

ARIZONA DEPARTMENT OF EDUCATION

Tom Horne
Superintendent of
Public Instruction



STATE OF ARIZONA

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SCHOOL FINANCE MEMORANDUM 09-044—REVISED

TO: Superintendents, Business Managers and Contract Signers

FROM: Tom Horne, Superintendent of Public Instruction

DATE: February 10, 2009

SUBJECT: Senate Bill 1006

In their efforts to address the state's budget deficit, the Arizona legislature has provided for specific cuts to funding for school districts and charter holders, which will bring budgeted expenditures in line with the aggregate expenditure limit in the Arizona Constitution. ADE interprets this legislative reduction as fulfilling the requirements of A.R.S 15-911.

Laws of 2009, 1st special session Chapter 6 (Senate Bill 1006) includes the following reductions that impact school districts and charter holders in the State of Arizona.

- For FY 2008-2009, the department of education shall reduce state funding for the base support level by \$98,198,000 and shall reduce school district budget limits accordingly.
- For FY 2008-2009, the department of education shall reduce state funding for the soft capital allocation limit by \$21,000,000 and shall reduce school district budget limits accordingly.
- For FY 2008-2009, the department of education shall reduce by \$4,000,000 the amount of additional assistance to charter holders.
- Budget reductions shall be completed prior to May 15, 2009, and revised budgets must be submitted to ADE no later than May 18, 2009 via common logon.

The above adjustments, for each impacted district and each charter are provided in the attached reports. Other Non-Formula Funds that have been cut pursuant to S.B.1001 as part of the department's lump sum reductions are as follows:

- Math & Science Initiative
- Optional Performance Incentive Program
- Parental Choice for Reading Success
- Vocational Education Extended Year Program

6/12th of the adjustment will be accounted for on the February 15th apportionment of state aid to school districts, with the remainder apportioned out over the remainder of the fiscal year, pursuant to A.R.S. §15-973(B). The impact on school district budget limits for FY 2008-09 will be provided in new 2009)BUDG25 reports which will be generated after the February 15th apportionment. School districts with a student count of less than 600 in K-8 or less than 600 in grades 9 -12 are not subject to these adjustments. Proportionate adjustments are made to unified school districts which have a student count of greater than 600 in K-8 and less than 600 in grades 9-12.

The adjustment to the base support level should be recorded on Worksheet C Line XII of the District's Budget Worksheets. The District may unprotect the sheet and change the line description accordingly. If you need assistance with this process please contact the Budget Team. The adjustment for soft capital should be recorded on Page 8 Line B11 of the District's Expenditure Budget.

8/12th of the adjustment will be accounted for on the February 15th apportionment to of state aid to charter schools, with the remainder apportioned out over the remainder of the fiscal year, pursuant to A.R.S. §15-185(B)(5).

Charter school adjustments will be recalculated for the April 15th apportionment, to reflect the most current FY 2008-09 100th day ADM. Analysis of FY 2007-08 ADM, SPED, and ELL counts will be completed, to determine if recalculation would generate materially different adjustment amounts for individual districts, before determining whether to recalculate the adjustments.

If you have questions, please contact School Finance via e-mail at schoolfinance@azed.gov or by phone at (602) 542-5695.