFP to determine interest and cost; and
 - b. Formulating measurable performance standards to include in the RFP, as well as penalties, such as the ability to cancel or modify the contract for non-performance.
2. If the TTY distribution program is contracted out, the Council should develop and implement a comprehensive monitoring plan to ensure that the contractor is performing according to contractual performance standards.
3. If the RFP responses do not meet the Council's needs, the Council should improve the efficiency of its TTY distribution program by:
 - a. Implementing an off-the-shelf database that is more user-friendly and ensure that its staff receive the proper training;
 - b. Using nonprofit organizations for the deaf as exchange sites instead of police stations and ensuring that exchange procedures are sufficient and properly adhered to by the exchange sites;
 - c. Developing policies and procedures for ordering and distributing TTYs, training recipients, and tracking and exchanging TTY devices.
 - d. Implementing inventory management methods that would assist the Council in calculating the appropriate number of TTYs that should be ordered and when the order should be placed.

(This Page Intentionally Left Blank)

OTHER PERTINENT INFORMATION

During the audit, other pertinent information was gathered regarding access to pay-per-call numbers, known as 900 numbers, via the State's telecommunications relay service as well as new relay technologies that could potentially be offered to Arizona relay service customers.

Relay Service Provides Communications Access to the Deaf, Hard-of-Hearing, and Speech Impaired

Through a federally mandated telecommunications relay service, the Council provides Arizona's deaf, severely hard-of-hearing, and speech-impaired population with a means for communicating by telephone with the hearing world. This relay service, accessed through an 800 number, enables two-way communication between a person using a TTY or other non-voice communication device and someone who is not using such a device. One issue states face is whether to extend this service to 900 numbers (numbers that, for a per-call fee, provide stock quotes, sports or entertainment information, or services such as psychic hotlines or dating hotlines). While the federal government encourages states to provide relay service access to 900 numbers, not all states offer this service. In Arizona, persons who use the relay service can access 900 numbers, but this service is rarely used, resulting in little cost to taxpayers.

The federal government encourages states to provide equal access to all phone services including 900 numbers.

Federal government encourages equal access to phone services for all customers—While federal regulation does not mandate states to provide relay service customers with access to pay-per-call 900 numbers, the Federal Communications Commission (FCC) encourages states to make access to all phone services available to relay service customers. In addition, the National Association for the Deaf believes that deaf individuals should have the same rights and access to 900 numbers as hearing individuals.

In that regard, the deaf community is in favor of states allowing relay service customers access to 900 numbers. While the federal government and the deaf community support this access, Telecommunications for the Deaf, Inc., an organization advocating access to information and telecommunications for the deaf and hard-of-hearing, agrees that customers should be responsible for the 900 number service fees they incur, similar to customers from the general population.

Without a federal mandate, states are free to make the choice of whether to provide access to 900 numbers as part of their relay service contracts. The policies of the 11 states contacted during the audit were mixed in this regard. Four of the 11 make 900-number access available, citing equal access, freedom of speech, and community interest as reasons for doing so.¹ The remaining 7 states do not make this service available because of concerns about cost or because no community requests for the service or complaints about the lack of this service have been raised.

900 numbers can be accessed through Arizona's relay service—
The Council's contract with Sprint Communications to provide a telecommunications relay service for the State also allows relay service customers to access 900 numbers. While state monies, in the form of an excise tax on phone services to Arizona phone customers, pay for the relay service, the actual fees charged by the 900-number service must be billed to the relay service customer's credit card. Although the excise tax pays for relay service time for calls to 900 numbers, very few of these calls are actually placed using Arizona's relay service. Specifically, from August 1998 through January 1999, relay service customers attempted 17 calls to 900 numbers while over 460,000 total calls were placed through the relay service during this same period. Of the 17 attempts, only 5 calls were actually connected to a 900 number, resulting in 33.25 minutes in connection time. Because the Sprint contract requires the Council to pay \$1.26 per minute for relay service time, the total cost to taxpayers for calls to 900 numbers for the six-month period was \$41.90.

