

Superintendent: Harold Hoff

JLBC Analyst: Nick Klingerman

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
PROGRAM BUDGET			
Phoenix Day School for the Deaf	8,115,000	9,726,400	10,948,300
Tucson Campus	14,167,900	14,429,800	16,311,500
Regional Cooperatives	1,354,400	1,719,700	1,849,400
Preschool/Outreach Programs	4,496,500	5,634,900	5,968,600
AGENCY TOTAL	28,133,800	31,510,800	35,077,800
OPERATING BUDGET			
Full Time Equivalent Positions	608.4	587.2	587.2
Personal Services	18,608,700	20,624,800	21,653,700
Employee Related Expenditures	5,725,300	6,808,300	7,890,900
Professional and Outside Services	585,200	663,400	663,400
Travel - In State	48,900	60,300	60,300
Travel - Out of State	7,800	3,500	3,500
Other Operating Expenditures	3,020,100	3,079,400	3,274,900
Food	137,800	128,000	128,000
Equipment	0	143,100	553,100
OPERATING SUBTOTAL	28,133,800	31,510,800	34,227,800
SPECIAL LINE ITEMS			
School Bus Replacement	0	0	850,000 ^{1/}
AGENCY TOTAL	28,133,800	31,510,800	35,077,800^{2/}
FUND SOURCES			
General Fund	14,473,100	16,702,500	21,260,900
<u>Other Appropriated Funds</u>			
Schools for the Deaf and the Blind Fund	12,261,900	13,816,900	13,816,900 ^{3/4/}
Telecommunications Excise Tax Fund	1,398,800	991,400	0
SUBTOTAL - Other Appropriated Funds	13,660,700	14,808,300	13,816,900
SUBTOTAL - Appropriated Funds	28,133,800	31,510,800	35,077,800
Other Non-Appropriated Funds	16,471,000	18,476,700	19,777,200
Federal Funds	2,205,500	3,084,600	2,333,000
TOTAL - ALL SOURCES	46,810,300	53,072,100	57,188,000

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. ASDB serves approximately 2,305 children: 531 students in the K-12 programs (263 in Tucson and 268 in Phoenix), 189 children in preschools, 355 infant/toddlers in regional areas, and 1,230 children through the 5 existing regional cooperatives.

^{1/} Before expending any funds for school bus replacement, the Arizona State Schools for the Deaf and the Blind shall submit an expenditure plan to the Joint Legislative Budget Committee for review. (General Appropriation Act footnote)
^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.
^{3/} Before the expenditure of any Schools for the Deaf and the Blind Fund monies in excess of \$13,816,900 in FY 2007, the Joint Legislative Budget Committee shall review the intended use of the funds. (General Appropriation Act footnote)
^{4/} All endowment earnings above \$200,000 in FY 2007 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	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
• % of parents rating overall quality of services as “good” or “excellent” based on annual survey	94	94	92	95
• % of students in grade 5 meeting or exceeding state academic standards in:				
-- reading	--	24	16	20
-- writing	--	47	19	25
-- math	--	19	16	20
Comments: This is a new performance measure for FY 2007. In FY 2004, students were allowed to take out-of-level tests. Beginning in FY 2005, out-of-level testing was not allowed. For that reason FY 2004 data and FY 2005 data are not comparable.				
• % of students in high school meeting or exceeding state academic standards in:				
-- reading	--	29	17	20
-- writing	--	39	21	25
-- math	--	7	17	20
Comments: This is a new performance measure for FY 2007. In FY 2004, students were allowed to take out-of-level tests. Beginning in FY 2005, out-of-level testing was not allowed. For that reason FY 2004 data and FY 2005 data are not comparable.				

Operating Budget

The budget provides \$34,227,800 for the operating budget in FY 2007. These amounts consist of:

General Fund	\$20,410,900
Schools for the Deaf and the Blind Fund	13,816,900

These amounts include an increase of \$2,307,000 from the General Fund in FY 2007 for statewide adjustments. (Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

Air Conditioners

The budget provides a one-time increase of \$300,000 from the General Fund in FY 2007 to install 3 air conditioners in dorms at the Tucson Campus. Currently 3 dorms at the Tucson campus lack air conditioners and instead use evaporative coolers. The approved amount provides funding to replace the evaporative coolers with air conditioners.

