

Department of Education
Non-Formula Programs

A.R.S. § 15-231

	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 APPROVED
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	147.4	149.4	149.4 ^{1/}
Personal Services	667,800	580,500	580,500
Employee Related Expenditures	201,000	171,100	223,000
Professional and Outside Services	281,900	97,500	97,500
Travel - In State	2,600	6,200	6,200
Other Operating Expenditures	501,300	457,400	457,400
Equipment	111,500	0	0
OPERATING SUBTOTAL	1,766,100	1,312,700	1,364,600
SPECIAL LINE ITEMS			
School Accountability and Improvement			
Achievement Testing	10,246,100	10,236,900	10,250,200 ^{2/}
AIMS Intervention; Dropout Prevention	5,550,000	5,050,000	5,050,000
School Accountability	4,324,500	4,699,100	4,699,100
Education Services			
Adult Education and GED	4,477,800	4,477,900	4,495,700
Chemical Abuse	717,700	817,100	830,400
Disabled Pupil Scholarships	1,530,300	2,500,000	0
Displaced Pupils Choice Grant Program	744,300	2,500,000	0
English Learner Administration	4,805,800	4,805,800	4,914,800 ^{3/}
Compensatory Instruction Fund Deposit	10,000,000	10,000,000	10,000,000
Arizona Structured English Immersion Fund	0	41,300,100	41,300,100
Extended School Year	500,000	500,000	500,000
Family Literacy	928,300	1,008,700	1,013,100
Gifted Support	3,260,500	3,377,000	3,389,000
Physical Education Pilot Program	91,400	0	0
School Safety Program	6,294,800	6,718,900	6,732,200
Small Pass-Through Programs	681,600	100,000	100,000 ^{4/}
State Block Grant - Early Childhood Education	18,372,100	19,438,100	19,459,000
State Block Grant - Vocational Education	11,467,200	11,467,700	11,610,200
Vocational Education Extended Year	45,000	600,000	600,000
Technology Grants	0	0	0
Professional Development			
Teacher Certification	1,805,200	1,971,400	1,981,600 ^{5/}
Parental Choice for Reading Success	975,000	1,000,000	1,000,000
Reading First Initiative	664,100	0	0
Optional Performance Incentive Programs	0	120,000	120,000
Teacher Training	2,606,100	0	0
Alternative Teacher Development Program	984,200	0	0
PROGRAM TOTAL	92,838,100	134,001,400	129,410,000^{6/}

	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 APPROVED
FUND SOURCES			
General Fund	84,189,800	124,812,300	120,209,900
Other Appropriated Funds			
Proposition 301 Fund	6,625,400	7,000,000	7,000,000
Teacher Certification Fund	2,022,900	2,189,100	2,200,100
SUBTOTAL - Other Appropriated Funds	8,648,300	9,189,100	9,200,100
SUBTOTAL - Appropriated Funds	92,838,100	134,001,400	129,410,000
Other Non-Appropriated Funds	19,361,800	18,304,600	18,178,700
Federal Funds	898,720,600	1,170,358,800	1,170,358,800
TOTAL - ALL SOURCES	1,010,920,500	1,322,664,800	1,317,947,500

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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 Approved
• % of students tested who perform at or above the national norm on the norm-referenced test (grade 2)				
-- reading	47	47	48	49
-- math	52	52	53	54
• % of students tested who perform at or above the national norm on the norm-referenced test (grade 9)				
-- reading	52	53	53	54
-- math	52	53	52	53
• % of schools with at least 75% of students meeting or exceeding standards in:				
-- reading	34	36	36	37
-- writing	33	54	33	34
-- math	32	34	33	34
• % of Arizona high school students who enter grade 9 and graduate within 4 years	75	69	73	74

- ^{1/} Includes 135.9 FTE Positions funded from Special Line Items in FY 2010 prior to the lump sum reductions.
- ^{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 and \$50,000 for the Economic Academic Council (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/} See agency summary for agencywide lump sum reductions and fund transfers.
- ^{7/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Program. All monies are as appropriated by Laws 2009, 1st Regular Session, Chapter 12, except for \$32,508,700 in Structured English Immersion Fund monies, which are appropriated by Laws 2009, 3rd Special Session, Chapter 1.