State provides access to 900 numbers, but this service is rarely used and results in little cost to taxpayers.

¹ The four states making access available are California, Massachusetts, Nevada, and Texas. The seven states that do not are Colorado, Connecticut, Illinois, Kentucky, Louisiana, New Mexico, and Utah.

Council Interested in Providing New Relay Service Technologies

The Council has identified two new relay service technologies that it is interested in offering to Arizona relay service customers. These technologies are as follows:

- **7-1-1 Service**—711 service would provide relay service customers with a shortcut to reaching the relay call center. The FCC has reserved the use of 711 for automatic forwarding to the relay service in the state from which the call was placed, alleviating the need to dial the relay service's 800 number. The Council would like to offer this technology to Arizona relay service customers in an effort to increase relay usage as well as provide easy access to the State's relay service.

- **Video Relay Interpreting**—Video relay interpreting provides telecommunications access to individuals who communicate through sign language and do not have the typing and/or written language skills to use a TTY. Basically, video relay interpreting is a form of video conferencing that utilizes a sign language interpreter at the relay service center to relay calls from sign language users to standard phone users. In order to access this service, sign language users must either have their own home video equipment and a computer, or go to a designated video relay center to transmit their image to the relay service sign language interpreter. The relay sign language interpreter then interprets the sign language user's message into spoken English for the standard phone user. According to the Council, because there is less delay time while waiting for communications to be typed for TTY users, the typical video relay call takes only about half the time of the typical standard TTY relay call. However, the cost per minute for a video relay call would be higher than the cost per minute for a standard relay service call.

(This Page Intentionally Left Blank)

SUNSET FACTORS

In accordance with A.R.S. §41-2954, the Legislature should consider the following 12 factors in determining whether the Arizona Council for the Hearing Impaired should be continued or terminated.

1. The objective and purpose in establishing the Arizona Council for the Hearing Impaired.

The Arizona Council for the Deaf was created in 1977 as an advocacy program for the State's deaf citizens. Additional responsibility for the hard-of-hearing population was added in 1985 and the Council's name was changed to the Arizona Council for the Hearing Impaired. The Council's mission is:

To improve the quality of life for deaf and hard-of-hearing Arizona residents by serving as a referral and information source for them as well as other consumers, legislators, government agencies and businesses.

The Council's statutory duties include:

- Informing the deaf and hard-of-hearing of programs and activities available to them as well as studying the problems of the deaf and hard-of-hearing, reviewing the various programs available, and making recommendations concerning problems and various programs to the state agencies and institutions represented on the Council.
- Administering a telecommunications program to purchase, distribute, and repair TTY devices; a dual-party telecommunications relay system to make public telephone service available to Arizona consumers; and the certification of qualified interpreters for the court system.

The Council effectively carries out its duties.

2. The effectiveness with which the Council has met its objective and purpose and the efficiency with which it has operated.

The Council has generally met its statutory duties. For example, the Council has operated a telephone relay service since 1987 and recently entered into a three-year contract with Sprint Communications to continue this service. In 1997 the Council began its court interpreter certification program and has certified 32 interpreters for the deaf as eligible to interpret for Arizona's court systems. Additionally, with the hiring of a new Executive Secretary (Director) in May 1998, the Council has enhanced its outreach and advocacy efforts through expanded distribution of its bimonthly newsletter; participation at workshops, fairs, and other forums; and by working with other state agencies or entities to establish new programs or relationships for the deaf and hard-of-hearing population. Further, the Council continues to distribute teletypewriter (TTY) devices to applicants who are deaf, severely hard-of-hearing, or speech impaired. However, the efficiency of the TTY distribution program is hindered by poor inventory management, and the Council should consider contracting out this function to improve the program's efficiency. (See Finding II, pages 19 through 27, for more information on the Council's TTY distribution program.)

Finally, while the Council's statutes require it to submit an annual report of its activities for the year to the Governor and the Legislature, no such report has been prepared since 1991. However, the Council's director plans on fulfilling this requirement beginning with fiscal year 1999.

