

ARIZONA DEPARTMENT OF EDUCATION

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SCHOOL FINANCE MEMORANDUM 11-022 - - REVISED 10-14-10

TO: Superintendents, Business Managers, Administrators

FROM: Yousef Awwad, Director of School Finance

DATE: September 20, 2010

SUBJECT: 2011 School Finance Update, Memorandum

This memo is to inform you of updates and changes that will be implemented in FY2010-2011. Table 1 is a summary of the updates and changes that will have an impact on districts, charter holders, and JTED districts finances. A few of the changes are process improvements. Additional information regarding these changes may be viewed in ADE’s business rules site.

<http://publicportal.ade.az.gov/sites/SF/BusinessInformation/Business%20Rule%20Documents%20and%20Presentations/Forms/AllItems.aspx>

Please do not hesitate to call your assigned account analyst if you have any questions regarding these changes. A listing of account analysts can be found on the School Finance website at

<http://www.ade.az.gov/schoolfinance/>

Table 1 – Financial Changes impacting Districts, Charters, and JTED Districts

Change /Update	Description	Comments
Early KG Students	A student enrolled in kindergarten is not eligible to generate state aid <u>if</u> the student was enrolled in kindergarten in an Arizona public school AND was less than five years old before September 1 st of the prior school year. The definition of Tuition Payer code ‘2’ has been modified to accommodate the submittal of enrollment data for these students.	Statute Reference A.R.S. §15-821 (C) Integrity errors will be generated if a student is enrolled in KG during the second year and submitted with a payer code of “1”
Classroom Site Funding (CSF)	Historically member districts received the JTED satellite portion of the CSF funding. Effective FY2012, CSF funding will be made to the JTED Districts and not the member districts.	A.R.S. §15-977 After ADE received CSF funding complaint, ADE

Change /Update	Description	Comments
		consulted the attorney general; attorney general determined that the JTED district should be receiving the CSF portion and not the member district.
Instructional Improvement Fund (IIF)	Effective FY 2010 the Instructional Improvement Fund (IIF) fund will be paid twice a year rather than in four payments. The payment will be calculated using the student count (ADM). Effective FY2012, IIF funding of teh satellite share (similar to CSF) will be made to the JTED Districts and not the member districts.	
Arizona On-Line AOL	District sponsored charters are not eligible to become an online course provider or to offer an online instructional school (AOL). Per statute A.R.S. §15-808 (A), only two entities can authorize an AOI. These two entities are the State Board of Education and the State Board for Charter Schools. Of the entities identified in 15-183(C) as eligible for sponsoring a charter school, only the State Board for charter Schools was identified as eligible to authorize online course providers and online schools. Districts or charter holders who have been authorized to set up an AOI school will be required to submit the following documentation in order to set up an AOI within the ADE systems <ol style="list-style-type: none"> 1. Entity profile form must be submitted. Form details the requested change 2. State Board meeting minutes authorizing the districts/charter holder's AOI approval 3. School governing board's meeting minutes approving the AOI 4. AOI Application 	Statute Reference A.R.S. §15-808 (A) Statute Reference A.R.S. §15-183 (C)
AOI Full Time Funding (FTF) Status	Districts or Charter Holders sponsoring AOI schools must calculate and submit the students FTE. The FTE will not be calculated by ADE. The submitted FTE will be used to set the FTF field during ADM aggregation. This will be used to calculate BSL	
Concurrency Module	Upon subsequent review and performance analysis of SAIS, ADE School Finance noted that the concurrency module was impacting the performance of SAIS. To improve SAIS performance, new business rules will be implemented to eliminate the concurrency module. . The limiting module will handle all limiting of 'average daily' attendance and memberships. Depending on the particular scenario, ADM will be limited down to 1.0, 1.25, or 1.75.	SAIS performance improvement
200 Day Calendar	A.R.S. §15-902 allows school districts or charters to offer 200 day calendars and have their ADM calculated based on 200 days. Districts that extend their school year to 200 days are rewarded by an additional 5% to the base level in state aid funding. Districts or charter holders interested in offering a 200 day calendar and receive the additional ADM funding must do the following: <ol style="list-style-type: none"> 1. Submit a calendar for all district or charter holder school sites to offer instruction based on at least 200 days 2. Send a letter to ADE requesting that their ADM be calculated based on 200 days. 3. Budget for the next fiscal year based on 200 days by including the 5% additions to the base level amount. 	A.R.S. §15-902
JTED enrollment funding	Common School Districts (type 03) are not eligible for state funding in JTED courses.	Common School Districts (type 3) are not eligible for JTED funding unless they

