



State of Arizona  
Department of Education

**SCHOOL FINANCE MEMORANDUM 17-039**

**TO:** Superintendents, Business Managers, Administrators, and Head Teachers  
**FROM:** Lyle Friesen, Director of School Finance  
**DATE:** February 27, 2017  
**SUBJECT:** Instructional Improvement Fund

Pursuant to A.R.S 15 - 979, the Department of Education shall pay the monies in the Instructional Improvement Fund (Indian Gaming revenues) to school districts and charter schools.

The calculation for the First payment of FY 2017 is complete. This payment is based on actual IIF revenues received in the 1st and 2nd quarter of FY 2017 (\$32,184,624.51). Actual receipt of payment by districts and charters is scheduled for Monday, February 27, 2017.

Note\*  
Because we waited until much later in the fiscal year than we normally do for the first Instructional Improvement Fund payment, there is more revenue than usual. This resulted in much larger payments to LEAs. This will also make the second payment of the fiscal year that much smaller since the "halves" of the year covered are so disproportionate. It will level out over the fiscal year, but with payment 1 being much larger than payment 2 instead of them being closer to equal.

Please view the county reports, which will show the district portions, at <http://www.azed.gov/SchoolFinanceReports/Reports?reportType=county> or a detailed state-wide FY 2017 IIF Payment 1 Report at [www.azed.gov/SchoolFinanceReports/](http://www.azed.gov/SchoolFinanceReports/)

All monies received for the Instructional Improvement Fund to date have been distributed based on each district's or charter's unweighted attending student count.

Pursuant to A.R.S. §15-979 (D) & (E), these funds may be expended as follows:

- D. Each school district and charter school may utilize up to fifty percent of the amount of monies determined pursuant to subsection C for teacher compensation increases and class size reduction as provided in section 15-977.
- E. Monies that are not utilized as provided in subsection D shall be utilized for the following maintenance and operation purposes:
  - 1. Dropout prevention programs.
  - 2. Instructional improvement programs including programs to develop minimum reading skills for students by the end of third grade.

If you have questions concerning your calculated payment, please contact Chelsea Jemison via email at [Chelsea.Jemison@azed.gov](mailto:Chelsea.Jemison@azed.gov) or by phone at (602)542-8244.

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