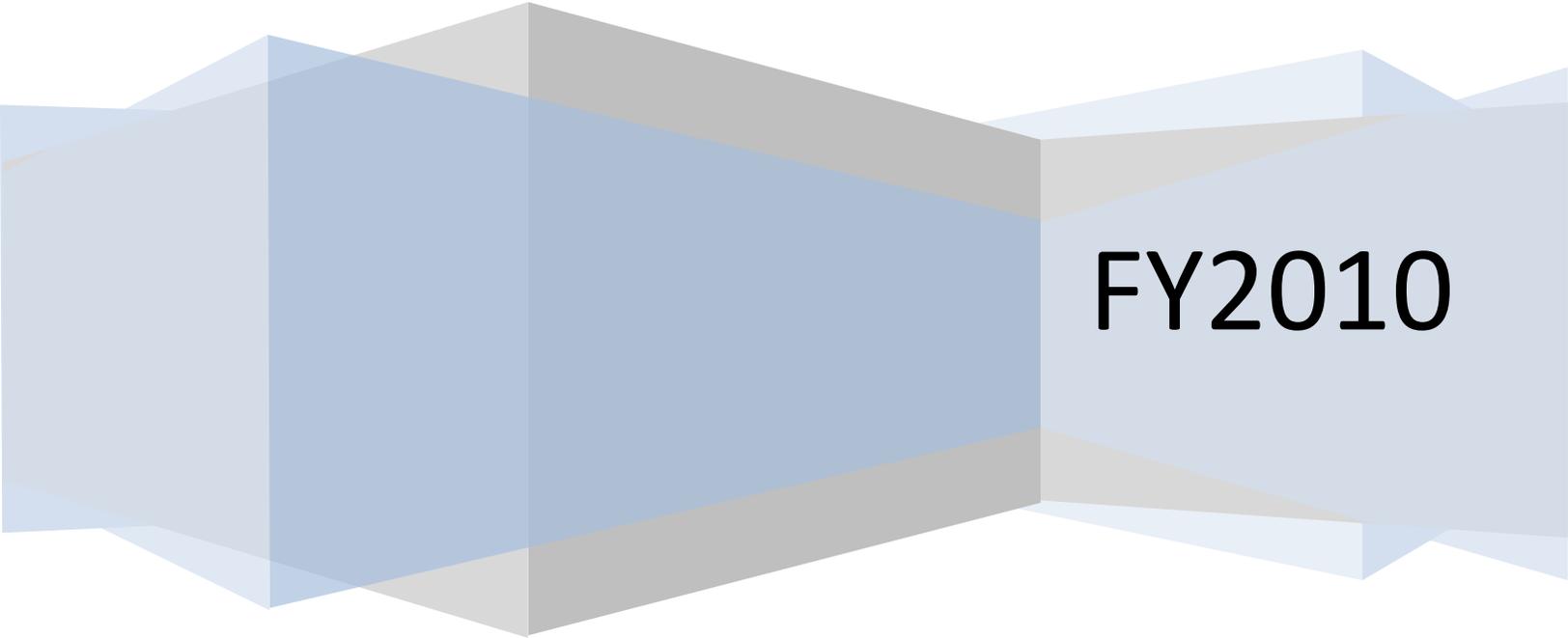


Arizona Department of Education

Concurrency and Limiting

Business Rules

School Finance



FY2010

| | | | |
|---|--|-----------------|---------------------------------|
| Concurrency and Limiting | | Business Rules | |
| \\File\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | | Version: 1.3330 | 5/26/20105/20/2010 Page:2 of 14 |

| | |
|----------------------------|---|
| Prepared by: | Teddy Dumlao |
| Revision Number: | 1.30 |
| Save Date: | <u>5/26/20105/20/2010</u> |
| Primary Document Location: | I:\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrency Business Rules FY10.Docx |

Roles and Responsibilities

| Name | Unit | Stakeholder (Routing for Review) | Subject Matter Expert (Review, Feedback) | Advisor (Review, Feedback, Approval) | Business Analyst (Gather and record input) | Project Manager (Create and manage project plan) |
|-------------------|----------------|----------------------------------|--|--------------------------------------|--|--|
| Yousef Awwad | School Finance | X | | X | | |
| Lyle Friesen | School Finance | X | X | X | | |
| Teddy Dumlao | School Finance | X | X | X | X | |
| Gerald Van Mourik | School Finance | X | X | | | |
| Amitesh Kasera | IT - Analyst | X | | | | |
| Ken Kurkowski | IT - PMO | X | | | | X |
| Don Houde | IT | X | | | | |