3. The extent to which the Council has operated within the public interest.

The Council operates within the public interest through its advocacy efforts and assistance to deaf and hard-of-hearing persons and their families. For example, the Council's director hosts a television show on behalf of

The Council operates in the public interest by providing information and advocacy.

the Council that addresses current events and issues concerning the deaf in sign language. Additionally, assistance to the public is rendered through interpreter referrals, information about availability of captioned movies and other activities geared toward the deaf population, and parent workshops at Arizona's schools for the deaf.

The Council has further operated in the public interest through its sponsorship of a statewide task force addressing issues involving the deaf and hard-of-hearing population. In 1998, the Council's director formed a special task force consisting of members of the deaf and hard-of-hearing community, representatives of organizations serving this community, interpreters, and representatives from other state agencies. The task force is assessing, evaluating, and making recommendations for existing services for the deaf and hard-of-hearing as well as addressing areas in need of service. The task force plans to prepare a report of its findings and recommendations for presentation to the Governor and Legislature during the fall of 1999.

4. The extent to which rules adopted by the Council are consistent with the legislative mandate.

The Council's rules are consistent with its legislative mandate. Specifically, it has adopted rules for the administration of the telecommunications relay service, the telecommunication device distribution program, and the certification of interpreters to assist deaf individuals in court proceedings.

5. The extent to which the Council has encouraged input from the public before adopting its rules and the extent to which it has informed the public as to its actions and their expected impact on the public.

The Council gains input from the public before adopting rules. While the Council has not adopted rules since 1997, at that time, the Council took appropriate action to gain public input before adopting the rules for its court interpreter certification program.

The Council has complied with the State's open meeting laws for the most part by publishing meeting notices, making agendas available to the public, and maintaining meeting transcripts. However, until recently, the Council did not have the required statement of where meeting notices will be posted on file with the Secretary of State.

6. The extent to which the Council has been able to investigate and resolve complaints that are within its jurisdiction.

The Council has limited authority to investigate and resolve complaints. As an advocacy and referral source, the Council tries to assist with complaints about issues that involve the deaf and hard-of-hearing population. Specifically, it reviews, investigates, and resolves consumer complaints about the telecommunications relay service. Additionally, it has the ability to investigate matters related to lost or damaged TTY equipment and assess penalties. According to its rules, an applicant who has been rejected after requesting distribution or replacement of a TTY device is entitled to request a hearing, rehearing, and judicial review. However, this has never occurred. Further, the Council can deny certification to an interpreter or revoke an interpreter's certification. Although no complaints have been filed by interpreters who were denied certification or consumers who feel a particular interpreter's certification should be revoked, processes are in place for addressing such complaints, allowing for hearing, rehearing, and judicial review.

7. The extent to which the attorney general or any other applicable agency of state government has the authority to prosecute actions under the enabling legislation.

While the Attorney General has no authority to prosecute actions under the Council's legislation, the Council has limited authority to impose a civil penalty for damage or loss of a state-owned TTY. Other than collecting money in an amount equal to the cost of the device or the damage done to it, the Council has no other action available to it.

8. The extent to which the Council has addressed deficiencies in its enabling statutes which prevent it from fulfilling its statutory mandate.

The Council plans to request several legislative changes in the year 2000 legislative session. First, the Council would like to change its name to the "Arizona Commission for the Deaf and Hard of Hearing" to more accurately reflect the population it serves. The auditors' review of similar agencies in 35 other states found that Arizona is 1 of only 4 states that continue to use the term "hearing impaired" in its name.

Second, the Council feels that its current size of 19 members is unmanageable and hinders its work. In comparing the Council with smaller state agencies, Council officials feel that a reduction to half the current size would be appropriate. Third, the Council would like to change its membership to better represent the deaf and hard-of-hearing community. For example, instead of requiring 5 members who are deaf, statute might specify that the Council include a member who has been deaf since birth and another who became deaf later in life.

