

Department of Education
Non-Formula Programs

A.R.S. § 15-231

	FY 2007 Actual	FY 2008 Estimate	FY 2009 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	144.4	147.4	149.4 ^{1/}
Personal Services	581,700	659,300	659,300
Employee Related Expenditures	134,200	193,400	193,600
Professional and Outside Services	47,500	56,900	56,900
Travel - In State	13,900	30,600	30,600
Travel - Out of State	0	5,000	5,000
Other Operating Expenditures	455,800	815,900	815,900
Equipment	40,800	5,000	5,000
OPERATING SUBTOTAL	1,273,900	1,766,100	1,766,300
SPECIAL LINE ITEMS			
School Accountability and Improvement			
Achievement Testing	7,028,200	10,246,200	10,246,200 ^{2/}
AIMS Intervention; Dropout Prevention	5,317,000	5,550,000	5,550,000
School Accountability	3,826,900	4,699,100	4,699,100
Education Services			
Adult Education and GED	4,468,800	4,477,900	4,478,000
Chemical Abuse	794,600	826,300	826,300
Disabled Pupil Scholarships	2,500,000	2,500,000	0
Displaced Pupils Choice Grant Program	2,500,000	2,500,000	0
E-Learning Digital Institute	3,000,000	0	0
English Learner Administration	10,714,600	5,025,500	5,025,900 ^{3/}
Compensatory Instruction Fund Deposit	0	10,000,000	10,000,000
Arizona Structured English Immersion Fund	0	0	40,653,800
Extended School Year	280,200	500,000	500,000
Family Literacy	1,009,000	1,011,300	1,011,300
Gifted Support	3,192,200	3,385,300	3,385,400
Physical Education Pilot Program	600,000	110,000	0
School Safety Program	6,722,700	6,728,300	6,728,300
Small Pass-Through Programs	581,600	681,600	681,600 ^{4/}
State Block Grant - Early Childhood Education	19,444,900	19,457,100	19,457,200
State Block Grant - Vocational Education	11,400,500	11,467,200	11,467,700
Vocational Education Extended Year	530,000	600,000	600,000
Technology Grants	0	1,000,000	0
Professional Development			
Teacher Certification	1,568,000	1,805,200	1,994,600 ^{5/}
Parental Choice for Reading Success	941,200	1,000,000	1,000,000
Reading First Initiative	0	1,000,000	0
Optional Performance Incentive Programs	0	120,000	120,000
Teacher Training	1,000,000	3,000,000	0
Alternative Teacher Development Program	2,000,000	1,000,000	0
PROGRAM TOTAL	90,694,300	100,457,100	130,191,700^{6/}
FUND SOURCES			
General Fund	83,615,100	91,434,200	120,979,400
Other Appropriated Funds			
Proposition 301 Fund	5,394,100	7,000,000	7,000,000
Teacher Certification Fund	1,685,100	2,022,900	2,212,300
SUBTOTAL - Other Appropriated Funds	7,079,200	9,022,900	9,212,300
SUBTOTAL - Appropriated Funds	90,694,300	100,457,100	130,191,700
Other Non-Appropriated Funds	24,801,900	14,464,200	14,464,200
Federal Funds	873,106,100	888,964,500	888,964,500
TOTAL - ALL SOURCES	988,602,300	1,003,885,800	1,033,620,400

COST CENTER DESCRIPTION — This cost center funds 3 “non-formula” programs in the agency’s budget: 1) School Accountability and Improvement, 2) Education Services and 3) Professional Development. The School Accountability and Improvement program funds the Student Assessment, Research and Evaluation and School Improvement and State Intervention subprograms. The Education Services program funds subprograms pertaining to Special Education, English Learners, Early Childhood Education, Title 1, Career and Technical Education, Adult Education, Best Practices, Student Nutrition, Family Literacy, Outreach Programs and Innovative Exemplary Programs. The Professional Development program funds subprograms pertaining to Highly Qualified Professionals and Standards Based Teaching and Learning.

