

ARIZONA DEPARTMENT OF EDUCATION

**Tom Horne**  
Superintendent of  
Public Instruction



School Finance  
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STATE OF ARIZONA

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SCHOOL FINANCE MEMORANDUM 09-013

**TO:** School District Superintendents, Business Managers, County School Superintendents, County Assessors and County Treasurers

**FROM:** Philip Williams, Deputy Associate Superintendent

**DATE:** September 4, 2008

**SUBJECT:** Qwest Assessed Values Appeal Judgment

For School Districts impacted by the Qwest Assessed Values Appeal Judgment, this memorandum provides guidance to:

- budget for the expected payment of principal and interest to Qwest in FY 2009,
- record the principal and interest expense on the FY 2009 AFR, and
- request a correction to state aid pursuant to ARS 15-915 (B).

**I. FY 2009 Budget Revision**

When revising your FY 2009 Budget please include the total Qwest amounts to be paid in FY 2009 on page 7 of 8, line 9(l). Please be sure to increase your budgeted expenditures on page 1 of 8, line 10 to match the increase recorded on page 7, line 9(l). These expenditures should be budgeted and expended under account code 001-100-5000-6820.

**II. FY 2009 Annual Financial Report**

Please record the total expenses paid to Qwest due to this Assessed Value Appeal on page 3, section J of the FY 2009 AFR.

**III. Request a correction to state aid pursuant to ARS 15-915 (B)**

In 2008, Qwest was awarded a judgment for excessive property valuations in Tax Years 2004, 2005 and 2007. These revisions to Qwest property valuations affect state aid calculations. School districts receiving a judgment against them under the provisions of ARS 42-16213 are eligible to request a correction to state aid.

If you have been notified of a judgment against you, please submit a 15-915 correction of state aid and budget capacity request to ADE School Finance. Please note that ARS 15-915 (B) requires that the Governing Board of the district make the request. The calculation of state aid for these years has been completed by ADE School Finance and the resultant dollar amounts have received a favorable review from the JLBC. Please visit the following link for your district's amount: <http://www.ade.az.gov/schoolfinance/Reports/Qwest2008-09-08.pdf>.

Requests submitted to ADE by October 6, 2008 will result in the district's amount being included as an above the line adjustment on the October 15, 2008 APOR64-1 payment report. Please see the sample request letter below. Requests will need to include all information in this letter.

If you have any questions regarding the state aid aspect of this Qwest matter, please contact Jill Barragan at 602-542-8244, or by email at [Jill.Barragan@azed.gov](mailto:Jill.Barragan@azed.gov). For any questions regarding the budget aspect of this Qwest matter, please contact Jeremy Calles at 602-364-0519, or by email at [Jeremy.Calles@azed.gov](mailto:Jeremy.Calles@azed.gov).

Tuesday, September 09, 2008

Tom Horne  
Superintendent of Public Instruction  
Attention: School Finance  
Arizona Department of Education  
1535 W. Jefferson St., Bin #13  
Phoenix, Arizona 85007

Re: Qwest Settlement and ARS 15-915(B) State Correction Request

Dear Superintendent Horne:

Qwest was awarded a judgment for excess property tax valuations against the 15 Arizona counties. Numerous entities, including \_\_\_\_\_ District # \_\_\_\_\_ will be required to pay back an amount of this excess property tax in FY 2009 due to the Qwest settlement.

Under the provisions of ARS 42-16213, the district governing board requests a correction to state aid, which will be distributed during FY 2009, pursuant to ARS 15-915(B) on behalf of \_\_\_\_\_ District # \_\_\_\_\_ for the amount of the district's portion of the excess property taxes. In accordance with ARS 42-16214, the district's general budget limit was increased by \$ \_\_\_\_\_ in the budget adopted on \_\_\_\_\_, 2008 in anticipation of payment of this excess property tax valuation judgment.

Sincerely,

\_\_\_\_\_  
Governing Board President