

Arizona State Schools for the Deaf and the Blind

JLBC: Jake Corey
OSP: Dawn Nazary

Subcommittee: Education

DESCRIPTION	FY 2002	FY 2003	FY 2004	
	ACTUAL	ESTIMATE	OSP	JLBC
PROGRAM BUDGET				
Phoenix Day School for the Deaf	6,394,500	7,319,300	6,666,400	6,729,600
Tucson Campus	13,715,400	14,045,700	13,708,200	13,742,300
Administration/Statewide Programs	8,608,000	7,048,500	7,647,800	6,412,100
AGENCY TOTAL	28,717,900	28,413,500	28,022,400	26,884,000

OPERATING BUDGET

Full Time Equivalent Positions	608.4	608.4	608.4	596.7
Personal Services	18,903,600	19,930,800	19,682,700	18,889,900
Employee Related Expenditures	4,001,500	4,406,800	4,542,400	4,374,100
Professional and Outside Services	419,700	453,000	453,000	426,200
Travel - In State	74,800	75,800	75,800	69,600
Travel - Out of State	21,500	3,500	3,500	3,300
Other Operating Expenditures	4,514,000	3,147,300	3,133,700	2,991,900
Food	145,900	131,300	131,300	129,000
Equipment	636,900	265,000	0	0
AGENCY TOTAL	28,717,900	28,413,500	28,022,400	26,884,000

FUND SOURCES

General Fund	17,273,300	16,122,300	15,660,000	13,106,400
<u>Other Appropriated Funds</u>				
ASDB Fund	11,444,600	12,291,200	12,362,400	11,960,600
Telecommunications Excise Tax Fund	0	0	0	1,817,000
SUBTOTAL - Other Appropriated Funds	11,444,600	12,291,200	12,362,400	13,777,600
SUBTOTAL - Appropriated Funds	28,717,900	28,413,500	28,022,400	26,884,000
Other Non-Appropriated Funds	12,387,000	14,596,800	NA	13,867,800
Federal Funds	2,374,100	2,990,700	NA	2,163,000
TOTAL - ALL SOURCES	43,479,000	46,001,000	NA	42,914,800

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(3,015,900)	(18.7%)
Other Appropriated Funds	1,486,400	12.1%
Total Appropriated Funds	(1,529,500)	(5.4%)

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 infants and toddlers throughout the state. Systemwide, ASDB serves approximately 2,088 children: 568 students in the K-12 programs (288 in Tucson and 280 in Phoenix), 107 children in preschools, 411 infant/toddlers in regional areas, and 1,002 children through the 5 existing regional cooperatives.

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• % of parents rating overall quality of services as “good” or “excellent” based on annual survey	90	94	90	94
• % of certified positions filled	95	95	95	95
• % of agency staff turnover	11	20	8	15
• % of MDSSI students at or above “approaches standard” level on the AIMS-A test	100	NA	100	--
• % of students demonstrating gains on the AIMS-A test (NEW)		NA		80
• % of students achieving a year’s growth in a year’s time in reading and mathematics	75	NA	75	--
• % of students demonstrating gains on the Stanford 9 Test (NEW)		NA		80
• Administration as a % of total cost	4.2	NA	4.0	10.8

Comments: The agency did not submit information for any measure labeled as “NA.”

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	GF	\$(204,500)
	OF	318,900

Revised FY 2003 Voucher

Funding Estimate	OF	(644,500)
-------------------------	-----------	------------------

The JLBC recommends an Arizona Schools for the Deaf and the Blind Fund decrease due to a revised estimate of ASDB’s FY 2003 Special Education Voucher Fund revenues. The recommended adjustment will more closely reflect actual agency expenditures from the fund. Special education voucher monies in the Arizona Schools for the Deaf and the Blind Fund represent ASDB’s reimbursement from the Arizona Department of Education for educational costs based on its campus enrollment.

