

Arizona State Schools for the Deaf and the Blind

A.R.S. § 15-1301

Superintendent: Ken Randall

JLBC Analyst: Patrick Fearon

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
COST CENTER SUMMARY				
Phoenix Day School for the Deaf	6,557,100	6,503,700	7,706,600	8,191,900
Tucson Campus	12,397,000	13,517,700	14,807,500	15,402,100
Administration/Statewide Programs	5,658,000	6,008,600	7,385,300	7,503,100
TOTAL APPROPRIATIONS	24,612,100	26,030,000	29,899,400	31,097,100
OPERATING BUDGET				
Full Time Equivalent Positions	537.9	538.9	608.4	623.4
Personal Services	17,018,100	17,812,900	20,309,600 ^{1/}	21,502,800 ^{1/}
Employee Related Expenditures	1,691,100	3,418,300	4,337,100	4,298,100
Professional and Outside Services	610,600	462,600	425,600	425,600
Travel - In State	90,100	67,700	77,700	77,700
Travel - Out of State	18,800	7,000	7,000	7,000
Food	177,700	115,100	132,800	140,900
Other Operating Expenditures	4,009,900	3,505,900	3,899,900	4,073,000
Equipment	995,800	640,500	709,700	572,000
TOTAL APPROPRIATIONS	24,612,100	26,030,000	29,899,400 ^{2/}	31,097,100 ^{2/}
FUND SOURCES				
General Fund	17,189,300	18,446,600	17,751,600 ^{3/}	17,880,200 ^{3/}
<u>Other Appropriated Funds</u>				
AZ Schools for the Deaf and the Blind Fund	7,422,800	7,583,400	12,147,800 ^{3/4/5/}	13,216,900 ^{3/4/5/}
TOTAL APPROPRIATIONS	24,612,100	26,030,000	29,899,400	31,097,100

AGENCY DESCRIPTION — *The Arizona State Schools for the Deaf and the Blind (ASDB) provides comprehensive educational programs for sensory impaired students from birth to age 22. ASDB has 2 main campuses, a day school in Phoenix and a residential campus in Tucson, as well as a diagnostic center in Tucson, satellite preschools in the Tucson and Phoenix Metropolitan areas, and 5 regional offices from which cooperative programs with school districts are operated. ASDB also serves children up to 2 years of age throughout the state. Systemwide, ASDB serves approximately 1,937 children: 574 students in the K-12 programs (299 in Tucson and 275 in Phoenix), 99 children in preschools, 440 infant/toddlers in regional areas, and 824 children through the 5 existing regional cooperatives.*

- ^{1/} Before the expenditure of any recommended monies for Classification Salary Adjustments in FY 2002 or FY 2003, the Arizona State Schools for the Deaf and the Blind shall report the intended use of the funds to the Joint Legislative Budget Committee. (General Appropriations Act footnote)
- ^{2/} General Appropriation Act funds are appropriated as a Lump Sum by Program.
- ^{3/} These figures reflect the amendment of the General Appropriations Act (Laws 2000, Chapter 236) by Laws 2001, Chapter 364. The latter bill allows voucher funding for the agency's younger preschool students. That change required increasing the agency's Arizona Schools for the Deaf and the Blind Fund (voucher) appropriation by \$1,116,500 in FY 2002 and \$1,204,300 in FY 2003 from Chapter 236. Because ASDB's voucher funding comes from the Arizona Department of Education (ADE), the legislation also increased ADE's General Fund appropriation by \$1,116,500 in FY 2002 and by \$1,204,300 in FY 2003. To avoid any cost to the General Fund over the biennium, the law reduced the ASDB's General Fund appropriation by \$(1,116,500) in FY 2002 and \$(1,204,300) in FY 2003. (See "Additional Legislation" section in narrative.)
- ^{4/} Before the expenditure of any Arizona Schools for the Deaf and the Blind Fund non-endowment monies in excess of \$11,716,500 in FY 2002 and \$12,847,700 in FY 2003, the Arizona State Schools for the Deaf and the Blind shall report the intended use of the funds to the Speaker of the House of Representatives, the President of the Senate, the Chairmen of the Appropriations Committees, the Directors of the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting. (General Appropriations Act footnote, as amended by Laws 2001, Chapter 364)
- ^{5/} All endowment earnings above \$343,900 in FY 2002 and \$369,200 in FY 2003 that are received by the Arizona State Schools for the Deaf and the Blind and deposited into the Arizona Schools for the Deaf and the Blind Fund are appropriated for operating expenditures. (General Appropriations Act footnote)