Assistive Technology Devices

The budget provides a one-time increase of \$110,000 from the General Fund in FY 2007 for assistive technology devices. The FY 2006 budget provided an increase of \$143,100 from the General Fund to purchase assistive technology devices. The approved budget continued this one-time funding in FY 2007. Combined with the \$110,000 increase, the total assistive technology device funding is \$253,100 in FY 2007. The budgeted amount provides funding for 10 electronic dictionaries for visually impaired students, 2 mobile classroom computer labs for visually disabled students, 12 interactive whiteboards for hearing impaired students, and computer and software

upgrades for computers used by visually impaired students and hearing impaired.

Eliminate Telecommunications Services Excise Tax Funding

The budget provides an increase of \$991,400 and 18.6 FTE Positions from the General Fund and a decrease of \$(991,400) and (18.6) FTE Positions from the Telecommunications Excise Tax Fund in FY 2007 to eliminate ASDB’s funding from the Telecommunications Services Excise Tax. The Telecommunications Services Excise Tax is a 1.1% surcharge on gross proceeds from land line telephone bills. Since FY 2003, revenue from this tax has been decreasing. This is due to the increase in cellular telephone users and users of Voice over Internet Protocol (VoIP), who do not pay the excise tax. The receipts for FY 2005 were 17.4% lower than receipts during FY 2004. FY 2006 gross receipts through May from the total amount of the Telecommunications Services Excise Tax collections are 11.6% lower than receipts in FY 2005 for the same period. In addition, revenues from the tax are estimated to decline 15% in FY 2007. Given the projected decreases, revenues from the tax would not be sufficient to sustain the FY 2006 appropriated funding amounts in FY 2007. The General Revenues Budget Reconciliation Bill (BRB) (Laws 2006, Chapter 351) eliminates ASDB’s funding from the telecommunications services excise tax and redistributes ASDB’s share of the tax collections to the Commission for the Deaf and the Hard of Hearing.

Special Line Items

School Bus Replacement

The budget provides \$850,000 from the General Fund for a new School Bus Replacement special line item in FY 2007. These monies will be used to replace 10 gasoline powered school buses that are over 10 years old and have over 150,000 miles. According to the School Facilities Board (SFB) rules for ASDB, a gasoline powered bus should be replaced after 10 years or 150,000 miles. ASDB plans on replacing these buses with 10 diesel powered buses. Prior to any expenditure for this item, a footnote requires that ASDB submit to the Joint Legislative Budget Committee an expenditure plan for the 10 new buses.

Additional Legislation

Capital Outlay Budget Reconciliation Bill

The Capital Outlay BRB (Laws 2006, Chapter 345) includes \$19,000,000 from the General Fund for capital projects at the ASDB Tucson and Phoenix Campuses. The Capital Outlay BRB provides \$13.5 million for a new middle school and high school at the Phoenix Campus, \$3.6 million for a new career and technology center at the Tucson Campus, \$1.5 million for a student health center at the Tucson Campus, and \$400,000 to remodel the vocational building at the Tucson Campus. *(Please see the Capital Budget Summary for more information)*

Other Issues

Voucher Funding

The budget provides no change in ASDB voucher funding for FY 2007. ASDB's actual voucher funding for FY 2006 is expected to be \$(1,152,900) less than the appropriated amount due to less than expected enrollment in prior years. This gap will almost entirely be made up in FY 2007, as ASDB's voucher funding from the Arizona Department of Education is expected to increase by \$1,337,100 for enrollment growth and inflation funding.

Estimated enrollment growth for FY 2007 includes 19 new students in the preschool programs and 1 new student at the Phoenix campus, resulting in a projected voucher formula increase of \$345,600. The remaining \$991,500 increase is due to Base Level and inflation adjustments resulting in an increase of \$579,900 and increases in special education weights resulting in an increase \$411,600 *(see the "2% Inflation Adjustment," the "Additional Base Level Increase," and the "Special Education Weights" issues in the Department of Education budget for more information).*