PERFORMANCE MEASURES (Cont'd)	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 Approved
• % of students in grade 3 meeting or exceeding state academic standards in:				
-- reading	75	72	69	70
-- writing	57	82	76	77
-- math	78	74	71	72
• % of students in grade 5 meeting or exceeding state academic standards in:				
-- reading	74	72	68	69
-- writing	62	70	65	66
-- math	74	71	70	71
• % of students in grade 8 meeting or exceeding state academic standards in:				
-- reading	69	65	67	68
-- writing	83	75	76	77
-- math	65	62	61	62
• % of students in grade 12 meeting or exceeding state academic standards in:				
-- reading	46	39	39	40
-- writing	43	38	41	42
-- math	30	25	28	29
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)	96	96	93	94
-- AIMS	97	97	99	99
• % of Arizona schools receiving an underperforming label	6.5	5	11	10
• Maximum number of days to process complete certification applications	10	8	21	14
• % of customers satisfied with certification services	89	90	94	94

Operating Budget

The budget includes \$1,364,600 and 13.5 FTE Positions for the operating budget in FY 2010. This amount consists of:

	FY 2010
General Fund	\$1,146,100
Teacher Certification Fund	218,500

These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$51,900 in FY 2010 for state employee health insurance statewide adjustments. This amount consists of:

General Fund	\$51,100
Teacher Certification Fund	800

(Please see the General Provisions section.)

School Accountability and Improvement

Achievement Testing

The budget includes \$10,250,200 and 3 FTE Positions for Achievement Testing in FY 2010. These amounts consist of:

General Fund	7,909,900
Proposition 301 Fund	2,340,300

These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$13,300 from the General Fund in FY 2010 for state employee health insurance statewide adjustments.

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 grades designated by the State Board of Education (currently Grades 3 through 8, Grade 10, and high school retakes).

The Proposition 301 amount of \$2,340,300 for Achievement Testing 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 \$2,340,300 Proposition 301 amount for achievement testing, plus the \$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.

The department awarded a new achievement testing contract in May 2009 to NCS Pearson, Incorporated. (The prior contract was with CTB/McGraw Hill.) Estimated contract costs by year appear in *Table 1*. The contract cost for FY 2010 is \$11,833,200 and the total 5-year cost (if renewed for an additional 4 years after FY 2010) is currently estimated at \$68,217,200. The total cost of the previous 5-year contract was \$54,619,300. Cost increases in the new contract are attributable for factors such as caseload growth, program changes, and inflation. As a temporary cost-saving measure, the new contract suspends the AIMS writing test for pupils in Grades 3, 4 and 8. It includes a science test for all 5 years of the contract, whereas, the prior contract did not administer a science test until FY 2008. The state typically funds approximately 55% of annual testing costs and federal monies typically fund about 45% of those costs.

Fiscal Year	Contract Cost
FY 2010	\$11,833,200
FY 2011	13,487,600
FY 2012	15,001,000
FY 2013	13,652,300
FY 2014	14,243,100
Total *	\$68,217,200

* The contract actually is a 1-year contract for FY 2010 with the option to renew for an additional 4 years at the prices shown.

On a related note, the FY 2010 K-12 Education BRB (Laws 2009, 3rd Special Session, Chapter 12) makes the following changes to the Achievement Testing program: 1) permanently requires that any additional assessment for high school pupils that are adopted in the future by the State Board of Education be designed to measure college and career readiness of pupils, and 2) repeals language in Laws 2008, Chapter 287, Section 65 that limits the length of any future contracts for achievement testing to 1 year.

AIMS Intervention; Dropout Prevention

The budget includes \$5,050,000 from the General Fund for AIMS Intervention; Dropout Prevention in FY 2010. This amount is unchanged from FY 2009.

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 2009.

The FY 2010 K-12 Education BRB (Laws 2009, 3rd Special Session, Chapter 12) notwithstanding for FY 2010 an annual reporting requirement for the program in A.R.S. § 15-809D.

School Accountability

The budget includes \$4,699,100 and 31 FTE Positions for School Accountability in FY 2010. This amount consists of:

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

These amounts are unchanged from FY 2009.

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. § 15-241P. 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 includes \$4,495,700 and 4 FTE Positions from the General Fund for the Adult Education and GED

(General Education Development) Special Line Item in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$17,800 from the General Fund in FY 2010 for state employee health insurance 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 2009, funding was allocated to 51 school districts, community colleges and local entities such as the “Camp Verde Adult Program.”

Chemical Abuse

The budget includes \$830,400 and 3 FTE Positions from the General Fund for the Chemical Abuse Prevention Program in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$13,300 from the General Fund in FY 2010 for state employee health insurance statewide adjustments.

