

ARIZONA DEPARTMENT OF EDUCATION

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STATE OF ARIZONA

SCHOOL FINANCE MEMORANDUM 09-070

To: Charter School Operators, Charter School Sponsors, Charter Business Managers,
Charter Principals & Administrators, and All Charter Schools

From: Yousef Awaad
Director of School Finance

Date: May 26, 2009

Subject: A.R.S. §15-185 (D) Reduction of Equalization Assistance for Charter Schools
Receiving Federal and State Monies Intended for Maintenance and Operations of the
School

A.R.S. §15-185 (D) requires the reduction of the base support level and equalization assistance by the amount of federal and state monies received by a charter school that are intended for the basic maintenance and operations of the school.

Monies intended for basic maintenance and operations (M&O) are those intended to support the educational program of the school. They do not include supplemental federal and state grants for specific purposes, such as ESEA Title I, IDEA Part B, stimulus grants, and federal food program reimbursements, etc. In addition, by statute, they do not include Federal Impact Aid (Title 8, P.L. 103-382) monies. The Auditor General will make final determination of what monies are considered to be intended for basic maintenance and operations.

To assist the Arizona Department of Education (ADE) and the Auditor General in identifying the types of monies applicable to this reduction, ALL CHARTER HOLDERS must complete the form on page 3. **The form must be sent by U.S. mail or delivery, and received by ADE School Finance on or before 4:30pm of June 26, 2009. If this form is not received within 60 days of the specified due date then ADE School Finance will consider the charter to be out of compliance.** District sponsored charters must submit the form through their sponsoring district for approval, and the district must forward it to the ADE by U.S. mail or delivery. The form must have an original signature. **NO FAXES WILL BE ACCEPTED.**

* Charter schools receiving Indian School Equalization Program (ISEP) funds must report data used in the calculation of state aid separately for the ISEP students and the Non-ISEP students. This allows the Arizona Department of Education to accurately apply A.R.S. §15-185(D) only to the state aid generated by the ISEP funded students. Those students that are Non-ISEP will generate monthly state aid for the charter because these students are not funded by the federal Indian School Equalization Program.

For reporting purposes all Charters that have students , all students must be identified as either ISEP or Non-ISEP in the **Previous LEA field** of the Charter Estimated Counts application. Once reporting commences with SAIS, all Non-ISEP students must be accurately identified by Register ID 7777.

* Please refer to School Finance Memorandum 09-069, Charter School Estimated Student Enrollment List Collection for FY 2010.

Your cooperation is greatly appreciated. Any questions regarding this form or this process may be directed to Cindy Ensfield at Cindy.Ensfield@azed.gov or (602)542-5695.