Approval Signatures:

| | | | |
|--|-----------------|--------------------------------|--------------|
| Concurrency and Limiting | | Business Rules | |
| \\Filei\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:3 of 14 |

Revision Log:

| Rev Number | Revision Date | Description |
|------------|---------------|---|
| 1.29 | 5/20/2010 | Add new calculation rule to Method 2 to eliminate limiting of JTED Mains and Districts. Exclude JTED Mains from Concurrency processing. |
| | | Update Calculation Rule 5 and Scenario 6 in the "JTED Concurrency" table. |
| 1.11 | 1/25/10 | Update Concurrency rule so that a single JTED membership with no other overlap is fundable |
| 0.27 | 11/20/2009 | Update Rule 4 again. |
| 0.26 | 11/19/2009 | Update Background. Modify Calculation Rule 4 to address single JTED satellite memberships Modify Calculation Rule 6 for resident member districts |
| 0.7 | 10/22/2009 | |
| | 10/29/2009 | Exclude AOI from concurrency module Adjust JTEDs to 0 if no overlap Adjust JTEDs to 0 if overlap with nm District |

| | | | |
|---|-----------------|--------------------------------|--------------|
| Concurrency and Limiting | | Business Rules | |
| \\File\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:4 of 14 |

- Roles and Responsibilities..... 2
- Approval Signatures:..... 2
- Revision Log: 3
- Purpose: 5
- Background: 5
- Implementation Decision:..... 5
 - Method #1: Limiting Daily Membership (Concurrency Module)..... 6
 - Statute:..... 6
 - Applies to: 6
 - Calculation: 7
 - Method #2: Limiting Average Daily Membership 10
 - Statute:..... 10
 - Applies to: 10
 - Calculation: 10
- Method Comparison 11
- Concept: Definition of Concurrency 1312
 - Impact of interpretation 1312

| | | | |
|--|--------------------|-----------------------------------|--------------|
| Concurrency and Limiting | Business Rules | | |
| \\Filei\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:5 of 14 |

Purpose:

The purpose of this document is to describe the recommended adjustments to a business rule decision made prior to the recent changes in statute concerning the implementation of the limiting of ADM. Following the recommendation is a discussion of issues and interpretation concerns that may be helpful in understanding the concepts behind the rules.

Background:

There are currently two methods by which membership may be limited in SAIS. During FY2009, management had determined that both methods should be used in all cases where ADM and Daily Membership is limited. After closer examination of statute, the methods should be used discriminately according to scenarios explicitly defined in statute.

Implementation Decision:

1. Implement concurrency module (Method 1) only for scenarios in statute where daily membership is limited
2. Implement limiting module (Method 2) for all student memberships after the concurrency module is run

| | | | |
|---|-----------------|-----------------------------------|--------------|
| Concurrency and Limiting | | Business Rules | |
| \\File\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:6 of 14 |

Method #1: Limiting Daily Membership (Concurrency Module)

Statute:

If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the **daily membership**, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 2, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 6, for that pupil in the school district and the charter school shall not exceed 1.0 ... Upon validation of actual enrollment in both a charter school and a public school that is not a charter school and if the sum of the **daily membership or daily attendance** for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the public school and the charter school based on the percentage of **total time** that the pupil is enrolled or in attendance in the public school and the charter school. [ARS 15-185 \(C\)](#)

If a career and technical education and vocational education course or program provided pursuant to this article is provided in a facility owned or operated by a school district in which a pupil is enrolled, including satellite courses, the sum of the **daily attendance**, as provided in section 15-901, subsection A, paragraph 6, for that pupil in both the school district and joint technological education district shall not exceed 1.25 and the sum of the **fractional student enrollment**, as provided in section 15-901, subsection A, paragraph 2, subdivision (a), shall not exceed 1.25 for the courses taken in the school district and the facility, including satellite courses. The school district and the joint district shall determine the apportionment of the daily attendance and fractional student enrollment for that pupil between the school district and the joint district. [ARS 15-393\(D\)\(3\)](#)

