	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
OPERATING BUDGET			
Full Time Equivalent Positions	151.4	135.5	132.5[1/]
Personal Services	3,873,900	4,397,800	4,397,800
Employee Related Expenditures	884,700	985,500	976,600
Professional and Outside Services	276,300	62,800	63,300
Travel - In State	54,900	40,600	40,600
Travel - Out of State	10,500	0	0
Other Operating Expenditures	1,090,300	1,007,700	1,052,900
Equipment	56,100	0	0
OPERATING SUBTOTAL	**6,246,700**	**6,494,400**	**6,531,200**
SPECIAL LINE ITEMS			
Achievement Testing	5,461,200	5,484,900	5,652,100[2/3/]
Arizona Teacher Evaluation	151,300	191,800	193,700
Career Ladder Administration	79,500	0	0
Charter Schools Administration	307,600	346,800	0[4/]
English Learner Monitoring	27,200	316,100	316,100[5/]
Special Education Audit	207,600	291,900	290,500
Teacher Certification	1,001,400	1,061,900	1,110,700[6/]
PROGRAM TOTAL	**13,482,500**	**14,187,800**	**14,094,300**[7/]
FUND SOURCES			
General Fund	12,481,100	10,845,700	10,534,400
Other Appropriated Funds			
Proposition 301 Fund		2,088,400	2,255,500
Teacher Certification Fund	1,001,400	1,253,700	1,304,400
SUBTOTAL - Other Appropriated Funds	1,001,400	3,342,100	3,559,900
PROGRAM TOTAL	**13,482,500**	**14,187,800**	**14,094,300**

COST CENTER DESCRIPTION — *The General Services Administration (GSA) program is divided into a number of units, including School Finance, Data Processing, and Special Education, which provide for the ongoing operation of the Department of Education. The State Superintendent of Public Instruction is funded through this cost center.*

1/ Includes 28.5 FTE Positions funded from Special Line Items in FY 2004 and 4.5 FTE Positions funded from Laws 2001, Chapter 9, 2nd Special Session.
2/ The appropriated amount includes $2,255,500 for norm-referenced testing of pupils in grades 1 through 9. (General Appropriation Act footnote)
3/ Before making any changes to the Achievement Testing program that will increase program costs, the State Board of Education shall report the estimated fiscal impact of those changes to the Joint Legislative Budget Committee. (General Appropriation Act footnote)
4/ This program is funded through the State Board for Charter Schools budget starting in FY 2004.
5/ Appropriated by Laws 2001, Chapter 9, 2nd Special Session.
6/ Monies collected by the Department of Education for teacher certification fees, as authorized by A.R.S. § 15-531, paragraphs 1 and 2, shall be deposited in a Teacher Certification Fund for use in funding costs of the Teacher Certification program. (General Appropriation Act footnote)
7/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES	FY 2002 Appropriation	FY 2002 Actual	FY 2003 Appropriation	FY 2004 Appropriation
• % of school report cards available in hard copy and on the agency's Web site	20	NA	25	--
• % difference between the Average Daily Membership (ADM) statewide total reported as of March 1st each year versus the year-end actual total as compared with the percent difference observed for FY 2001:				
-- Charter schools	-1	NA	-2	--
-- School districts	-1		-2	
• Increased percentage of customers satisfied with the agency above the FY 2001 percentage	+1	NA	+1	--
• Average number of days to process applications for certification services	30	45	30	35
• Increased percentage of customers satisfied with certification services above the FY 2001 percentage	+1	NA	+2	--
• % of customers satisfied with the agency's service	--	NA	--	Baseline +1
• % of customers satisfied with certification services	--	82	--	87

Comments: The agency did not submit information for any measure labeled as "NA." "Baseline" means the rating that the agency will obtain for the measure for FY 2003, which will be its first year of implementation according to the agency's current strategic plan.

