# *Arizona State Schools for the Deaf and the Blind*

*JLBC:* Jack Brown
*OSPB:*

| DESCRIPTION | FY 2008 ACTUAL | FY 2009 ESTIMATE | FY 2010 JLBC |
|---|---|---|---|
| **PROGRAM BUDGET** | | | |
| Administration/Statewide Programs | 3,655,700 | 4,707,700 | 4,707,700 |
| Phoenix Day School for the Deaf | 9,417,900 | 9,436,200 | 9,436,200 |
| Preschool/Outreach Programs | 4,003,400 | 4,118,000 | 4,118,000 |
| Regional Cooperatives | 1,541,800 | 1,447,600 | 1,447,600 |
| Tucson Campus | 17,196,100 | 16,997,600 | 16,997,600 |
| **AGENCY TOTAL** | **35,814,900** | **36,707,100** | **36,707,100** |
| **OPERATING BUDGET** | | | |
| *Full Time Equivalent Positions* | 587.2 | 587.2 | 587.2 |
| Personal Services | 20,102,100 | 20,861,400 | 20,861,400 |
| Employee Related Expenditures | 7,774,100 | 7,953,000 | 7,953,000 |
| Professional and Outside Services | 1,024,500 | 733,800 | 733,800 |
| Travel - In State | 56,400 | 22,000 | 22,000 |
| Travel - Out of State | 8,900 | 18,700 | 18,700 |
| Other Operating Expenditures | 5,052,500 | 5,968,000 | 5,968,000 |
| Food | 111,600 | 180,100 | 180,100 |
| Equipment | 1,054,800 | 232,100 | 232,100 |
| **OPERATING SUBTOTAL** | **35,184,900** | **35,969,100** | **35,969,100** |
| **SPECIAL LINE ITEMS** | | | |
| School Bus Replacement | 630,000 | 738,000 | 738,000 |
| Voucher Fund Adjustment | 0 | 0 | 0 |
| **AGENCY TOTAL** | **35,814,900** | **36,707,100** | **36,707,100** |
| **FUND SOURCES** | | | |
| General Fund | 21,424,600 | 22,011,700 | 22,011,700 |
| Other Appropriated Funds | | | |
| Schools for the Deaf and the Blind Fund | 14,390,300 | 14,695,400 | 14,695,400 |
| SUBTOTAL - Other Appropriated Funds | 14,390,300 | 14,695,400 | 14,695,400 |
| **SUBTOTAL - Appropriated Funds** | **35,814,900** | **36,707,100** | **36,707,100** |
| Other Non-Appropriated Funds | 19,880,600 | 21,346,200 | 21,346,200 |
| Federal Funds | 3,468,000 | 3,918,100 | 3,918,100 |
| **TOTAL - ALL SOURCES** | 59,163,500 | 61,971,400 | 61,971,400 |

**CHANGE IN FUNDING SUMMARY**

| | FY 2009 to FY 2010 JLBC | |
|---|---|---|
| | $ Change | % Change |
| General Fund | 0 | 0.0% |
| Other Appropriated Funds | 0 | 0.0% |
| Total Appropriated Funds | 0 | 0.0% |
| Non-Appropriated Funds | 0 | 0.0% |
| Total - All Sources | 0 | 0.0% |

**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 2,587 children: 519 students in the K-12 programs (240 in Tucson and 279 in Phoenix), 178 children in preschools, 311 infant/toddlers in regional areas, and 1,579 children through the 5 existing regional cooperatives.

| **PERFORMANCE MEASURES** | FY 2006 Actual | FY 2007 Actual | FY 2008 Actual | FY 2010 JLBC |
|---|---|---|---|---|
| • % of parents rating overall quality of services as "good" or "excellent" based on annual survey | 93 | 98 | 98 | 98 |
| • % of students in grade 5 meeting or exceeding state academic standards in: | | | | |
| -- reading | 24 | 0 | 4 | 4 |
| -- writing | 19 | 3 | 14 | 14 |
| -- math | 26 | 0 | 0 | 0 |
| • % of students in high school meeting or exceeding state academic standards in: | | | | |
| -- reading | 20 | 16 | 28 | 28 |
| -- writing | 20 | 10 | 28 | 28 |
| -- math | 16 | 16 | 24 | 24 |

### *Operating Budget*

The JLBC includes $35,969,100 and 587.2 FTE Positions for the operating budget in FY 2010. These amounts consist of:

| | |
|---|---|
| General Fund | $21,273,700 |
| Schools for the Deaf and the Blind Fund | 14,695,400 |

These amounts are unchanged from FY 2009.

**Assistive Technology Devices OF 0**

The JLBC includes no change in funding in FY 2010 for assistive technology devices. ASDB's FY 2010 budget would include a total of $253,100 from the General Fund for assistive technology devices. Assistive technology devices include: electronic dictionaries for visually impaired students, mobile classroom computer labs for visually disabled students, interactive whiteboards for hearing impaired students, and computer and software upgrades for computers used by visually impaired students.

**Foundation for the Blind OF 0**

The JLBC would maintain funding in FY 2010 for the preschool program at the Foundation for Blind Children at the previously appropriated level.

### *School Bus Replacement*

The JLBC includes $738,000 from the General Fund for the School Bus Replacement Special Line Item in FY 2010. This amount is unchanged from FY 2009. Monies in this line item are used for the purchase of new school buses. ASDB plans to replace 8 gasoline powered buses in FY 2010. According to the School Facilities Board rules for ASDB, a gasoline powered bus should be replaced after 10 years or 150,000 miles.