Applies to:

- District / Charter enrollment overlaps. *(Note: the term concurrency is not used here.)*
- JTED Satellite and member District enrollment overlaps.
- Since there is no 100th Day ADM or membership calculation for AOI schools, AOI shall be excluded from concurrency processing.
- Any JTED satellite membership without any overlapping membership shall not have its FTE adjusted.
- Any JTED satellite membership with only nonmember District membership overlaps shall have its FTE adjusted to 0.
- All JTED Main memberships shall be excluded from concurrency processing.

| | | | |
|--|-----------------|--------------------------------|--------------|
| Concurrency and Limiting | | Business Rules | |
| \\Filei\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:7 of 14 |

Calculation Rules:

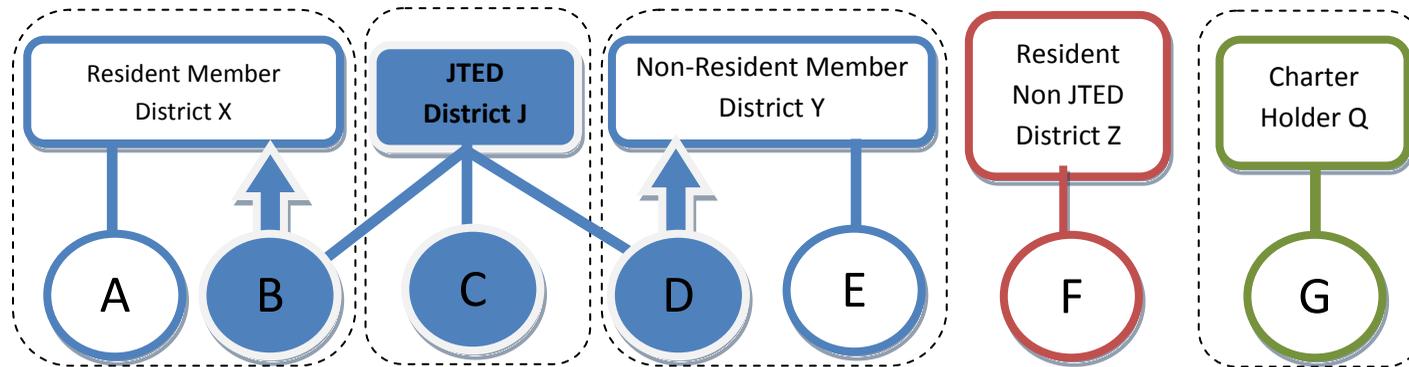
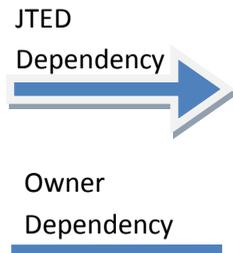
1. All memberships shall be considered valid upon submission
2. In no case will any adjusted FTE exceed the submitted FTE.
3. Exclude any invalidated memberships
4. Exclude all AOI memberships from concurrency membership processing.
5. Exclude all JTED Main or Central memberships from concurrency membership processing.
6. When JTED satellite membership overlaps with **only** District memberships that are not part of its member District, JTED Satellite FTE shall be adjusted to 0 during the overlap. (JTED /Charter overlap will be handled by limiting module)
7. If there is an overlap of JTED satellite memberships and **resident** member District memberships, the sum of the FTEs for all non JTED satellite memberships during the period of overlap shall be proportionally limited to 1.0 and any overlapping JTED Satellite membership shall have its FTE limited to the remainder of 1.25 minus the sum of the FTE of the non JTED satellite memberships during the overlap.
8. If there is no JTED Satellite membership in the overlaps and there is a District membership that overlaps a Charter membership, then the sum of the FTEs for all of the non-JTED Main memberships during the overlap shall be proportionally limited to 1.0.
9. Any JTED satellite membership without any overlapping membership shall not have its FTE adjusted.

For the overlapping membership day, the sum of the membership days are reduced to 1.0 or 1.25 by proportionally reducing the FTE.

1. For each overlapping membership day, proportionally adjust the non-JTED Satellite FTEs to 1.0.
2. If a JTED satellite enrollment exists and overlaps with a member District enrollment then the JTED Satellite enrollment is limited by the result of subtracting the total of non-JTED satellite memberships after any apportionment from 1.25

Aggregation Calculation:

Any membership interval that has an FTE of 0 shall be assigned a non fundable count type and will appear on the ADMS76 report.



