

Arizona State Schools for the Deaf and the Blind

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DESCRIPTION	FY 2003	FY 2004	FY 2005	
	ACTUAL	ESTIMATE	OSPB	JLBC
PROGRAM BUDGET				
Phoenix Day School for the Deaf	6,547,200	7,025,000		7,025,000
Tucson Campus	13,870,400	14,201,300		14,201,300
Administration/Statewide Programs	7,897,600	7,080,600		7,080,600
Voucher Fund Adjustment	0	0		511,500
AGENCY TOTAL	28,315,200	28,306,900		28,818,400

OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	608.4	608.4		608.4
Personal Services	18,627,500	19,197,500		19,197,500
Employee Related Expenditures	4,184,000	5,351,100		5,351,100
Professional and Outside Services	672,500	363,400		363,400
Travel - In State	61,200	60,300		60,300
Travel - Out of State	6,900	3,500		3,500
Other Operating Expenditures	4,143,000	3,203,100		3,203,100
Food	161,500	128,000		128,000
Equipment	458,600	0		0
OPERATING SUBTOTAL	28,315,200	28,306,900		28,306,900

SPECIAL LINE ITEMS				
Voucher Fund Adjustment	0	0		511,500
AGENCY TOTAL	28,315,200	28,306,900		28,818,400

FUND SOURCES				
General Fund	16,020,400	13,835,800		13,835,800
<u>Other Appropriated Funds</u>				
ASDB Fund	12,294,800	12,592,700		13,104,200
Telecommunications Excise Tax Fund	0	1,878,400		1,878,400
SUBTOTAL - Other Appropriated Funds	12,294,800	14,471,100		14,982,600
SUBTOTAL – Appropriated Funds	28,315,200	28,306,900		28,818,400
Other Non-Appropriated Funds	12,168,100	15,431,800		15,431,800
Federal Funds	2,253,900	3,422,600		2,802,600
TOTAL - ALL SOURCES	42,737,200	47,161,300		47,052,800

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	511,500	3.5%
Total Appropriated Funds	511,500	1.8%
Non Appropriated Funds	(620,000)	(3.3%)
Total - All Sources	(108,500)	(0.2%)

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. The Administration/Statewide Programs cost center provides services for infant and toddler, preschool, and cooperative program students who are not served at the Phoenix or Tucson campuses and provides administrative support for the Phoenix day school, the Tucson campus, and all statewide programs. Systemwide, ASDB serves approximately 2,056 children: 558 students in the K-12 programs (297 in Tucson and 261 in Phoenix), 144 children in preschools, 348 infant/toddlers in regional areas, and 1,006 children through the 5 existing regional cooperatives.

PERFORMANCE MEASURES	FY 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Recommend.
• % of parents rating overall quality of services as “good” or “excellent” based on annual survey	90	NA	94	94
• % of certified positions filled	95	NA	95	95
• % of agency staff turnover	8	NA	15	15
• % of students demonstrating gains on the AIMS-A test	--	NA	80	80
• % of students demonstrating gains on the Stanford 9 test	--	NA	80	80
• Administration as a % of total cost	4.0	NA	10.8	7.9

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

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends \$28,306,900 for the operating budget in FY 2005. This amount includes \$13,835,800 from the General Fund, \$12,592,700 from the Arizona State Schools for the Deaf and the Blind (ASDB) Fund, and \$1,878,400 from the Telecommunications Excise Tax (TET) Fund. These amounts would fund the following adjustment:

Lease Costs **GF** **\$0**
 The JLBC recommends no change from the General Fund for increased lease costs. The agency would absorb a FY 2005 lease increase of \$45,200 within their Other Operating Expenditures. Within its budget, the agency has the discretion to shift these monies from other line items.

Special Line Items

Voucher Fund Adjustment

The JLBC recommends \$511,500 from the ASDB Fund for the Voucher Fund Adjustment in FY 2005. This amount would fund the following adjustment:

Voucher Fund Increase **OF** **\$511,500**
 The JLBC recommends an increase of \$511,500 from the ASDB Fund due to student enrollment growth and a 2% base level increase pursuant to A.R.S. § 15-901.01. The agency may allocate the additional monies for one or more

of the following issues, which were included with the ASDB FY 2005 budget request submittal:

- Additional School Day – \$77,000
- Enrollment Growth – \$489,900
- Salary Equity Adjustment – \$553,500
- Replacement Buses – \$450,000

The JLBC also recommends requiring that, prior to the expenditure of any ASDB Fund monies above the FY 2004 appropriation, the agency submit the intended use of the monies to JLBC for review. (See *JLBC Recommended Footnotes for more information.*)

Special education voucher monies in the ASDB Fund represent ASDB’s reimbursement from the Arizona Department of Education (ADE) for educational costs based on its enrollment. As with school districts, ASDB’s ADE funding is determined by statutory formula. The JLBC recommends reflecting the change within a special line item to give ASDB flexibility in allocating the increased funding among its 3 programs. Once ASDB decides how to allocate these monies, the voucher funds would be distributed to regular line items.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Program (*In the FY 2004 budget, the agency had a Lump Sum by Program format. The JLBC recommends adding a Voucher Funding Adjustment Special Line Item in FY 2005.*)

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 \$12,592,700 in FY 2005, the ~~Arizona State Schools for the Deaf and the Blind~~ JOINT LEGISLATIVE BUDGET COMMITTEE shall ~~report~~ REVIEW 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.~~ (The new language would require JLBC to review any ASDB Fund expenditures above the previous year appropriation. This would provide for legislative oversight of any new voucher funds the agency receives, which are estimated to be \$511,500 in FY 2005. The existing language requires ASDB to report to JLBC regarding its intended use of additional voucher funds, but does not require JLBC review of those plans.)

All endowment earnings above \$162,900 in FY 2005 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.

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 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	116,200	115,400
Year-End Fund Balance	81,900	82,000
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	2,253,900	3,422,600
Year-End Fund Balance	341,400	8,000
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	566,300	1,759,400
Year-End Fund Balance	1,213,700	825,200
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	11,063,500	13,120,000
Year-End Fund Balance	1,458,000	1,350,400

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
Arizona State Schools for the Deaf and the 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	12,294,800	12,592,700
Year-End Fund Balance	394,800	394,800
Arizona State Schools for the Deaf and the 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	291,700	324,500
Year-End Fund Balance	215,000	300,100
Telecommunications Excise Tax (SDA9689/A.R.S. § 15-1306)		Appropriated
Source of Revenue: Revenues from the Telecommunications Services Excise Tax (A.R.S. § 42-5252), which is a 1.1% surcharge on local telephone bills. The fund receives revenues from this tax equal to 0.23% of local telephone bills. The remainder of the surcharge is allocated to the Telecommunications Fund for the Deaf (0.69%), administered by the Commission for the Deaf and the Hard of Hearing, and the Poison Control fund (0.18%), administered by the Department of Health Services.		
Purpose of Fund: To be used for ASDB operating expenses.		
Funds Expended	0	1,878,400
Year-End Fund Balance	0	0
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	0	0
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	130,400	112,500
Year-End Fund Balance *	(18,200)	100

* As reported by the agency. Actual ending balance will not be negative.

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