Change /Update	Description	Comments
		become a member district of the JTED, which requires that the voters approve the JTED tax resolution. If students are attending a high school in another district that has a JTED Satellite and the students enroll in the JTED satellite, the student should be submitted with a Tuition Payer code of 2.
<p>Tuition Out & SPED ADM Reporting</p> <div style="border: 2px solid blue; padding: 5px; width: fit-content; margin: 10px auto;"> <p style="text-align: center;"><i>Postponed until FY-2012</i></p> </div>	<p>For Special Education, a change has been implemented on who is responsible for reporting the special education data to ADE. The LEA will now be responsible for the student's special education curriculum and for their IEP. In addition to this change, the responsible entity and service provider will be collected and stored in SAIS.</p> <p>For memberships, the change involves how the DOR & DOA are to be reported to SAIS. In all cases, except for the following exceptions, the DOR & DOA must be the same.</p> <ol style="list-style-type: none"> 1. Tuition-out situations as defined in statute (A.R.S. §15-823, A.R.S. §15-824, A.R.S. §15-976) 2. Students whose parents are employed by certain state institutions, as defined in A.R.S. §15-976 	
ISEP tuition payer code change	In an effort to automate the process used to identify Indian School Equalization Program (ISEP) students and exclude them from generating state aid a new non-fundable tuition payer code (6) has been created and must be used to identify these students. This payer code will be published in the FY 2010-2011 Requirements Overview document located on the SAIS page of the ADE website	
Budget Over Expenditures	<p>The District's Governing Board must submit a Resolution form via Common Logon authorizing ADE to reduce the Districts' Budget Limit(s) for the current year and subsequent fiscal year, if applicable, by the amount expended in excess of the Budget Limit(s). A copy of the resolution form, signed by the Governing Board, shall be mailed to the ADE School Finance Unit.</p> <p>The districts expenditure analysis (BUDG75) report is available at https://www.ade.az.gov/Budget/ReportsData/Reportsdate.asp</p>	Budget reduction amounts reported on the Resolution form should also be reported on the appropriate year's Expenditure Budget. Any General Budget Limit (M&O) reduction amount should be recorded on Line 9 of the Calculation table (page 7). Similarly, the reduction amount for the Unrestricted Capital Limit should be recorded on line A.10 Calculation (page 8). Soft Capital Limit reduction must be recorded on line B.11 of the Calculation table (page 8).
20 Day	ADE not enforcing this requirement. Please reference the Student Detail	ADE recognizes that due to

Change /Update	Description	Comments
Upload Requirement	Activity Calendar for SAIS schedule. http://publicportal.ade.az.gov/sites/SF/Web%20Pages/Student%20Detail%20Activities.aspx	SAIS not being available districts and charters are not able to upload their data. Until SAIS is Opened this requirement will not be enforced.
Multiple JTED Issues	Multiple JTED issues are currently being reviewed by the Attorney General including Soft Capital cuts, how to implement HB2127 and HB2128 (ADM vs. ADA), common school districts students tuition out to a high school district that is a member with a JTED and eligibility of students from common school for funding due to enrollment in a JTED.	We will address these issues as soon as we have further information
CTDS Number changes and Required documentation	Effective FY11, the following documentation will be required for any CTDS number requests. <ul style="list-style-type: none"> • For Charters: Copy of Contract and Amendments Letter of Approval from the State Charter Board Entity Profile Form • For Districts: Governing Board meeting minutes indicating approval Entity Profile Form The above documentation must be submitted to ADE for approval	
Calendar Changes	In FY11 the school calendar will be enhanced to provide an area for entering comments as well as providing an option for reporting absences per methods 1 or 2 per GE-20	
Statewide Recalculation Status	The State Wide Recalculation is progressing and SAIS has been Opened for FY2011, however ADE is currently experiencing problems with the statewide recalculation. The following problems are currently being worked by our IT department. <ol style="list-style-type: none"> 1) The ADM calculations are not being processed correctly. 2) The SPED Add-On Counts are not being processed correctly. 3) The ELL Add-On Counts are not being processed correctly. The ADM, SPED, ELL reports have not been generated at this time.	All the issues are currently being addressed by IT