PERFORMANCE MEASURES	FY 2005	FY 2006	FY 2007	FY 2009
	Actual	Actual	Actual	Approved
• % of students tested who perform at or above the national norm on the norm-referenced test (grade 2)				
-- reading	52	47	47	50
-- math	52	52	52	55
• % of students tested who perform at or above the national norm on the norm-referenced test (grade 9)				
-- reading	52	52	53	56
-- math	52	52	53	56
• % of schools with at least 75% of students meeting or exceeding standards in:				
-- reading	34	34	36	42
-- writing	39	33	54	56
-- math	34	32	34	42
• % of Arizona high school students who enter grade 9 and graduate within 4 years	74	75	69	70
• % of students in grade 3 meeting or exceeding state academic standards in:				
-- reading	72	75	72	80
-- writing	77	57	82	84
-- math	76	78	74	80
• % of students in grade 5 meeting or exceeding state academic standards in:				
-- reading	71	74	72	77
-- writing	69	62	70	75
-- math	71	74	71	77
• % of students in grade 8 meeting or exceeding state academic standards in:				
-- reading	67	69	65	73
-- writing	82	83	75	86
-- math	63	65	62	70

1/ Includes 135.9 FTE Positions funded from Special Line Items in FY 2009.

2/ 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)

3/ The appropriated amount is to be used by the Department of Education to provide English language acquisition services for the purposes of A.R.S. § 15-756.07 and for the costs of providing English language proficiency assessments, scoring and ancillary materials as prescribed by the Department of Education to school districts and charter schools for the purposes of A.R.S. Title 15, Chapter 7, Article 3.1. The Department of Education may use a portion of the appropriated amount to hire staff or contract with a third party to carry out the purposes of A.R.S. § 15-756-07. Notwithstanding A.R.S. § 41-192, the Superintendent of Public Instruction also may use a portion of the appropriated amount to contract with one or more private attorneys to provide legal services in connection with the case of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC. (General Appropriation Act footnote)

4/ The appropriated amount includes \$50,000 for the Academic Contest Fund, \$82,400 for Academic Decathlon, \$50,000 for Arizona Geographic Alliance, \$40,000 for Arizona Humanities Council, \$25,200 for Arizona Principal’s Academy, \$234,000 for Arizona School Service through Education Technology, \$50,000 for Project Citizen, and \$50,000 for the Economic Academic Council., and \$100,000 for Civics Training (General Appropriation Act footnote)

5/ 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)

6/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program.

PERFORMANCE MEASURES (Cont'd)	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2009 Approved
• % of students in grade 12 meeting or exceeding state academic standards in:				
-- reading	34	46	39	41
-- writing	41	43	38	40
-- math	29	30	25	27
Comments: Reported 12 th Grade data include only high school Seniors who took AIMS tests during their Senior year and therefore exclude 12 th Grade pupils who passed AIMS during their Sophomore or Junior years (unless they retook AIMS voluntarily during 12 th Grade in order to improve their scores) and pupils who dropped out of school prior to 12 th Grade.				
• % of students tested:				
-- Norm-referenced test (Grades 2 and 9)	100	96	96	96
-- AIMS	100	97	97	98
• % of Arizona schools receiving an underperforming label	7	6.5	5	4
Comments: FY 2003 was the first year for which schools received an “underperforming” label, which was determined based on changes in their students’ achievement test scores (3-year average), elementary school attendance rates and high school dropout and graduation rates.				
• Maximum number of days to process complete certification applications	12	10	8	8
• % of customers satisfied with certification services	NA	89	90	92

Operating Budget

The budget provides \$1,766,300 and 13.5 FTE Positions for the operating budget in FY 2008. This amount consists of:

General Fund	\$1,548,600
Teacher Certification Fund	217,700

These amounts fund the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$200 from the General Fund in FY 2009 for new statewide adjustments. *(Please see the Statewide Adjustments narrative at the end of this Appropriations Report for details.)*

School Accountability and Improvement

Achievement Testing

The budget provides \$10,246,200 and 3 FTE Positions for Achievement Testing in FY 2009. This amount consists of:

General Fund	7,905,900
Proposition 301 Fund	2,340,300

These amounts are unchanged from FY 2008.

This Special Line Item funds costs of developing, administering and scoring achievement tests required by A.R.S. § 15-741. That law requires “norm-referenced testing” of grades selected by the Superintendent of Public Instruction (currently Grades 2 and 9) and AIMS testing of at least 4 grads designated by the State Board of Education (currently Grades 3 through 8, Grade 10, and high school retakes).