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Parents rating overall quality of services as “good” or “excellent” based on annual survey *	NA	NA	89	90
• Percent of certified positions filled	94/84	85/90	90	95
• Percent of agency staff turnover	9/12	10/15	14	11/8
• Percent of MDSSI students at or above “approaches standard” level on the AIMS-A test	NA	NA	NA	100
• Percent of students achieving a year’s growth in a year’s time in reading and mathematics	NA	NA	NA	75
• Administration as a percent of total cost	NA	3.8/NA	4.0	4.2/4.0

* The agency currently tracks the proportion of parents “satisfied” with its leadership (88% in FY 1999 and 89% in FY 2000), but does not use “good” or “excellent” as survey choices. It has agreed to add these choices to its survey starting in FY 2001. The estimates above for FY 2001 and future years assume the proportion of parents rating the agency’s services as good or excellent would be similar to those who are satisfied with its leadership.

Enrollment Growth — The approved amount includes a FY 2002 increase of \$1,196,700 and 35.1 FTE Positions above FY 2001 and a FY 2003 increase of \$1,638,800 and 46.1 FTE Positions above FY 2001 for enrollment growth at the agency’s Tucson and Phoenix campuses.

As shown in *Table 1*, the FY 2002 increase includes an Arizona Schools for the Deaf and the Blind Fund increase of \$1,248,000 and a General Fund decrease of \$(51,300). This includes a base adjustment of \$802,700 and 26.1 FTE Positions due to greater than budgeted enrollment at ASDB’s campuses in FY 2001. That growth is being paid for during FY 2001 from “excess voucher” monies that ASDB is receiving automatically as a result of its enrollment growth. Because ASDB receives voucher monies from the Arizona Department of Education (ADE) based on its student count, increases in its enrollment generate additional funds for the agency. The remaining increase of \$445,300 and 9 FTE Positions from the Arizona Schools for the Deaf and the Blind Fund is based on projected campus enrollment growth of 32 students (5.5%) in FY 2002. The \$(51,300) General Fund decrease in *Table 1* was approved because funding generated by enrollment growth is expected to exceed new costs resulting from it.

The approved FY 2003 increase includes \$1,717,400 above FY 2001 from the Arizona Schools for the Deaf and the Blind Fund and a decrease of \$(78,600) in General Fund monies to reflect the availability of the voucher monies (*see Table 1*). The FY 2003 increase continues the previous year’s increase of \$1,248,000 for enrollment growth and provides an additional \$469,400 and 11 FTE Positions for a projected further campus enrollment increase of 35 students (5.7%) in that year.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>Biennium Total</u>
AZ Schools for the Deaf And the Blind Fund			
Annualization of FY 2001 Excess Vouchers	\$802,700	\$802,700	\$1,605,400
Enrollment Growth in FY 2002 - FY 2003	\$445,300	\$914,700	\$1,360,000
Total AZ Schools for the Deaf and the Blind Fund	\$1,248,000	\$1,717,400	\$2,965,400
General Fund (Offset)	\$(51,300)	\$(78,600)	\$(129,900)
Total Estimated Cost	\$1,196,700	\$1,638,800	\$2,835,500

ASDB Cooperatives Program, which provides services to a large number of children at satellite locations in cooperation with local school districts, is also experiencing enrollment growth. That growth does not impact the agency’s operating budget for the Tucson and Phoenix campuses, however, because the Cooperatives’ voucher funding is from a non-appropriated fund. Enrollment growth for the Tucson and Phoenix campuses is funded directly through ADE, thereby affecting ASDB’s “Other Appropriated” funding total.

