

ARIZONA DEPARTMENT OF EDUCATION

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STATE OF ARIZONA

SCHOOL FINANCE MEMORANDUM 06-077

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

From: Philip Williams
Deputy Associate Superintendent of School Finance

Date: May 2, 2006

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. §15-18 (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 5:00pm of June 26, 2006.** ADE School Finance will not release any Fiscal Year 2006-2007 state aid to any state sponsored charter or on behalf of any school district sponsored charter school that has not submitted this form by the due date. 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 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 06-075, Charter School Estimated Student Enrollment List Collection for FY 2006-2007.

Your cooperation is greatly appreciated.

