



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 15-064

To: Charter Business Managers, Charter Holders, and Charter School Administrators

From: Lyle Friesen, Director of School Finance

Date: June 11, 2015

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 for FY 2016

[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 the 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, charter holders **who have monies to report** 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 4:30 p.m. on July 6, 2015.** District sponsored charters **who have monies to report** 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 holders with no monies to report **should not complete and return the form.**

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 ADE to accurately apply A.R.S. §15-185(D) only to the state aid generated by the ISEP-funded students. 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. ISEP students will not generate state aid.

For reporting purposes, all charters that have ISEP students must identify each student as either "ISEP" or "Non-ISEP" in the Previous LEA field of the Charter Estimated Counts application. When reporting data through SAIS instead of Charter Estimated Counts, all ISEP students must be submitted with a Tuition Payer Code of 6 to ensure they do not generate state aid funding.



Please refer to Page 7 of School Finance Memorandum 15-062, Charter School Estimated Student Enrollment List Collection for FY 2016, for more information on reporting ISEP students.

Your cooperation is greatly appreciated. Any questions regarding this form or this process may be directed to your LEA Account Analyst. A list of charter holders and their assigned Account Analyst can be found on the School Finance website at:

<http://www.azed.gov/Administrators/SF/Lists/LEAAccountAnalysts/AllItems.aspx>





Federal & State Maintenance & Operations Declaration Form Fiscal Year 2016

Charter holders **who have monies to report** must complete **one form per charter holder**. Multiple forms are not required for each school site listed under the charter holder. **If you do not have federal or state maintenance and operations funds, please do not complete the form and do not submit it to ADE.**

This original form must be received by ADE School Finance via U.S. Mail or delivery on or before 4:30 p.m. on July 6, 2015. **FAX COPIES WILL NOT BE ACCEPTED.**

**Arizona Department of Education
 School Finance Unit, Bin #13
 1535 W. Jefferson Street
 Phoenix, AZ 85007
 Attn: (Account Analyst Name)**

Charter Holder Entity Name: _____
CTDS # (Example: 012345000) _____

Describe below any monies, other than state equalization assistance, received or expected to be received for the basic maintenance and operations of the school in Fiscal Year 2016. (Do **NOT** list supplemental monies intended for a specific purpose, such as IDEA, NSLP, stimulus grant, etc.)

FY2016 Maintenance and Operations Monies (Excluding State Equalization)			
Funding Source	Granting Agency	Dollar Amount	Description

Administrator's Name (Print): _____ Phone #: _____

Administrator's Signature: _____
 (original signature required)

This section is required to be filled out only by District Sponsored Charter Schools Only. Non-district sponsored charter schools should leave this section blank. If sponsored by a school district:
 Sponsoring School District: _____ Phone #: _____
 Signature of School District Official: _____
 (original signature required)