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 2009, 130 entities (mostly school districts) received funding from this program.

Disabled Pupil Scholarships

The budget includes no funding from the General Fund for the Disabled Pupil Scholarships program in FY 2010. This amount funds the following adjustments:

Eliminate Program Funding

The budget includes a decrease of \$(2,500,000) from the General Fund in FY 2010, which eliminates funding for the program. On March 26, 2009, the Arizona Supreme Court ruled that this program and the Disabled Pupils Choice Grant program (described below) were unconstitutional because they were said to violate a ban in the State Constitution on appropriating public monies for private or religious schools.

On a related note, Laws 2009, 2nd Special Session, Chapter 1, establishes a corporate income tax credit and an insurance premium tax credit beginning July 1, 2009 for contributions to a school tuition organization (STO) that provides scholarships or grants for disabled students or children in

foster care homes. Chapter 1 caps the amount of total tax credits under this new program at \$5,000,000 per year.

The Disabled Pupil Scholarships 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 department awarded \$240,200 in program vouchers for FY 2007, \$1,516,300 for FY 2008 and \$2,049,100 for FY 2009.

Displaced Pupils Choice Grant Program

The budget includes no funding from the General Fund for the Displaced Pupils Choice Grant Program in FY 2010. This amount funds the following adjustments:

Eliminate Program Funding

The budget includes a decrease of \$(2,500,000) from the General Fund in FY 2010, which eliminates funding for the program. As noted above, the Arizona Supreme Court on March 26, 2009 ruled that this program and the Disabled Pupil Scholarships program (described above) were unconstitutional. As also noted above, however, Laws 2009, 2nd Special Session, Chapter 1, establishes a corporate income tax credit and an insurance premium tax credit beginning July 1, 2009 for contributions to a school tuition organization (STO) that provides scholarships or grants for children in foster care homes or disabled pupils, up to \$5 million annually.

The Displaced Pupils Choice Grant 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 department awarded \$744,300 in program grants for FY 2008 and \$1,037,000 for FY 2009.

English Learner Administration

The budget includes \$4,914,800 and 24.5 FTE Positions from the General Fund for English Learner Programs in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$109,000 from the General Fund in FY 2010 for state employee health insurance 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. Since FY 2008, the \$10,000,000 for compensatory instruction has been appropriated into its own separate line item (*please see below*).

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 later converted into a General Appropriation Act footnote, which remains in effect for FY 2010.

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 Arizona Structured English Immersion Fund for FY 2009 by Laws 2008, Chapter 34, where it remains for FY 2010 (*see the Arizona Structured English Immersion Fund Special Line Item narrative below*).

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. Litigation in the case has been ongoing since 1992. In June 2009, however, the U.S. Supreme Court reversed the most recent ruling from the federal Ninth Circuit Court of Appeals that had found that Arizona was not fully funding language acquisition programs for English learners. In its decision, the U.S. Supreme Court remanded the case back to the District court with instructions for it to reconsider changes that have occurred since 2000 in how Arizona serves English learners. The timeline for final resolution in the case in District court is unknown at the time of this writing.

Compensatory Instruction Fund Deposit

The budget includes \$10,000,000 from the General Fund for a deposit into the Compensatory Instruction Fund in FY 2010. This amount is unchanged from FY 2009.

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. Since FY 2008, the \$10,000,000 has been appropriated into this separate line item, which remains in the department's budget for FY 2010.

The program funds instructional programs for improving the English proficiency of English language learners that are in addition to normal classroom instruction. These programs may include individual or small group instruction, extended day classes, summer school or intersession school, pursuant to A.R.S. § 15-756.11.

Arizona Structured English Immersion Fund

The budget includes \$41,300,100 from the General Fund for the Arizona Structured English Immersion Fund in FY 2010. This amount is unchanged from FY 2009.

The \$41,300,100 amount includes \$8,791,400 appropriated by Laws 2006, Chapter 12 (HB 2643) (from June 30, 2009) and \$32,508,700 appropriated by Laws 2009, 3rd Special Session, Chapter 1 (from July 6, 2009). Laws 2009, 3rd Special Session, Chapter 11 would have repealed the additional July 6 appropriation, but the Governor line-item vetoed that provision, along with all other ADE budget changes in Chapter 11. The \$8,791,400 amount was based on ADE's expected expenditure plan for the year.

