

## State Board of Education

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	0.0	11.0	4.0 <sup>1/</sup>
Personal Services	0	650,500	307,200
Employee Related Expenditures	0	255,000	119,800
Professional and Outside Services	0	363,300	242,000
Travel - In State	0	2,000	2,000
Travel - Out of State	0	5,000	5,000
Other Operating Expenditures	0	329,200	318,000
Equipment	0	100,000	100,000
<b>AGENCY TOTAL</b>	<b>0 <sup>2/</sup></b>	<b>1,705,000</b>	<b>1,094,000 <sup>3/</sup></b>
<b>FUND SOURCES</b>			
General Fund	0	1,325,200	1,094,000 <sup>1/</sup>
<u>Other Appropriated Funds</u>			
Teacher Certification Fund	0	379,800	0 <sup>1/</sup>
SUBTOTAL - Other Appropriated Funds	0	379,800	0
<b>SUBTOTAL - Appropriated Funds</b>	<b>0</b>	<b>1,705,000</b>	<b>1,094,000</b>
<b>TOTAL - ALL SOURCES</b>	<b>0</b>	<b>1,705,000</b>	<b>1,094,000</b>

**AGENCY DESCRIPTION** — The State Board of Education establishes programs, initiates policies and enforces laws and regulations relating to schools and the educational development of the individual child as provided in A.R.S. § 15-203. The board is composed of 11 members: the Superintendent of Public Instruction, the president of a state university or college, 4 lay members, a president or chancellor of a community college district, a charter school administrator, a high school district superintendent, a teacher, and a county school superintendent. The board members other than the Superintendent of Public Instruction are appointed by the Governor for 4-year terms.

### Operating Budget

The budget includes \$1,094,000 and 4 FTE Positions from the General Fund in FY 2017 for the operating budget. These amounts fund the following adjustments:

#### Transfers to ADE

Laws 2016, Chapter 138 transfers \$(611,000) and (7) FTE Positions in FY 2017 to the Department of Education to clarify responsibilities between the 2 entities. These amounts consist of:

General Fund	\$(231,200)
Teacher Certification Fund	(379,800)

(Please see Additional Legislation below for more information.)

### Other Issues

#### Background

The FY 2016 budget included \$1,325,200 and 6 FTE Positions from the General Fund and \$379,800 and 5 FTE Positions from the Teacher Certification Fund in FY 2016 in order to establish the State Board of Education (SBE) as a separate budget unit.

The General Fund amount was \$90,400 and 2 FTE Positions higher than the amount appropriated to the board as a line item within the department's budget in FY 2015 due to a transfer from the department's K-3 Reading line item for FY 2016 as a cost allocation measure.

<sup>1/</sup> Laws 2016, Chapter 138 transferred \$(231,200) and (2) FTE Positions from the State Board of Education's General Fund appropriation and \$(379,800) and (5) FTE Positions from its Teacher Certification Fund appropriation to the Department of Education to reflect a permanent transfer of responsibilities between the 2 entities starting in FY 2017.

<sup>2/</sup> Funded as part of the Department of Education budget prior to FY 2016.

<sup>3/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Agency.

## **Additional Legislation**

### **Clarification of Duties**

Laws 2016, Chapter 138 clarifies the duties and powers of the department and Superintendent of Public Instruction (SPI) versus SBE. In 2015, SPI filed suit against the SBE over the authority to hire and dismiss SBE staff. In 2015 also, SBE filed suit against SPI seeking remote access to data housed at the department for SBE's teacher investigation unit. The unit's staff, funded by an appropriation to SBE from the Teacher Certification Fund, could access required files in the Online Arizona Certification Information System (OACIS) only through terminals located at the Department of Education building.

The SPI and SBE have agreed to settle all ongoing litigation between them as a result of provisions enacted in Chapter 138. The legislation clarifies that SBE shall employ and direct its own staff without the recommendation of SPI, who shall execute SBE policies and provide information to SBE related to its statutory powers and duties.

Chapter 138 also requires SPI, rather than the SBE, to direct the work of all investigations related to immoral or unprofessional conduct and requires the department and the SBE to submit a transition plan by August 1, 2016 to the Executive and Legislature related to the transfer of investigative unit personnel from SBE to the department.

In conjunction with the clarification and transfer of responsibilities between the 2 entities, Chapter 138 transfers (7) FTE Positions and \$(611,000) from SBE to the department. Of this amount, \$(231,200) and (2) FTE Positions are transferred from SBE's General Fund appropriation, and \$(379,800) and (5) FTE Positions are transferred from its Teacher Certification Fund appropriation.

SBE's 4 remaining FTE Positions equal the number of non-investigative staff that were appropriated to the SBE line item in the department's budget prior to the 2 entities' separation.

Chapter 138 also requires the Department of Administration, rather than SPI, to approve travel expenses and reimbursements for SBE board members, increases the statutorily-authorized number of board members by 2 to conform to the Arizona Constitution, and allows SBE to collect fees for the evaluation of certificates, name changes, duplicates or changes of coding to existing files or certificates.

### **K-3 Reading**

Laws 2016, Chapter 245 amends A.R.S. § 15-211 to clarify that SBE may establish rules and policies related to the K-3 Reading program, while the department, rather than SBE, shall administer the program. *(See the Department of Education budget for more information.)*