



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 12-067

TO: Superintendents, Business Managers, Administrators, and Head Teachers
FROM: Lyle Friesen, Director of School Finance
DATE: July 9, 2012
SUBJECT: Instructional Improvement Fund Allocation

Pursuant to A.R.S 15-979, the Department of Education shall pay the monies in the Instructional Improvement Fund (Indian Gaming revenues) to school districts and charters (this payment does not apply to other agencies such as the Arizona State for Deaf and Blind, Arizona Department of Corrections or Arizona Department of Juvenile Corrections).

The calculation for the second payment of FY 2012 is complete. This payment is based on actual IIF revenues received in the 3rd and 4th quarter of FY 2012 (\$18,357,732.50). Actual receipt of payment by districts and charters is scheduled for July 9, 2012.

The *Instructional Improvement Fund* report (IIF 202-1) details the counts used, pursuant to ARS §15-979(c), to determine allocation of the Instructional Improvement Fund. We are experiencing system problems generating these reports. Please view the county reports for your specific county, which will show the district portions, at <http://www.azed.gov/finance/county-apportionment-reports/>. A detailed list of District and Charter IIF payments 1 and 2 distributions can be seen under SF Finance Hot Topics. <http://www.azed.gov/finance/hot-topics/>. All monies received for the Instructional Improvement Fund to date have been distributed based on each district's or charter's *unweighted* attending student count.

Pursuant to A.R.S. §15-979 (D) & (E), these funds may be expended as follows:

- D. Each school district and charter school may utilize up to fifty percent of the amount of monies determined pursuant to subsection C for teacher compensation increases and class size reduction as provided in section 15-977.
- E. Monies that are not utilized as provided in subsection D shall be utilized for the following maintenance and operation purposes:
 1. Dropout prevention programs.
 2. Instructional improvement programs including programs to develop minimum reading skills for students by the end of third grade.

If you have questions concerning your Instruction Improvement Fund payment, please contact Chelsea Jemison via email at Chelsea.Jemison@azed.gov or by phone at (602) 542-8244.