This table represents the adjustments made to the FTE by the concurrency module only. In all cases, even if the scenario bypasses concurrency, the limiting module will adjust the ADM by applying an adjustment factor to the membership days.

The number below the DOR/DOA assignments represents FTEs. The number to the left is the submitted FTE. The number to the right in parenthesis is the FTE adjusted by the concurrency module.

DOR = District of Residence, , DOA = District of Attendance
Submitted FTE (FTE Adjusted for Concurrency)

| | FY10 Concurrency | A | B | C | D | E | F | G | Comment |
|----|-------------------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---|-------------------------|-------------------------|--|
| 1 | Classic JTED Sat Res memDistrict | DOR=X,DOA=X 1.0 (1.0) | DOR=J,DOA=J 0.5 (.25) | | | | | | A.R.S. §15-393(D)(3) gives the authority to the JTED and member districts to determine how this is to be allocated. They could determine that the Member District gets 0.50 and the JTED Satellite gets 0.50. The displayed allocation is the most common. (Rule 6) |
| 2 | JTED Main memDistrict | DOR=X,DOA=X 1.0 (1.0) | | DOR=J,DOA=J 1.0 (1.0) | | | | | The concurrency module will do nothing to these FTEs. The adjustment to ADM will be made in the limiting module. (Bypass Rule) |
| 3 | JTED Sat Res memDist nonmemDistrict | DOR=X,DOA=X 1.0(0.5) | DOR=J,DOA=J 0.5 (0.25) | | | | DOR=Z,DOA=Z 1.0(0.5) | | A.R.S. §15-393(G) indicates that the JTED schools are open to persons who reside in the JTED's boundaries. A.R.S. §15-393(H) indicates that tuition is to be collected from non-residents. This scenario indicates the student is enrolled in 3 districts at the same time. Assumption student resides in Member District X, and not in Non Member Z. (Rule 6) |
| 4 | JTED Sat/ nonmemDistrict | | DOR=J,DOA=J .50 (0.00) | | | | DOR=Z,DOA=Z 1.0(1.0) | | There should be no fundable ADM to JTED. Allowing this, would be contrary to the requirement that voters approve a \$0.05 property tax. (Rule 5) |
| 5 | JTED Sat Charter | | DOR=J,DOA=J 0.5 (.5) | | | | | DOR=Q,DOA=Q 1.0(1.0) | The concurrency module will do nothing to these FTEs. The adjustment to ADM will be made in the limiting module. (Bypass Rule) |
| 6 | JTED Sat/ NonRes memDistrict | DOR=X,DOA=X 1.0 (1.0) | | | DOR=J,DOA=J 0.5 (.00) | | | | The JTED Satellite does not overlap its member district enrollment. Therefore JTED receives no funding. (Rule 5) |
| 7 | JTED Main / Charter | | | DOR=J,DOA=J 1.0 (1.0) | | | | DOR=Q,DOA=Q 1.0(1.0) | The concurrency module will do nothing to these FTEs. The adjustment to ADM will be made in the limiting module. Limiting module will grant the 1.25 limit. (Bypass Rule). |
| 8 | District / Charter | DOR=X,DOA=X 1.0(0.5) | | | | | | DOR=Q,DOA=Q 1.0(0.5) | (Rule 7) |
| 9 | District / Charter | | | | | | DOR=Z,DOA=Z 1.0(0.5) | DOR=Q,DOA=Q 1.0(0.5) | (Rule 7) |
| 10 | JTED Sat Only | | DOR=J,DOA=J 0.5 (.5) | | | | | | (Rule 8) |

Method #2: Limiting Average Daily Membership

Statute:

EXCEPT AS OTHERWISE PROVIDED BY LAW, ...

(III) FOR A FULL-TIME HIGH SCHOOL STUDENT WHO IS CONCURRENTLY ENROLLED IN TWO SCHOOL DISTRICTS OR TWO CHARTER SCHOOLS, **THE AVERAGE DAILY MEMBERSHIP** SHALL NOT EXCEED 1.0.