Equity Salary Adjustment — The approved amount includes a FY 2002 increase of \$649,400 above FY 2001 and a FY 2003 increase of \$1,473,500 above FY 2001 for ASDB salary adjustments.

The FY2002 increase includes \$581,800 for Personal Services and \$67,600 for Employee Related Expenditures. As shown in *Table 2*, \$481,500 comes from the General Fund and \$167,900 comes from the Arizona Schools for the Deaf and the Blind Fund. The FY 2002 increase provides \$241,600 to annualize the agency’s January 1, 2001 salary adjustment and \$407,800 for a new adjustment for all ASDB employees effective January 1, 2002.

The FY 2003 increase includes \$1,319,900 for Personal Services and \$153,600 for Employee Related Expenditures. Of the total amount, \$778,200 comes from the General Fund and \$695,300 comes from the Arizona Schools for the Deaf and the Blind Fund. The FY 2003 increase continues the FY 2001 annualization cost of \$241,600 and the FY 2002 salary increase of \$407,800 above FY 2001. It also provides \$407,800 to annualize the January 1, 2002 salary adjustment and provides \$416,300 for a new adjustment on January 1, 2003 (see Table 2). The January 1, 2003 adjustment will need to be annualized in FY 2004.

Pursuant to Laws 1988, Chapter 237, the Arizona Department of Administration conducts an annual salary equity survey of classified, certified, and administrative staff among 5 Arizona school districts with large special education programs (Tucson Unified, Mesa Unified, Washington Elementary, Paradise Valley Union, and Scottsdale Union). This survey is used as a measure for adjusting ASDB's salaries. The new adjustments are based on the annual survey and represent a 3.3% average increase for classified staff, a 4.4% average increase for certified staff, and a 3.4% average increase for administrative staff in each year of the biennium. These adjustments are in lieu of the 5% salary adjustments approved in Section 109 of the General Appropriation Act for other state employees scheduled for April 1, 2002 and 2003.

	<u>FY 2002</u>	<u>FY 2003</u>
Annualization of 1/1/2001 Salary Adjustment	\$241,600	\$241,600
New 1/1/2002 Salary Adjustment	407,800	407,800
Annualization of 1/1/2002 Salary Adjustment	0	407,800
New 1/1/2003 Salary Adjustment	0	416,300
Total	<u>\$649,400</u>	<u>\$1,473,500</u>
Fund Sources		
General Fund	\$481,500	\$778,200
Arizona Schools for the Deaf and the Blind Fund	\$167,900	\$695,300

Group B Weight Increases — The approved amount includes a FY 2002 increase of \$871,400 above FY 2001 and a FY 2003 increase of \$1,051,400 above FY 2001 for increases in "Group B" special education funding weights (see Table 3). Those weights are prescribed in A.R.S. § 15-943(2b) and help determine formula funding entitlements for both K-12 schools and ASDB. They were increased by Laws 2001, Chapter 233 (the Education ORB) (see Table 4). Increases in those weights generate increased revenue for ASDB's Arizona Schools for the Deaf and the Blind Fund.

