

**Department of Education**  
**General Services Administration**

A.R.S. § 15-201

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Approved</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	135.5	132.5	132.5 <sup>1/</sup>
Personal Services	3,888,600	4,397,800	4,482,000
Employee Related Expenditures	957,100	1,093,800	1,087,500
Professional and Outside Services	690,500	63,300	63,300
Travel - In State	54,300	40,600	40,600
Travel - Out of State	4,900	0	0
Other Operating Expenditures	1,220,200	955,200	955,200
Equipment	50,900	0	0
<b>OPERATING SUBTOTAL</b>	<b>6,866,500</b>	<b>6,550,700</b>	<b>6,628,600</b>
<b>SPECIAL LINE ITEMS</b>			
Achievement Testing	5,315,800	8,058,300 <sup>2/</sup>	9,907,900 <sup>3/</sup>
Arizona Teacher Evaluation	89,000	193,700	196,800
Charter Schools Administration	334,900	0	0 <sup>4/</sup>
English Learner Monitoring	79,800	316,100	320,500 <sup>5/</sup>
Special Education Audit	105,400	290,500	292,900
Teacher Certification	990,700	1,110,700	1,143,500 <sup>6/</sup>
<b>PROGRAM TOTAL</b>	<b>13,782,100</b>	<b>16,520,000</b>	<b>18,490,200<sup>7/</sup></b>
<b>FUND SOURCES</b>			
General Fund	10,783,100	12,960,100	14,809,600
<u>Other Appropriated Funds</u>			
Proposition 301 Fund	1,919,300	2,255,500	2,340,300
Teacher Certification Fund	1,079,700	1,304,400	1,340,300
SUBTOTAL - Other Appropriated Funds	2,999,000	3,559,900	3,680,600
<b>SUBTOTAL - Appropriated Funds</b>	<b>13,782,100</b>	<b>16,520,000</b>	<b>18,490,200</b>
Other Non-Appropriated Funds	2,625,900	4,939,100	4,939,100
<b>TOTAL - ALL SOURCES</b>	<b>16,408,000</b>	<b>21,459,100</b>	<b>23,429,300</b>

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

<b>PERFORMANCE MEASURES</b>	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• Average number of days to process applications for certification services	30	NA	35	35
• % of customers satisfied with the agency's service	--	NA	Baseline +1	Baseline +2
• % of customers satisfied with certification services	--	NA	87	88

**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 its first year of implementation.

<sup>1/</sup> Includes 28.5 FTE Positions funded from Special Line Items in FY 2005 and 4.5 FTE Positions funded from Laws 2001, Chapter 9, 2<sup>nd</sup> Special Session.  
<sup>2/</sup> Laws 2004, Chapter 277 appropriated \$2,406,200 for supplemental funding for achievement testing for FY 2004.  
<sup>3/</sup> 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)  
<sup>4/</sup> This program is funded through the State Board for Charter Schools budget starting in FY 2004.  
<sup>5/</sup> Includes \$316,100 appropriated by Laws 2001, Chapter 9, 2<sup>nd</sup> Special Session for monitoring language acquisition programs.  
<sup>6/</sup> 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)  
<sup>7/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

**Operating Budget**

The budget provides \$6,628,600 from the General Fund for the operating budget in FY 2005. This amount includes an increase for statewide salary and other adjustments. (Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

**Special Line Items**

**Achievement Testing**

The budget provides \$9,907,900 for Achievement Testing in FY 2005. This amount consists of \$7,567,600 from the General Fund (an increase of \$4,171,000 above the original FY 2004 appropriation) and \$2,340,300 from the Proposition 301 Fund (an increase of \$84,800). The General Fund amount includes an increase for statewide salary and other adjustments. The line item includes 3 FTE Positions.

The \$9,907,900 total appropriation includes \$9,717,000 for testing and \$190,900 for program operation (see Table 1). The \$9,717,000 testing budget includes \$7,367,700 from the General Fund and \$2,340,300 from the Proposition 301 Fund. The \$190,900 operating budget consists of General Fund monies only.