(IV) FOR ANY STUDENT WHO IS CONCURRENTLY ENROLLED IN A SCHOOL DISTRICT AND A CHARTER SCHOOL, **THE AVERAGE DAILY MEMBERSHIP** SHALL BE APPORTIONED BETWEEN THE SCHOOL DISTRICT AND THE CHARTER SCHOOL AND SHALL NOT EXCEED 1.0. THE APPORTIONMENT SHALL BE BASED ON THE PERCENTAGE OF TOTAL TIME THAT THE STUDENT IS ENROLLED IN OR IN ATTENDANCE AT THE SCHOOL DISTRICT AND THE CHARTER SCHOOL.

(V) FOR ANY STUDENT WHO IS CONCURRENTLY ENROLLED, PURSUANT TO SECTION 15-808, IN A SCHOOL DISTRICT AND ARIZONA ONLINE INSTRUCTION OR A CHARTER SCHOOL AND ARIZONA ONLINE INSTRUCTION, **THE AVERAGE DAILY MEMBERSHIP** SHALL BE APPORTIONED BETWEEN THE SCHOOL DISTRICT AND ARIZONA ONLINE INSTRUCTION OR THE CHARTER SCHOOL AND ARIZONA ONLINE INSTRUCTION AND SHALL NOT EXCEED 1.0. THE APPORTIONMENT SHALL BE BASED ON THE PERCENTAGE OF TOTAL TIME THAT THE STUDENT IS ENROLLED IN OR IN ATTENDANCE AT THE SCHOOL DISTRICT AND ARIZONA ONLINE INSTRUCTION OR THE CHARTER SCHOOL AND ARIZONA ONLINE INSTRUCTION.

[Sec. 27. Section 15-901, Arizona Revised Statutes, as amended by Laws 2009, forty-ninth legislature, third special session, chapter 2, section 3](#)

... if the pupil is enrolled in both a charter school and a joint technological education district and resides within the boundaries of a school district participating in the joint technological education district, the sum of the **average daily membership** for that pupil in the charter school and the joint technological education district shall not exceed 1.25. [ARS 15-185 \(C\)](#)

Applies to:

All enrollment combinations, including but not limited to:

- District & Charter
- District & District
- Charter & Charter
- Arizona Online (AOI) & Charter
- Arizona Online (AOI) & District
- JTED Satellite and Charter
- JTED Main and Charter
- JTED Main and District

Calculation:

1. If an instance of overlap exists between any JTED membership for a student residing in the Member District and Charter or between any JTED satellite membership and its Resident Member District then the Average Daily Membership limit is 1.25 otherwise the limit is 1.0
2. If an instance of an overlap or a subsequent membership exists between any JTED Main or Central membership for a student residing in the Member District and its Resident Member District then the Average Daily Membership shall not be limited for the JTED Main or Central campus. Otherwise, proportionally adjust all memberships in the fiscal year to the limit determined in the previous step.

Method Comparison

To illustrate the effects of both methods we will use the following example.

A student is enrolled in 3 different schools throughout the fiscal year. All enrollments occur entirely within the first 100 days of each of the school calendars. In the beginning of the year the student has overlapping memberships in District School A and Charter School B. Then the student withdraws from both schools and enrolls in District School C.

| | |
|---|---|
| 40 Days Enrollment in District School A | 70 Days Enrollment in District School C |
| 40 Days Enrollment in Charter School B | |

The concurrency module will adjust the membership days of School A and School B to 20 Days each. But it would not do anything to the membership days in School C. The end result would be:

| Concurrency Adjustment Only | |
|-----------------------------|-----------------------------|
| District School A | $40/2 = 20$ membership Days |
| Charter School B | $40/2 = 20$ Membership Days |
| District School C | 70 Membership Days |
| Total | 110 Membership Days |

The limiting module will take the memberships and apportion the results down to the limit of 100 Membership Days. If the limiting module is run **after** the concurrency module, the end result would be:

| Concurrency and then Limiting | |
|-------------------------------|--|
| District School A | $(20/110) * 100 = 18.18$ Membership Days |
| Charter School B | $(20/110) * 100 = 18.18$ Membership Days |
| District School C | $(70/110) * 100 = 63.64$ Membership Days |
| Total | 100 Membership Days |