Additionally, the Council plans to pursue a revision to A.R.S. §36-1942 to change the Executive Secretary's title to Executive Director. The Council believes that the title is more consistent with executive directors of other Arizona state agencies, boards, and councils. Further, the title of Executive Director would be more consistent with the position's responsibilities.

9. The extent to which changes are necessary in the laws of the Council to adequately comply with the factors listed in this subsection.

Auditors did not identify any statutory changes needed to comply with the sunset factors.

10. The extent to which the termination of the Council would significantly harm the public health, safety or welfare.

Terminating the Council would have a detrimental effect on the welfare of the deaf and hard-of-hearing communities. The Council serves as a vital resource by providing information, referral, and advocacy for the deaf and hard-of-hearing, such as presentations and workshops that raise public awareness about issues concerning the deaf and hard-of-hearing. There is no other state entity that provides these services. Additionally, the Council serves as a consultant to the Governor and State Legislature on these issues. Further, it takes responsibility for overseeing the telecommunications relay system, operating the TTY distribution program, and certifying interpreters for the court system.

11. The extent to which the level of regulation exercised by the Council is appropriate and whether less or more stringent levels of regulation would be appropriate.

The regulation exercised by the Council is limited to certification of interpreters for court settings. According to A.R.S. §12-242, the courts shall procure “qualified” interpreters in any proceedings dealing with deaf individuals. To comply with §36-1946, the Council has written rules for certifying qualified interpreters and has certified 32 interpreters to date.

While the certification of court interpreters represents the extent of the Council’s regulatory authority, the Council seeks to increase the quality of interpreters in the State through further regulation that would require all interpreters in the State to meet certain national minimum interpreting standards. However, rather than pursue regulation at this time, the Council should focus its efforts on increasing the number of qualified interpreters by advocating for expanded interpreter training programs and promoting interpreting career opportunities. (See Finding I, pages 9 through 18, for more information on increasing interpreter quality.)

- 12. The extent to which the Council has used private contractors in the performance of its duties and how effective use of private contractors could be accomplished.**

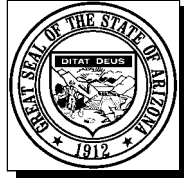
The Council makes extensive use of private contractors throughout its operations. Specifically, it contracts with Sprint Communications to operate the State's telecommunications relay service. Additionally, the Council contracts out for closed captioning services for its "Sign Out" television program. Finally, the Council utilizes private contractors to provide interpreting services for Council meetings, as well as various other meetings and activities. Generally, each Council meeting requires a total of up to 6 sign language, oral, and realtime captioning interpreters at a cost of approximately \$700 per meeting.

The Council should also consider contracting out the TTY distribution program to increase efficiencies and improve operations. The current program suffers from an unreliable tracking system, insufficient control over exchange sites, and poor inventory planning. (See Finding II, pages 19 through 27, for more information.)

(This Page Intentionally Left Blank)

Agency Response

(This Page Intentionally Left Blank)



Arizona Council for the Hearing Impaired

1400 W. Washington Street Room 126
Phoenix, Arizona 85007
602-542-3336
Collins_Sherri@pop.state.az.us

SUNSET RESPONSE

August 10, 1999

Finding I: The Council Should Take a Stronger Role in Ensuring an Adequate Number of Qualified Interpreters.

#1 & #2 (a)(b) and 3(a)(b). The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

While the Council agrees with the Office of the Auditor General's report that Arizona Council for the Hearing Impaired (ACHI) needs to take a stronger role in ensuring an adequate number of qualified interpreters are available to residents living in Arizona.

The critical need for qualified interpreters is not new to Arizona. Through various documentations and interviews with Deaf and hard of hearing residents. The Long-Range Planning for Statewide Interpreting Services Report includes a comprehensive study of interpreter issues. The study as well as the Educational Interpreter Guide has been completed and distributed to the various college/universities and public schools. The Council felt that the study was a vital documentation addressing interpreting issues. The Council is planning to adopt and follow the State of Kentucky strategy in pursuing and developing a four- year interpreter-training program as well as implementing a licensure program by the year of 2007.