### *Voucher Fund Adjustment*

The JLBC includes no monies from the Schools for the Deaf and the Blind Fund for the Voucher Fund Adjustment Special Line Item in FY 2010. The FY 2010 adjustments would be as follows:

**Voucher Fund Adjustment OF 0**

This adjustment provides no change in voucher funding from the Schools for the Deaf and the Blind Fund in FY 2010. This Special Line Item typically is used in order to provide ASDB with voucher fund increases for enrollment and inflation. No funding is provided for those items for FY 2010, however, because voucher caseloads are expected to remain unchanged and a 2% inflation adjustment is not included. (*Please see the "Special Education Fund" issue in the Department of Education budget for more information.)*

*Background* — 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 included amounts are reflected within a special line item to give ASDB flexibility in allocating the increased funding among its 4 programs. Once ASDB decides how to allocate these monies, the voucher funds would be distributed to regular line items.

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

**FOOTNOTES**

*Standard Footnotes*
Before the expenditure of any Arizona State Schools for the Deaf and the Blind Fund monies in excess of $14,695,400 in FY 2010, the Joint Legislative Budget Committee shall review the intended use of the funds.

*Deletion of Prior Year Footnotes*
The JLBC would delete the footnote requiring reporting on the intended use of monies in the Voucher Fund Adjustment line item, as none are included in the FY 2010 baseline.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

***Personnel Procedures***
Laws 2008, Chapter 208 provides changes to ASDB's current personnel rules and procedures. The law repeals the current employee probationary period and provides a 2-year probationary employment period for new teachers. The law also changes the status of ASDB employees, who previously operated under ASDB's own personnel rules as "uncovered." Laws 2008, Chapter 208 requires that ASDB employees be under the Arizona Department of Administration (ADOA) personnel rules (otherwise known as "covered" status.) Chapter 208 may change employee leave and other policies, which could have an undetermined fiscal impact.

The law provides a conditional enactment clause, which states that the provisions of the bill related to personnel procedures are only effective as of June 30, 2009 if the Legislature appropriates sufficient monies. In its FY 2010 budget submission, ASDB did not request any monies for this purpose. The Director of ADOA is responsible for determining before this date if the terms of the conditional enactment clause have been met.

| SUMMARY OF FUNDS | FY 2008 Actual | FY 2009 Estimate |
|---|---|---|
| **ASDB Classroom Site Fund** (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" and "Group B" 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** | 3,457,100 | 2,738,900 |
| **Year-End Fund Balance** | 768,700 | 442,600 |
| **Enterprise Fund** (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 operating those facilities (i.e. auditorium). | | |
| **Funds Expended** | 152,700 | 158,100 |
| **Year-End Fund Balance** | 74,600 | 78,900 |
| **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** | 3,468,000 | 3,918,100 |
| **Year-End Fund Balance*** | 311,500 | (500) |

| SUMMARY OF FUNDS | FY 2008 Actual | FY 2009 Estimate |
|---|---|---|

**IGA and ISA Fund** (SDA2500/A.R.S. § 35-142) **Non-Appropriated**

**Source of Revenue:** Various intergovernmental and interagency service agreements.

**Purpose of Fund:** Clearing account for monies expended under Intergovernmental Agreements (IGA's) and Intergovernmental Service Agreements (ISA's).

| | | |
|---|---|---|
| **Funds Expended** | 0 | 0 |
| **Year-End Fund Balance** | 46,000 | 46,000 |

**Instructional Improvement Fund** (EDA2492/A.R.S. § 15-979) **Non-Appropriated**

**Source of Revenue:** 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.

**Purpose of Fund:** To provide for classroom size reduction, teacher salary increases, dropout prevention, and instructional improvement.

| | | |
|---|---|---|
| **Funds Expended** | 186,400 | 186,400 |
| **Year-End Fund Balance** | 257,200 | 417,000 |

**Non-Federal Grants** (SDA2011/A.R.S. § 15-1303) **Non-Appropriated**

**Source of Revenue:** "Direct Services Claiming" (DSC) reimbursements and grants by private corporations and other state agencies.

**Purpose of Fund:** To reimburse ASDB for DSC-related expenditures and to accomplish specific projects of interest to the donor and ASDB.

| | | |
|---|---|---|
| **Funds Expended** | 71,400 | 74,300 |
| **Year-End Fund Balance** | 17,600 | 0 |

**Regional Cooperatives Fund** (SDA4221/Laws 1987, Chapter 363) **Non-Appropriated**

**Source of Revenue:** Monies in the fund come from special education voucher funds as well as tuition and fees that school districts pay to ASDB in order to reimburse it for costs of providing services to their students.

**Purpose of Fund:** The Regional Cooperative Fund is used to support ASDB's Regional Cooperatives program, which provides educational services to sensory impaired pupils who attend school at their local school districts rather than at an ASDB campus.

| | | |
|---|---|---|
| **Funds Expended** | 15,915,700 | 18,106,200 |
| **Year-End Fund Balance** | 4,858,300 | 3,798,400 |

**Schools for the Deaf and the Blind Fund** (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** | 14,390,300 | 14,695,400 |
| **Year-End Fund Balance** | 281,800 | 1,222,300 |

**Trust Fund** (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** | 97,300 | 82,300 |
| **Year-End Fund Balance** | 15,500 | 23,200 |

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