

Department of Education
Summary

A.R.S. § 15-201

Superintendent: The Honorable Tom Horne

JLBC Analyst: Steve Schimpp/Jake Corey

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
PROGRAM BUDGET			
General Services Administration	14,119,400	18,537,000	17,815,200
Assistance to Schools	3,010,600,200	3,223,296,100	3,376,303,000
State Board of Education	416,600	605,800	625,700
AGENCY TOTAL	3,025,136,200	3,242,438,900	3,394,743,900
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	206.2	207.2	214.9 ^{1/}
Personal Services	3,829,600	4,746,900	5,546,700
Employee Related Expenditures	1,011,400	1,150,700	1,425,400
Professional and Outside Services	167,900	150,900	695,700
Travel - In State	95,200	58,000	118,000
Travel - Out of State	4,300	0	0
Other Operating Expenditures	1,727,900	1,170,400	1,211,600
Equipment	88,000	0	0
OPERATING SUBTOTAL	6,924,300	7,276,900	8,997,400
Special Line Items (SLI)	3,018,211,900	3,235,162,000	3,385,746,500
AGENCY TOTAL	3,025,136,200	3,242,438,900	3,394,743,900 ^{2/3/4/5/}
FUND SOURCES			
General Fund	2,959,417,900	3,184,039,500	3,342,529,300
<u>Other Appropriated Funds</u>			
Permanent State School Fund	59,761,100	46,509,100	43,223,000
Proposition 301 Fund	4,452,100	7,000,000	7,000,000
School Improvement Revenue Bond Debt Service Fund	0	3,215,000	0
Teacher Certification Fund	1,505,100	1,675,300	1,991,600
SUBTOTAL - Other Appropriated Funds	65,718,300	58,399,400	52,214,600
SUBTOTAL - Appropriated Funds	3,025,136,200	3,242,438,900	3,394,743,900
<u>Other Non-Appropriated Funds</u>			
Other Non-Appropriated Funds	380,417,000	465,269,700	621,485,900
Federal Funds	680,270,200	769,725,900	805,542,300
TOTAL - ALL SOURCES	4,085,823,400	4,477,434,500	4,821,772,100

AGENCY DESCRIPTION — The Department of Education is headed by the Superintendent of Public Instruction, an elected constitutional officer. For FY 2006 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.

- ^{1/} Includes 103.7 FTE Positions funded from Special Line Items in FY 2006.
- ^{2/} General Appropriation Act appropriation format Varies by Program.
- ^{3/} The department shall provide an updated report on its budget status every 2 months for the first half of each fiscal year and every month thereafter to the President of the Senate, the Speaker of the House of Representatives, the Chairmen of the Senate and House of Representatives Appropriations Committees, the Director of the Joint Legislative Budget Committee and the Director of the Governor's Office of Strategic Planning and Budgeting. Each report shall include, at a minimum, the department's current funding surplus or shortfall projections for Basic State Aid and other major formula-based programs and shall be due 30 days after the end of the applicable reporting period. (General Appropriation Act footnote)
- ^{4/} For FY 2006, in addition to computing Average Daily Membership counts for the first 100 days of the 2005-2006 school year pursuant to A.R.S. § 15-901(A)(2), the department shall compute Average Daily Membership counts for the first 140 days of the 2005-2006 school year. By February 1, 2007, the department shall provide a report to the Director of the Joint Legislative Budget Committee that compares the Average Daily Membership count of each school district and charter school in the state through the first 100 and first 140 days of the 2005-2006 school year. The 140 day Average Daily Membership counts computed pursuant to this requirement shall not be used for Basic State Aid formula funding purposes. (General Appropriation Act footnote)
- ^{5/} Within 15 days of each apportionment of state aid that occurs pursuant to A.R.S. § 15-973(B), the department shall provide the Joint Legislative Budget Committee Staff and the Governor's Office of Strategic Planning and Budgeting with an electronic spreadsheet or database copy of data included in the apor55-1 report for that apportionment for each school district and the char55-1 report for that apportionment for each charter school. (General Appropriation Act footnote)

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.

For FY 2006, a total of \$417,566,600 is expected to be available for distribution from the Classroom Site Fund (see *Table 1*). This would provide an estimated \$353 per “Group A weighted” ADM pupil under the formula prescribed in A.R.S. § 15-977(B)(2). The \$417,566,600 total, however, includes an estimated \$82,503,500 in prior year carry-forward monies that are one-time in nature. Those monies account for about \$70 of the projected \$353 per pupil amount for FY 2006. As a result, \$70 of the projected \$353 per pupil amount for FY 2006 also should be viewed as being one-time in nature.

The allocations shown in *Table 1* are estimates. Actual allocations will depend on sales tax collections for FY 2006.

Table 1			
PROPOSITION 301 MONIES			
<u>Revenues</u>	<u>FY 2004</u>	<u>FY 2005 *</u>	<u>FY 2006 *</u>
Estimated 0.6 cent Sales Tax Revenue	\$484,724,200	\$530,288,300	\$ 565,287,300
<u>Expenditures</u>			
Students FIRST Debt Service	66,053,200	65,814,700	65,805,000
Universities	50,240,500	55,736,800	59,937,900
Community Colleges	12,560,100	13,934,200	14,984,500
Tribal Assistance	495,100	501,400	515,500
Additional School Days	48,727,700	66,957,200	86,280,500
School Safety	7,800,000	7,800,000	7,800,000
Character Education	200,000	200,000	200,000
School Accountability	6,842,300	7,000,000	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	265,305,300	285,844,000	296,263,900
Available for Site Fund: Land Trust	0	26,867,900	38,799,200
Prior Year Carryforward	<u>0</u>	<u>46,239,300</u>	<u>82,503,500</u>
Total Available for Classroom Site Fund	\$265,305,300	\$358,951,200	\$417,566,600
* Estimated			