

**Department of Education
Administration**

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	71.5	70.5	70.5
Personal Services	3,195,800	4,178,800	4,178,800
Employee Related Expenditures	1,005,600	1,185,200	1,187,300
Professional and Outside Services	478,100	142,800	142,800
Travel - In State	17,500	23,800	23,800
Other Operating Expenditures	791,800	524,900	507,800
Equipment	160,100	90,000	90,000
OPERATING SUBTOTAL	5,648,900	6,145,500	6,130,500
SPECIAL LINE ITEMS			
Information Technology	0	2,500,000	0
PROGRAM TOTAL	5,648,900	8,645,500	6,130,500

FUND SOURCES

General Fund	5,648,900	8,645,500	6,130,500
SUBTOTAL - Appropriated Funds	5,648,900	8,645,500	6,130,500
Other Non-Appropriated Funds	4,628,200	5,997,600	5,997,600
Federal Funds	451,300	31,900	31,900
TOTAL - ALL SOURCES	10,728,400	14,675,000	12,160,000

CHANGE IN FUNDING SUMMARY

	<u>FY 2007 to FY 2008 JLBC</u>	
	<u>\$ Change</u>	<u>% Change</u>
General Fund	(2,515,000)	(29.1%)
Total Appropriated Funds	(2,515,000)	(29.1%)
Non Appropriated Funds	0	0.0%
Total - All Sources	(2,515,000)	(17.1%)

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.

CHANGES FROM FY 2007

Operating Budget

The JLBC includes \$6,130,500 and 70.5 FTE Positions from the General Fund for the operating budget in FY 2008. This would fund the following adjustments:

FY 2008

One-Time AZNet Appropriation GF \$(9,900)

The JLBC includes a decrease of \$(9,900) from the General Fund in FY 2008 to reflect the one-time appropriation for AZNet telecommunication charges.

Rebase Retirement Rates GF (5,100)

The JLBC includes a decrease of \$(5,100) in FY 2008 for rebasing Elected Officials Retirement Plan retirement rates at actual FY 2007 levels. The actual rates that will be charged to the agency in FY 2007 are lower than were assumed in the FY 2007 budget; this reduction leaves sufficient funds to pay the actual rates. Increases for FY 2008 changes to rates are funded separately as a statewide item and would be distributed to agencies at a later time.

Special Line Items

Information Technology

The JLBC includes no funding for the Information Technology Special Line Item Program in FY 2008. This amount would fund the following adjustment:

One-Time Funding for Information Technology GF (2,500,000)

The JLBC includes a decrease of \$(2,500,000) from the General Fund in FY 2008 to reflect one-time funding for the program. The General Appropriation Act for FY 2007 appropriated \$2,500,000 to the department from the General Fund in FY 2007 to improve access to currently-collected K-12 education data. That funding is non-lapsing through June 30, 2008.

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FORMAT — Operating Lump Sum with Special Line Items by Program

FOOTNOTES

Standard Footnotes

The operating lump sum appropriation includes \$291,100 and 4 FTE Positions for average daily membership auditing.

Deleted Footnotes

The JLBC deletes the footnote regarding one-time funding for the Information Technology Special Line Item program.

STATUTORY CHANGES

The JLBC would extend through session law an existing session law provision that authorizes the Department of Education or Auditor General to conduct Average Daily Membership audits of school districts and charter schools.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Auditor General Recommendations

The Auditor General recently released 3 ADE-related reports with budget implications. These include a report on Accountability Programs (June 2006), a report on Information Management (August 2006) and a report on Administration and Allocation of Funds (August 2006). These reports all include recommendations that potentially could increase state costs. They do not include cost estimates for implementing the recommended changes.

The Accountability Programs report recommends that ADE: 1) consider instituting a pilot program to provide full-time, on-site assistance to particularly weak underperforming schools; 2) consider providing more specialized assistance to schools by matching "ASSIST" coaches' expertise to the schools' area of greatest need, and 3) assess whether the one staff person who is currently administering the state tutoring program can perform all program duties mandated for the program in state and federal law.

The Information Management (IT) report recommends that ADE: 1) consider creating a position to be responsible for all IT security within the department; 2) consider establishing a process for certifying or rating private sector Student Management System software used by schools for SAIS reporting; and 3) improve its IT project management and operation oversight, such as by regularly performing IT risk assessments and developing procedures to address issues raised.

The Administration and Allocation of Funds report recommends that 1) ADE implement a comprehensive system to ensure the accuracy of school district and charter schools' attendance data, and 2) make state aid payments adjustments based on the results. (Note: ADE's response to the audit contends that the department already has a data integrity system in place that results in payment corrections and that it is taking steps to further enhance these functions.)

SUMMARY OF FUNDS - SEE AGENCY SUMMARY