The Arizona Structured English Immersion Fund was established by Laws 2006, Chapter 4 (A.R.S. § 15-756.04). Monies in the fund are distributed to school districts based on amounts that they requested and that were verified by the department pursuant to A.R.S. § 15-756.04C. Approximately 150 school districts and charter schools received allocations from the fund in FY 2009.

Extended School Year

The budget includes \$500,000 from the General Fund for Extended School Year in FY 2010. This amount is unchanged from FY 2009. The program helps fund extended school year programs for pupils with disabilities, as required by A.R.S. § 15-881.

Family Literacy

The budget includes \$1,013,100 and 1 FTE Position from the General Fund for Family Literacy in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$4,400 from the General Fund in FY 2010 for state employee health insurance statewide adjustments.

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 2009, 7 organizations (5 school districts and 2 community colleges) received grant funding from this program.

Gifted Support

The budget includes \$3,389,000 and 2.7 FTE Positions from the General Fund for Gifted Support in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$12,000 from the General Fund in FY 2010 for state employee health insurance 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 includes no funding from the General Fund for Physical Education Pilot Program in FY 2010. This amount is unchanged from FY 2009. The program received an appropriation of \$110,000 from the General Fund for FY 2008, but the department eliminated that funding as part of its lump sum reduction for the year.

The program was established by Laws 2006, Chapter 326. It required the department to establish a 2-year pilot program in at least 1 urban school, 1 rural school, and 1 high poverty school and required each student in participating schools to participate in at least 150 minutes of physical education per week.

School Safety Program

The budget includes \$6,732,200 and 3 FTE Positions from the General Fund for the School Safety Program in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$13,300 from the General Fund in FY 2010 for state employee health insurance statewide adjustments.

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. § 42-5029E6. Program funding from both sources is allocated on a competitive grant basis and for FY 2009 was received by 74 school districts.

Small Pass-Through Programs

The budget includes \$100,000 from the General Fund for Small Pass-Through Programs in FY 2010. This amount is unchanged from FY 2009.

The included amount is to be allocated for the Academic Contest Fund (\$50,000) and Economic Academic Council (\$50,000). Prior to FY 2009, this program also funded a number of other small pass-through programs. The department eliminated funding for those programs in FY 2009 as part of its lump sum reduction for that year. (See Footnote section for more information.)

State Block Grant for Early Childhood Education

The budget includes \$19,459,000 and 4.7 FTE Positions from the General Fund for the State Block Grant for Early Childhood Education in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$20,900 from the General Fund in FY 2010 for state employee health insurance 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 includes \$11,610,200 and 32 FTE Positions from the General Fund for the State Block Grant for Vocational Education in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$142,500 from the General Fund in FY 2010 for state employee health insurance 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 includes \$600,000 from the General Fund for Vocational Education Extended Year in FY 2010. This amount is unchanged from FY 2009. 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 includes no funding for the instructional technology systems pilot program in FY 2010. This amount is unchanged from FY 2009. The program received an appropriation of \$1,000,000 from the General Fund for FY 2008, but the department eliminated that funding as part of its lump sum reduction for the year.

The program was established by Laws 2007, Chapter 264. 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 includes \$1,981,600 and 27 FTE Positions from the Teacher Certification Fund for Teacher Certification in FY 2010. These amounts fund the following adjustments:

Statewide Health Insurance Adjustments

The budget includes an increase of \$10,200 from the Teacher Certification Fund in FY 2010 for state employee health insurance statewide adjustments.

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 includes \$1,000,000 from the General Fund for Parental Choice for Reading Success in FY 2010. This amount is unchanged from FY 2009.

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.

Reading First Initiative

The budget includes no funding for the Reading First Initiative program in FY 2010. This amount is unchanged from FY 2009.

Laws 2007, Chapter 264, the K-12 Education BRB, appropriated \$1,000,000 in one-time funding from the General Fund for the program in FY 2008. It 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.

Optional Performance Incentive Programs

The budget includes \$120,000 from the General Fund for Optional Performance Incentive Programs in FY 2010. This amount is unchanged from FY 2009.

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 includes no funding for the Teacher Training program in FY 2010. This amount is unchanged from FY 2009.

The FY 2009 budget transferred monies for the program from the department to the Northern Arizona University (NAU). The program funds mentor teacher training (*see the NAU budget narrative pages for more information*).

Alternative Teacher Development Program

The budget includes no funding for the Alternative Teacher Development program in FY 2010. This amount is unchanged from FY 2009.

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.

Lump Sum Reduction and Fund Transfers

Please see agency summary for agencywide lump sum reductions and fund transfers.