The approved \$2,340,300 amount 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 approved \$2,340,300 amount for achievement testing, plus the approved \$4,659,700 Proposition 301 Fund amount for School Accountability program in the Non-Formula Programs cost center, sum to the maximum allowable \$7,000,000 appropriation from Proposition 301.

Federal No Child Left Behind monies also help fund the program. The department estimates that Federal Funds will provide \$5,941,221 for the program in FY 2009.

On a related note, the Education Budget Reconciliation Bill (BRB) for FY 2009 (Laws 2008, Chapter 287) limits the length of any future contracts for achievement testing to 1 year. It also establishes a task force to study achievement testing issues and requires the task force to submit a written report that contains its findings and recommendations by June 30, 2009.

AIMS Intervention; Dropout Prevention

The budget provides \$5,550,000 from the General Fund for AIMS Intervention; Dropout Prevention in FY 2009. This amount is unchanged from FY 2008.

The program is authorized by A.R.S. § 15-809 and seeks to provide additional academic support for high school pupils who are most likely to drop out of school. Program funding is awarded on a competitive grant basis and 39 school districts, charter schools, and other entities (such as the YMCA) received program grants for FY 2008.

The program was originally authorized by Laws 2000, Chapter 377. Laws 2006, Chapter 305 amended A.R.S. § 15-809 to allow the program to also serve pupils in Grades 7 and 8 and to provide services for 12 months after a pupil exits the program. In addition, Chapter 305 permitted the Department of Education to use program monies to purchase materials designed to help students meet state academic standards and pass the AIMS test.

School Accountability

The budget provides \$4,699,100 and 31 FTE Positions for School Accountability in FY 2009. This amount consists of:

General Fund	39,400
Proposition 301 Fund	4,659,700

These amounts are unchanged from FY 2008.

The purpose of the School Accountability program is to promote improved student achievement and school accountability pursuant to A.R.S. § 15-241. Program funding is used primarily to cover costs of solution teams that are assigned to help underperforming schools pursuant to A.R.S. § 15-241(P). Program funding also is used to fund analysis of student achievement testing data in order to determine the academic effectiveness of individual schools and to fund a portion of maintenance costs of the Student Accountability Information System (SAIS).

Education Services

Adult Education and GED

The budget provides \$4,478,000 and 4 FTE Positions from the General Fund for the Adult Education and GED (General Education Development) Special Line Item in FY 2009. This amount funds the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$100 from the General Fund in FY 2009 for new statewide adjustments.

The program funds immigrant education and adult basic education programs that receive funding through the department pursuant to A.R.S. § 15-234. Funding is awarded on a competitive grant basis. For FY 2008, funding was allocated to 24 school districts, community colleges and local entities such as the “Camp Verde Adult Program.”

Chemical Abuse

The budget provides \$826,300 and 3 FTE Positions from the General Fund for the Chemical Abuse Prevention Program in FY 2009. These amounts are unchanged from FY 2008.

The program funds chemical abuse prevention programs for students in Grades K-12 pursuant to A.R.S. § 15-712. Funds are awarded on a competitive grant basis to programs that are research-based and have proven to be effective or show promise of being effective. For FY 2008, 57 entities (mostly school districts) received funding from this program.

Disabled Pupil Scholarships

The budget provides no funding from the General Fund for the Disabled Pupils Scholarships program in FY 2009. This amount funds the following adjustments:

Eliminate Program Funding

The budget provides a decrease of \$(2,500,000) from the General Fund in FY 2009 to eliminate program funding.

The program provided scholarships to pupils with disabilities to attend the public or non-public school of their choice pursuant to A.R.S. §15-891, as established by Laws 2006, Chapter 340. The maximum scholarship amount equaled the amount of Base Support Level funding that the student otherwise would have generated under the Basic State Aid funding formula in A.R.S. § 15-943. This varied from roughly \$5,000 to \$25,000 per pupil depending on the special education Group B weight for which the pupil qualified. The program received \$2,500,000 in initial funding from Laws 2006, Chapter 340, which was non-lapsing through June 30, 2008. The General Appropriation Act for FY 2008 appropriated an additional \$2,500,000 from the General Fund for the program for its second year of operation. The FY 2008 monies were not non-lapsing, so all unused monies appropriated for FY 2007 and FY 2008 (\$3,243,500 total) lapsed at the end of FY 2008. The department awarded \$240,200 in program vouchers for FY 2007 and \$1,516,300 for FY 2008.

