

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	74.8	71.5	70.5
Personal Services	3,126,100	3,590,400	3,943,400
Employee Related Expenditures	904,000	994,900	1,160,100
Professional and Outside Services	165,900	588,900	56,100
Travel - In State	32,500	48,800	58,800
Other Operating Expenditures	936,200	852,200	927,100
Equipment	38,700	0	0
OPERATING SUBTOTAL	5,203,400	6,075,200	6,145,500
SPECIAL LINE ITEMS			
Information Technology	0	0	2,500,000 ^{1/2/}
PROGRAM TOTAL	5,203,400	6,075,200	8,645,500^{3/4/}
FUND SOURCES			
General Fund	5,203,400	6,075,200	8,645,500
SUBTOTAL - Appropriated Funds	5,203,400	6,075,200	8,645,500
Other Non-Appropriated Funds	11,837,700	6,944,800	6,272,900
Federal Funds	383,900	30,400	30,400
TOTAL - ALL SOURCES	17,425,000	13,050,400	14,948,800

COST CENTER DESCRIPTION — The Administration program consists of 2 subprograms: 1) Administrative Services and 2) Management Information Services. The Administrative Services subprogram provides general administrative support for the agency and includes the office of the State Superintendent of Public Instruction. The Management Information Services subprogram provides information technology support for the agency. Both programs previously existed as part of the General Services Administration cost center, which is being eliminated in FY 2007 due to the agency’s transition to “program budgeting.” Some portions of the former General Services Administration budget now reside in other cost centers, so funding totals in the table above have been adjusted for all years for comparability with the new budget structure.

Operating Budget

The budget provides \$6,145,500 from the General Fund for the operating budget in FY 2007. This amount includes an increase of \$312,000 from the General Fund for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

Agency Information Factory

The budget provides a decrease of \$(532,800) from the General Fund in FY 2007 from the department’s operating budget to eliminate one-time FY 2006 planning and preliminary design monies for an Agency Information Factory (AIF), which removes all funding for this program from the department’s base operating budget. The department, however, receives \$2,500,000 in a new Information Technology Special Line Item for this issue in FY 2007, as described below.

^{1/} The appropriated amount for the Information Technology Special Line Item program is for improving access to currently-collected data, is not intended to be used to expand data collection or hire additional permanent staff and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations through June 30, 2008. (General Appropriation Act footnote)

^{2/} Before expending any monies from the Information Technology Special Line Item program, the Department of Education shall present to the Joint Legislative Budget Committee a timeline for implementation and completion of the project, including expected deliverables, intended objectives and any recommendations for statutory changes needed to complete the project. The report shall occur after Information Technology Authorization Committee approval of the project, unless approval was unreasonably withheld. During implementation of the project, the Department of Education shall present to the Joint Legislative Budget Committee at least once every 6 months a report on the progress of the project, including any changes to intended objectives and any updates on expected deliverables. (General Appropriation Act footnote)

^{3/} The operating lump sum appropriation includes \$291,100 and 4 FTE Positions for average daily membership auditing. (General Appropriation Act footnote)

^{4/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

FTE Reduction

The budget includes a decrease of (5) FTE Positions from the General Fund, but no funding change, for a FTE reduction in the agency's operating budget. This reduction partially offset an FTE increase approved for the School Accountability program. *(See related discussion in narrative for the School Accountability Special Line Item program in the Non-Formula Programs cost center.)*

ADM Audits

The budget includes an increase of \$291,100 and 4 FTE Positions from the General Fund for Average Daily Membership (ADM) audits. The K-12 Education Budget Reconciliation Bill (Laws 2006, Chapter 353) authorizes the department or the Office of the Auditor General to conduct ADM audits of school districts and charter schools for FY 2007.

<i>Special Line Items</i>

Information Technology

The budget provides \$2,500,000 from the General Fund in FY 2007 to improve access to currently-collected K-12 education data. The department plans to accomplish this goal by creating a data warehouse through which members of the public can gain access to non-confidential long-term data on students, teachers and schools via the Internet. Footnotes in the FY 2007 General Appropriation Act stipulate that the funding is not intended to be used to expand data collection or hire additional permanent staff. They also require the department to present a timeline for implementation and completion of the project to the Joint Legislative Budget Committee after it receives approval from the Information Technology Authorization Committee (ITAC) and to provide the Joint Legislative Budget Committee with updated reports at least every 6 months thereafter.