

# Arizona State Schools for the Deaf and the Blind

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
<b>PROGRAM BUDGET</b>			
Phoenix Day School for the Deaf	6,573,000	7,338,800	7,338,800
Tucson Campus	13,283,200	14,732,100	14,732,100
Administration/Statewide Programs	6,822,700	7,806,000	7,806,000
Voucher Fund Adjustment	0	0	0
<b>AGENCY TOTAL</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>29,876,900</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	608.4	608.4	608.4
Personal Services	17,692,200	19,843,000	19,843,000
Employee Related Expenditures	5,102,700	5,764,100	5,837,000
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	0
<b>AGENCY TOTAL</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>29,876,900</b>
<b>SPECIAL LINE ITEMS</b>			
Voucher Fund Adjustment	0	0	0
<b>AGENCY TOTAL</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>29,876,900</b>
<b>FUND SOURCES</b>			
General Fund	13,737,600	14,636,200	15,288,200
<u>Other Appropriated Funds</u>			
Schools for the Deaf and the Blind Fund	11,564,400	13,252,200	13,252,200
Telecommunications Excise Tax Fund	1,376,900	1,988,500	1,336,500
SUBTOTAL - Other Appropriated Funds	12,941,300	15,240,700	14,588,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>26,678,900</b>	<b>29,876,900</b>	<b>29,876,900</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>49,294,600</b>

## CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	652,000	4.5%
Other Appropriated Funds	(652,000)	(4.3%)
Total Appropriated Funds	0	0.0%
Non Appropriated Funds	(778,600)	(3.9%)
Total - All Sources	(778,600)	(1.6%)

**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 2,064 children: 527 students in the K-12 programs (261 in Tucson and 266 in Phoenix), 140 children in preschools, 325 infant/toddlers in regional areas, and 1,072 children through the 5 existing regional cooperatives.

<b>PERFORMANCE MEASURES</b>	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• % of parents rating overall quality of services as “good” or “excellent” based on annual survey	94	94	94	95
• % of certified positions filled	93	90	95	--
• % of agency staff turnover	15	15	15	--
• % of students demonstrating gains on the AIMS test	NA	NA	80	80
• % of students demonstrating gains on the norm-referenced test (grades 2 and 9)	NA	NA	80	80
• Administration as a % of total cost	NA	NA	7.9	--

**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.

**RECOMMENDED CHANGES FROM FY 2005**

**Operating Budget**

The JLBC recommends \$29,876,900 for the operating budget in FY 2006. This amount consists of:

**FY 2006**

General Fund	\$15,288,200
Schools for the Deaf and the Blind Fund	13,252,200
Telecommunications Excise Tax (TET) Fund	1,336,500

These amounts include the following adjustments:

**Telecommunications Excise Tax**

<b>Fund Shift</b>	<b>GF</b>	<b>652,000</b>
	<b>OF</b>	<b>(652,000)</b>

The JLBC recommends an increase of \$652,000 and 11.5 FTE Positions from the General Fund in FY 2006 and a decrease of \$(652,000) and (11.5) FTE Positions from the TET Fund in order to align the TET Fund appropriation with projected revenues. TET revenues come from a 0.23% surcharge on land line telephone bills, which have decreased as residents switch from land lines to wireless telephone providers. We currently estimate that \$1,336,500 will be available from the TET Fund to help fund ASDB in FY 2006, which would be \$(652,000) less than the amount assumed in the FY 2005 appropriation. The recommended fund shift would allow ASDB to operate at the level intended by the FY 2005 budget.

**Special Line Items**

**Voucher Fund Adjustment**

The JLBC recommends \$0 from the Schools for the Deaf and the Blind Fund for the Voucher Fund Adjustment in FY 2006. This amount would fund the following adjustments:

**Base Adjustment** **OF (472,300)**

The JLBC recommends a decrease of \$(472,300) from the Schools for the Deaf and the Blind Fund in FY 2006 for a Base Adjustment. This is because enrollment growth for FY 2005 has underperformed previous estimates, causing actual receipts from the fund to fall below the FY 2005 appropriated amount. The recommended base adjustment equals estimated growth in voucher funding for FY 2006 due to enrollment growth and the 2% inflator (see below), rather than the full amount of \$866,500 that would be required to offset lower than budgeted growth for FY 2005. The recommended amount would allow ASDB to maintain expenditure authority at the FY 2005 level.