This program and the Displaced Pupils Choice Grant Program described below have been the subject of a lawsuit that contends that they constituted an illegal use of public funds. In this regard, the Arizona Court of Appeals

ruled on May 15, 2008 that the programs violated the Arizona Constitution by using public monies to help private and religious schools. The Arizona Supreme Court subsequently ruled on June 27, 2008, however, that the programs could continue to operate through the 2008-2009 school year. Both programs, therefore, have legal authority to operate for FY 2009. They did not, however, receive an appropriation for FY 2009 as part of the enacted state budget.

Displaced Pupils Choice Grant Program

The budget provides no funding from the General Fund for the Displaced Pupils Choice Grant Program in FY 2009. This amount funds the following adjustments:

Eliminate Program Funding

The budget provides a decrease of \$(2,500,000) from the General Fund in FY 2009 to eliminate program funding.

The program provided displaced pupils with grants to attend non-governmental schools pursuant to A.R.S. § 15-817.01, as established by Laws 2006, Chapter 358. Program grants were available only to pupils who had been placed in foster care at any time before they graduated from high school or obtained a GED. The maximum grant value was \$5,000 or the total amount of tuition and fees charged by the grant school, whichever was less. The program received \$2,500,000 in initial funding from Chapter 358, which was non-lapsing through June 30, 2008. The General Appropriation Act for FY 2008 appropriated an additional \$2,500,000 from the General Fund for the program for its second year. The FY 2008 monies for the program (like the Disabled Pupil Scholarship monies for FY 2008 described above) were not non-lapsing, so all unused monies appropriated for the program in FY 2007 and FY 2008 (\$4,246,600 total) lapsed at the end of FY 2008. The department did not award any grants from the program for FY 2007. It awarded \$753,400 in program grants for FY 2008.

The program has been subject to the same lawsuit and rulings described above for the Disabled Pupil Scholarships program (*please see related discussion above*).

E-Learning Digital Institute

The budget provides no funding for the E-Learning Digital Institute in FY 2009. This amount is unchanged from FY 2008. The Education Budget Reconciliation Bill (BRB) for FY 2009 (Laws 2008, Chapter 287), however, reverts all unspent monies for the program at the end of FY 2008. That amount was 2,989,100.

Laws 2006, Chapter 375 appropriated \$3,000,000 in one-time funding from the General Fund in FY 2007 to fund the program. The legislation originally required the

department, in cooperation with an E-Learning task force created by the bill, to establish an E-Learning pilot program in up to 10 schools for 3 years starting in FY 2008. The K-12 Education Budget Reconciliation Bill (BRB) for FY 2008 (Laws 2007, Chapter 264), however, extended all program deadlines by 1 year, so the pilot program was expected to commence in FY 2009 and continue through FY 2011 (originally FY 2010). The program will no longer occur, however, due to the reversion of unspent monies mentioned above. The pilot program was intended to focus on mathematics instruction provided through a digital curriculum.

English Learner Administration

The budget provides \$5,025,900 and 24.5 FTE Positions from the General Fund for English Learner Programs in FY 2009. This amount funds the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$400 from the General Fund in FY 2009 for new statewide adjustments.

The program consists primarily of programs and funding authorized by Laws 2006, Chapter 4, which provided an increase of \$14,610,000 from the General Fund in FY 2007 to address the Flores v. State of Arizona litigation. That increase included \$4,610,000 for English language acquisition services provided by the department and \$10,000,000 for compensatory instruction. For FY 2008, the \$10,000,000 for compensatory instruction was moved into its own separate line item (*please see below*). That separate line item remains in the department's base budget for FY 2009.

Chapter 4 included session law language stipulating how the \$4,610,000 amount was to be used and provided authorization for the department to spend an unspecified portion of those monies on legal services in connection with the Flores case. That session law language was continued unchanged for FY 2008, but as a General Appropriation Act footnote rather than as separate bill language. The footnote remains in the department's base budget for FY 2009.

