

Superintendent: Harold Hoff

JLBC Analyst: Eric Jorgensen

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
<b>PROGRAM BUDGET</b>			
Phoenix Day School for the Deaf	6,573,000	7,338,800	7,620,900
Tucson Campus	13,283,200	14,732,100	15,343,300
Administration/Statewide Programs	6,822,700	7,806,000	8,017,400
<b>AGENCY TOTAL</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>30,981,600</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	608.4	608.4	587.2
Personal Services	17,692,200	19,843,000	20,180,300
Employee Related Expenditures	5,102,700	5,764,100	6,461,300
Professional and Outside Services	265,000	663,400	663,400
Travel - In State	53,000	60,300	60,300
Travel - Out of State	2,600	3,500	3,500
Other Operating Expenditures	3,435,600	3,414,600	3,341,700
Food	127,600	128,000	128,000
Equipment	200	0	143,100
<b>AGENCY TOTAL</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>30,981,600<sup>1/</sup></b>
<b>FUND SOURCES</b>			
General Fund	13,737,600	14,636,200	16,173,300
<u>Other Appropriated Funds</u>			
Schools for the Deaf and the Blind Fund	11,564,400	13,252,200	13,816,900 <sup>2/3/</sup>
Telecommunications Excise Tax Fund	1,376,900	1,988,500	991,400
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>12,941,300</b>	<b>15,240,700</b>	<b>14,808,300</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>30,981,600</b>
Other Non-Appropriated Funds	14,521,200	16,926,700	16,926,700
Federal Funds	2,468,600	3,269,600	2,491,000
<b>TOTAL - ALL SOURCES</b>	<b>43,668,700</b>	<b>50,073,200</b>	<b>50,399,300</b>

**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 not served at the Phoenix or Tucson campuses and provides administrative support for the Phoenix day school, the Tucson campus, and all statewide programs. System-wide, ASDB serves approximately 2,278 children: 532 students in the K-12 programs (265 in Tucson and 267 in Phoenix), 173 children in preschools, 383 infant/toddlers in regional areas, and 1,190 children through the 5 existing regional cooperatives.

<sup>1/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.  
<sup>2/</sup> Before the expenditure of any Schools for the Deaf and the Blind Fund monies in excess of \$13,816,900 in FY 2006, the Joint Legislative Budget Committee shall review the intended use of the funds. (General Appropriation Act footnote, as adjusted for statewide allocations)  
<sup>3/</sup> All endowment earnings above \$200,000 in FY 2006 that are received by the Schools for the Deaf and the Blind and deposited into the Schools for the Deaf and the Blind Fund are appropriated for operating expenditures. (General Appropriation Act footnote)

**PERFORMANCE MEASURES**

- % of parents rating overall quality of services as “good” or “excellent” based on annual survey
- % of students demonstrating gains on the AIMS test
- % of students demonstrating gains on the norm-referenced test (grades 2 and 9)

	FY 2003 Actual	FY 2004 Actual	FY 2006 Approved
	94	94	95
	NA	NA	80
	NA	NA	80

**Comments:** The agency did not submit information for any measure labeled as “NA.” ASDB has consistently scored high on parent satisfaction surveys, and expects that trend to continue.

**Operating Budget**

The budget provides \$30,981,600 for the operating budget in FY 2006. This amount consists of:

	<b>FY 2006</b>
General Fund	\$16,173,300
Schools for the Deaf and the Blind Fund	13,816,900
Telecommunications Excise Tax (TET) Fund	991,400

The approved amount includes an increase of \$1,066,100 for statewide adjustments. This amount consists of:

General Fund	446,500
Schools for the Deaf and the Blind Fund	564,700
Telecommunications Excise Tax Fund	54,900

*(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

**Vacant FTE Reduction**

The approved amount includes a decrease of \$(104,500) and (21.2) FTE Positions from the General Fund in FY 2006 for the elimination of vacant FTE Positions. By reducing the number of vacant FTE Positions, the budget reduced the amount of money appropriated for health, dental, and life insurance. These monies are passed through directly to the Arizona Department of Administration for statewide insurance costs and will not affect the amount of monies the agency has for other purposes. All other funding for these vacant positions had been previously eliminated.

**Telecommunications Excise Tax Fund Shift**

The approved amount includes an increase of \$1,052,000 and 16.6 FTE Positions from the General Fund in FY 2006 and a decrease of \$(1,052,000) and (16.6) FTE Positions from the TET Fund in order to align the TET Fund appropriation with projected revenues. TET revenues come from a surcharge on land line telephone bills, which have decreased as residents switch from land lines to wireless telephone providers.

**Assistive Technology**

The approved amount includes an increase of \$143,100 from the General Fund in FY 2006 for Assistive Technology devices. These are Braille devices used to improve literacy, including 18 BrailleNote units for use

with electronic media and 6 Braillewriters for producing written work. This is one-time funding.

**Special Line Items**

**Voucher Fund Adjustment**

The budget provides no funding from the Schools for the Deaf and the Blind Fund for the Voucher Fund Adjustment in FY 2006.

Special education voucher monies in the Schools for the Deaf and the Blind 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. In FY 2005, instead of appropriating these monies to specific purposes, the Legislature created this Special Line Item to give ASDB the flexibility to spend these monies on an approved set of projects as they deemed necessary. It was agreed that the monies would be reported in the operating budget, as opposed to the Special Line Item, once the funds were spent. For FY 2006, there are no new funds to allocate to this line. *(Please see the Voucher Funding section below.)*

**Additional Legislation**

**Health and Welfare Budget Reconciliation Bill**

The Health and Welfare Budget Reconciliation Bill (Laws 2005, Chapter 328) changes the distribution of Telecommunications Excise Tax receipts. Previously, ASDB received 0.23% of gross proceeds. With this revision, ASDB will receive 0.16%. The resultant decrease in funding was offset by an increase in the General Fund appropriation (see the *Telecommunications Excise Tax Fund Shift* narrative for more information).

**K-12 Education Budget Reconciliation Bill**

The K-12 Education Budget Reconciliation Bill (Laws 2005, Chapter 329) allows the Superintendent of ASDB to issue individual contracts for teaching positions with the approval of the ASDB Board.

## ***Other Issues***

### ***Voucher Funding***

The budget provides no change in ASDB voucher funding for FY 2006. This reflects a \$(716,100) base adjustment for lower-than-projected enrollment growth in FY 2005 and a \$716,100 increase to accommodate enrollment growth and inflation adjustments in FY 2006.

ASDB's actual voucher funding requirement for FY 2005 is expected to be \$(866,500) less than the appropriated amount. In order to maintain ADSB's FY 2006 expenditure authority for vouchers at the FY 2005 level, however, a base adjustment of only \$(716,100) is included in its FY 2006 appropriation. This amount would exactly offset an estimated \$716,100 required increase for enrollment growth and inflation funding for FY 2006, resulting in no net change for the program.

Estimated enrollment growth for FY 2006 includes 12 new students in the preschool programs, resulting in a projected voucher formula increase of \$237,400. The remaining \$478,700 increase is due to a 3.7% adjustment for inflation (*see the "2% Inflation Adjustment" issue in the Department of Education budget for more information*).