**Enrollment Growth and**

**2% Inflator** **OF 472,300**

The JLBC recommends an increase of \$472,300 from the Schools for the Deaf and the Blind Fund for enrollment growth and 2% inflator. This represents the projected increase in ASDB voucher revenues due to estimated student enrollment growth for FY 2006 and a 2% base level increase pursuant to A.R.S. § 15-901.01. Estimated enrollment growth includes 12 new students in the preschool programs, resulting in a voucher formula

increase of \$227,300. The remaining \$245,000 is due to the 2% adjustment for inflation. Enrollment at the Tucson and Phoenix campuses is expected to remain flat for FY 2006, providing no additional voucher funding for them.

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.

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**JLBC RECOMMENDED FORMAT** — Operating Lump Sum with Special Line Items by Program

**JLBC RECOMMENDED FOOTNOTES**

*Standard Footnotes*

Before the expenditure of any Schools for the Deaf and the Blind Fund monies in excess of \$13,252,200 in FY 2006, the Joint Legislative Budget Committee shall review the intended use of the funds.

All endowment earnings above \$200,000 in FY 2006 that are received by the Arizona State Schools for the Deaf and the Blind and deposited into the Schools for the Deaf and the Blind Fund are appropriated for operating expenditures.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Enterprise (SDA4222/A.R.S. § 15-1323)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from fees, rentals, and other charges from the non-school use of facilities.		
<b>Purpose of Fund:</b> To defray the costs of operating those facilities (i.e. auditorium).		
<b>Funds Expended</b>	119,500	156,000
<b>Year-End Fund Balance</b>	102,900	87,900
<b>Federal Grants (SDA2000/A.R.S. § 15-1303)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To be expended as stipulated by federal statutes authorizing the federal grants.		
<b>Funds Expended</b>	2,468,600	3,269,600
<b>Year-End Fund Balance</b>	62,400	695,200
<b>Instructional Improvement (EDA2492/A.R.S. § 15-979)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Shared revenue from Indian gaming, as authorized by Proposition 202 from the 2002 General Election. The Instructional Improvement Fund receives 56% of total shared revenue from Proposition 202. This is distributed among school districts, charter schools and ASDB based on student counts.		
<b>Purpose of Fund:</b> To provide for classroom size reduction, teacher salary increases, dropout prevention, and instructional improvement.		
<b>Funds Expended</b>	9,400	23,900
<b>Year-End Fund Balance</b>	13,600	12,700
<b>Non-Federal Grants (SDA2011/A.R.S. § 15-1303)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> "Medicaid in Public Schools" (MIPS) reimbursements and grants by private corporations and other state agencies.		
<b>Purpose of Fund:</b> To reimburse ASDB for MIPS-related expenditures and to accomplish specific projects of interest to the donor and ASDB.		
<b>Funds Expended</b>	1,589,800	1,575,700
<b>Year-End Fund Balance</b>	1,169,800	780,500
<b>Regional Cooperatives (SDA4221/Laws 1987, Chapter 363)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To fund 53 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.		
<b>Funds Expended</b>	12,088,500	13,419,400
<b>Year-End Fund Balance</b>	2,323,800	2,103,500

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Schools for the Deaf and the Blind (SDA2444/A.R.S. § 15-1304)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> “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.		
<b>Purpose of Fund:</b> To cover the cost of educating students receiving special education services at ASDB.		
<b>Funds Expended</b>	11,564,400	13,252,200
<b>Year-End Fund Balance</b>	2,000	2,000
<b>Arizona State Schools for the Deaf and the Blind Classroom Site (SDA2486/A.R.S. § 15-1305)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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” and “Group B” weighted student count, as specified in A.R.S. § 15-943.		
<b>Purpose of Fund:</b> 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%).		
<b>Funds Expended</b>	586,900	1,601,700
<b>Year-End Fund Balance</b>	8,600	6,900
<b>Telecommunications Excise Tax (SDA2374/A.R.S. § 15-1306)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Revenues from the Telecommunications Services Excise Tax (A.R.S. § 42-5252), which is a 1.1% surcharge on local telephone bills. The ASDB portion of the fund receives 0.23% from the 1.1% surcharge. The remainder of the surcharge is allocated to the Telecommunications Fund for the Deaf (0.68%), 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, and the Teratogen Information Program (0.01%) administered by the University of Arizona Health Sciences Center.		
<b>Purpose of Fund:</b> To be used for ASDB operating expenses.		
<b>Funds Expended</b>	1,376,900	1,988,500
<b>Year-End Fund Balance</b>	131,700	131,700
<b>Trust (SDA3148/A.R.S. § 15-1323)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from private endowment, which are outside the control of the State Treasurer and are held by the ASDB Board.		
<b>Purpose of Fund:</b> Spent at the discretion of ASDB.		
<b>Funds Expended</b>	127,100	150,000
<b>Year-End Fund Balance</b>	5,300	5,300

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