Chapter 4 also appropriated \$14,300,000 to the department in FY 2007 for an increase in the English Learner Group B weight. That funding was continued for FY 2008 in a new "Conditional English Learner Weight Funding" line item in the Formula Programs cost center. The FY 2007 funding reverted at the end of FY 2007, but the FY 2008 funding was subsequently reallocated to the Structured English Immersion Fund for FY 2009 by Laws 2008, Chapter 34. (*See the "Conditional English Learner Weight Funding" narrative in the Formula Programs cost center for details.*)

The Flores v. State of Arizona lawsuit was filed in federal court in 1992 by parents of children enrolled in the

Nogales Unified School District. The plaintiffs alleged that the civil rights of Limited English Proficient (LEP) students were violated because the state failed to fund adequate language and academic instructional programs for at-risk students. As of this writing, litigation in this case is ongoing.

Compensatory Instruction Fund Deposit

The budget provides \$10,000,000 from the General Fund in FY 2009 for a deposit into the Compensatory Instruction Fund. This amount is unchanged from FY 2008.

As noted above, this funding was originally appropriated by Laws 2006, Chapter 4. The FY 2007 Appropriations Report included the \$10,000,000 as part of the “English Learner Administration” line item, along with other non-formula appropriations from Chapter 4. In FY 2008, the \$10,000,000 was appropriated into a separate “Compensatory Instruction Fund Deposit” line item. That separate line item remains in the department’s base budget for FY 2009.

Arizona Structured English Immersion Fund

The budget provides \$40,653,800 for the Arizona Structured English Immersion Fund for FY 2009. This amount funds the following adjustments:

First-Time Funding

The budget provides an increase of \$40,653,800 from the General Fund in FY 2009 to deposit first-time monies into the fund, which was established by Laws 2006, Chapter 4 (A.R.S. § 15-756.04). The \$40,653,800 total consists of \$26,353,800 in new General Fund monies and \$14,300,000 that was reallocated from the FY 2008 appropriation to the Conditional English Learner Weight Funding Special Line Item in the Formula Programs cost center (*see related narrative in that cost center for more information*).

Monies in the Arizona Structured English Immersion Fund are to be distributed to school districts based on amounts that they requested and that were verified by the department pursuant to A.R.S. § 15-756.04, Subsection C.

Extended School Year

The budget provides \$500,000 from the General Fund for Extended School Year in FY 2009. This amount is unchanged from FY 2008. The program helps fund extended school year programs for pupils with disabilities, as required by A.R.S. § 15-881.

Family Literacy

The budget provides \$1,011,300 and 1 FTE Position from the General Fund for Family Literacy in FY 2009. This amount is unchanged from FY 2008.

Pursuant to A.R.S. § 15-191.01, the program seeks to increase the basic academic and literacy skills of undereducated low-income parents and their preschool children. Program funding is awarded on a competitive grant basis. For FY 2008, 7 organizations (4 school districts, 2 community colleges, and 1 community-based organization) received grant funding from this program.

Gifted Support

The budget provides \$3,385,400 and 2.7 FTE Positions from the General Fund for Gifted Support in FY 2009. This amount funds the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$100 from the General Fund in FY 2009 for new statewide adjustments.

The program funds Gifted Education, which statute defines as consisting of “appropriated academic course offerings and services that are required to provide an educational program that is an integral part of the regular school day and that is commensurate with the academic abilities and potential of a gifted pupil” (A.R.S. §15-779). Program funding is allocated under a formula established in A.R.S. § 15-779.03, which provides \$82 per pupil for 4% of a school district or charter school’s student count, or \$2,000, whichever is more.

Physical Education Pilot Program

The budget provides no funding for the Physical Education Pilot Program in FY 2009. This amount funds the following adjustments:

Eliminate One-Time Funding

The budget provides a decrease of \$(110,000) from the General Fund in FY 2009 to eliminate one-time funding for the program.

Laws 2006, Chapter 326 appropriated \$600,000 from the General Fund in FY 2007 to provide grants to public schools for a 2-year Physical Education Pilot Program. For FY 2008, the program received an additional \$110,000 in one-time funding from the General Fund, or \$(490,000) less than the FY 2007 amount.