If the limiting module is run **without** the concurrency module, the end result would be:

| Limiting Only | |
|-------------------|--|
| District School A | $(40/150) * 100 = 26.67$ Membership Days |
| Charter School B | $(40/150) * 100 = 26.67$ Membership Days |
| District School C | $(70/150) * 100 = 46.67$ Membership Days |

| | | | |
|--|--------------------|-----------------------------------|---------------|
| Concurrency and Limiting | Business Rules | | |
| \\Filei\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:12 of 14 |

| | |
|--------------|----------------------------|
| Total | 100 Membership Days |
|--------------|----------------------------|

| | | | |
|---|-----------------|--------------------|---------------|
| Concurrency and Limiting | | Business Rules | |
| \\File\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/20105/20/2010 | Page:13 of 14 |

Concept: Definition of Concurrency

Concurrency is not defined in statute. A key question to consider is whether the term “concurrency” is intended to refer to only overlapping periods of enrollment for a student in multiple schools (Fig. 1) or if a concurrency is intended to include reference to the additional enrollments of a student in other schools in the same fiscal year even though the enrollments may not overlap with any other enrollment in another school (Fig. 2).

Concurrency Possible Definition #1

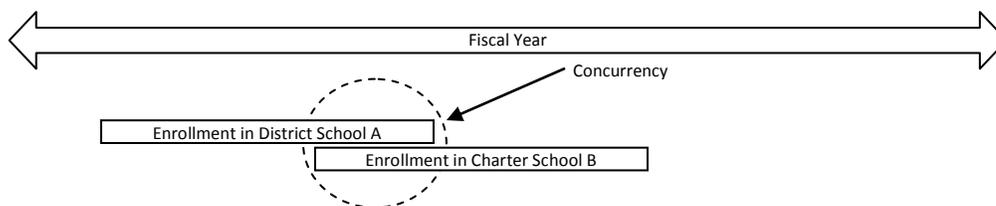


Fig. 1

Concurrency Possible Definition #2

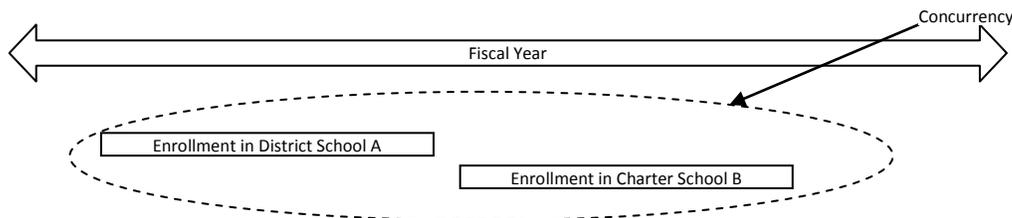


Fig. 2

Impact of interpretation

The concurrency definition should include Definition #2. If it is determined that the definition of concurrency **only** applies to Definition #1, then the limiting of ADM will only apply to scenarios where a student has overlapping memberships. If we applied the language in statute according to that limited view of a concurrency, this would result in a situation where “TAPBI Summer School” could be funded at over 1.0 as long as a student is not enrolled non-AOI classes at the same time, a situation already deemed non-compliant according to the TAPBI audit.

| | | | |
|--|-----------------|-----------------------------------|---------------|
| Concurrency and Limiting | | Business Rules | |
| \\Filei\Info\SF\OPERATIONS SUPPORT\Business Rules\FY10\Concurrencybusinessrulesfy10.Docx | Version: 1.3330 | 5/26/2010 5/20/2010 | Page:14 of 14 |

Definitions

JTED – An entity that is established as a Joint Technological Education District. This entity provides educational services for students that reside in any of its member districts. The residents pay taxes to support the program.

JTED Main Campus or JTED Central Campus - This would be a vocational school site that is owned by a JTED through an owner dependency relationship. This site does NOT have a JTED satellite dependency to any district.

JTED Satellite – This would be a vocational school site that is owned by a JTED through an owner dependency relationship. This site also has to have a JTED satellite dependency relationship to a district.

Resident Member District – This would be the district where the student resides. This district is also a member of the JTED. SAIS determines that a district is a member district by referencing the JTED dependency relationship between the district and a JTED satellite site.

Non-Resident Member District - This would be a district where the student DOES NOT reside. For the purposes of the JTED table, the student is a resident of a member district but the student is enrolled in a class in ANOTHER member district. This district is also a member of the JTED.

Resident Non-Member District