"The licensing system can prevent harm to the public from unethical or unqualified practitioners. The state can invoke its authority to sanction those who misuse the professional title and those who do not conform to the accepted standard of conduct or quality of performance." (Frishberg, 1990)

Generally, most states are disinclined to pass legislation in favor of licensure "unless self-monitoring has proven unsuccessful and can be demonstrated to result in harm to the public health, welfare or safety." (Frishberg, 1990)

The State lacks qualified interpreters mainly because there are not enough training programs.

The Council disagrees; Arizona suffers from lack of qualified interpreters because of the lack of quality training programs. Currently Interpreter Training Programs in Arizona say their programs are doing fine because their graduates are getting jobs. (See attachment A)

Not only it is difficult to demonstrate public harm from not licensing interpreters, but requiring licensing could further limit supply of interpreters, increase the costs for consumers and restrict entry into the profession.

The current licensing proposal, which the Council endorses, will establish a licensure system that will administer three types of licenses: Legal, Generalist and Provisional. (See attachment B)

Through current licensing system, the Board could be required by law to maintain and make available to the public, a directory of qualified interpreters for individuals wishing to hire an interpreter. Currently, hiring an interpreter has proven to be cost-prohibitive because the hiring party has to hire through a referral agency which can result in additional fees for hiring an interpreter. Typically when one contracts interpreting services directly with the interpreter, the average fees can range from 23 to 27 dollars an hour as opposed to an average of 35 to 42 dollars an hour when hiring through a referral agency.

The Council should focus its efforts on developing a larger pool of qualified interpreters.

The council agrees we should to work toward developing a pool of **qualified** interpreters. The Council strongly believes that a warm body is not better than anything at all. Quality assurance measures need to be developed to ensure qualified interpreters are being hired and that they obtain appropriate continuing education training to further develop their skills.

Further, an Arizona Department of Education official notes that school districts are unable to obtain a sufficient number of qualified interpreters and must often accept lower-level, uncertified interpreters to fulfil the interpreting needs of various school around the State.

The Council asks, why is this happening? Deaf and hard of hearing children are graduating from public school systems with 3rd or 4th grade reading level. This puts a tremendous burden on State Vocational Rehabilitation system to provide them with training so they can develop marketable job skills. Many graduates often do benefit from the wealth of information normally offered to hearing children in public school settings.

Need for licensed interpreters not supported.

Self-policing has failed, there is no regulation requiring quality. Currently system supports quantity rather quality. (Frishberg, 1990)

The Council waiting another 10 years for the next Sunset Review to implement a licensure is too long because we have already recognized the problem and must begin implementing programs for interpreters now. Why wait?

Attached (C) is a copy of the Senate Bill 1324 that was signed into law on May 15, 1999 to require court reporters to be certified before they can practice court reporters.

Licensure potentially limits supply.

For example, problems with communication cannot always be blamed on the interpreter, as the deaf and hard of hearing persons involved may not have expressed themselves fully or accurately.

When faced with a situation where one knows the interpreter is not effectively interpreting, the Deaf/hard of hearing client will often try to make the best of it, the same applies to the hearing consumer. Psychological factors are not being considered in this report. This also applies to Hispanic-Americans who speaks Spanish.

Research as indicated by Statewide Interpreting Planning Committee has indicated that consumers' biggest complaint was that the interpreter was not adequately trained to effectively interpret for the Deaf/hard of hearing consumer or the hearing consumer. The Council has received complaints from individuals who requested qualified interpreters to be provided for public functions but obtained less qualified interpreters because hiring a particular interpreter was "cheaper" than hiring a qualified interpreter who obtained the necessary training to interpret effectively in those settings.

A mechanism for identifying a qualified interpreter and complaining about alleged harm caused by an interpreter already exists ...RID has a grievance process through which both Deaf and hearing consumers can complain about a RID-certified interpreter.

