

Arizona State Schools for the Deaf and the Blind

| | FY 2015 ACTUAL | FY 2016 ESTIMATE | FY 2017 APPROVED |
|---|-------------------|---------------------|---------------------------------|
| PROGRAM BUDGET | | | |
| Administration/Statewide | 5,649,600 | 4,152,100 | 4,108,600 |
| Phoenix Day School for the Deaf | 9,207,000 | 10,194,700 | 10,137,900 |
| Preschool/Outreach Programs | 3,747,400 | 4,233,500 | 4,356,600 |
| Regional Cooperatives | 633,500 | 821,900 | 813,400 |
| Tucson Campus | 14,144,500 | 13,755,600 | 13,639,300 |
| AGENCY TOTAL | 33,382,000 | 33,157,800 | 33,055,800 |
| OPERATING BUDGET | | | |
| Full Time Equivalent Positions | 541.2 | 541.2 | 541.2 |
| Personal Services | 17,150,800 | 17,845,400 | 17,845,500 |
| Employee Related Expenditures | 8,339,800 | 8,451,400 | 8,199,300 |
| Professional and Outside Services | 1,371,900 | 1,657,400 | 1,657,400 |
| Travel - In State | 34,000 | 42,500 | 42,500 |
| Travel - Out of State | 19,300 | 24,000 | 24,000 |
| Food | 126,200 | 76,700 | 76,700 |
| Other Operating Expenditures | 4,999,400 | 3,743,600 | 3,747,700 |
| Equipment | 582,800 | 578,800 | 578,800 |
| OPERATING SUBTOTAL | 32,624,200 | 32,419,800 | 32,171,900 |
| SPECIAL LINE ITEMS | | | |
| Replace Network Core Infrastructure | 695,800 | 0 | 0 |
| School Bus Replacement | 62,000 | 738,000 | 738,000 |
| Voucher Fund Adjustment | 0 | 0 | 145,900 |
| AGENCY TOTAL | 33,382,000 | 33,157,800 | 33,055,800 ^{1/} |
| FUND SOURCES | | | |
| General Fund | 21,921,300 | 21,596,400 | 21,378,100 |
| <u>Other Appropriated Funds</u> | | | |
| Schools for the Deaf and the Blind Fund | 11,460,700 | 11,561,400 | 11,677,700 ^{2/} |
| SUBTOTAL - Other Appropriated Funds | 11,460,700 | 11,561,400 | 11,677,700 |
| SUBTOTAL - Appropriated Funds | 33,382,000 | 33,157,800 | 33,055,800 |
| Other Non-Appropriated Funds | 16,400,100 | 18,639,000 | 18,639,000 |
| Federal Funds | 1,620,300 | 2,495,300 | 2,495,300 |
| TOTAL - ALL SOURCES | 51,402,400 | 54,292,100 | 54,190,100 |

AGENCY DESCRIPTION — The Arizona State Schools for the Deaf and the Blind (ASDB) provides comprehensive educational programs for students with sensory impairments from birth to age 22. ASDB has 2 main campuses, a day school in Phoenix and a residential campus 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. As of September 2015, ASDB served approximately 1,995 children: 414 students in the K-12 programs (146 in Tucson and 268 in Phoenix), 96 children in preschools, 348 infant/toddlers in regional areas, and 1,137 children through the 5 existing regional cooperatives.

^{1/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

^{2/} Before the expenditure of any Schools for the Deaf and the Blind Fund monies in excess of \$11,677,700 in FY 2017, the Arizona State Schools for the Deaf and the Blind shall report to the Joint Legislative Budget Committee the intended use of the monies. (General Appropriation Act footnote, as adjusted for statewide allocations)

Operating Budget

The budget includes \$32,171,900 and 541.2 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

| | FY 2017 |
|---|----------------|
| General Fund | \$20,640,100 |
| Schools for the Deaf and the Blind Fund | 11,531,800 |

These amounts fund the following adjustments:

Statewide Adjustments

The budget includes a decrease of \$(247,900) in FY 2017 for statewide adjustments. These amounts consist of:

| | |
|--|-------------|
| General Fund | \$(218,300) |
| School for the Deaf and the Blind Fund | (29,600) |

(Please see the Agency Detail and Allocations section.)