Telecommunications Excise Tax	GF	(1,817,000)
General Fund Offset	OF	1,817,000

The JLBC recommends a Telecommunications Excise Tax (TET) Fund increase and a corresponding General Fund decrease. The TET is a 1.1% state imposed surcharge that is assessed on local telephone bills in order to provide telecommunications services for the hearing impaired, as required by federal law. Currently, the state allocates TET funding as if it consisted of a 0.8% surcharge for the Telecommunication Fund in the agency budget for the Commission for the Deaf and the Hard of Hearing (CDHH) and a 0.3% surcharge for the Poison Control Fund in the Department of Health Services (DHS) budget. In FY 2004, the CDHH and DHS percentages would decrease to 0.69% and 0.18%, respectively, under this recommendation and the remaining 0.23% would go to ASDB. This would generate an additional estimated \$1,817,000 for ASDB and its General Fund appropriation would be reduced by the same amount. TET appropriations for the CDHH and DHS would not decrease because both agencies currently receive more TET revenue than is appropriated to them. A.R.S. § 42-5252 would

have to be amended to permit ASDB and DHS to receive TET revenues. (In prior years, the allocation to DHS was established in session law.) An ORB provision would allocate the percentages of the tax that would go to ASDB, CDHH, and DHS in FY 2004. In addition, an ASDB Telecommunications Excise Tax Fund would have to be established. (See *JLBC Recommended Statutory Changes for more information.*)

Cooperative Programs

Administration	GF	(511,400)
-----------------------	-----------	------------------

The JLBC recommends a General Fund decrease and a reduction of (11.7) FTE Positions to transfer responsibility for administration of the Cooperative Programs to participating school districts. The programs are partnerships between districts and ASDB to provide children with sensory impairments educational services close to their homes. Historically, ASDB has received General Fund dollars to pay for administrative costs of the programs. Those costs would now be borne by participating school districts. A.R.S. § 15-1302 would have to be amended under this proposal in order to stipulate that ASDB is not required to provide administrative support for the Cooperative Programs. (See *JLBC Recommended Statutory Changes for more information.*)

Medicaid in Public Schools General

Fund Offset	GF	(218,000)
--------------------	-----------	------------------

The JLBC recommends a General Fund decrease to offset an estimated increase in federal Medicaid in Public Schools (MIPS) funding to the agency. Under the MIPS program, ASDB is eligible to receive reimbursement for up to 65% of its authorized medical and therapeutic services expenditures. In FY 2003, the agency’s General Fund appropriation was reduced by \$(582,000) to offset expected MIPS monies in that year. The current offset represents the expected increase in MIPS funding in FY 2004 over the FY 2003 expected amount.

Operating Expenditures OF (5,000)

The JLBC recommends an Arizona Schools for the Deaf and the Blind Fund decrease for operating expenditures in order to bring total expenditures from that fund into balance with anticipated revenues. Revenues into the fund are expected to increase by \$313,900 for FY 2004, but this increase will be more than offset by a \$318,900 increase in costs for Standard Changes, such as Risk Management charges. Since total operating expenditures for the agency are capped at the total amount of money that is generated by voucher funds, the agency must reduce its operating expenditures in FY 2004 in order to bring voucher-related revenues and expenditures back into balance.

Eliminate One-Time Equipment GF (265,000)

The JLBC recommends a General Fund decrease to eliminate one-time equipment.

* * *

JLBC RECOMMENDED FORMAT — Detailed Line Item by Agency *(In the FY 2003 budget, the agency had a Lump Sum by Program format.)*

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

Before the expenditure of any Arizona Schools for the Deaf and the Blind Fund non-endowment monies in excess of \$11,655,300 in FY 2004, 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 House and

Senate Appropriations Committees, and the Directors of the Joint Legislative Budget Committee and the Governor’s Office of Strategic Planning and Budgeting.