	<u>FY 2002</u>	<u>FY 2003</u>
Increase in Arizona Schools for the Deaf and the Blind Fund	\$1,831,600	\$1,989,000
Policy Issues		
Student/Teacher Ratios	155,200	237,300
Classification Salary Adj.	94,800	192,700
Early Childhood Program	252,700	252,700
Coop Administration	368,700	368,700
Total Policy Issues	\$ 871,400	\$1,051,400
Remainder (Available for GF Offset)	\$ 960,200	\$ 937,600

As shown in Table 3, the FY 2002 increase of \$871,400 above FY 2001 will fund a variety of initiatives. These include \$155,200 and 6 FTE Positions for additional teachers and support personnel to bring ASDB's student/teacher ratios closer to the levels long targeted by ASDB leadership but not currently achieved; \$94,800 for Classification Salary Adjustments to ease hiring in hard-to-fill job categories; \$252,700 and 8 FTE Positions to increase pre-school instruction by 10 hours per week and hire more deaf mentors; and \$368,700 and 6 FTE Positions for increased administrative staff for the Regional Cooperatives program.

The FY 2003 increase of \$1,051,400 above FY 2001 will provide for \$237,300 and 10 FTE Positions for additional teachers and support personnel to bring ASDB's student/teacher ratios closer to targeted levels; \$192,700 for Classification Salary Adjustments; \$252,700 and 8 FTE Positions for pre-school instruction and deaf mentors; and \$368,700 and 6 FTE Positions for administrative staff for the Cooperatives program.

Table 3 shows that the approved amount also includes a FY 2002 increase of \$960,200 over FY 2001 for the Arizona Schools for the Deaf and the Blind Fund and a corresponding General Fund decrease of \$(960,200) below FY 2001 associated with the increase in the Group B special education weights, for an additional net change of zero. Table 3 likewise shows that the approved FY 2003 amount includes an increase of \$937,600 over FY 2001 for the Arizona Schools for the Deaf and the Blind Fund and an offsetting General Fund decrease of \$(937,600) below FY 2001 associated with the Group B weight increase, again resulting in an additional net change of zero.

Funding Category	Current Weight	New Weight
Hearing Impairment	3.341	4.771
Multiple Disabilities - Resource	4.235	6.024
Multiple Disabilities - Self-Contained	5.015	5.833
Multiple Disabilities - Severe		
Sensory Impairment	6.025	6.531
Orthopedic Impairment - Resource	3.868	3.158
Orthopedic Impairment - Self-Contained	5.641	5.576
Preschool Severe Delay	4.979	3.595
Emotional Disabilities - Separate Facility,		
Private School	4.127	4.647
Moderate Mental Retardation	4.244	4.421
Visual Impairment	4.832	4.806

Extra School Days — The approved amount includes a FY 2002 increase of \$93,100 above FY 2001 and a FY 2003 increase of \$285,000 above FY 2001 to lengthen ASDB's school year. The FY 2002 increase includes \$43,200 in General Fund monies and \$49,900 from the Arizona Schools for the Deaf and the Blind Fund. The FY 2002 funding provides for an increase in ASDB's school year from 175 days to 176 days. The approved funding for FY 2003 includes \$128,100 from the General Fund and \$156,900 from the Arizona Schools for the Deaf and the Blind Fund and allows a further increase in ASDB's school year to 177 school days in that year.

Proposition 301 (Education 2000), which was approved by voters in the General Election of November 2000, mandates that all Arizona school districts increase their school year to 180 days by 2006. To pay for the extra school days, Proposition 301 provides a set amount of money that will flow to state educational agencies such as school districts and ASDB via an increase in the K-12 equalization funding formula "base level." In FY 2002, this will increase voucher revenues into the Arizona Schools for the Deaf and the Blind Fund by \$49,900 above FY 2001. In FY 2003, it will increase voucher revenues into the Arizona Schools for the Deaf and the Blind Fund by \$156,900 above FY 2001. The base level increases are calculated to cover the cost of the extra school days at typical school districts. However, because ASDB has a higher cost structure than typical school districts (because of the provision of residential services, more intensive care, and other differences), the base level increases would not cover the cost of additional school days at ASDB. The General Fund increases of \$43,200 in FY 2002 and \$128,100 in FY 2003 for this policy issue are intended to cover the cost of the extra school days that is not covered by monies from the Arizona Schools for the Deaf and the Blind Fund.