Yes, for only 76 of those interpreters. There is no professional grievance procedure for the remaining 300+ interpreters. Basically, the Deaf consumer will be out of luck when he or she is stuck with the services of unqualified interpreter. No licensing authority will exist and there will be no where to take their complaints. The Council will need to provide education to the consumers about their rights and how to file a complaint.

New requirements provided no guarantee that interpreters will upgrade their skills.

Licensure will require Continuing Education Unit (CEUs), even if an interpreter is not nationally certified. Texas BEI does not expressly require CEUs. And because Texas BEI does not force interpreters to continually upgrade their skills or seek higher certification, interpreters will stay at the same level and the state will continue to suffer with a shortage of qualified interpreters.

Council recommendations:

Establish licensure for interpreters (including oral, cued-speech or other communication methods). The target date to begin requiring licensure is September 1, 2007.

Legislator mandate Colleges and Universities to provide training and degree programs.

State provides funding for training and mentoring program for interpreters (including oral and cued-speech) and sign language instructors.

Recognize American Sign Language (ASL) as a foreign language.

Establish a certification for sign language teachers to teach ASL.

Additional information may be obtained from the Arizona Council for the Hearing Impaired.

Finding II: Poor Inventory Control Process Has Resulted in Loss of State Property.

#1,2,3. The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

Since the new director joined ACHI a year ago there have been major changes within the agency. The Council would like to allow the director to make the improvements of the TTY distribution program before exploring contracting the program outside of the agency. The director has investigated the best usable database software for inventory control. The office recently purchased "Smeadlink" bar code tracking software that will allow ACHI to track documents, improve fileroom and inventory organization.

SUNSET FACTORS

#8. The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

The Council recommends to change its name to “Arizona Commission for the Deaf and Hard of Hearing”. The council also recommends to reduce the size of the 19 members to 13. The following list of 13 members suggested are as follows:

- 4 Hard of Hearing Representatives (2 hard of hearing and 1 late deafened adult)
- 4 Deaf Representatives (2 ASL users and 1 oral deaf)
- 1 Parent of a deaf or hard of hearing child Representative
- 1 Arizona Registry Interpreter of the Deaf Representative
- 1 Certified Audiologist Representative
- 1 ASDB or Phoenix Day School for the Deaf Representative
- 1 Department of Economic Security

1 – non-voting Student Representative

#9 The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.

RE: Telecommunication devices for the deaf and the hard of hearing and speech impaired.

It is recommended to change the name of the program to “Communication Equipment Distribution Program”. This will allow the Council to expand its communication devices to the deaf and hard of hearing telephone users.

**Attachments referred to in the response may be
obtained from the Arizona Council for the Hearing
Impaired or from the hard copy version of this report.**

Other Performance Audit Reports Issued Within the Last 12 Months

98-12	Arizona Universities' Enrollment	99-5	Department of Gaming
98-13	Private Enterprise Review Board	99-6	Department of Health Services – Emergency Medical Services
98-14	Adult Services		
98-15	Podiatry Board	99-7	Arizona Drug and Gang Policy Council
98-16	Board of Medical Examiners	99-8	Department of Water Resources
98-17	Department of Health Services – Division of Assurance and Licensure	99-9	Department of Health Services – Arizona State Hospital
98-18	Governor's Council on Develop- mental Disabilities	99-10	Residential Utility Consumer Office/Residential Utility Consumer Board
98-19	Personnel Board		
98-20	Department of Liquor	99-11	Department of Economic Security – Child Support Enforcement
98-21	Department of Insurance	99-12	Department of Health Services Division of Behavioral Health Services
98-22	State Compensation Fund		
99-1	Department of Administration, Human Resources Division	99-13	Board of Psychologist Examiners
99-2	Arizona Air Pollution Control Commission		
99-3	Home Health Care Regulation		
99-4	Adult Probation		

Future Performance Audit Reports

Department of Building and Fire Safety
Board of Dental Examiners
Department of Health Services' Tobacco Education and Prevention Program