

**Department of Education**  
**Summary**

A.R.S. § 15-201

Superintendent: The Honorable Tom Horne

JLBC Analyst: Steve Schimpp/Jake Corey

	<b>FY 2003 Actual</b>	<b>FY 2004 Estimate</b>	<b>FY 2005 Approved</b>
<b>PROGRAM BUDGET</b>			
General Services Administration	13,782,100	16,520,000	18,490,200
Assistance to Schools	2,660,460,400	3,040,385,200	3,223,266,900
State Board of Education	439,600	498,600	605,000
<b>AGENCY TOTAL</b>	<b>2,674,682,100</b>	<b>3,057,403,800</b>	<b>3,242,362,100</b>

**OPERATING BUDGET**

<i>Full Time Equivalent Positions</i>	209.2	206.2	207.2 <sup>1/</sup>
Personal Services	4,148,400	4,687,900	4,828,600
Employee Related Expenditures	1,014,300	1,162,400	1,171,000
Professional and Outside Services	741,100	115,800	145,800
Travel - In State	56,000	45,900	47,900
Travel - Out of State	4,900	0	0
Other Operating Expenditures	1,290,500	1,037,300	1,040,300
Equipment	50,900	0	0
<b>OPERATING SUBTOTAL</b>	<b>7,306,100</b>	<b>7,049,300</b>	<b>7,233,600</b>
Special Line Items (SLI)	2,667,376,000	3,050,354,500	3,235,128,500
<b>AGENCY TOTAL</b>	<b>2,674,682,100</b>	<b>3,057,403,800</b>	<b>3,242,362,100<sup>2/</sup></b>

**FUND SOURCES**

General Fund	2,598,171,700	2,989,192,500	3,183,962,700
<b>Other Appropriated Funds</b>			
Permanent State School Fund	70,263,000	59,761,100	46,509,100
Proposition 301 Fund	4,942,000	6,915,200	7,000,000
School Improvement Revenue Bond Debt Service Fund	0	0	3,215,000
Teacher Certification Fund	1,305,400	1,535,000	1,675,300
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>76,510,400</b>	<b>68,211,300</b>	<b>58,399,400</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>2,674,682,100</b>	<b>3,057,403,800</b>	<b>3,242,362,100</b>
<b>Other Non-Appropriated Funds</b>			
Other Non-Appropriated Funds	337,460,700	340,258,900	400,473,100
Federal Funds	637,532,100	753,005,600	753,005,600
<b>TOTAL - ALL SOURCES</b>	<b>3,649,674,900</b>	<b>4,150,668,300</b>	<b>4,395,840,800</b>

**AGENCY DESCRIPTION** — The Department of Education is headed by the Superintendent of Public Instruction, an elected constitutional officer. For FY 2005 it is anticipated that the department will oversee 228 school districts and approximately 500 charter schools in their provision of public education from preschool through grade 12.

<b>PERFORMANCE MEASURES</b>	<b>FY 2003 Appropriation</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Appropriation</b>	<b>FY 2005 Appropriation</b>
• % of agency staff turnover	18	NA	18	18
• Administration as a % of total cost	0.2	NA	0.2	0.2
• Total cost of administration (\$ in millions)	4.7	NA	6.5	6.8

**Comments:** The agency did not submit information for any measure labeled as "NA."

<sup>1/</sup> Includes 100.7 FTE Positions funded from Special Line Items in FY 2005.

<sup>2/</sup> General Appropriation Act appropriation format Varies by Program.

**OVERVIEW OF PROPOSITION 301**

This section provides an overview of Proposition 301 from the November 2000 General Election. That Proposition amended A.R.S. § 42-5010 in order to raise the state Transaction Privilege Tax (TPT) (“sales tax”) rate on most purchases from 5% to 5.6%. It also amended A.R.S. § 42-5029 in order to prescribe how those new revenues would be allocated (see *Table 1*).

As shown in *Table 1*, the K-12 Classroom Site Fund receives all monies that remain from the Proposition 301 Fund after all other allocations are made. It also receives all growth in expendable earnings from the Permanent State School Fund after FY 2001.

The allocations shown in *Table 1* are estimates. Actual allocations will depend on sales tax collections for FY 2005.

<b>Table 1</b>			
<b>PROPOSITION 301 MONIES</b>			
<b><u>Revenues</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004 *</u></b>	<b><u>FY 2005 *</u></b>
Estimated 0.6 cent Sales Tax Revenue	\$446,041,200	\$480,533,400	\$ 507,923,800
<b><u>Expenditures</u></b>			
Students FIRST Debt Service	63,181,200	63,034,400	65,814,700
Universities	45,943,200	50,099,900	53,053,100
Community Colleges	11,485,800	12,525,000	13,263,300
Tribal Assistance	487,100	490,300	497,100
Additional School Days	31,530,100	48,727,700	66,957,200
School Safety	7,800,000	7,800,000	7,800,000
Character Education	200,000	200,000	200,000
School Accountability	6,675,200	6,915,200	7,000,000
Failing Schools Tutoring Fund	1,500,000	1,500,000	1,500,000
Income Tax Credit for Sales Tax Paid	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Available for Site Fund: Sales Tax	252,238,600	264,240,900	266,838,400
Available for Site Fund: Land Trust	20,826,400	0	26,868,700
Interest & Miscellaneous	<u>717,600</u>	<u>770,000</u>	<u>813,900</u>
<b>Total Available for Site Fund</b>	<b>\$273,782,600</b>	<b>\$265,010,900</b>	<b>\$294,521,000</b>
<b>* Estimated</b>			

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