Security Measures — The approved amount includes a FY 2002 increase of \$378,200 and 10.4 FTE Positions above FY 2001 and a FY 2003 increase of \$247,700 and 10.4 FTE Positions above FY 2001 for measures to enhance security at the Tucson and Phoenix campuses. The FY 2003 increase is lower than the FY 2002 increase because of the elimination of one-time equipment such as monitoring cameras and related items to be installed in FY 2002. The increases consist entirely of General Fund monies. In addition to the security equipment, the funding will provide for additional guards at the Tucson and Phoenix campuses.

Parent Advisors — The approved amount includes a FY 2002 increase of \$226,300 and 4 FTE Positions above FY 2001 and a FY 2003 increase of \$168,100 and 4 FTE Positions above FY 2001 for full-time Parent Advisors. These advisors assist parents of infants and toddlers newly identified as having vision or hearing impairments. The FY 2003 increase is lower than the FY 2002 increase because of the elimination of one-time equipment such as

vehicles, office furniture, and other items needed by the new Parent Advisors in FY 2002. The increases for both years consist entirely of General Fund monies.

Currently, the Parent Advisor program is funded at \$117,400 per year and includes 2.8 FTE Positions. All Parent Advisors currently work on a part-time basis. The increases in FY 2002 and FY 2003 are required because more stringent screening of newborns has led to an increase in the number of newly identified children with disabilities.

Equipment — The approved amount includes a FY 2002 increase of \$69,200 above FY 2001 and a FY 2003 decrease of \$(68,500) below FY 2001 for equipment purchases. The FY 2003 decrease is due to the elimination of one-time equipment. Both the FY 2002 increase and the FY 2003 decrease consist of General Fund monies.

With the FY 2002 increase, ASDB's total Equipment funding for that year will be \$709,700. This includes \$150,000 for a coach bus at the Tucson campus, \$36,000 for bus repairs and upgrades at the Phoenix campus, \$107,000 for regular upgrades to the agency's LAN/WAN system, \$200,000 to replace educational and non-educational equipment, and \$28,000 to replace a substandard audio system in the Tucson campus auditorium. The approved amount also includes \$58,200 in one-time new Equipment funding for parent advisors and \$130,500 in one-time new Equipment for security purposes, as described in the policy issues below.

Total Equipment funding for ASDB in FY 2003 will be \$572,000. This includes \$225,000 for 3 minibuses at the Tucson campus, \$40,000 for bus repowering at the Phoenix campus, \$107,000 for regular upgrades to the agency's LAN/WAN system, and \$200,000 to replace various educational and non-educational equipment. The approved amount does not include any funding for new equipment, other than replacement equipment, in FY 2003.

Capital Outlay Appropriations: Chapter 237 — Appropriates \$427,700 from the General Fund in FY 2002 to the Arizona Department of Administration to replace the existing transportation building on the Phoenix campus with a 4,000 square foot modular building.

Additional Legislation: Special Education; Institutional Placement (Chapter 364) — Allows ASDB to receive voucher funds for 3-year-old and 4-year-old pre-school students. Previously, state regulations allowed voucher funding only for pre-school students at least 5 years of age. This change is expected to increase voucher revenues from ADE formula funding into the Arizona Schools for the Deaf and the Blind Fund by \$1,116,500 in FY 2002 and by \$1,204,300 in FY 2003. Because the voucher funds come from ADE, the legislation included an increase of \$1,116,500 in FY 2002 and \$1,204,300 in FY 2003 in ADE's General Fund budget. In order to eliminate any

General Fund cost from the legislation, ASDB's General Fund budget was reduced by the same amounts in FY 2002 and FY 2003. Therefore, ASDB will continue to serve the existing level of pre-school students with existing resources, but will receive additional formula funding in future years as the number of pre-school students served by ASDB grows.

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