Technical Adjustments — The FY 2004 approved amounts include technical adjustments for Employee Related Expenditures, Risk Management charges, state-owned and lease-purchase rent charges, Other Fund health and dental insurance changes and Other Fund retirement changes. *(Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)*

Operating Budget — Other than the technical adjustments described above and a $500 General Fund increase above FY 2003 to cover higher Attorney General legal services, the approved amount (all from the General Fund) is unchanged from FY 2003. The $500 legal services increase is due to the cost allocation of the Attorney General's Risk Management charge to client agencies. The operating budget includes 99.5 FTE Positions.

Special Line Items

Achievement Testing — The approved amount includes $3,396,600 in General Fund monies (unchanged except for technical adjustments) and $2,255,500 in "Proposition 301 Fund" monies (an increase of $167,100 from FY 2003 due to higher Stanford 9 testing costs). The line item includes 3 FTE Positions.

Table 1
Achievement Testing Appropriations

Stanford 9	$2,255,500
AIMS	3,208,600
Operating Budget	188,000
Total	**$5,652,100**

The $2,255,500 "Proposition 301 Fund" appropriation is for Stanford 9 testing and is from the "up to $7 million" allowable appropriation for School Accountability under Proposition 301 from the November 2000 General Election. That $2,255,500 amount is an increase of $167,100 from FY 2003 due to higher contract costs for Stanford 9 testing. Grades 1-9 will take the Stanford 9 test during FY 2003. Stanford 9 testing (a type of "Norm-Referenced Testing") compares academic achievement of Arizona students to that of students nationwide, while AIMS testing (a type of "Criterion-Referenced Testing") assesses student mastery of Arizona-established "essential skills."

A.R.S. § 15-741 requires CRT testing of pupils in at least 4 grades designated by the State Board of Education and NRT testing of unspecified grades to be determined by the Superintendent of Public Instruction. The State Board of Education has designated that Grades 3, 5, 8 and 12 will be CRT (AIMS) tested each year and the Superintendent of Public Instruction has determined that Grades 1-9 will be NRT tested during FY 2004.

Arizona Teacher Evaluation — The approved amount (all from the Teacher Certification Fund) is unchanged from FY 2003, other than for technical adjustments. The line item includes 2 FTE Positions. The approved amounts are for administration of the following programs: 1) the Arizona Teacher Proficiency Examination (ATPE) [A.R.S. § 15-533], 2) the State of Arizona and United States Constitutions examination [A.R.S. § 15-532], and 3) the Alternative Secondary Certification Program [Arizona Administrative Code R7-2-602].

Career Ladder Administration — The department eliminated separate funding for this program in FY 2003 in allocating its lump sum reduction for that year. The department now funds state-level administration of the Career Ladder program through its general operating budget. Career Ladder funding to schools is not affected by this change.

Charter Schools Administration — This program is funded through the State Board for Charter Schools in FY 2004. *(See the State Board for Charter Schools agency budget for more information.)*

English Learner Monitoring — The approved amount (all from the General Fund) is unchanged from FY 2003. The line item includes 4.5 FTE Positions. Funding for the program was appropriated by Laws 2001, Chapter 9, 2nd Special Session (the "Flores" bill). The purpose of the program is to monitor language acquisition programs as prescribed in A.R.S. § 15-756.

Other monies appropriated by Laws 2001, Chapter 9 are discussed in the narrative for the "Basic State Aid" and "English Learner Programs" Special Line Items in the Assistance to Schools cost center.

Special Education Audit — The approved amount (all from the General Fund) is unchanged from FY 2003, other than for technical adjustments. The line item includes 2.5 FTE Positions. The program funds audit costs pursuant to A.R.S. § 15-236(A), which requires the department to conduct a cost study for special education programs every 2 years. The department hires a private accounting firm to conduct the audit. The program also conducts audits of special education programs in order to determine the degree of school district compliance with existing statutes and regulations pertaining to special education, and to ensure the appropriate placement of students in special education programs pursuant to A.R.S. § 15-236(B).

Teacher Certification — The approved amount (all from the Teacher Certification Fund) is unchanged from FY 2003, other than for technical adjustments. The line includes 21 FTE Positions. The program processes applications for teacher and administrator certification, including certification renewal. It is funded through fees paid by certification applicants pursuant to A.R.S. § 15-531.

Click here to return to the Table of Contents