**Table 1**

**Achievement Testing Appropriation (FY 2005)**

<u>Fund Source</u>	<u>Testing</u>	<u>Operating</u>	<u>Total</u>
General Fund	\$7,376,700	190,900	\$7,567,600
Proposition 301 Fund	2,340,300	0	2,340,300
Total	\$9,717,000	\$190,900	<b>9,907,900</b>

Table 2 shows that the department currently (as of May 2004) estimates that Achievement Testing will cost \$17,037,400 in FY 2005. Of that amount, \$5,807,900 will come from Federal Funds and \$11,229,500 will be paid with state monies. The department will need to identify another \$1,321,600 to fully fund the \$17,037,400 estimate.

**Table 2**

**Estimated Achievement Testing Costs (FY 2005)**

<u>Fiscal Year</u>	<u>Total</u>
Testing	\$14,546,400
Program Administration	1,138,000
Set Performance Standards (new for Grades 4, 6 & 7; revised for other Grades)	500,000
Begin Development of Science Test (required by No Child Left Behind starting in FY 2008)	823,000
Miscellaneous	30,000
Total	<b>17,037,400</b>

**Table 3**

**Estimated Achievement Testing Shortfall (FY 2005)**

<u>Item</u>	<u>Total</u>
Total Estimated Cost	\$17,037,400
Fund Sources:	
General Fund	7,567,600
Proposition 301 Fund	2,340,300
Federal "No Child Left Behind" Testing Monies	5,807,900
Funding to Be Identified	\$1,321,600

The \$17,037,400 cost estimate for Achievement Testing includes funding to administer the new AIMS-Dual Purpose Assessment test ("AIMS-DPA") to pupils in Grades 3-8 and Grade 10 (plus high school "retakes"). It also includes funding to administer the "TerraNova" test to pupils in Grades 2 and 9. Starting in FY 2005, the TerraNova will replace the Stanford 9 for purposes of norm-referenced testing. Only Grades 2 & 9 will take the TerraNova in FY 2005 because other Grades will meet the norm-referenced testing requirement in A.R.S. § 15-941(A3) by taking the AIMS-DPA, since it now includes both "criterion-referenced" and "norm-referenced" questions. Grades 2 and 9 will not take the AIMS-DPA because the No Child Left Behind Act only requires AIMS testing for pupils in Grades 3-8.

The \$2,340,300 appropriation for Achievement Testing from the Proposition 301 Fund is from the "up to \$7 million" allowable appropriation for School Accountability in A.R.S. § 42-5029(E7). No additional Proposition 301 monies are available for achievement testing because the \$2,340,300 appropriation for achievement testing plus the \$4,659,700 appropriation for School Accountability program in the Assistance to Schools cost center sum to the maximum allowable \$7 million appropriation from the Proposition 301 Fund.

Laws 2004, Chapter 177 provided the program with a FY 2004 General Fund supplemental of \$2,406,200. This fully funded achievement testing costs for FY 2004.

**Arizona Teacher Evaluation**

The budget provides \$196,800 from the Teacher Certification Fund for the Arizona Teacher Evaluation program in FY 2005. This amount includes an increase for statewide salary and other adjustments. The line item includes 2 FTE Positions.

The approved amount is 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].

**Charter Schools Administration**

This program is funded through the State Board for Charter Schools for FY 2005. *(See the State Board for Charter Schools agency budget for more information.)*

**English Learner Monitoring**

The budget provides \$320,500 from the General Fund for English Learner Monitoring in FY 2005. This amount includes an increase for statewide salary and other adjustments. The line item includes 4.5 FTE Positions.

The approved amount includes \$316,100 that was appropriated by Laws 2001, Chapter 9, 2<sup>nd</sup> 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 “English Learner Grants” Special Line Items in the Assistance to Schools cost center.

**Special Education Audit**

The budget provides \$292,900 from the General Fund for the Special Education Audit program in FY 2005. This amount includes an increase for statewide salary and other 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 budget provides \$1,143,500 from the Teacher Certification Fund for the Teacher Certification Program in FY 2005. This amount includes an increase for statewide salary and other adjustments. The line item 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.

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