Chapter 236 required the department to establish the 2-year pilot program in at least 1 urban school, 1 rural school, and 1 high poverty school. The program required each student in participating schools to participate in at least 150 minutes of physical education per week. The

original \$600,000 appropriation from Chapter 326 was non-lapsing through June 30, 2008. The FY 2008 appropriation of \$110,000 lapsed at the end of FY 2008. The school districts selected for participation in the program were Elfrida Elementary, Kyrene Elementary, Mesa Unified and Vail Unified.

School Safety Program

The budget provides \$6,728,300 and 3 FTE Positions from the General Fund for the School Safety Program in FY 2009. These amounts are unchanged from FY 2008.

The program places peace officers and juvenile probation officers in schools pursuant to A.R.S. § 15-154. In addition to the approved General Fund appropriation, the program will receive \$7,800,000 in Proposition 301 sales tax monies that are automatically appropriated each year by A.R.S. § 42-5029(E6). Program funding from both sources is allocated on a competitive grant basis and for FY 2008 was received by 83 school districts.

Small Pass-Through Programs

The budget provides \$681,600 from the General Fund for Small Pass-Through Programs in FY 2009. This amount is unchanged from FY 2008.

The approved amount includes \$50,000 for the Academic Contest Fund, \$82,400 for the Academic Decathlon, \$50,000 for the Arizona Geographic Alliance, \$40,000 for the Arizona Humanities Council, \$25,200 for the Arizona Principals' Academy, \$234,000 for Arizona School Service Through Education Technology, \$50,000 for Project Citizen, \$50,000 for the Economic Academic Council, and \$100,000 for Civics Training.

State Block Grant for Early Childhood Education

The budget provides \$19,457,200 and 4.7 FTE Positions from the General Fund for the State Block Grant for Early Childhood Education in FY 2009. This amount funds the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$100 from the General Fund in FY 2009 for new statewide adjustments.

The program provides block grants to school districts and charter schools for efforts aimed at improving the academic achievement of pupils in preschool through Grade 3 pursuant to A.R.S. § 15-1251. Program monies are allocated to individual school districts and charter schools based on the percentage of their respective pupils who are eligible for free or reduced price lunches under the federal school nutrition program.

State Block Grant for Vocational Education

The budget provides \$11,467,700 and 32 FTE Positions from the General Fund for the State Block Grant for Vocational Education in FY 2009. This amount funds the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$500 from the General Fund in FY 2009 for new statewide adjustments.

The program provides block grants to school districts and charter schools that have Career and Technical Education programs. Program funding is allocated based partly on the number of students enrolled in Career and Technical Education programs at each school district or charter school and partly on their respective job placement rates for those programs.

Vocational Education Extended Year

The budget provides \$600,000 from the General Fund for Vocational Education Extended Year in FY 2009. This amount is unchanged from FY 2008. This funding is to enable students to attend an extended year or summer school program in a joint technological education district pursuant to A.R.S. § 15-783.02.

Technology Grants

The budget provides no funding for the instructional technology systems pilot program in FY 2009. This amount funds the following adjustment:

Eliminate One-Time Funding

The budget provides a decrease of \$(1,000,000) from the General Fund in FY 2009 to eliminate one-time funding for the program.

Laws 2007, Chapter 264 (the K-12 Education BRB), appropriated \$1,000,000 in one-time funding from the General Fund for a new instructional technology systems pilot program line item in FY 2008. Those monies, however, were reverted as part of the department's lump sum reduction for FY 2008, so the program never was implemented. Chapter 264 had required the State Board of Education, in collaboration with the Department of Education, to establish an instructional technology systems pilot program under parameters specified in A.R.S. §15-901.04, as established by the bill.

Professional Development

Teacher Certification

The budget provides \$1,994,600 and 27 FTE Positions from the Teacher Certification Fund for Teacher

Certification in FY 2009. This amount would fund the following adjustments:

New Statewide Adjustments

The budget provides an increase of \$600 from the Teacher Certification Fund in FY 2009 for new statewide adjustments.

Caseload Growth

The budget provides an increase of \$188,800 and 2 FTE Positions from the Teacher Certification Fund in FY 2009 for caseload growth. Program caseload continues to increase due to 1) demographic growth, 2) additional certification requirements pertaining to Structured English Immersion training for all teachers, and 3) increased teacher credential monitoring requirements under No Child Left Behind (which requires documentation of a “highly qualified teacher” being placed in every classroom).