All endowment earnings above \$305,300 in FY 2004 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.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends:

- 1) Amending A.R.S. § 42-5252 to allow monies received from the Telecommunications Excise Tax to be used for ASDB operating expenses and for Poison Control within the Department of Health Services. In FY 2004, 0.69% of the tax would be allocated to the Commission for the Deaf and the Hard of Hearing and 0.18% would go to the Department of Health Services. The remaining 0.23% would be allocated to ASDB. *(See the “Telecommunications Excise Tax General Fund Offset” policy issue for more information.)*
- 2) Transferring responsibility for administrative costs of the Cooperative Programs from ASDB to participating school districts. *(See the “Cooperative Programs Administration” policy issue for more information.)*

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Enterprise (SDA4222/A.R.S. § 15-1323)		Non-Appropriated
Source of Revenue: Monies received from fees, rentals, and other charges from the non-school use of facilities.		
Purpose of Fund: To defray the costs of renting those facilities (i.e. auditorium).		
Funds Expended	192,200	144,700
Year-End Fund Balance	82,200	73,700
Federal Grants (SDA2000/A.R.S. § 15-1303)		Non-Appropriated
Source of Revenue: Federal grants – Title I aid to schools; vocational rehabilitation; National School Lunch and Breakfast programs; Arizona deaf-blind project; preschool services; and Arizona Early Intervention program.		
Purpose of Fund: To be expended as stipulated by federal statutes authorizing the federal grants.		
Funds Expended	2,374,100	2,990,700
Year-End Fund Balance	228,500	177,300
Non-Federal Grants (SDA2011/A.R.S. § 15-1303)		Non-Appropriated
Source of Revenue: Grants by private corporations and other state agencies.		
Purpose of Fund: To accomplish specific projects of interest to the donor and ASDB.		
Funds Expended	1,308,200	1,867,900
Year-End Fund Balance	433,100	34,000

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Regional Cooperatives (SDA4221/Laws 1987, Chapter 363)		Non-Appropriated
Source of Revenue: Costs of educational and related services are paid by the school district in which the student resides through a tuition agreement. The costs of supplemental services are paid by all participating school districts through a basic membership agreement.		
Purpose of Fund: To fund 3 regional service cooperatives for sensory impaired pupils. The cooperative program provides educational programs, related services, and supplemental services through the pooling of school district resources.		
Funds Expended	10,568,300	12,056,300
Year-End Fund Balance	475,400	70,300
Arizona Schools for the Deaf and Blind (SDA2444/A.R.S. § 15-1304)		Appropriated
Source of Revenue: "Special Education Fund" monies that ASDB receives from the Arizona Department of Education under the formula prescribed in A.R.S. § 15-1204. This formula is based on the number of pupils attending ASDB and the various special education "Group B" funding categories that those pupils qualify for under A.R.S. § 15-943(2b). This fund also receives expendable land endowment earnings pursuant to A.R.S. § 15-1304 and over-age and non-resident tuition income pursuant to A.R.S. § 15-1345.		
Purpose of Fund: To cover the cost of educating students receiving special education services at ASDB.		
Funds Expended	11,444,600	11,294,600
Year-End Fund Balance	152,300	197,600
Arizona Schools for the Deaf and Blind Classroom Site (SDA2486/A.R.S. § 15-1305)		Non-Appropriated
Source of Revenue: Monies transferred to the fund pursuant to A.R.S. § 15-1305 from a 0.6% sales tax and growth in the Permanent State School Fund expendable earnings above the FY 2001 level. Funding level is determined by the "Group A" weighted student count, as specified in A.R.S. § 15-943.		
Purpose of Fund: To provide additional funding for teacher compensation increases based on performance (40%); teacher base salary increases (20%); and class size reduction, AIMS intervention programs, teacher development, dropout prevention, and teacher liability insurance premiums (40%).		
Funds Expended	149,800	405,500
Year-End Fund Balance	97,000	76,100
Telecommunications for the Deaf (SDA2047/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies remaining from a 1998 grant from the Arizona Council for the Hearing Impaired.		
Purpose of Fund: To provide Telecommunications Devices for the Deaf (TDD) systems at the Phoenix Day School for the Deaf.		
Funds Expended	0	0
Year-End Fund Balance	5,000	5,000
Trust (SDA3148/A.R.S. § 15-1323)		Non-Appropriated
Source of Revenue: Monies received from private endowment, which are outside the control of the State Treasurer and are held by the ASDB Board.		
Purpose of Fund: Spent at the discretion of ASDB.		
Funds Expended	168,500	122,400
Year-End Fund Balance	14,200	3,800

[Click here to return to the Table of Contents](#)