Assistive Technology Devices

The budget includes no change in funding from the General Fund in FY 2017 for assistive technology devices. The budget includes a total of \$253,100 from the General Fund in FY 2017 for this equipment, which may 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 Blind Children

The budget maintains funding in FY 2017 for the preschool program at the Foundation for Blind Children at the previously appropriated level of \$1,054,100.

School Bus Replacement

The budget includes \$738,000 from the General Fund in FY 2017 for School Bus Replacement. This amount is unchanged from FY 2016.

Monies in this line item are used for the purchase of new school buses. 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 budget includes \$145,900 from the ASDB Fund in FY 2017 for a Voucher Fund Adjustment. This amount funds the following adjustments:

Enrollment Decrease

The budget includes a decrease of \$(408,200) from the ASDB Fund in FY 2017 for an enrollment decline. ASDB's FY 2016 appropriation assumed an enrollment of 529 students. Based on updated data, however, the FY 2016 estimated enrollment has been revised down to 510 students. ASDB is projected to receive approximately \$11,153,200 in special education voucher funding in FY 2016 under the revised enrollment estimate, which would be \$(408,200) below the FY 2016 appropriation. The budget assumes that ASDB enrollment would remain at 510 students for FY 2017, resulting in voucher costs for FY 2017 that would be \$(408,200) below the amount appropriated for FY 2016.

These estimates are based on enrollment trends shown in *Table 1*. *(Please see Other Issues for additional enrollment information.)*

Base Level Increase

The budget includes an increase of \$554,100 from the ASDB Fund in FY 2017 for a base level increase. Proposition 123 increases the per pupil "Base Level" in the Basic State Aid (BSA) formula. That BSA base level also serves as the base level for the ASDB Voucher Fund formula, so Proposition 123 also increases ASDB's voucher funding. In addition, the budget increases the base level for inflation by an additional 0.99% in FY 2017 above the revised FY 2016 level occurred under Proposition 123. The estimated increase for these 2 base level increases combined for FY 2017 is \$554,100.

ASDB will receive \$230,900 in 2016 from Proposition 123. These amounts are not displayed in the table on the prior page. *(See the Arizona Department of Education narrative for more information on Proposition 123.)*

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 amounts are reflected within a separate line item to give ASDB flexibility in allocating funding changes among its 4 programs.

Other Issues

Proposition 123

As a beneficiary of the Arizona State Land Trust, ASDB receives monies generated from lease revenues as well as the proceeds from trust land sales that are invested into a “permanent fund,” pursuant to Article X, Section 7 of the Arizona Constitution.

In addition to lease revenues, ASDB received \$116,300 in monies distributed by the Treasurer from its permanent fund in FY 2015.

As approved by the voters in May 2016, Proposition 123 will increase the Treasurer’s annual distribution rate from the State Land Trust Permanent Fund from 2.5% to 6.9% from FY 2016 through FY 2025.

As a result, ASDB will receive \$230,900 in additional revenue from the Treasurer’s distributions in FY 2016 and a total of \$399,700 from the Treasurer’s distributions in FY 2017. These monies are subject to legislative appropriation, but the FY 2017 General Appropriation Act allows ASDB to expend monies in excess of its stated appropriation as long as ASDB reports on the intended use of the monies to the Joint Legislative Budget Committee. Consequently, ASDB does not require additional appropriation authority to expend the new revenue generated by Prop 123. *(Please see the Department of Education - Other Issues section for more information on Proposition 123.)*

Enrollment Projections

Table 1 shows average annual enrollment data for ASDB’s Tucson, Phoenix, and Preschool campuses since FY 2013. FY 2016 estimates are based on reported enrollment through September 2015. The budget assumes that FY 2017 enrollment levels for ASDB will be unchanged from FY 2016.

Table 1 shows a substantial decrease in ASDB’s preschool population between FY 2013 and FY 2015. This may have been due, at least in part, to changes to A.R.S. § 15-771A that now allow charter schools to provide programs for preschool children with disabilities.

Table 1

| | ASDB Average Annual Enrollment | | | |
|--------------|--------------------------------|------------|------------|-------------------------|
| | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
| Tucson | 193 | 177 | 158 | 146 |
| Phoenix | 277 | 283 | 274 | 268 |
| Preschool | 150 | 113 | 97 | 96 |
| Total | 620 | 573 | 529 | 510^{1/} |

^{1/} Enrollment projection as of September 2015