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.

Parental Choice for Reading Success

The budget provides \$1,000,000 from the General Fund for Parental Choice for Reading Success in FY 2009. This amount is unchanged from FY 2008.

The program funds training and continued development of teachers on reading instruction and scientifically based reading research pursuant to A.R.S. § 15-704. Currently 2 private sector firms provide school districts and charter schools with services under the program and receive program funding. Service providers for the program are selected through a Request for Proposals process administered by the State Board of Education. The current 5-year renewable contracts expire after FY 2008.

Reading First Initiative

The budget provides no funding for the Reading First Initiative program in FY 2009. This amount funds the following adjustments:

Eliminate One-Time Funding

The budget provides a decrease of \$(1,000,000) from the General Fund in FY 2009 to eliminate one-time funding for the program.

Laws 2007, Chapter 264, the K-12 Education BRB, appropriated \$1,000,000 in one-time funding from the General Fund for a new Reading First Initiative line item in FY 2008. It also required the department to distribute the monies as grants to schools for expanding the Reading First program authorized under the federal No Child Left Behind Act of 2001. The Reading First program sought to

ensure that every Arizona child will learn to read proficiently by third grade and remain a proficient reader through the twelfth grade. The department reports that 12 districts each received \$82,000 in program monies in FY 2008 (\$984,000 total) and that the remaining \$16,000 was used for professional development.

Optional Performance Incentive Programs

The budget provides \$120,000 from the General Fund for Optional Performance Incentive Programs in FY 2009. This amount is unchanged from FY 2008.

The program, which is authorized under A.R.S. § 15-919.02, serves as an alternative to the Career Ladder program. Optional Performance Incentive Programs utilize measures of quality including parental satisfaction or rating of educational quality, teacher job satisfaction or rating of support, and pupil satisfaction with the quality of education being received.

Teacher Training

The budget provides no funding from the General Fund for the Teacher Training program in FY 2009. This amount funds the following adjustments:

Rollback Teacher Training Increase

The budget provides a decrease of \$(1,000,000) from the General Fund in FY 2009 to roll back half of the \$2,000,000 increase provided for the program in FY 2008. The Teacher Training program received a total of \$3,000,000 from the General Fund in FY 2008, which consisted of \$1,000,000 continued from FY 2007 and a \$2,000,000 increase for FY 2008. Rolling back \$(1,000,000) of the FY 2008 increase, therefore, leaves the program with a \$2,000,000 budget for FY 2009.

Transfer Funding to NAU

The budget provides a decrease of \$(2,000,000) from the General Fund in FY 2009 to transfer remaining program funding to the Northern Arizona University (NAU).

The program funds mentor teacher training that is provided by the Arizona K-12 Center, which is located in downtown Phoenix. The Arizona K-12 Center is affiliated with NAU, but program funding was appropriated to the Department of Education rather than NAU during the program’s first 2 years of operation (FY 2007 and FY 2008). A General Appropriation Act footnote required the department to distribute the monies to the Arizona K-12 Center in FY 2007 and FY 2008. The FY 2009 budget instead appropriates the monies directly to NAU (*see the NAU budget narrative pages for more information*).

Alternative Teacher Development Program

The budget provides no funding for the Alternative Teacher Development program in FY 2009. This amount funds the following adjustments:

Eliminate Program Funding

The budget provides a decrease of \$(1,000,000) from the General Fund in FY 2009 to eliminate program funding.

The FY 2008 budget provided the program with \$1,000,000 in one-time monies from the General Fund. Those monies were for operating an alternative teacher development program pursuant to A.R.S. § 15-552, as established by Laws 2006, Chapter 359. The purpose of the program was to accelerate the process of identifying, training, and placing highly qualified individuals into low income schools. A.R.S. § 15-552 required the department to provide the program's service provider with a matching grant equal to the amount of matching monies raised by the service provider, not to exceed the amount of state monies appropriated for this purpose. Program monies for FY 2008 were awarded to the Arizona Teach for America program. The program also received \$2,000,000 in one-time monies from the General Fund for FY 2007, which also were awarded to the Arizona Teach for America Program.